

BEFORE THE
SCIENTIFIC AND MEDICAL FACILITIES WORKING GROUP
INDEPENDENT CITIZENS' OVERSIGHT COMMITTEE
TO THE CALIFORNIA INSTITUTE FOR REGENERATIVE MEDICINE
ORGANIZED PURSUANT TO THE
CALIFORNIA STEM CELL RESEARCH AND CURES ACT

REGULAR MEETING

LOCATION: THE WESTIN SAN FRANCISCO
1 OLD BAYSHORE HIGHWAY
MILLBRAE, CALIFORNIA

DATE: APRIL 4, 2008
2:30 P.M.

REPORTER: BETH C. DRAIN, CSR
CSR. NO. 7152

BRS FILE NO.: 79838

BARRISTERS' REPORTING SERVICE

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BARRISTERS' REPORTING SERVICE

1 SAN FRANCISCO, CALIFORNIA; FRIDAY, APRIL 4, 2008

2 2:30 P.M.

3

4 CHAIRMAN LICHTENGER: GOOD AFTERNOON. MY NAME
5 IS DAVID LICHTENGER. I'D LIKE TO CALL THE MEETING TO
6 ORDER. MY NAME IS DAVID LICHTENGER. I'M THE CHAIR OF
7 THE CALIFORNIA INSTITUTE FOR REGENERATIVE MEDICINE
8 FACILITIES WORKING GROUP. AT THIS POINT I'D LIKE TO HAVE
9 RICK KELLER, SENIOR OFFICER OF THE SCIENTIFIC AND MEDICAL
10 FACILITIES WORKING GROUP AND PRINCIPAL PERSON FOR THE
11 WORKING GROUP, TO CALL THE ROLL.

12 MR. KELLER: MARCY FEIT. DEBORAH HYSEN.

13 MS. HYSEN: HERE.

14 MR. KELLER: ED KASHIAN.

15 MR. KASHIAN: HERE.

16 MR. KELLER: STUART LAFF.

17 MR. LAFF: HERE.

18 MR. KELLER: DAVID LICHTENGER.

19 CHAIRMAN LICHTENGER: HERE.

20 MR. KELLER: JOAN SAMUELSON. DAVID
21 SERRANO-SEWELL. JEFF SHEEHY. JANET WRIGHT.

22 DR. WRIGHT: HERE.

23 MS. PACTER: WE HAVE A QUORUM FOR THE
24 INSTITUTE.

25 MR. KELLER: BECAUSE WE HAVE RECUSALS ASSOCIATED

BARRISTERS' REPORTING SERVICE

1 WITH THE INSTITUTES, THE QUORUM CONSTITUTES -- SIX WOULD
2 CONSTITUTE A QUORUM.

3 MR. KLEIN: LET THE RECORD SHOW, RICK, THAT I'M
4 ALSO PRESENT. BOB KLEIN.

5 MR. KELLER: EXCUSE ME, MR. CHAIRMAN.

6 CHAIRMAN LICHTENGER: SO I'D LIKE TO WELCOME THE
7 MEMBERS OF THE WORKING GROUP TO THIS IMPORTANT MEETING OF
8 THE FACILITIES WORKING GROUP AND ALSO WELCOME CIRM
9 PRESIDENT ALAN TROUNSON TO THE MEETING.

10 BEFORE WE HAVE INTRODUCTORY COMMENTS, RICK,
11 WOULD YOU INTRODUCE THE OTHER MEMBERS OF THE CIRM TEAM
12 THAT ARE HERE TODAY IN SUPPORT OF OUR EFFORTS?

13 MR. KELLER: WELL, BOB KLEIN IS HERE. FIRST, ON
14 MY LEFT, RAY GROOM IS A PLANNER, A GENERALIST, WHO WORKED
15 IN HIGHER EDUCATION AND ASSISTED ME IN THE STAFF REVIEWS.
16 HIS BIO IS INCLUDED IN YOUR PACKET UNDER RESOURCES. AND
17 TO HIS LEFT IS STEVE COPENHAGEN, WHO IS OUR LAB PLANNER
18 EXPERT, WHO IS WITH CANNON COPENHAGEN. HE IS ALSO AN
19 ACCREDITED PROFESSIONAL IN LEED'S AND WOULD OFFER ANY
20 ADVICE. VERY PLEASED TO HAVE HAD THE OPPORTUNITY TO WORK
21 WITH THESE TWO INDIVIDUALS IN THE PREPARATION OF THE
22 MATERIALS FOR YOUR MEETING HERE TODAY.

23 ALSO WITH US TODAY TO MY RIGHT IS GENERAL
24 COUNSEL, TAMAR PACHTER; OF COURSE, THE PRESIDENT, ALAN
25 TROUNSON; SCOTT TOCHER, COUNSEL; AND JAMES HARRISON,

BARRISTERS' REPORTING SERVICE

1 COUNSEL. AND ON THE FAR TABLE MELISSA KING, JENNA PRYNE,
2 AND BETH DRAIN IS OUR TRANSCRIBER TODAY. ALSO WITH US
3 TODAY FOR THE FIRST TIME AT A WORKING GROUP, I BELIEVE,
4 IS THE NEW CHIEF SCIENCE OFFICER, MARIE CSETE. ALONG
5 WITH HER IS PAT OLSON AND DON GIBBONS. SO THAT'S ABOUT
6 IT.

7 CHAIRMAN LICHTENGER: THANK YOU, RICK. SO, DR.
8 TROUNSON --

9 MR. KELLER: I FORGOT THE TABLE BACK HERE. LET
10 ME JUST GET ONE MORE. SOME OF OUR SUPPORT STAFF THAT ARE
11 HELPING US PUT TOGETHER ALL OF THIS MATERIAL, VERY MUCH
12 APPRECIATE ALL OF THEIR HELP, PAT BECKER, HEATHER BALDRY,
13 CYNTHIA SCHAFFER IS OUR PARALEGAL, AND DOUG IS ALSO OUR
14 TECHNICAL ASSISTANT.

15 CHAIRMAN LICHTENGER: IS THAT EVERYONE? WELL,
16 RICK AND ALL THE OTHER MEMBERS OF CIRM, I'D LIKE TO THANK
17 YOU FOR AN UNBELIEVABLE JOB PULLING THIS TOGETHER AND ALL
18 THE MATERIALS THAT YOU'VE SENT TO EVERYONE, THE
19 FACILITIES WORKING GROUP, AND YOU'VE INTERACTED WITH ME
20 IN PULLING TOGETHER. I THINK YOU'VE JUST DONE AN AMAZING
21 JOB. THANK YOU.

22 NOW I'D LIKE TO HAVE DR. TROUNSON SAY A FEW
23 WORDS AND ADDRESS THE WORKING GROUP WITH SOME
24 INTRODUCTORY COMMENTS.

25 DR. TROUNSON: THANKS, DAVID. AND I WILL BE

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1 BRIEF BECAUSE YOU'VE GOT QUITE A TASK IN FRONT OF YOU.
2 SO THANK YOU VERY MUCH TO THE WORKING GROUP. I ACTUALLY
3 KNOW WHAT VOLUME OF MATERIALS YOU'VE BEEN SORT OF
4 SUBMERGED UNDER BECAUSE I SAW STACKS OF IT GO OUT. AND
5 WE REALLY APPRECIATE EVERYTHING YOU'RE DOING IN THIS
6 INCREDIBLY IMPORTANT PROGRAM.

7 THIS IS REALLY BUILDING INFRASTRUCTURAL
8 INSTITUTIONAL CAPACITY IN CALIFORNIA. AND I THINK IT'S
9 ONE OF THE -- IT IS PROBABLY THE MOST IMPORTANT
10 INGREDIENT IN THE SCIENCE PROGRAM. YOU REALLY NEED THESE
11 KIND OF CENTERS AND INSTITUTES AND PROGRAMS IF YOU WANT
12 TO BRING TOGETHER THE HIGH-POWERED SCIENTISTS AND
13 ACTUALLY GET THEM WORKING IN COORDINATION. I KNOW
14 BECAUSE THAT'S WHAT I'VE BEEN DOING IN MY LIFE, BRINGING
15 SCIENTISTS TOGETHER TO WORK IN CENTERS. AND ABILITY TO
16 CROSS-FERTILIZE IDEAS IS ABSOLUTELY CRITICAL.

17 THIS IS THE LARGEST SINGLE INFRASTRUCTURAL
18 CONTRIBUTION IN THE WORLD IN STEM CELLS. IT IS THE
19 LARGEST INFRASTRUCTURAL COMPONENT THAT HAS EVER BEEN PUT
20 UP IN THE WORLD. SO I THINK THAT'S SOMETHING VERY
21 SPECIAL AND VERY CALIFORNIAN. AND I THINK IT UNDERLIES
22 THE LEADERSHIP THAT THE CALIFORNIANS HAVE TAKEN IN
23 PROPOSITION 71. AND I'M A JOHNNY COME LATELY REALLY TO
24 THE WHOLE PROGRAM. I'VE ONLY BEEN HERE THREE MONTHS, BUT
25 I'M ASTONISHED AT THE PACE AND THE CAPACITY THAT'S BEEN

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1 GENERATED BY THIS.

2 AND AS DON GIBBONS WILL DEMONSTRATE CONTINUOUSLY
3 FOR US ALL, THE PRODUCTIVITY THAT'S COMING FROM THESE
4 INVESTMENTS IS ALREADY ASTONISHING. THERE IS A STORY
5 ABOUT TO COME OUT WHICH WILL PROBABLY LEAD TO THE CURE OF
6 A VERY SERIOUS DISEASE, ALL DONE WITHIN 12 MONTHS. AND
7 THIS IS WHAT WE'VE BEEN WORKING FOR. SO IMAGINE IF YOU
8 BRING SCIENTISTS TOGETHER IN THE KIND OF INSTITUTES THAT
9 YOU HAVE IN FRONT OF YOU WHAT YOU MIGHT EXPECT.

10 I THINK THE INSTITUTE PLANNING IS FANTASTIC.
11 I'D LIKE TO EMPHASIZE TO THE WORKING GROUP THAT IT IS
12 ALSO A HUMAN ENVIRONMENT. ONCE WE PACK SCIENTISTS AT ONE
13 TIME INTO SMALL ROOMS, SMALL LABS, CLOSE THE DOOR, AND
14 SAY GET ON WITH IT, THAT'S NOT HOW SCIENCE IS DONE
15 ANYMORE. IT'S AN INTERACTIVE ENVIRONMENT. WE WORK
16 TOGETHER WITH COLLEAGUES. WE HAVE PEOPLE COME TO TALK TO
17 US AT CONFERENCES WITHIN THE FACILITY. WE HAVE VISITORS
18 WORKING WITH US. AND THIS IS THE WAY -- THIS IS THE WAY
19 SCIENCE ACTUALLY WORKS THESE DAYS. SO THE HUMAN
20 ENVIRONMENT IS AS IMPORTANT AS THE ACTUAL LABORATORIES.

21 I WANT TO EMPHASIZE THAT TOO BECAUSE I THINK
22 SOME OF THESE PLANS HERE REALLY GOT IT RIGHT. AND YOU
23 CAN'T JUST LOCK SCIENTISTS IN A SINGLE ROOM AND EXPECT
24 THEM TO COME OUT WITH WHAT YOU WANT. YOU WILL IF YOU
25 PROVIDE AN ENVIRONMENT FOR THEM TO WORK THROUGH NEW

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1 IDEAS, PICK UP THE ENERGY FROM ONE ANOTHER, AND ACTUALLY
2 SUCCEED.

3 SO IT'S GREAT SCIENCE THAT'S INVOLVED IN THIS,
4 AND WE'RE NOT TALKING ABOUT THE SCIENCE AT THIS TIME, BUT
5 THEY'RE GREAT BUILDINGS. SO YOU'VE GOT A TERRIBLY HARD
6 CHORE IN FRONT OF YOU TO SOMEHOW REDUCE THE 22-PERCENT
7 DIFFERENCE BETWEEN WHAT HAS BEEN REQUESTED AND WHAT'S
8 AVAILABLE. AND I HOPE YOU ARE ABLE TO DO THAT WITH THE
9 INFORMATION THAT YOU GOT.

10 AND I WISH YOU THE VERY BEST AND HOPE THAT YOU
11 WON'T FEEL STRESSED IN DOING THIS. I THINK I WOULD
12 BECAUSE IT'S SUCH AN IMPORTANT ACTIVITY. IT IS REALLY
13 ONE OF THE HIGHLIGHTS, I THINK, OF THE START OF THE WHOLE
14 CIRM AND PROPOSITION 71. SO THANK YOU VERY, VERY MUCH
15 FOR YOUR TIME, AND WE REALLY APPRECIATE EVERY MOMENT.

16 CHAIRMAN LICHTENGER: THANK YOU, DR. TROUNSON.
17 AND SO WE HAVE QUITE A BIT TO DO OVER THE NEXT DAY AND A
18 HALF. SO BEFORE WE GO TO AGENDA ITEM 4, I WANT TO
19 PROVIDE SOME CONTEXT FOR TODAY'S MEETING.

20 OUR WORK TODAY WILL FOCUS ON THE EVALUATION OF
21 THE LARGEST REQUEST FOR APPLICATIONS OR RFA THAT CIRM HAS
22 ISSUED TO DATE. THE ICOC, THE INDEPENDENT CITIZENS
23 OVERSIGHT COMMITTEE, THAT GOVERNS CIRM HAS APPROVED \$262
24 MILLION FOR THIS RFA. WE MUST REALIZE THAT THERE ARE TWO
25 IMPORTANT REASONS WE NEED THESE NEW FACILITIES.

BARRISTERS' REPORTING SERVICE

1 SCIENTIFIC ORGANIZATIONS ARE OUT OF SPACE, AND THEY ALSO
2 LACK THE NECESSARY EQUIPMENT TO ADVANCE THIS SCIENCE TO
3 THE NEXT LEVEL. MOST OF THE ORGANIZATIONS HAVE STEM CELL
4 SCIENTISTS IN BORROWED, SHORT-TERM SPACE THAT IS SPREAD
5 THROUGHOUT THE CAMPUS IN A NUMBER OF DIFFERENT
6 DEPARTMENTS IN A FRACTURED WAY THAT DOESN'T FACILITATE
7 THE HIGH DEGREE OF INTERACTION AND TEAMWORK NECESSARY TO
8 MOVE THIS FIELD TO THE NEXT LEVEL OF SUCCESS.

9 REGARDING THE ELECTION IN NOVEMBER, WE NEED TO
10 BE AWARE THAT EVEN WITH THE UPCOMING CHANGE IN THE
11 PRESIDENCY, THERE ARE MAJOR ISSUES AT THE FEDERAL LEVEL.
12 THERE'S A LACK OF FUNDS. EVEN IF THERE IS A CHANGE IN
13 THE PRESIDENTIAL STANCE ON STEM CELL RESEARCH, THERE WILL
14 BE ISSUES IN TERMS OF THE AMOUNT OF FUNDING AVAILABLE IN
15 MOVING THINGS THROUGH CONGRESS.

16 AT THIS POINT, I WANT TO ASK THE CHAIRMAN OF THE
17 ICOC, BOB KLEIN, TO SAY A FEW THINGS.

18 MR. KLEIN: TO PROVIDE ADDITIONAL CONTEXT FOR
19 THE STATEMENT RELATED TO FUTURE CAPACITY AND THE ABILITY
20 TO HAVE THAT CAPACITY AUGMENTED THROUGH THE FEDERAL
21 GOVERNMENT, I'D LIKE TO BRING THREE MAJOR POINTS TO YOUR
22 ATTENTION. ONE IS, GIVEN THE STATUS OF THE NIH BUDGET,
23 WHICH HAS BEEN AT 28 BILLION, ESSENTIALLY FLAT, 28-29
24 BILLION FOR FIVE YEARS, IF YOU ASSUME THAT INFLATION IN
25 THE MEDICAL ENTERPRISE AREA IS 8 TO 10 PERCENT A YEAR,

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1 THEY EITHER HAVE FUNDS THAT ARE 40 PERCENT DISCOUNTED
2 FROM WHAT THEY WERE FIVE YEARS AGO OR 50 PERCENT
3 DISCOUNTED FROM WHAT THEY WERE FIVE YEARS AGO.

4 SO IN THE NIH BUDGET THERE ISN'T FUNDING FOR NEW
5 BUILDINGS THAT WOULD BE BUILT TO CREATE THIS CAPACITY.
6 AND IF THAT FUNDING CAME AT THE END OF 2009, IT WOULD BE
7 FOR 2010. IT WOULD CAUSE EXTREME DELAY TO THE CAPACITY
8 THAT'S NEEDED. AND AS DAVID LICHTENGER HAS SAID, MANY OF
9 THESE SCIENTISTS ARE HOUSED TEMPORARILY IN OTHER
10 DEPARTMENTS WHERE THE SPACE HAS TO BE RETURNED TO THOSE
11 DEPARTMENTS ON A SCHEDULE. SO THESE INSTITUTIONS
12 DESPERATELY NEED THAT SPACE.

13 IN ADDITION, IN TERMS OF NEW FUNDING FOR THE
14 RESEARCH ITSELF, OR ANY OTHER APPROPRIATIONS, CONGRESS
15 IS, OF COURSE, TREMENDOUSLY BURDENED BY THE COST OF THE
16 WAR IN IRAQ, AND IT WILL BE VERY DIFFICULT TO GET ANY
17 APPROPRIATIONS THROUGH. YOU WILL COUNT EVERY VOTE TO DO
18 SO. AND FOR THE U. S. SENATE, UNLESS THERE ARE 60
19 SENATORS THAT ARE PREPARED TO VOTE FOR CLOTURE, YOU
20 CANNOT GET AN APPROPRIATION BILL THROUGH THE U. S. SENATE.
21 SO YOU HAVE TO HAVE 60, NOT ONLY FOR EMBRYONIC STEM CELL
22 RESEARCH ON PROGRAMS THAT INVOLVE EMBRYONIC STEM CELLS,
23 BUT 60 PREPARED TO STAND UP AND VOTE FOR CLOTURE, WHICH
24 IS A DIFFERENT ISSUE.

25 THAT'S GOING TO BE VERY DIFFICULT TO ACHIEVE

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1 EVEN IN THE ELECTIONS THIS FALL. SO ALTHOUGH YOU MAY
2 HAVE MAJORITIES IN BOTH CONGRESSES, YOU HAVE AN
3 EXTRAORDINARY BATTLE OVER FUNDING AND AN INABILITY
4 POTENTIALLY TO GET CLOTURE IN THE SENATE. THEREFORE,
5 THESE FACILITIES AND THE FUNDING OF THESE FACILITIES ARE
6 CRITICAL COMPONENTS THAT THE STATE OF CALIFORNIA
7 CONTINUES TO PROVIDE AS A STABLE BASE THAT WE REALLY HAVE
8 PROBLEMS LOOKING TO THE FEDERAL GOVERNMENT FOR, AND WE
9 HAVE PROBLEMS LOOKING TO THE FEDERAL CONGRESS. HOWEVER
10 COMMITTED BY MAJORITIES IN BOTH HOUSES TO CHANGING THESE
11 RESTRICTIONS, THEY HAVE INSTITUTIONAL BLOCKAGES TO
12 CHANGING THE DICKIE-WICKER AMENDMENT AND OTHER
13 CONSTRAINTS ON FUNDING THAT WOULD INVOLVE FUNDING IN
14 FACILITIES THAT ACCOMMODATE EMBRYONIC STEM CELL RESEARCH.

15 IT IS A UNIQUE CONTRIBUTION, THEREFOR, THAT CAN
16 BE MADE. AND I'D REMIND EVERYONE THAT WE'RE USING LESS
17 THAN 10 PERCENT HERE OF THE \$3 BILLION APPROVED BY THE
18 VOTERS, SO 90 PERCENT IS GOING INTO RESEARCH, 10 PERCENT
19 IS GOING INTO BUILDINGS, PHYSICAL BUILDINGS. THIS ROUND
20 INVOLVES A SMALL AMOUNT, \$35 MILLION, OF EQUIPMENT
21 FUNDING, WHICH IS CONSIDERED A CONTRIBUTION TO THE
22 RESEARCH BUDGETS. AND IN FUTURE RESEARCH GRANTS, THOSE
23 INSTITUTIONS WOULD NOT, THEREFORE, NEED THAT EQUIPMENT IF
24 WE FUND IT IN THIS ROUND.

25 CHAIRMAN LICHTENGER: THANK YOU, BOB. WE'VE

BARRISTERS' REPORTING SERVICE

1 SPENT THE BETTER PART OF THE LAST YEAR PREPARING FOR THIS
2 MEETING. WE BEGAN THE CONCEPT APPROVAL BY THE ICOC LAST
3 MARCH. WE DECIDED THAT IT WAS IMPORTANT TO HAVE PUBLIC
4 INPUT ON THE RFA. THE FACILITIES WORKING GROUP HELD FOUR
5 PUBLIC MEETINGS OVER THE SUMMER IN SAN FRANCISCO,
6 SACRAMENTO, LOS ANGELES, AND SAN DIEGO WHERE WE HEARD
7 EXTENSIVE TESTIMONY FROM POTENTIAL APPLICANTS AND THE
8 PUBLIC. THIS WAS EXTREMELY HELPFUL AS WE THEN DEVELOPED
9 THE PROCESS FOR THE RFA.

10 IN AUGUST 2007 THE ICOC DEVELOPED A TWO-STEP
11 REVIEW PROCESS WITH PART 1 APPLICATIONS TO BE REVIEWED BY
12 THE GRANTS WORKING GROUP ADDRESSING THE SCIENTIFIC MERIT
13 FOLLOWED BY THE ICOC REVIEW AND APPROVAL OF THE
14 APPLICANTS QUALIFIED TO SUBMIT AN APPLICATION FOR PART 2.

15 AT THIS MEETING THE ICOC ALSO APPROVED THE
16 CRITERIA, THE DEFINITIONS, THE EVALUATION STANDARDS THAT
17 WERE DEVELOPED BY THE WORKING GROUP. THE ICOC REVIEWED
18 17 APPLICATIONS AT ITS JANUARY MEETING. TWELVE OF THE
19 APPLICATIONS WERE APPROVED FOR CONSIDERATION FOR PART 2.

20 PART 2 APPLICATION INSTRUCTIONS WERE ISSUED IN
21 JANUARY WITH APPLICATIONS DUE TO CIRM AT THE END OF
22 FEBRUARY. THAT BRINGS US TO THE CURRENT STATUS OF THE
23 EFFORT WITH OUR MEETING TODAY TO REVIEW THE TWELVE
24 APPLICATIONS AND PREPARE FOR RECOMMENDATIONS TO THE ICOC
25 TO BE CONSIDERED AT THEIR MAY 6TH AND 7TH MEETINGS IN LOS

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1 ANGELES.

2 BEFORE I ASK RICK TO BEGIN HIS PRESENTATION ON
3 THE REVIEW PROCESS, I WANT TO DRAW YOUR ATTENTION TO THE
4 SLIDE WE PREPARED THAT I THINK SUMMARIZES OUR GOAL TODAY.

5 THANK YOU, RICK. STARTING ON THE RIGHT, THIS
6 CHART SHOWS THAT THE BUDGET OF \$262 MILLION IN CIRM FUNDS
7 IS ABOUT A THIRD OF THE FUNDS PROPOSED BY THE APPLICANTS
8 TO BE SPENT ON THESE PROJECTS. THEIR REQUESTS TOTAL
9 ABOUT 336 MILLION, WHICH IS 74 MILLION OVER OUR BUDGET.
10 MATCHING FUNDS CONSTITUTE THE NEXT FUNDING SOURCE AND,
11 FINALLY, LEVERAGE. THE APPLICANT'S CONTRIBUTION TO THE
12 PROJECT IN EXCESS OF THE REQUIRED 20-PERCENT MATCHING
13 FUNDS CONSTITUTES ABOUT HALF OF THE TOTAL FUNDING.

14 THE USE OF FUNDS ON THE LEFT INDICATES THAT THE
15 SPACE PROPOSED FOR RESEARCH TO HOUSE THE TEAMS OF
16 INVESTIGATORS AT THESE INSTITUTIONS ACCOUNTS FOR MORE
17 THAN HALF OF THE FUNDING PROPOSED. CORE LABORATORIES ARE
18 NEXT. TYPICALLY THESE ARE SPECIALIZED LABORATORIES THAT
19 ARE SHARED AMONGST MANY USERS. APPLICANTS HAVE PROPOSED
20 SPACE FOR A VARIETY OF SUPPORT USES THAT INCLUDE
21 ADMINISTRATIVE SUPPORT AND CONFERENCE SPACE.

22 FINALLY, THE RESEARCHERS NEED EQUIPMENT TO
23 PERFORM THEIR WORK, AND THAT IS PART OF THE USE OF FUNDS
24 PROPOSED BY THE APPLICANTS.

25 I WANT TO DRAW YOUR ATTENTION BACK TO THE MIDDLE

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1 OF THE COLUMN ON THE RIGHT. WE'LL BE SPENDING THE NEXT
2 DAY AND A HALF WORKING ON DEALING WITH THE AMOUNT THAT IS
3 REQUESTED THAT IS IN EXCESS OF THE CIRM FUNDED AMOUNT.

4 AT THIS POINT, ARE THERE ANY QUESTIONS FROM THE
5 FACILITIES WORKING GROUP MEMBERS?

6 MR. KLEIN: MR. CHAIRMAN, I'D JUST LIKE TO POINT
7 OUT THE SLIDE THAT YOU'RE BRINGING TO OUR ATTENTION SHOWS
8 THAT THE CIRM BUDGET OF \$262 MILLION IS ONLY SUFFICIENT
9 TO EFFECTIVELY FUND THE HARD SCIENCE LABS AND THE PI
10 OFFICES. SO WHATEVER OTHER ADMINISTRATIVE FACILITIES OR
11 FACILITIES THAT WILL CREATE CONFERENCES AND BE
12 ENHANCEMENTS TO THE SCIENTIFIC OUTREACH IN THESE
13 FACILITIES, THOSE ARE GOING TO BE PAID FOR OUT OF
14 LEVERAGE FUNDS. SO IT'S IMPORTANT, FROM A PUBLIC
15 PERSPECTIVE, WE UNDERSTAND WE'RE ONLY FUNDING THE HARD
16 SCIENTIFIC LAB SPACE; AND THE OTHER FACILITIES, WHILE
17 CONTRIBUTIONS TO THE MISSION ARE EFFECTIVELY NOT BEING
18 FUNDED OUT OF TAXPAYER FUNDS, BUT OUT OF THE
19 INSTITUTION'S DONORS AND INSTITUTIONAL COMMITMENT FUNDS.

20 CHAIRMAN LICHTENGER: THANK YOU.

21 MS. SAMUELSON: YES, MR. CHAIRMAN. CAN SOMEONE
22 EXPLAIN THE DIFFERENCE BETWEEN MATCH AND LEVERAGE?

23 CHAIRMAN LICHTENGER: RICK, I THINK YOU ARE
24 PROBABLY MOST QUALIFIED TO ANSWER THIS QUESTION.

25 MR. KELLER: THE RFA REQUIRED THE APPLICANTS TO

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1 PROVIDE A 20-PERCENT MATCH. ANYTHING IN EXCESS OF THAT,
2 RATHER THAN CALL THAT EXTRA MATCH, WE JUST COINED
3 LEVERAGE AS IT WOULD BE AN IDENTIFIER FOR THE AMOUNT OF
4 FUNDS THAT THEY PROVIDE IN EXCESS OF THE REQUIRED MATCH.

5 MS. SAMUELSON: GREAT. THANK YOU.

6 CHAIRMAN LICHTENGER: ANY OTHER QUESTIONS OF THE
7 FACILITIES WORKING GROUP?

8 DR. WRIGHT: IT'S NOT A QUESTION, BUT A COMMENT.
9 AND I MEANT TO SAY IT EARLIER. I JUST WANT TO ON BEHALF
10 OF THE BOARD AND THE OTHER MEMBERS OF THE FACILITIES
11 WORKING GROUP THANK OUR REAL ESTATE EXPERTS. THE AMOUNT
12 OF DATA THAT YOU SIFTED THROUGH AND GUIDED US ON AND WILL
13 INVOLVE HERE IN THE CONVERSATIONS FOR THE NEXT HOURS
14 TODAY ARE GOING TO HELP GIVE SCIENCE A HOME IN
15 CALIFORNIA. AND WE APPRECIATE YOUR EXPERTISE AND YOUR
16 VOLUNTEER SPIRIT.

17 CHAIRMAN LICHTENGER: THANK YOU. SO OUR AGENDA
18 CALLS FOR PUBLIC COMMENTS AT THIS TIME. WE WILL BE
19 ALLOWING TIME FOR PUBLIC COMMENTS DURING THE REVIEW OF
20 EACH APPLICATION. HOWEVER, IF THERE'S ANYONE WHO WISHES
21 TO MAKE ANY GENERAL COMMENTS, PLEASE COME FORWARD NOW TO
22 THE PODIUM. PLEASE IDENTIFY YOURSELF AND WHO YOU ARE
23 AFFILIATED WITH. AND OUR PROCEDURE ALLOWS THREE MINUTES
24 PER SPEAKER. IS THERE ANYONE THAT WOULD LIKE TO SPEAK
25 NOW AT THIS POINT? OKAY. SO NO PUBLIC SPEAKERS AT THE

BARRISTERS' REPORTING SERVICE

1 BEGINNING OF THE MEETING. WE'RE STARTING OFF STRONG.

2 SO THANK YOU. SO OUR NEXT AGENDA ITEM IS ITEM
3 5, CONSIDERATION OF RECOMMENDATIONS FOR THE PROPOSED
4 AMENDMENTS TO FACILITIES GRANTS ADMINISTRATION POLICY. I
5 UNDERSTAND THAT WE'LL TAKE THIS UP AT A LATER TIME WHEN
6 WE'LL BE ABLE TO INCLUDE OTHER WORKING GROUP MEMBERS WHO
7 ARE CURRENTLY NOT IN ATTENDANCE.

8 MOVING ON IS ITEM 6, WHICH IS THE REVIEW OF THE
9 PART 2 APPLICATIONS FOR RFA 07-03. I'LL ASK RICK KELLER
10 TO START US OFF IN THE REVIEW.

11 MR. KELLER: THANK YOU. I HAVE A FEW SLIDES TO
12 GO OVER ON THE LEFT, TO YOUR RIGHT, RATHER, JUST TO
13 PROVIDE SOME CONTEXT ON THE ACTUAL REVIEW PROCESS. AND
14 THEN WE SET THE ROOM UP WITH A VARIETY -- WITH SOME
15 FLEXIBILITY TO PROVIDE YOU WITH DISPLAYS AS WE GO THROUGH
16 THE REVIEW PROCESS IF YOU NEED MULTIPLE COMPARISONS.

17 SO FIRST OF ALL, I WANT TO REMIND YOU OF THE
18 SPECIFIC OBJECTIVES OF THIS RFA. CLEARLY CAPACITY OF
19 STEM CELL RESEARCH IN CALIFORNIA IS KEY, AND THAT
20 INCLUDES SPACE, THE TECHNICAL RESOURCE CAPABILITIES, SUCH
21 AS THE CORE LABS, AND THE OPPORTUNITY TO CREATE
22 MULTIDISCIPLINARY FACILITIES. IT ALSO ESTABLISHED
23 CLEARLY COLLABORATION AS A FIRM PRIORITY. AND WE
24 DISCUSSED BOTH THAT THIS SPACE IS FREE OF FEDERAL FUNDS,
25 AND WE'LL BE INVESTING \$262 MILLION.

BARRISTERS' REPORTING SERVICE

1 THE CHAIRMAN OUTLINED BRIEFLY THE PROCESS OF THE
2 WORKING GROUP. WE ALSO DID SOME WORK TO ISSUE THE PART 1
3 APPLICATION AT CIRM. THE GRANTS WORKING GROUP REVIEWED
4 THAT AND MADE THE RECOMMENDATIONS TO THE ICOC. THERE WAS
5 APPROVAL OF THOSE THAT WERE JUDGED MERITORIOUS TO GO
6 FORWARD TO THE PART 2, AND THEN WE ISSUED THE PART 2
7 APPLICATIONS. SO OUR LAST TWO BOXES TO CHECK HERE AT THE
8 BOTTOM OF THE SLIDE IS TO REVIEW AND MAKE THESE
9 RECOMMENDATIONS AND THEN SUBMIT THOSE RECOMMENDATIONS TO
10 THE ICOC NEXT MONTH.

11 I WANT TO REMIND YOU OF KIND OF THE STRUCTURE OF
12 THE RFA IN TERMS OF THE FUNDING PLAN. OF THE TWELVE
13 APPROVED APPLICATIONS, THERE ARE SEVEN IN THE CATEGORY OF
14 CIRM INSTITUTES, WHICH CONSTITUTE AWARDS UP TO \$50
15 MILLION. IN ESTABLISHING A TENTATIVE FUNDING LEVEL FOR
16 THE INSTITUTES, THE ICOC APPROVED 214.9 MILLION, WHICH IS
17 A DERIVATION FROM THE MIDPOINT OF THE PREVIOUS RANGE FOR
18 FUNDING IN THE INSTITUTES.

19 THE CENTER OF EXCELLENCE CATEGORY INCLUDES TWO
20 PROPOSALS WITH REQUESTS UP TO 25 MILLION. BOTH ARE FOR
21 \$25 MILLION WITH 28.7 AVAILABLE.

22 AND THE SPECIAL PROGRAMS ALLOCATED BASED ON THE
23 MIDPOINT IS 18.4, AND WE HAVE THREE PROJECTS IN THAT
24 CATEGORY.

25 AND THAT'S HOW THE \$262 MILLION IS ESTABLISHED

BARRISTERS' REPORTING SERVICE

1 TENTATIVELY, BUT YOU HAVE THE ABILITY TO MAKE ADJUSTMENTS
2 LATER ON, AND THAT WILL BE TOMORROW.

3 THE REVIEW PROCEDURE WILL TAKE PLACE IN TWO
4 MAJOR SESSIONS TODAY, AND HOPEFULLY WE CAN FINISH TODAY.
5 THE TECHNICAL REVIEW IS TO APPLY THE CRITERIA THAT YOU
6 ADOPTED AND THE ICOC APPROVED THAT DEAL WITH THE SPECIFIC
7 APPLICATION'S VALUE, LEVERAGE, URGENCY, SHARED RESOURCES,
8 AND FUNCTIONALITY.

9 TOMORROW THE RECOMMENDATIONS WOULD BE FORMULATED
10 BASED ON THE TECHNICAL REVIEW AND OTHER CONSIDERATIONS
11 AND THE POINT VALUES THAT YOU'RE VERY FAMILIAR WITH.

12 AND ON THE ACTUAL PROCESS FOR THE REVIEW, THE
13 RESOURCES THAT YOU HAVE AVAILABLE, WE PREPARED THE STAFF
14 ANALYSIS. AND PER THE DISCUSSIONS THAT WERE HELD LAST
15 YEAR AND THIS YEAR IN FORMULATING A PROCESS, WE FOCUSED
16 ON FACTS AND NUMERICAL DATA, AND WE ALSO SECURED SERVICES
17 OF MR. COPENHAGEN AS AN OUTSIDE EXPERT REVIEWER TO OFFER
18 HIS OPINION ON BOTH VALUE AND FUNCTIONALITY OF THE
19 PROPOSALS.

20 WE'VE ORGANIZED THE APPLICATIONS, THEN, BY THE
21 THREE GROUPS THAT I MENTIONED. AS WE GO INTO EACH GROUP,
22 I WILL OR MR. GROOM, WE'VE SPLIT THEM UP, WILL SUMMARIZE
23 THE STAFF ANALYSIS FOR YOU WHEN WE GO THROUGH THAT.
24 THERE'S ALSO IN THE PACKET AN APPLICANT RESPONSE TO THE
25 DRAFT STAFF ANALYSIS SINCE THAT WAS A COMPONENT THAT YOU

BARRISTERS' REPORTING SERVICE

1 ASKED US TO INCLUDE IN THE REVIEW. AND THERE'S A
2 SEPARATE -- WE'VE COLOR-CODED THESE PAGES IN YOUR BOOK SO
3 YOU KNOW SPECIFICALLY WHICH SOURCE OF INFORMATION YOU'RE
4 GETTING.

5 AND ONCE YOU'VE REVIEWED THOSE -- ONCE WE'VE
6 SUMMARIZED THOSE, THEN THE REAL ESTATE MEMBERS HAVE BEEN
7 ASSIGNED BOTH PRIMARY AND SECONDARY REVIEW ASSIGNMENTS SO
8 THAT THEY CAN, BASED ON THEIR PROFESSIONAL BACKGROUND AND
9 KNOWLEDGE IN THEIR FIELD, DISCUSS THE STRENGTHS AND
10 WEAKNESSES OF THESE PROPOSALS AND GIVE THEIR GENERAL
11 IMPRESSIONS.

12 I'M HAVING A LITTLE TROUBLE WITH THE SLIDES
13 STICKING TO WHERE THEY'RE SUPPOSED TO BE.

14 THEN AFTER YOU HAVE HAD THE OPPORTUNITY TO
15 DISCUSS THE APPLICATIONS, THE PROCEDURE CALLS FOR THE
16 OPPORTUNITY FOR PUBLIC COMMENTS, AS MENTIONED BY THE
17 CHAIR. AND THEN AT THAT POINT, YOU WOULD RECORD A
18 TENTATIVE SCORE FOR EACH -- IN EACH OF YOUR SCORE BOOKS.
19 AND FOR THOSE THAT HAVE RECUSALS, THE SCORE BOOK SO
20 INDICATES. YOUR SCORES ARE TENTATIVE UNTIL THE
21 COMPLETION OF ANY CATEGORY OF FUNDING.

22 SO FOR THE INSTITUTES, IF YOU WANT TO GO BACK
23 AND MAKE CHANGES, WE'RE NOT GOING TO COLLECT THOSE UNTIL
24 WE COMPLETE THE ACTUAL COMPLETE CATEGORY. THEN WE WILL
25 CALCULATE THE AGGREGATE SCORE FOR THESE AND THEN PRESENT

BARRISTERS' REPORTING SERVICE

1 THEM TO YOU IN CHART FORMAT. AND THAT'S THE FIRST --
2 THAT WOULD BE IN THE PROGRAMMATIC REVIEW. IN THAT
3 SESSION YOU MAY CONSIDER PRINCIPLES AND GUIDELINES THAT
4 YOU WISH TO ADOPT THAT WOULD BE APPLIED IN YOUR
5 EVALUATION OF THE SCORES. AND THEN YOU WOULD MAKE
6 RECOMMENDATIONS FOR EACH APPLICATION BASED ON THE
7 TENTATIVE TARGET FUNDING LEVEL AVAILABLE IN THAT
8 CATEGORY.

9 IF YOU FIND THAT YOU WANT TO RECOMMEND FUNDING
10 AT OR BELOW THAT AMOUNT INITIALLY, WE RECOMMEND THAT YOU
11 ESTABLISH FUNDING AT OR BELOW; BUT IF YOU WANT TO REVISE
12 THE SPECIFIC AMOUNTS APPROVED, THEN YOU CAN DO SO AS
13 WELL. THAT WOULD ALSO BE A RECOMMENDATION THAT WOULD BE
14 SUBMITTED TO THE ICOC FOR CONSIDERATION AT THEIR MAY
15 MEETING.

16 I ALSO WANT TO GO THROUGH JUST A COUPLE
17 DEFINITIONS BECAUSE WE GET INTO THE COURSE OF USING A BIT
18 OF VOCABULARY THAT NOT EVERYBODY IS FAMILIAR WITH AND THE
19 DISTINCTIONS THAT WE MAKE. I WAS GOING TO SAY THAT THIS
20 IS A LABORATORY FACILITY, BUT IT COULD BE A LABORATORY,
21 WHICH IS SOMETHING THAT'S SOUTH OF THE EQUATOR. BUT
22 THESE ARE LABORATORY FACILITIES, THE SPACES THAT ARE
23 ACTUALLY ASSIGNED TO THE PI'S AND THEIR TEAMS, AND THEY
24 ALSO INCLUDE SUPPORT SPACE THAT IS OFTEN SHARED AMONG
25 SEVERAL GROUPS.

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1 WHEN WE REFER TO THE CORE FACILITIES, WE'RE
2 REFERRING TO THOSE AREAS THAT GENERALLY HAVE A VERY
3 SPECIALIZED USE. AND BY VIRTUE OF THE FACT THEY HAVE
4 EITHER SPECIALIZED CAPABILITIES OR EXPENSIVE EQUIPMENT,
5 THAT THOSE COSTS ARE GENERALLY SHARED AMONG THE USERS AND
6 DISTRIBUTED USUALLY THROUGH A RATE CALCULATION.

7 IN SEVERAL OF THE DISPLAYS THAT YOU WILL SEE
8 TODAY, WE TALK ABOUT THE NUMBER OF PRINCIPAL
9 INVESTIGATORS. WE COULD HAVE ALSO SAID THE NUMBER OF
10 RESEARCH TEAMS BECAUSE PRINCIPAL INVESTIGATORS ARE
11 EXACTLY THAT. THEY'RE PRINCIPAL AND THEY HEAD A RESEARCH
12 TEAM THAT HAS MULTIPLE PEOPLE. IT CAN VARY FROM JUST TWO
13 OR THREE INDIVIDUALS TO GROUPS OF AS HIGH AS 18 OR 20.
14 SO WE ESTABLISHED THE NUMBER OF PRINCIPAL INVESTIGATORS
15 BASED ON THE PART 1 APPLICATION; AND THEN IN THE COURSE
16 OF REVIEWING THE PART 2 APPLICATIONS, WE FOUND THAT PART
17 OF THE FACILITY PLAN AND PART OF THE SPACE PLAN FOR THESE
18 FACILITIES ALSO INCLUDED ADDITIONAL CAPACITY THAT NEEDED
19 TO BE ACCOUNTED FOR IN THE REVIEW. SO WE'VE HIGHLIGHTED
20 THAT IN ADDITIONAL DISPLAYS.

21 SO WITH THAT, WE'LL BEGIN OUR REVIEW SESSION.
22 AGAIN, WITH THE INSTITUTES FIRST, WITH CENTERS OF
23 EXCELLENCE, AND THEN SPECIAL PROGRAMS. AND WITHIN THE
24 CATEGORY, THE ORDER OF REVIEW IS ON YOUR LEFT. AND WE
25 HAVE ESTABLISHED AN ORDER THAT WOULD HAVE THE SIX

BARRISTERS' REPORTING SERVICE

1 INSTITUTIONS AND THEN THE ONE PROPOSAL THAT'S A
2 CONSORTIUM AS THE SEVENTH APPLICATION TO BE CONSIDERED
3 AMONG THE INSTITUTES.

4 I'M GOING TO JUST BRIEFLY GO THROUGH THE SLIDES
5 BEFORE I START WITH THE FIRST REVIEW.

6 SO WE PREPARED A NUMBER OF CHARTS THAT ARE IN
7 YOUR PACKET, AND I JUST WANT TO GO BRIEFLY THROUGH THESE,
8 AND THEY'RE APPEARING ON YOUR RIGHT. THE FIRST ONE,
9 CHART 1, DEALS WITH THE FACT THAT AN IMPORTANT ELEMENT OF
10 THE PROPOSALS IS THE EFFICIENCY OF THE BUILDING, AND
11 THAT'S EXPRESSED IN ASSIGNABLE AND GROSS SQUARE FEET. SO
12 WE PREPARED A CHART THAT THE SHORTER BAR IS THE
13 ASSIGNABLE, THE TALLER BAR IS THE GROSS SQUARE FEET, WITH
14 A BULLET THAT USES THE SCALE ON THE RIGHT TO ESTABLISH
15 THE EFFICIENCY.

16 SO YOU CAN SEE THAT THESE PROPOSALS RANGE FROM A
17 LOW OF 61 TO A HIGH OF 72-PERCENT EFFICIENCY, WITH
18 OBVIOUSLY THE HIGHER THE EFFICIENCY, THE BETTER USE OF
19 THE GROSS SQUARE FEET.

20 THE CHART 2 IS AN EXPRESSION OF THE ASSIGNABLE
21 SQUARE FEET PER PRINCIPAL INVESTIGATOR. AND GOING BACK
22 TO MY DEFINITION, THIS IS LABORATORY SPACE. SO IT DOES
23 NOT INCLUDE THE CORE FACILITY SPACE. IT'S BASICALLY
24 SAYING HOW MANY PEOPLE ARE GOING TO BE ACCOMMODATED
25 WITHIN THE LAB SPACE AND HOW MUCH SPACE IN THOSE TEAMS --

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1 HOW MUCH SPACE IS BEING AVAILABLE IN EACH CASE. AND THEN
2 THAT PRINCIPAL INVESTIGATOR IS BASED ON THE PART 1
3 APPLICATIONS.

4 THIS IS TO TRY TO DELINEATE SO THAT YOU CAN SEE
5 VISUALLY THAT IN SOME CASES, AS MENTIONED EARLIER, THAT
6 SOME OF THE SPACE IS FOR THE LAB AND LAB SUPPORT SPACE.
7 THE CORES ARE IN THE MIDDLE MEDIUM COLOR, AND THEN THE
8 DARKER COLOR AT THE TOP ARE THE OFFICES AND OTHER SPACES
9 THAT SUPPORT THE OVERALL OBJECTIVES OF THE PLAN. AND
10 THEN WE'VE INTERLACED, THE BLUE ARE THE INDIVIDUAL
11 PROPOSALS AND THE GREEN ARE THE AVERAGES FOR THE
12 INSTITUTES, AND THE AVERAGES FOR THE CENTERS AND THE
13 AVERAGES OVERALL.

14 CHART 4 IS THE COST CHART THAT TAKES THE
15 INSTITUTES AND CENTERS AND LOOKS AT THEIR CONSTRUCTION
16 COSTS. AND THEN AS MENTIONED EARLIER, THERE'S A
17 COMPONENT OF FUNDING THAT IS FOR EQUIPMENT. THE BOTTOM
18 PORTION OF THE BAR IS THE CONSTRUCTION, AND THEN THE
19 TABLE AT THE BOTTOM SHOWS THE PRELIMINARY PLAN WORKING
20 DRAWING AND CONSTRUCTION, OR PWC, COST FOR THE SPECIFIC
21 REQUESTS IN THE TWO CATEGORIES. EQUIPMENT VARIES, AND
22 ALSO THE AVERAGES ARE SHOWN IN THE MORE COPPER COLOR.

23 CHART 5 IS A STRAIGHT EXPLANATION OF THE AMOUNT
24 OF FUNDS THAT HAVE BEEN REQUESTED FROM CIRM AND LOOKING
25 AT IT FROM THE STANDPOINT OF THE AMOUNT OF FUNDS PER

BARRISTERS' REPORTING SERVICE

1 INVESTIGATOR.

2 ON THE FAR RIGHT, IF YOU TOOK THE AMOUNT OF
3 MONEY THAT IS TENTATIVELY ESTABLISHED BY THE ICOC AND
4 DIVIDED BY THE TOTAL NUMBER OF INVESTIGATORS, YOU WOULD
5 GET 1.7 AS A BUDGET.

6 CHAIRMAN LICHTENGER: BOB KLEIN HAD A COMMENT.

7 MR. KLEIN: RICK, ON CHART 5, HAS THAT BEEN
8 REVISED TO INCORPORATE THE VISITING PI'S?

9 MR. KELLER: WE HAVE PROVIDED -- AS I SAID, WE
10 HAVE THE CHARTS PREPARED INITIALLY WITH THE PART 1 NUMBER
11 OF PI'S, AND THEN WE HAVE A SEPARATE SET THAT I WANTED TO
12 GO THROUGH THAT DEALS WITH THAT. WHEN I GET TO 8, IT
13 WILL TRANSITION.

14 MR. KLEIN: THANK YOU.

15 MR. KELLER: CHART 6, AGAIN, TAKES A LOOK AT HOW
16 MUCH MONEY IS COMING FROM THE CIRM FUNDING AND HOW MUCH
17 FUNDING IS COMING FROM THE APPLICANT. AND IN LOOKING AT
18 THAT, IT ESTABLISHES AT THE BULLET THE PERCENTAGE OF
19 APPLICANT FUNDING BASED ON THE SCALE THAT'S ON THE RIGHT.

20 FINALLY, IN CHART 7, PROJECT COST PER PI, BOTH
21 THE CIRM AND APPLICANT FUNDS, AND THE AVERAGES ARE SHOWN
22 IN THE LIGHTER COLORS.

23 AND THEN MOVING TO ANSWER THE QUESTION POSED BY
24 BOB KLEIN, WE --

25 MR. KLEIN: I THINK THE ONE YOU JUST CLOSED WAS

BARRISTERS' REPORTING SERVICE

1 THE ONE YOU' RE LOOKING FOR.

2 MR. KELLER: SO CHART 8 WAS WE WERE TAKING THE
3 ORIGINAL ASSIGNED RESEARCHERS IN THE PROPOSAL, AND I
4 WANTED TO SHOW THE UPDATE THAT WAS INCLUDED IN YOUR
5 PACKET, AND THAT'S THE ONE THAT I NEED TO SHOW YOU.
6 SORRY ABOUT THAT. I APOLOGIZE.

7 AS POINTED OUT, WE HAD SEVERAL CATEGORIES OF USE
8 THAT WENT BEYOND THE PART 1 PI COUNTS. AND THOSE
9 BASICALLY DEALT WITH VISITING AND PART TIME AND OTHER
10 POTENTIAL USE OF THE SPACE. AND SO IN THIS DISPLAY WE'VE
11 INCLUDED THOSE, AND WE'VE ALSO INCLUDED SIMILAR CHARTS.
12 WHEN WE GET TO EACH APPLICATION, WE CAN DISPLAY BOTH THE
13 INFORMATION SETS THAT DEAL WITH THE PART 1 PI COUNT. AND
14 IN EACH CASE THE INSTITUTION HAS PROVIDED ADDITIONAL
15 INFORMATION ABOUT HOW THESE PARTICULAR PI'S INCORPORATE
16 INTO THE OVERALL OBJECTIVES OF THE PROJECT. SO WE CAN
17 DISCUSS THOSE WHEN WE GET TO EACH ONE OF THEM.

18 MR. KLEIN: RICK, YOU HAD ONE MORE UPDATE OF
19 THAT CHART.

20 MR. KELLER: YES, I DID.

21 MR. KLEIN: MAYBE YOU COULD JUST PRINT IT FOR
22 EVERYONE SO THAT WE DON'T HOLD YOU UP HERE, BUT YOU HAVE
23 ONE ADDITIONAL UPDATE ON THAT CHART.

24 MR. KELLER: RIGHT. AND THE CIRCUMSTANCES THAT
25 I JUST PICKED UP ON 619, THE ORIGINAL 15 ALSO INCLUDES

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1 THREE ADDITIONAL PI'S. AND THAT'S JUST MY MISTAKE, SO
2 WE'LL PICK THAT UP WHEN WE GET TO THE USC.

3 SO WITH THAT, I THINK WE ARE READY TO BEGIN THE
4 SPECIFIC REVIEWS OF THE APPLICATIONS.

5 CHAIRMAN LICHTENGER: THANK YOU, RICK.

6 MR. KELLER: THE FIRST ONE ON YOUR ORDER IS 609.
7 THIS IS A REQUEST WITHIN THE INSTITUTE CATEGORY THAT
8 REQUESTS \$50 MILLION. IT'S FOR CONSTRUCTION OF A
9 FOUR-STORY BUILDING. THIS PROJECT WOULD CO-LOCATE THE
10 INSTITUTE'S KEY STEM CELL RESEARCHERS IN A PROJECT OF
11 APPROXIMATELY 130,000 ASSIGNABLE SQUARE FEET AND 200,000
12 GROSS SQUARE FEET. THE TOTAL COST OF THE PROJECT IS \$200
13 MILLION.

14 AT OCCUPANCY IT WOULD HOUSE 24 RESEARCH TEAMS OF
15 WHICH 12 WILL BE NEW. THE FACILITY INCLUDES ADDITIONAL
16 BENCHES FOR ADDITIONAL VISITING FACULTY OF UP TO 12, AND
17 THAT'S PART OF THE DISPLAY THAT I JUST SHOWED YOU. THE
18 PROPOSAL ALSO INCLUDES VIVARIUM SPACE AND SPECIALIZED
19 CORE FACILITIES, AND IT IS PROPOSED TO BE COMPLETED IN
20 JULY OF 2010.

21 THE LAB PLANNING SCORE, AS I MENTIONED AT THE
22 INTRODUCTION, STEVE COPENHAGEN EVALUATED EACH ONE; AND
23 BASED ON HIS JUDGMENT OF BOTH FUNCTIONALITY AND VALUE, HE
24 ASSIGNED A SCORE. IN THIS CASE THE FUNCTIONALITY SCORE
25 IS B MINUS AND THE VALUE SCORE IS B PLUS. HE NOTES THAT

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1 A PORTION OF IT IS VERY DENSE, AND THE BUILDING MAY BE
2 TOO LOW ON THE AMOUNT OF INTERACTIVE OR SOCIAL SPACE.

3 I'D ALSO NOTE THAT IN FOLLOWING UP ON THAT
4 COMMENT, I DID DISCUSS WITH THE APPLICANT THAT ISSUE.
5 AND THEY HAD COMPLETED A RECENT SURVEY OF SOME OF THEIR
6 FOOD SERVICE IN THE GENERAL REGION OF THIS BUILDING AND
7 FOUND THAT THEY WERE OVER -- THERE WAS AN OVERSUPPLY.
8 AND, THEREFORE, THAT'S WHY THE BUILDING DEPENDS ON
9 EXISTING FOOD SERVICE AND GATHERING SPACES AND OUTDOOR
10 SPACES RATHER THAN HAVING THEM IN THE BUILDING.

11 SO WITH THAT, I'LL TURN IT OVER TO THE
12 REVIEWERS. THE PRIMARY REVIEWER ON THIS IS MEMBER
13 KASHIAN AND THE SECONDARY REVIEWER IS CHAIRMAN
14 LICHTENGER.

15 CHAIRMAN LICHTENGER: THANK YOU, RICK. SO, ED,
16 YOU CAN LEAD THE DISCUSSION SINCE YOU'RE THE PRIMARY
17 REVIEWER, AND I'LL CHIME IN HERE AND THERE.

18 MR. KASHIAN: THANK YOU. THANK YOU. I'D LIKE
19 TO ADD MY VOICE TO THANKING STAFF OF THE CIRM AND THEIR
20 CONSULTANTS. BUT MOST OF ALL, I'D LIKE TO THANK THE
21 APPLICANTS. ALL OF THE HARD WORK THAT WENT INTO THIS AND
22 AT THE END OF THE DAY, ALL OF THIS MISSION DEPENDS ON
23 YOU. IT'S YOUR JOB TO IMPROVE THE HEALTH STATUS OF THE
24 PEOPLE OF CALIFORNIA AND I BELIEVE THE REST OF THE WORLD.
25 THANK YOU VERY MUCH FOR ALL YOUR HARD WORK.

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1 THIS APPLICATION WAS REALLY A PLEASURE FOR ME.
2 THE PROFESSIONALISM, THE DEDICATION TO MISSION WAS
3 OUTSTANDING. OBVIOUS TO ME WAS STANFORD'S COMMITMENT TO
4 MEDICAL RESEARCH. AND THEY ADHERED TOTALLY, IN MY MIND,
5 TO THE VISION OF THE FIRM AND THE REQUIREMENTS OF
6 PROPOSITION 71.

7 I'LL GO THROUGH A SHORT LIST OF OBSERVATIONS
8 THAT I MADE. ONE, I FELT LIKE THE SHARED RESOURCES WERE
9 VERY STRONG, BOTH INTERNALLY AND EXTERNALLY WITH OTHER
10 INSTITUTIONS.

11 FUNCTIONABILITY WAS A LITTLE BIT OF A QUESTION,
12 AND I AGREED WITH -- NOT AGREED, I SUPPORTED MR.
13 COPENHAGEN'S POINT OF VIEW. I FEEL LIKE IT'S REALLY
14 IMPORTANT TO HAVE THESE PEOPLE WORK IN AN ATMOSPHERE
15 THAT'S RELAXING, AND I DON'T VIEW THEM AS ROBOTS WORKING
16 IN A SMALL SPACE WITH NOTHING TO DO BUT COME AND GO TO
17 WORK EVERY 18 HOURS.

18 IT WAS VERY APPARENT TO ME THAT STANFORD HAS
19 MADE A TOTAL COMMITMENT. THEY'VE LOCATED THE SITE OF THE
20 BUILDING, THEY'RE IN THE PROCESS OF CLEARING IT. THE
21 MAJORITY OF THE INFRASTRUCTURE IS IN AND COMPLETED, AND
22 THE SITE WORK IS UNDERWAY, WHICH IS EQUALLY IMPORTANT.
23 AND BECAUSE THIS IS NOT A PUBLIC AGENCY, THE ENTITLEMENTS
24 ARE ALL IN PLACE, INCLUDING ENVIRONMENTAL REPORT, AND
25 THEY HAVE THE TOTAL COOPERATION OF THE GOVERNMENTAL

BARRISTERS' REPORTING SERVICE

1 AGENCY THAT IS IN JURISDICTION IN THEIR AREA.

2 THE EQUIPMENT SCHEDULE, MY LIMITED KNOWLEDGE OF
3 IT, LOOKED GOOD. AND THE EXTERNAL -- THE INTERNAL
4 APPROVAL PROCESS IS FOCUSED AND CONCISE. REALLY
5 IMPRESSED ME WAS THEIR PROJECT TEAM WAS IN PLACE, THE
6 PEOPLE IDENTIFIED, AND WORKING. IT IS VERY DIFFICULT TO
7 BUILD A BUILDING OF THIS SIZE AND THIS QUALITY IN THIS
8 SHORT OF TIME.

9 THE COST BREAKDOWN FOR ME WAS DETAILED,
10 COMPETITIVE, AND EXECUTABLE. THE BUILDING SCHEDULE WAS
11 SOUND AND, I BELIEVE, FEASIBLE. AND THE BUILDING
12 EFFICIENCY WAS, FROM MY POINT OF VIEW, EXCELLENT.

13 THE TOTAL BUDGET WAS COMPETITIVE. AND LASTLY,
14 THEIR LEVERAGE OF THEIR TOTAL COST IS SOMETHING CLOSE TO
15 \$200 MILLION, AND THEY'RE ASKING US FOR 50 MILLION, SO
16 IT'S A THREE-TO-ONE LEVERAGE.

17 AND I CAN'T TELL YOU HOW IMPRESSED I WAS WITH
18 THIS APPLICATION. I WHOLEHEARTEDLY RECOMMEND ITS
19 APPROVAL, AND I'D BE HAPPY TO ANSWER ANY QUESTIONS AFTER
20 THE SECONDARY REVIEW.

21 CHAIRMAN LICHTENGER: THANK YOU, ED. EXCELLENT
22 REVIEW. THANK YOU.

23 SO I THOUGHT THE APPLICATION WAS EXCELLENT IN
24 PRETTY MUCH ALL REGARDS. BUT TO SPECIFICALLY COMMENT ON
25 OUR AREAS THAT WE'RE GOING TO HAVE TO PLACE SCORES, SINCE

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1 ED BROUGHT UP LEVERAGE LAST, I'LL COMMENT ON THAT. I
2 ALSO THOUGHT THAT WAS EXCELLENT.

3 MR. KELLER: IF I MIGHT, I NEGLECTED TO BRING UP
4 ONE ISSUE HERE THAT I WANTED TO JUST ALERT YOU TO BECAUSE
5 THIS IS GOING TO COME UP ON ALL OF THESE REVIEWS. IS
6 THAT ONE OF THE THINGS THAT WE IDENTIFIED IN THE LATE
7 REVIEW WAS THAT WERE SOME INCONSISTENCIES IN THE WAY WE
8 HAD TREATED UTILITY COSTS. SO WHAT WE DID IS WE ASKED
9 THE APPLICANTS, AND THIS SPECIFICALLY RELATES TO THE FACT
10 THAT SOME OF THESE BUILDINGS ARE SUPPLIED WITH CENTRAL
11 UTILITY SERVICES. AND WHEN WE DISCUSSED THIS, WE SAID WE
12 CAN ASK THEM, AND EVERY APPLICANT TURNED THIS AROUND IN
13 LESS THAN A DAY, TO ADVISE US WHAT IS THE INVESTMENT THAT
14 THE INSTITUTIONS MADE IN CENTRAL UTILITY. THAT INCLUDES
15 STEAM, CHILLED WATER, AND ELECTRICAL GENERATION OR
16 COGENERATION BECAUSE WE FELT THAT THAT WAS AN IMPORTANT
17 LEVELING OF THE PLAYING FIELD INVESTMENT.

18 SO THE CHART ON THE LEFT HERE TAKES EACH
19 APPLICANT, AND WE'VE ADDED THE AMOUNT -- IT SHOWS THE
20 AMOUNT THAT EACH APPLICANT INDICATED THEY HAD IN THAT.
21 AND THERE'S ALSO OTHER ADJUSTMENTS AS WE GET TO EACH
22 REVIEW I'LL BE DISCUSSING. BUT FOR THE STANFORD
23 PROPOSAL, THEY HAD AN INVESTMENT OF \$4.8 MILLION THAT'S
24 BASICALLY NOT PART OF THE \$200 MILLION BUDGET IN ORDER
25 TO -- THAT'S THE APPORTIONED PART OF THE CENTRAL

BARRISTERS' REPORTING SERVICE

1 UTILITIES. AND SO THAT WOULD ACTUALLY ADD .10 TO THE
2 LEVERAGE AND BRING IT UP FROM 2.79 TO 2.89.

3 MR. KLEIN: I HAVE A QUESTION, MR. CHAIRMAN.
4 WHILE, AS YOU KNOW, RICK, I'M AN ADVOCATE FOR CAPTURING
5 THESE UTILITY LEVERAGES BECAUSE THESE CENTRAL PLANTS
6 OFFER CERTAIN OPERATING EFFICIENCIES LONG-TERM WHICH
7 CONTRIBUTE TO SUSTAINABILITY, WHEN WE GET TO UCSF, IF YOU
8 WILL BREAK THAT DOWN FOR US BECAUSE I CAN UNDERSTAND THE
9 PROPORTIONALITY OF THE OTHER UTILITY ALLOCATIONS. I'M A
10 LITTLE AMAZED AT THE LEVEL OF UTILITY ALLOCATION THERE OF
11 UCSF. AND I'M WONDERING WHETHER, IN FACT, IT INVOLVES
12 SOME OTHER OFFSITE COSTS THAT THEY HAD AS WELL AS
13 UTILITIES.

14 CHAIRMAN LICHTENGER: CAN WE LEAVE THAT TO WHEN
15 WE GET TO UCSF, BOB?

16 MR. KLEIN: EXACTLY.

17 CHAIRMAN LICHTENGER: THANK YOU. SO MOVING BACK
18 TO THE APPLICATION AT HAND, WHICH IS 00609-1, STANFORD,
19 JUST TO -- SO LEVERAGE, THEY HAD THE HIGHEST LEVERAGE OUT
20 OF ANY APPLICANT BY FAR. SO I THOUGHT THAT WAS A VERY
21 EASY ONE TO EVALUATE. SO I DON'T THINK THERE'S ANY
22 QUESTION THAT THEY WERE OUTSTANDING IN THAT AREA.

23 IN TERMS OF URGENCY, WHICH ED KASHIAN MENTIONS
24 AS WELL, I THOUGHT THEY HAD A VERY DETAILED PROGRAM, AND
25 THEY QUALIFIED FOR COMPLETION WITHIN THE TWO YEARS. SO I

BARRISTERS' REPORTING SERVICE

1 FELT THEY HAD A GOOD TEAM IN PLACE, AND I FELT THEY,
2 AGAIN, HAD A STRONG, STRONG PROPOSAL IN TERMS OF URGENCY.

3 AS FAR AS SHARED RESOURCES, YOU KNOW, IF YOU
4 WILL TAKE A LOOK AT PAGE 4 IN THE BLUE, THEIR STEM CELL
5 PROGRAM AT THIS INSTITUTION HAS 200 PI'S. AND, YOU KNOW,
6 THE NUMBER OF CORES ARE NUMEROUS. SO I THOUGHT, AGAIN,
7 IN THIS PARTICULAR CATEGORY OF SHARED RESOURCES,
8 TREMENDOUS, TREMENDOUS SHARED RESOURCES AVAILABLE FOR
9 THIS APPLICATION.

10 AS FAR AS FUNCTIONALITY, I THOUGHT ACTUALLY IT
11 WAS QUITE INNOVATIVE AND VERY FUNCTIONAL HOW THE DESIGN
12 WORKED IN TERMS OF LEVERAGING, YOU KNOW, 60 BENCHES INTO
13 THE FACILITY SO IT WOULD ACCOMMODATE 15 TO 20 VISITING
14 FACULTY. SO I THOUGHT THAT, AGAIN, IT WAS VERY, VERY
15 FUNCTIONAL AND EXCELLENT IN THAT CATEGORY AS WELL.

16 AND THEN, FINALLY, I GUESS, JUST IN TERMS OF MY
17 PERSPECTIVE ON VALUE, WHICH KIND OF INCORPORATES THE COST
18 STRUCTURE AS WELL AS RETURN TO THE TAXPAYER, I THOUGHT IT
19 WAS EXCELLENT. RICK, DID THEY QUALIFY FOR SILVER LEVEL
20 ON THE LEED CERTIFICATION? AND THEY HAD, AGAIN, QUITE A
21 FEW INNOVATIVE IDEAS HERE ABOUT LAB BENCHES AND HOW TO
22 ACCOMMODATE PRECLINICAL AND TRANSLATIONAL RESEARCHERS WHO
23 WERE AT THE CAMPUS, BUT NOT HOUSED WITHIN THE BUILDING.
24 SO THEY HAD A VIVARIUM ALSO THAT WAS GOING TO BE
25 UTILIZING PLASTIC RECYCLABLE CAGES, WHICH I THOUGHT WAS A

BARRISTERS' REPORTING SERVICE

1 GREAT USE OF THE GREEN CONCEPT IN ELIMINATING NEED FOR
2 WATER AND ENERGY.

3 MR. KELLER: IT IS A SILVER.

4 CHAIRMAN LICHTENGER: SO, AGAIN, I THINK IN ALL
5 THE CATEGORIES, THIS APPLICATION WAS DEFINITELY
6 EXCELLENT. I DIDN'T REALLY HAVE ANY CONCERNS IN ANY OF
7 THE CATEGORIES AT ALL.

8 SO ARE THERE ANY DISCUSSION OR QUESTIONS THAT
9 THE MEMBERS WOULD LIKE TO HAVE REGARDING ANY OF THE
10 CATEGORIES? BOB.

11 MR. KLEIN: IN TERMS OF THE FUNCTIONALITY SCORE
12 ON THIS APPLICATION OR GRADE, AS APPROPRIATE --

13 CHAIRMAN LICHTENGER: YOU MEAN STEVE
14 COPENHAGEN'S SCORE?

15 MR. KLEIN: YEAH. THERE'S A B MINUS ON THIS.
16 AND WHAT I'D LIKE TO SAY IS THAT WHILE UNDERSTANDING THE
17 ISSUE WITH INTERACTIVE SPACE, WHICH I THINK IS A GREAT
18 CONTRIBUTION, I THINK THERE'S LEGITIMACY IN THE FACT THAT
19 IN THIS IMMEDIATE AREA OF THIS CAMPUS, THERE ARE
20 CERTAINLY LARGE AMOUNTS OF INTERACTIVE SPACE WITH THE
21 BUILDING X PROJECT AND OTHER PROJECTS THAT THEY COULD
22 HAVE INTERACTION WITH. BUT THERE ARE SOME INNOVATIVE
23 FEATURES I THINK YOU ALLUDED TO, INCLUDING THE 60
24 TRANSLATIONAL RESEARCH BENCHES WITHIN THE PI SPACES TO
25 PROMOTE THE INTERACTION BETWEEN THE CLINICAL SCIENTISTS

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1 AND THE BASIC SCIENTISTS, THAT I THINK REALLY CONTRIBUTE
2 TO THE MISSION AND CONTRIBUTE TO THE FUNCTIONALITY.

3 SO PERSONAL POINT OF VIEW IS THAT FROM A
4 FUNCTIONAL POINT OF VIEW, WHEN YOU LOOK AT THE
5 INTERACTION THEY HAVE WITHIN THE PI SPACES, WHICH I THINK
6 ARE THE LARGEST, IN FACT, OF THE ONES REVIEWED, THEY HAVE
7 SOME TREMENDOUS SPACE TO WORK WITH PEOPLE ON AN
8 INTERDISCIPLINARY BASIS THAT IS GOING TO PROMOTE
9 FUNCTIONALITY. AND I WOULD PROVIDE MY PERSONAL VIEW
10 WOULD BE A MUCH HIGHER SCORE.

11 CHAIRMAN LICHTENGER: THANK YOU, BOB. I WANT TO
12 REITERATE SOMETHING THAT MAYBE WE DIDN'T MAKE AS CLEAR AS
13 WE SHOULD HAVE EARLIER ON, THAT MAYBE, RICK, YOU CAN GO
14 INTO THIS, THAT CIRM HAD RETAINED STEVE COPENHAGEN TO
15 GIVE A FUNCTIONALITY AND A VALUE SCORE TO ALL THE
16 APPLICANTS. BUT THIS IS HIS OWN OPINION, AND THE MEMBERS
17 OF THE FACILITIES WORKING GROUP CAN MAKE THEIR OWN
18 JUDGMENTS. ALTHOUGH I RESPECT STEVE, I DIDN'T AGREE WITH
19 HIM EITHER ON THIS PARTICULAR POINT. SO EVERYONE -- ALL
20 THE MEMBERS ARE ABLE TO MAKE THEIR OWN JUDGMENTS AND ASK
21 STEVE ANY QUESTIONS THEY LIKE, IF THEY HAVE ANY, DURING
22 THE PROCESS. BUT, AGAIN, I WOULD AGREE WITH BOB KLEIN ON
23 THIS PARTICULAR ONE. I GAVE IT A MUCH, MUCH HIGHER SCORE
24 ON FUNCTIONALITY.

25 SO DO ANY MEMBERS OF THE FACILITIES WORKING

BARRISTERS' REPORTING SERVICE

1 GROUP HAVE QUESTIONS OR COMMENTS?

2 MR. KASHIAN: DAVID, I AGREE WITH YOUR STATEMENT
3 TOTALLY. I DON'T FEEL IT'S OUR FUNCTION TO MICROMANAGE
4 -- I AGREE WITH OUR CHAIRMAN. WHAT MR. COPENHAGEN AND
5 MR. KLEIN AND MYSELF OR YOU THINK ABOUT, I JUST DON'T
6 BELIEVE IN MICROMANAGING THE INDIVIDUAL SYSTEM. THEIR
7 CONCEPT TO ME IS EXTREMELY FUNCTIONAL, AND I WOULD ECHO
8 AND AGREE WITH YOUR POINT OF VIEW.

9 CHAIRMAN LICHTENGER: THANK YOU, ED. ANY OTHER
10 QUESTIONS OR COMMENTS BY ANY MEMBERS? SO AT THIS POINT,
11 I'D LIKE TO INVITE THE INSTITUTION TO COME UP AND SPEAK.
12 DO WE ALLOW THREE MINUTES OR FIVE MINUTES?

13 MR. KELLER: THREE MINUTES.

14 CHAIRMAN LICHTENGER: THREE MINUTES, NOT
15 COUNTING ANY QUESTIONS THAT THE MEMBERS MAY HAVE. SO IF
16 STANFORD WOULD LIKE TO COME UP AND MAKE A COMMENT,
17 THEY'RE WELCOME.

18 MR. SHAY: GOOD AFTERNOON. MY NAME IS
19 CHRISTOPHER SHAY. I'M WITH STANFORD UNIVERSITY SCHOOL OF
20 MEDICINE. THIS IS MY COLLEAGUE, LANG ANH PHAM, ALSO WITH
21 STANFORD SCHOOL OF MEDICINE, THE REGENERATIVE MEDICINE
22 INSTITUTE. WE'D LIKE TO THANK YOU FOR THE OPPORTUNITY TO
23 PRESENT OUR APPLICATION. WE'D LIKE TO OPEN UP TO ANY
24 QUESTIONS YOU MIGHT HAVE FOR OUR INSTITUTION.

25 CHAIRMAN LICHTENGER: ANY, BOB?

BARRISTERS' REPORTING SERVICE

1 MR. KLEIN: DO YOU HAVE A NUMBER IN TERMS OF THE
2 TOTAL RESEARCHERS THIS BUILDING WILL SERVE SEPARATE FROM
3 THE PI NUMBER?

4 MR. SHAY: WE BELIEVE THAT COUNT -- WE'RE JUST
5 GOING THROUGH THE SPACE ASSIGNMENT PROCESS RIGHT NOW. WE
6 BELIEVE THAT COUNT FOR TOTAL RESEARCHERS, NOT INCLUDING
7 THE 20 TO 25 PERCENT THAT'S RESERVED FOR CORES WITHIN THE
8 BUILDING, WILL BE SOMEWHERE CLOSE TO 607 TO 612 PEOPLE.

9 MR. KLEIN: THANK YOU VERY MUCH. I THINK THAT'S
10 A VERY IMPORTANT PIECE OF INFORMATION AS WE GO FORWARD
11 BECAUSE THESE BUILDINGS ARE NOT NECESSARILY PROVIDING THE
12 SAME AMOUNT OF SPACE PER PI, SO THERE MAY BE DIFFERENT
13 SIZE PI TEAMS, RESEARCH TEAMS, THAT WE'RE ACCOMMODATING.
14 AND WE NEED TO REMEMBER THAT WHEN WE'RE LOOKING AT THE
15 COST PER PI, IT'S REALLY A MUCH LARGER NUMBER OF
16 RESEARCHERS THAT WE ARE ACCOMMODATING AND CREATING
17 CAPACITY FOR THAN THE NOMINAL NUMBER OF PI'S. SO I THANK
18 YOU VERY MUCH.

19 CHAIRMAN LICHTENGER: RICK, I HAVE A QUESTION
20 BEFORE I ASK THE APPLICANT. SO IN THEIR APPLICATION, ON
21 EXISTING EQUIPMENT THAT THEY'RE RELOCATING TO THIS
22 BUILDING, HAVE WE COUNTED THAT IN LEVERAGE?

23 MR. KELLER: THE WAY THAT THE EQUIPMENT WAS
24 HANDLED WAS AS FOLLOWS. ANYTHING THAT WAS PURCHASED BY
25 THE APPLICANT AFTER THE RFA WAS ISSUED IN AUGUST AND IS

BARRISTERS' REPORTING SERVICE

1 EXPECTED TO BE LOCATED IN THE BUILDING AS PART OF THE
2 INITIAL COMPLEMENT OF EQUIPMENT WAS IDENTIFIED AS
3 LEVERAGE. HOWEVER, IN A NUMBER OF CASES, THERE'S
4 EXISTING EQUIPMENT THAT RESIDES IN THE LABORATORIES OF
5 EXISTING PI'S THAT ARE RELOCATING. WE HAVE NO WAY OF
6 VERIFYING THE VALUE OF THAT, AND SO WE NOTED IT IN THE
7 ANALYSIS, BUT THAT CADRE OF EQUIPMENT IS NOT INCLUDED.

8 CHAIRMAN LICHTENGER: CAN YOU TELL US WHAT THAT
9 NUMBER IS OFFHAND OR ASK STANFORD TO TELL US THAT NUMBER?
10 THE AMOUNT OF EQUIPMENT THAT WILL QUALIFY FOR LEVERAGE.

11 MR. SHAY: IT WOULD TAKE US A SHORT AMOUNT OF
12 TIME TO PUT THAT NUMBER TOGETHER FOR YOU, BUT WE'D BE
13 HAPPY TO PUT THAT TOGETHER FOR YOU.

14 CHAIRMAN LICHTENGER: THAT WOULD BE FINE.

15 DR. PHAM: MAY I ASK FOR CLARIFICATION ON WHAT
16 NUMBER YOU'RE LOOKING FOR?

17 CHAIRMAN LICHTENGER: I'M LOOKING FOR THE AMOUNT
18 OF EQUIPMENT THAT YOU INTEND ON MOVING INTO THE CIRM
19 SPACE THAT DOESN'T TECHNICALLY QUALIFY FOR LEVERAGE
20 ACCORDING TO THE DEFINITION.

21 MR. SHAY: THE WAY STANFORD CALCULATED OUR
22 EQUIPMENT COST IS WE PROVIDED AN EXTREMELY CONSERVATIVE
23 NUMBER OF JUST NORTH OF \$4 MILLION. AND THAT WAS
24 INTENDED TO GIVE YOU JUST THE INFORMATION THAT MET CIRM'S
25 REQUIREMENTS, BUT WE DO INTEND TO MOVE A LOT OF EQUIPMENT

BARRISTERS' REPORTING SERVICE

1 AS WELL AS PURCHASE A LOT OF EQUIPMENT THAT DOES NOT
2 QUALIFY. I'D BE HAPPY TO PROVIDE BOTH THOSE.

3 CHAIRMAN LICHTENGER: I'D BE CURIOUS ABOUT WHAT
4 THAT NUMBER IS AS BEST YOU CAN GET THAT TO US. ALTHOUGH
5 IT CAN'T COUNT TECHNICALLY IN LEVERAGE, IT WOULD HELP FOR
6 THE FACILITIES WORKING GROUP TO BE AWARE OF THAT NUMBER.

7 MR. SHAY: I'D BE MORE THAN HAPPY TO.

8 CHAIRMAN LICHTENGER: ANY OTHER QUESTIONS FOR
9 THE APPLICANT? THANK YOU VERY MUCH FOR COMING. AND I'M
10 SORRY. WE HAVE ANOTHER QUESTION.

11 MS. SAMUELSON: COULD YOU SPEAK BRIEFLY JUST IN
12 RESPONSE TO THE ANALYSIS AND THE B MINUS SCORE? I'M
13 SEEING AN EXTREMELY IMPRESSIVE APPLICATION, HEARING THAT
14 IS SO, AND VERY IMPRESSED WITH THINGS LIKE, FOR EXAMPLE,
15 THE LAST REFERENCE TO INNOVATIVENESS AND THE INTEGRATION
16 OF TRANSLATIONAL RESEARCHERS IN WITH BASIC SCIENTISTS.
17 THAT'S WONDERFULLY IMPORTANT, IT SEEMS TO ME, AND I CAN'T
18 LOSE ANY SLEEP HONESTLY OVER THE FACT THAT THERE AREN'T
19 ENOUGH CHAIRS IN THE CAFE SO THAT FOLKS MIGHT TAKE A CUP
20 OF COFFEE BACK INTO THE LAB.

21 MR. SHAY: I'D LIKE TO START BY SAYING THAT I
22 HIGHLY RESPECT STEVE COPENHAGEN'S WORK, AND I DON'T TAKE
23 GRIEVANCE AT WHAT HE WROTE WITHIN THE EVALUATION. I
24 THINK THERE'S A SEPARATION BETWEEN THE TWO ISSUES. I DO
25 NOT THINK THAT HE WAS JUDGING THE FACT THAT WE HAVE THESE

BARRISTERS' REPORTING SERVICE

1 TRANSLATIONAL BENCHES WHERE WE'RE BRINGING IN CLINICAL
2 FACULTY MEMBERS TO WORK DIRECTLY BY THE HARD SCIENCE
3 FACULTY MEMBERS. I THINK THAT'S A SEPARATE ISSUE.

4 WHERE STEVE IS CONCERNED, AND WE'RE ALWAYS OPEN
5 TO DISCUSSING THAT, IS HOW MUCH SCIENCE WE PACK INTO A
6 BUILDING BEFORE WE HAVE A PROBLEM OF PEOPLE FEELING LIKE
7 THEY DON'T HAVE A WELCOMING PLACE TO WORK IN THE SPACE.
8 FOR HAVING WORKED ON THIS PROGRAM FOR THE LAST FOUR
9 YEARS, I CAN TELL YOU THAT WE TAKE THAT ISSUE VERY
10 SERIOUSLY. AND WHAT WE DO AT STANFORD IS TO MAKE SURE WE
11 GET THE MOST SCIENCE OUT OF OUR BUILDINGS AND STILL
12 PROVIDE A WONDERFUL PLACE TO WORK AS WE TAKE ADVANTAGE OF
13 THE BENIGN CLIMATE IN PALO ALTO TO BE ABLE TO PROVIDE
14 SPACE OUTSIDE THE BUILDING AS WELL AS A LIMITED AMOUNT OF
15 SPACE, BUT VERY HIGHLY THOUGHT-OUT SPACE AND LOCATED
16 SPACE WITHIN THE BUILDING. THIS BUILDING IS MORE CLOSELY
17 RELATED TO OUR BECKMAN BUILDING, WHICH IS INTRICATELY
18 DESIGNED VERY SMALL SPACES NEAR THE RESEARCHERS.

19 THERE'S NOT A LOT OF GRAND SPACE, THERE'S NOT A
20 CAFETERIA WITHIN THE BUILDING, BUT WITHIN THE SURROUNDING
21 AREA WE DO HAVE 13 DIFFERENT VENDORS THAT DO PRODUCE
22 FOOD, AND YOU CAN EAT THAT IN INDOOR CAFETERIAS IN OTHER
23 BUILDINGS OR IN OUTDOOR CAFETERIAS IN OTHER LOCATIONS.
24 SO WE TAKE THAT VERY SERIOUSLY. WE JUST TAKE ADVANTAGE
25 OF THE BENIGN CLIMATE TO SOLVE THAT. I THINK THAT -- I'D

BARRISTERS' REPORTING SERVICE

1 OPEN UP TO STEVE IF THAT'S THE CONCERN RATHER THE
2 TRANSLATIONAL BENCHES.

3 MR. COPENHAGEN: YES. THERE'S NO QUESTION. IT
4 WAS NOT THE TRANSLATIONAL MEDICINE. THE INTEGRATION OF
5 THE SCIENCE AT THE BENCHES IS DEFINITELY NEAR. IT WAS
6 JUST THE SPACE OUTSIDE THE LAB WHERE THE PEOPLE COULD GET
7 TOGETHER. IT'S JUST YOU'RE DOING IT IN THE BENIGN
8 CLIMATE AS OPPOSED TO WITHIN THE BUILDING SHELL ITSELF.

9 CHAIRMAN LICHTENGER: GREAT. THANK YOU AGAIN
10 FOR COMING AND ANSWERING OUR QUESTIONS. IF YOU CAN GET
11 THAT INFORMATION TO RICK. RICK, YOU HAD A COMMENT.

12 MR. KELLER: MR. CHAIRMAN, ON PAGE 2 OF THE
13 STAFF ANALYSIS, THESE ALL KIND OF RUN TOGETHER, BUT WE DO
14 MENTION -- I THINK THIS IS DIRECTLY OUT OF THE
15 APPLICATION, THAT EXISTING EQUIPMENT VALUED AT 9 TO \$12
16 MILLION WILL BE RELOCATED TO THE FACILITY. AND THAT WAS
17 IN THEIR APPLICATION.

18 MR. SHAY: RICK'S GONE RIGHT TO THE PAGE I WAS
19 GOING TO RUN BACK TO MY SEAT TO LOOK AT.

20 CHAIRMAN LICHTENGER: SO IF WE UNDERSTAND IF
21 IT'S NINE OR 12, THAT WOULD BE HELPFUL. GREAT. THANK
22 YOU AGAIN.

23 SO IF THERE ARE NO OTHER QUESTIONS, I'D LIKE TO
24 MOVE ON TO THE NEXT APPLICATION.

25 MR. SHAY: THANK YOU VERY MUCH.

BARRISTERS' REPORTING SERVICE

1 CHAIRMAN LICHTENGER: SO THE NEXT APPLICATION
2 WOULD BE, I GUESS, APPLICATION 00611-1.

3 MR. KELLER: HAS ALL THE MEMBERS HAD AN
4 OPPORTUNITY TO SCORE?

5 CHAIRMAN LICHTENGER: THAT'S RIGHT. WE CAN TAKE
6 A TIME, A MINUTE OR SO NOW FOR US TO RECORD OUR
7 PRELIMINARY SCORES. WE WILL NOT -- THESE SCORES WILL
8 ALLOW A TIME AT THE END OF THE REVIEW OF ALL THE
9 APPLICANTS IN EACH SECTION IN THE CIRM INSTITUTE SECTION
10 FOR US TO RECORD OUR FINAL SCORES.

11 MR. KELLER: I'M ADVISED THAT THERE ARE PENCILS
12 AT EACH OF YOUR PLACES SO THAT IF YOU WISH TO RECORD THEM
13 IN PENCIL. YOU MAY THEN CHANGE THEM LATER AS OPPOSED TO
14 PUTTING THEM IN SOMETHING MORE PERMANENT. AT THE END
15 THEY HAVE TO BE IN INK.

16 (PAUSE IN PROCEEDINGS.)

17 CHAIRMAN LICHTENGER: OKAY. RICK, PLEASE.

18 MR. KELLER: JUST A BIT OF HOUSEKEEPING. BETH
19 DRAIN HAS REQUESTED TO REMIND EVERYONE TO PLEASE SPEAK
20 INTO THE MICROPHONE BECAUSE SHE'S HAVING SOME DIFFICULTY
21 HEARING YOU. AND SO I'M JUST REITERATING HER INITIAL
22 REQUEST SO THAT WE CAN HAVE A TRANSCRIPT THAT WILL BE
23 ACCURATE.

24 CHAIRMAN LICHTENGER: SHE CAN'T READ OUR LIPS BY
25 NOW?

BARRISTERS' REPORTING SERVICE

1 MR. KELLER: THE NEXT APPLICATION, 611, THIS
2 PROJECT IS A RENOVATION OF A SINGLE-STORY HIGH-BAY
3 WAREHOUSE THAT'S GOING TO BE CONVERTED TO LABORATORY USE,
4 AND A PORTION OF IT WILL BE STEM CELL RESEARCH SPACE.

5 THE CIRM-FUNDED PROJECT CONSTITUTES ABOUT 38,947
6 ASSIGNABLE SQUARE FEET. A PORTION OF THIS HAS ALREADY
7 BEEN RENOVATED AND IS USED AS A CLINICAL AND
8 TRANSLATIONAL SCIENCE CENTER THAT IS PART OF A NATIONAL
9 CONSORTIUM THAT FACILITATES NEW WAYS TO ENHANCE CLINICAL
10 AND TRANSLATIONAL RESEARCH. THE REMAINING 37,600 GROSS
11 SQUARE FEET WILL BE BUILT OUT IN A FUTURE PHASE OF
12 DEVELOPMENT, AND IT MAY ALSO BE USED AS A MAJOR LECTURE
13 SPACE TO SERVE THE CAMPUS.

14 THE GOAL OF THE PROJECT IS TO CO-LOCATE THE
15 INSTITUTE'S KEY STEM CELL RESEARCHERS AND TO PROVIDE NEW
16 CORE FACILITIES IN SUPPORT OF THE STEM CELL RESEARCH.

17 THE TOTAL PROJECT COST IS 61.8 MILLION WITH CIRM
18 FUNDING OF \$26,059,275. AT OCCUPANCY THE FACILITY WILL
19 HOUSE 14 PRINCIPAL INVESTIGATORS; AND BASED ON ADVICE
20 RECEIVED FROM THE APPLICANT, THE 17 PART-TIME PI'S WILL
21 ALSO BE ACCOMMODATED AND THEY WILL OCCUPY SPACE THAT'S
22 EQUIVALENT TO SPACE THAT WILL BE DEVOTED TO THREE
23 FULL-TIME PI'S AND THEIR TEAMS.

24 KEY CORE SPACES ARE A CELL BANK AND A
25 SIX-STATION GMP, GOOD MANUFACTURING PRACTICE, FACILITY

BARRISTERS' REPORTING SERVICE

1 WHICH HAS SOME INTERESTING ELEMENTS IN ITS DESIGN. AND
2 THE COMPLETION OF THE PROJECT IS SCHEDULED FOR JULY 2010.

3 I WANTED TO BRING OUT THE POINT THAT WHEN WE
4 INITIALLY REVIEWED THIS PROPOSAL, THERE WERE CONCERNS
5 ABOUT THE AMOUNT OF UTILITY COST THAT HAD BEEN ASSIGNED
6 AS PART OF THE PROJECT AND PART OF THE LEVERAGE. AND
7 WHEN WE DISCUSSED THIS WITH THE APPLICANT, IT WAS CLEAR
8 THAT THE AMOUNT NEEDED TO BE PRORATED BETWEEN THE PORTION
9 THAT THEY HAVE ALREADY SPENT ON UPGRADING THE BUILDING
10 AND HOW IT SHOULD BE DISTRIBUTED EVENLY BETWEEN THE
11 CIRM-FUNDED SPACE AND SPACE THAT IS YET TO BE OCCUPIED OR
12 IS ALREADY OCCUPIED BY OTHER PROGRAMS.

13 THE ADJUSTMENT RESULTED IN A DOWNWARD ADJUSTMENT
14 IN THE LEVERAGE OF ABOUT \$7 MILLION. THEN I DRAW YOUR
15 ATTENTION TO THE TABLE, AGAIN ON YOUR RIGHT, WHERE
16 APPLICATION 611, UC DAVIS, THE AMOUNT FOR CENTRAL
17 SERVICES IS ABOUT 4.6 MILLION, SO IT WENT DOWN SEVEN AND
18 UP 4.6. SO THAT'S THE NET. AND WE HAVE THE TABLE THAT'S
19 IN YOUR ANALYSIS. WE'VE UPDATED THOSE TO INCLUDE THESE
20 UTILITY ADJUSTMENTS, AND THEY'RE ON YOUR LEFT ON THE
21 SCREEN ON YOUR LEFT WHERE THE BLUE BARS ALSO HAVE THE
22 LIGHT BLUE AT THE TOP. SO IN THIS CASE 611 IS THE FIFTH
23 ONE OVER FROM THE LEFT, STANFORD BEING THE ONE ON THE
24 LEFT. AND YOU CAN SEE THAT INCREMENT RIGHT THERE.

25 CHAIRMAN LICHTENGER: CAN WE GET THAT PRINTED

BARRISTERS' REPORTING SERVICE

1 OUT FOR THE FACILITIES WORKING GROUP?

2 MR. KELLER: WE CAN GET IT AT A BREAK.

3 CHAIRMAN LICHTENGER: THAT WOULD BE GREAT.

4 BEFORE WE DO OUR FINAL SCORES, I'D LIKE THAT DISTRIBUTED.

5 MR. KELLER: THAT IS THE LEVERAGE THAT WAS IN
6 YOUR BOOK, AND THEN THIS IS THE ADDED LEVERAGE BASED ON
7 THE UTILITIES.

8 CHAIRMAN LICHTENGER: THE BLUE IS THE ADDED
9 LEVERAGE?

10 MR. KELLER: THE LIGHT BLUE.

11 CHAIRMAN LICHTENGER: WHAT'S THE PERCENTAGE?

12 MR. KELLER: THE LAB PLANNER SCORE WAS A
13 FUNCTIONAL SCORE OF B AND A VALUE SCORE OF C PLUS, NOTING
14 THAT THE BUILDING IS SHORT ON COMMUNAL SPACE NECESSARY
15 FOR INTERACTION. AND BENCH SPACE APPEARS TO BE AT ABOUT
16 1 TO 1.08 RATIO WITH SUPPORT SPACE WITH A SIGNIFICANT
17 NUMBER OF TISSUE CULTURE AND EQUIPMENT ROOMS. THIS IS
18 THE HIGHEST RATIO OF ALL APPLICANTS.

19 THE PRIMARY REVIEWER IS MEMBER HYSEN AND THE
20 SECONDARY REVIEWER IS CHAIR LICHTENGER.

21 CHAIRMAN LICHTENGER: RICK, I HAVE ONE QUESTION
22 BEFORE DEBORAH STARTS HER REVIEW. ON THIS PI ISSUE, ARE
23 WE NOW COMPARING, WHEN WE PUT IN THESE PART-TIME PI'S,
24 ARE WE NOW SHOWING THE FACILITY AT FULL OCCUPANCY AND
25 CAPACITY?

BARRISTERS' REPORTING SERVICE

1 MR. KELLER: WE HAVE PREPARED AND I COULD SHOW
2 YOU FOR THIS APPLICATION -- MELISSA, IF YOU COULD CHANGE
3 THAT ONE TO THE CHART WHICH IS CHART 5 FOR PI. SO THE
4 SAME CHARTS, WE'VE UPDATED THEM, SO YOU CAN SEE THE
5 RELATIVE RANKING OF THESE BASED ON THE CHANGE IN THE PI'S
6 THAT ARE SHOWN HERE. SO, FOR INSTANCE, AT DAVIS, THE
7 BASE CHARTS BASED ON PART 1 ASSUMED THAT THE NUMBER OF
8 PI'S WAS 14; AND BASED ON THE IDENTIFICATION OF THREE
9 ADDITIONAL FTE CAPACITY, THE CHART NOW SHOWS 17 PI'S. SO
10 THE CHART THAT SAYS ADDED -- CHART 5 IS WITH ADDED PI'S
11 INDICATES THE COST PER PI THERE.

12 CHAIRMAN LICHTENGER: I GUESS WHAT I'M ASKING
13 YOU IS IF WE ADD THESE ADDITIONAL PI'S, ARE WE NOW
14 REFLECTING THESE FACILITIES AT CAPACITY?

15 MR. KELLER: YES.

16 CHAIRMAN LICHTENGER: OKAY. GREAT. I JUST WANT
17 TO MAKE SURE BECAUSE THEY COULD CONCEIVABLY BE TWO
18 DIFFERENT ANSWERS.

19 MR. KLEIN: DAVID, MY UNDERSTANDING IS HE'S
20 DOING IT AS FTE'S, FULL-TIME EQUIVALENT. SO IF THEY'RE
21 PART TIME, HE'S CONVERTING THEM TO FULL-TIME EQUIVALENT,
22 SO IT'S AN EQUAL STANDARD.

23 MR. KELLER: WE ASKED THE APPLICANTS TO GIVE US
24 THAT.

25 MR. KLEIN: DOES THIS CHART REFLECT THE CHANGE

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1 TO THE ONE INSTITUTION WHERE YOU DIDN'T HAVE THE
2 ADDITIONAL PI'S IN?

3 MR. KELLER: YES.

4 MR. KLEIN: THIS CHART DOES REFLECT THAT
5 ADJUSTMENT?

6 MR. KELLER: YES. I CHECKED IT.

7 MR. KLEIN: OKAY. GREAT.

8 MS. HYSEN: THANK YOU. WELL, I FELT THIS
9 PROPOSAL WAS VERY SOLID. I THANK RICK FOR ANSWERING A
10 LOT OF THE QUESTIONS THAT I WAS GOING TO ANSWER IN THE
11 EARLIER SECTION. I WOULD LIKE TO AGAIN ECHO THE COMMENTS
12 OF MY FELLOW WORK GROUP MEMBERS. THE STAFF ANALYSIS HAS
13 BEEN ABSOLUTELY INSTRUMENTAL IN HELPING EVALUATE THESE
14 PROPOSALS. AND PARTICULARLY TO MR. COPENHAGEN FOR
15 PUTTING SOME FLOURISHING TOUCHES ON THE DESIGNS. I FOUND
16 THEM VERY INTERESTING.

17 RICK MENTIONED A LOT OF THE STATISTICS ABOUT
18 THIS FACILITY. I FELT THAT THIS FACILITY ON VALUE, IT
19 WAS ONE OF THE HIGHER COSTS FOR FACILITIES, BUT IT WAS, I
20 FELT, EASILY EXPLAINED BY THE TYPES OF FACILITIES THAT
21 THEY WERE BUILDING WITH THE GMP AND THE VIVARIUM. AND I
22 FELT THAT THAT WAS WELL EXPLAINED.

23 THE LAB AND PRINCIPAL INVESTIGATOR SPACE COSTS,
24 71 PERCENT OF THE AVERAGE, I FELT THAT THAT WAS QUITE
25 APPROPRIATE.

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1 THE QUESTION WAS RAISED BY STAFF EARLY ON AS TO
2 WHETHER OR NOT IT WOULD BE APPROPRIATE TO SPLIT SOME OF
3 THE INFRASTRUCTURE COSTS. AND FORTUNATELY UC DAVIS
4 ACKNOWLEDGED THAT IT WOULD, IN FACT, BE APPROPRIATE. AND
5 RICK MENTIONED THAT EARLIER.

6 I THINK FROM A SUSTAINABILITY STANDPOINT, IT'S
7 REALLY APPROPRIATE TO IDENTIFY OPPORTUNITIES TO TIE INTO
8 A CENTRAL PLANT. IN THAT REGARD, ALSO, THEY WERE ABLE TO
9 FREE UP SOME ASSIGNABLE SQUARE FOOTAGE IN THE MAIN
10 BUILDING BY BUILDING A NEW UTILITY BUILDING. SO IT
11 REALLY ALLOWED US TO GET EVEN MORE SQUARE FOOTAGE IN THE
12 BUILDING, WHICH I THINK I HAVE THE NUMBER RIGHT AT 54,000
13 GROSS SQUARE FOOT BUILDING.

14 MR. KELLER: THE OVERALL BUILDING IS A HUNDRED
15 NINE.

16 MS. HYSEN: THIS SECTION. THIS IS THE
17 RENOVATION OF AN EXISTING FACILITY.

18 I SAW IN HERE ALSO SOME NOTATION IN HERE THAT
19 THE ASSIGNABLE SQUARE FEET WAS FOR THE 14 FULL-TIME, 17
20 PART-TIME. I THINK MY QUESTION WAS ARE THOSE 17
21 PART-TIME BASICALLY LITERALLY 50-PERCENT INDIVIDUALS? IS
22 THAT HOW YOU CONVERTED IT?

23 MR. KELLER: NO. THE APPLICANT DID A VERY
24 DETAILED ANALYSIS. AND BECAUSE WHEN WE TALK ABOUT A PI,
25 WE'RE TALKING ABOUT A RESEARCH GROUP. SO WHEN THEY

BARRISTERS' REPORTING SERVICE

1 LOOKED AT THE PART-TIME, SINCE THOSE PEOPLE ARE GENERALLY
2 NOT IN A RESEARCH GROUP, MANY PART-TIMERS CAN BE
3 ACCOMMODATED WHERE YOU MIGHT -- SO IF YOU THINK ABOUT A
4 SPACE THAT WOULD ACCOMMODATE THREE RESEARCH TEAMS AND AT
5 EIGHT TO ONE, THAT MIGHT HAVE 25 TO 30 PEOPLE WORKING IN
6 IT, THEY THINK 17 PI'S PART TIME COULD USE THAT SPACE.
7 SO IT'S THREE -- THE EQUIVALENT TO THREE FTE PI'S.

8 MS. HYSEN: THANK YOU. THE PROPOSAL NOTED THAT
9 IT WAS AVERAGING \$899 DOLLARS PER GROSS SQUARE FOOT,
10 WHICH APPARENTLY IS LOWER THAN THE AVERAGE OF 938 GROSS
11 SQUARE FEET, SO I FELT THAT THAT WAS IN LINE.

12 SO I FELT THE VALUE WAS VERY GOOD ON THIS, AND
13 IT WAS INTERESTING BECAUSE MR. COPENHAGEN GAVE IT A C
14 PLUS. AND LET ME JUST GO TO HIS. HE RAISED SOME
15 QUESTIONS, WHICH I WOULD LIKE TO HAVE UC DAVIS ANSWER AT
16 SOME POINT. AND THAT WAS HE NOTED THAT ON A VALUE BASIS
17 THAT THE BENCH SPACE WAS THE HIGHEST RATIO. I'M JUST
18 CURIOUS WHY THERE WOULDN'T BE VALUE ASCRIBED TO THAT.

19 CHAIRMAN LICHTENGER: CAN WE HEAR FROM STEVE ON
20 THIS ISSUE?

21 MR. COPENHAGEN: WE KNOW THIS ONE WORKS. IN
22 LOOKING AT THE APPLICANT, I THINK THE REASON I PUT A C
23 PLUS ON VALUE WAS THAT THE AMOUNT OF LAB SPACE THAT YOU
24 WERE GETTING, THE OVERALL BUILDOUT HAD A LOT OF VERY
25 EXPENSIVE SPACE IN IT. TRYING TO SAY THAT IT'S NEEDED

BARRISTERS' REPORTING SERVICE

1 FOR THE RESEARCH THAT IS GOING ON, SO THAT YOU ARE
2 GETTING VALUE FOR IT, BUT IT'S VERY EXPENSIVE SPACE. SO
3 IT WAS KIND OF LIKE IT WASN'T AS MUCH BENCH SPACE FOR THE
4 BENCH SCIENCE. I WAS TRYING TO WEIGH THAT AGAINST THESE
5 OTHER CRITICAL CORES THAT THEY ARE PROVIDING, WHICH
6 SHOULD -- ON ONE HAND THAT'S OF GREATER VALUE. ON THE
7 OTHER HAND, I THOUGHT IT WAS A LITTLE BIT MAYBE LOWER IN
8 THE AMOUNT OF BENCH SPACE THAT THEY WERE PROVIDING IN THE
9 OVERALL PACKAGE OR BUILDOUT.

10 CHAIRMAN LICHTENGER: SO YOU WERE MAKING A
11 JUDGMENT AS TO THE VALUE OF THE VIVARIUM AND THE GMP
12 VERSUS THE BENCH SPACE?

13 MR. COPENHAGEN: JUST RECOGNIZING THAT WHAT YOU
14 WERE BUILDING OUT WAS VERY EXPENSIVE SPACE, OR THERE'S A
15 LOT OF DOLLARS GOING INTO THAT SPACE.

16 MR. KLEIN: IF I CAN ASK, I THINK, DEBORAH, THAT
17 HIS POINT IS THAT IT'S HARD TO CARRY GMP AND VIVARIUM
18 SPACE IN A SIGNIFICANT AMOUNT UNLESS YOU HAVE A LARGE
19 VOLUME OF BENCH SPACE. AND THIS HAD TO BE SPREAD OVER
20 RELATIVELY SMALLER VOLUME OF BENCH SPACE, WHICH RESULTED
21 IN THE HIGHER COST. BUT MY UNDERSTANDING IS THE COST IS
22 STILL BELOW THE INSTITUTE AVERAGE. SO AREN'T WE ON A
23 COMPARATIVE BASIS?

24 MR. COPENHAGEN: BETTER VALUE BECAUSE YOU ARE
25 GETTING MORE TYPE OF SPACE, COULD BE.

BARRISTERS' REPORTING SERVICE

1 MS. HYSEN: THAT WAS MY -- THAT WAS WHERE I WAS
2 THINKING WE WANTED TO HEAD. SO WHEN I SAW THE C PLUS, I
3 FELT LIKE THAT ACTUALLY WOULD NET OUT AND PROBABLY RAISE
4 THAT LEVEL. SO THAT WAS MY CONCERN THERE.

5 ON A LEVERAGE BASIS, THEY'RE RANKED FIVE OF
6 SEVEN IN THIS CATEGORY. AND I FELT THAT IT WAS A FAIRLY
7 GOOD AMOUNT OF LEVERAGE.

8 BENEFICIAL OCCUPANCY IS TARGETED FOR MAY 26,
9 2010. AND SOMETHING WAS RAISED BY ANOTHER -- A QUESTION
10 ON AN EARLIER APPLICATION AND WAS ANSWERED BY THE STAFF,
11 AND IT MADE ME QUESTION ALL OF THESE IN GENERAL. WE TALK
12 ABOUT BENEFICIAL OCCUPANCY, BUT I GUESS I'M WONDERING AT
13 WHAT POINT DO WE UNDERSTAND IF THEY HAVE THE FULL
14 CAPACITY OCCUPIED? BENEFICIAL OCCUPANCY COULD BE ONE
15 PERSON INSIDE THERE, AND I DON'T KNOW IF THAT'S IMPORTANT
16 TO ALL OF YOU. BUT SOMETIMES YOU OCCUPY JUST TO LET
17 PEOPLE KNOW YOU'RE OPEN FOR BUSINESS, BUT IT DOESN'T
18 NECESSARILY MEAN YOU'RE FULLY OCCUPIED AND UP AND
19 RUNNING. SO IT'S NOT SPECIFIC TO THIS APPLICATION, BUT I
20 GUESS I'M CURIOUS WHEN WE SAY BENEFICIAL OCCUPANCY, WHAT
21 DOES THAT MEAN?

22 CHAIRMAN LICHTENGER: DEBORAH, I THINK RICK HAS
23 A DEFINITION.

24 MR. KELLER: WE HAD SOME DISCUSSION OF THIS
25 PRIOR WHEN THE APPLICANTS ASKED QUESTIONS ABOUT THE RFA

BARRISTERS' REPORTING SERVICE

1 IN WHAT WE CALLED THE INTERESTED PARTIES MEETING BEFORE
2 THEY WROTE IT. AND WHAT WE ESTABLISHED WAS THAT
3 BENEFICIAL OCCUPANCY IS AT THE POINT IN TIME WHEN THE
4 FACILITY IS READY TO HAVE MOVABLE OR LOOSE EQUIPMENT
5 INSTALLED. AND AS YOU STATE, IT COULD BE THAT ONLY ONE
6 PERSON IS IN THERE, BUT WE WANTED EVERYBODY TO USE KIND
7 OF THE SAME POINT. SO WE THOUGHT EQUIPMENT INSTALLATION
8 WAS A GOOD WAY OF GETTING EVERYBODY TO UNDERSTAND THAT'S
9 WHEN THE CONTRACTOR IS NOW EITHER SIGNED OFF AND ALLOWED
10 ACCESS TO THE BUILDING SO THAT THE APPLICANT CAN BRING
11 THEIR PEOPLE IN AND START DOING SOME OF THE INSTALLS.

12 MS. HYSEN: I UNDERSTAND THAT'S IMPORTANT FROM A
13 FACILITIES STANDPOINT BECAUSE WE ALWAYS LIKE TO SEE
14 BENEFICIAL OCCUPANCY SO WE CAN BREATHE A SIGH OF RELIEF.
15 BUT I WOULD THINK FROM THE SCIENTIST STANDPOINT, THEY
16 WANT TO KNOW WHEN ARE YOU UP AND RUNNING AND PRODUCING,
17 BUT THAT'S NOT MY QUESTION TO ANSWER.

18 I FELT THE TEAM HAD A CONSIDERABLE AMOUNT OF
19 EXPERIENCE. THEY OUTLINED WHO THE STAFF WERE, AND THEY
20 OUTLINED THEIR EXPERIENCE.

21 AND SO FROM AN URGENCY STANDPOINT, I FELT LIKE
22 THEY COULD PROBABLY MEET THE TARGETS THAT WERE OUTLINED.
23 THAT'S QUESTIONABLE IN OTHER CASES IN MY OPINION, BUT IN
24 THIS PARTICULAR CASE, I FELT THAT THEY HAD A BUILDING,
25 THEY'VE ALREADY GOT THEIR PLUMBING, THEIR DOMESTIC WATER

BARRISTERS' REPORTING SERVICE

1 SYSTEM UNDER CONSTRUCTION. THEY HAVE BEEN ABLE TO
2 DEMONSTRATE A PRETTY LOW CHANGE ORDER RATE, SO THE
3 CHANCES ARE THEY'RE GOING TO KEEP GOING WITHOUT HAVING TO
4 MAKE SOME MODIFICATIONS THAT COULD SLOW IT UP.

5 I NOTICED THEIR CM TEAM. I'M REALLY IMPRESSED
6 WITH THAT PARTICULAR ORGANIZATION. I THINK THEY'RE VERY
7 WELL QUALIFIED.

8 AND SO I THINK FROM AN URGENCY STANDPOINT, THEY
9 CAN CERTAINLY MEET THE SCHEDULE THAT CIRM HAS
10 ESTABLISHED.

11 SHARED RESOURCES, THEY DID IDENTIFY A NUMBER OF
12 SHARED PROGRAM OPPORTUNITIES. AND THEY ALSO HAVE ACCESS
13 TO OTHER FACILITIES ON SITE. AND ONE OF THE THINGS THAT
14 THEY DID PROVIDE TO CIRM AS PART OF THIS APPLICATION IS
15 THEY PROVIDED FORMAL MOU'S, WHICH WOULD SHOW THE
16 COLLABORATION BETWEEN OTHER INSTITUTIONS. AND I FELT
17 THAT THAT WAS IMPORTANT TO DEMONSTRATE, MEMORIALIZE THAT
18 THEY ACTUALLY HAVE THESE OPPORTUNITIES AVAILABLE.

19 FUNCTIONALITY, I THINK IT'S A VERY GOOD DESIGN.
20 CANNON INDICATED THAT IT WAS HIGHLY EFFICIENT, VERY OPEN
21 LABORATORIES, HIGH CEILINGS, WHICH, OF COURSE, FACILITATE
22 A LOT OF FLEXIBILITY IN UTILITY SYSTEMS.

23 STEVE DID RAISE A FEW QUESTIONS WHICH HOPEFULLY
24 UC DAVIS CAN ANSWER. HE QUESTIONED WHETHER OR NOT THE
25 BENCHES WERE FIXED OR MOVABLE IN TERMS OF ADAPTABILITY.

BARRISTERS' REPORTING SERVICE

1 I THINK THAT'S AN IMPORTANT QUESTION. AND HE DID MENTION
2 THAT BECAUSE THEY'RE SUCH LARGE LABS, HE'S CONCERNED
3 ABOUT THE NOISE LEVELS AND THE DISTRACTIONS. AND WHILE
4 LARGE LABS FACILITATE GOOD COMMUNICATION AND INTERACTION,
5 THEY CAN ALSO BE A DISTRACTION. SO I'M WONDERING IF UC
6 DAVIS CAN ADDRESS THOSE ISSUES AS WELL.

7 I THINK THEY HAD A REALLY GOOD DESCRIPTION OF
8 HOW THEY SEPARATED THEIR SPACES TO AVOID CONTAMINATION
9 AND EXPOSURE. THAT WAS VERY INTERESTING, THEIR
10 DISCUSSION OF TOTAL SYSTEMS.

11 SO OVERALL I FOUND THIS TO BE A VERY SOLID
12 PROPOSAL.

13 CHAIRMAN LICHTENGER: GREAT. THANK YOU,
14 DEBORAH. EXCELLENT REVIEW. SO I'M THE SECONDARY
15 REVIEWER ON THIS APPLICATION.

16 SO ON URGENCY I THOUGHT THE APPLICANT DID AN
17 EXCELLENT JOB GIVEN IT'S AN EXISTING BUILDING AND
18 ALTERATION, VERY EXPERIENCED TEAM, AND I FELT A VERY
19 STRONG SCORE IN THE URGENCY, EXCELLENT.

20 SO, YOU KNOW, ON LEVERAGE I GUESS THEY WERE
21 SOMEWHAT BELOW AVERAGE. SO THAT WAS A LITTLE
22 DISAPPOINTING TO ME IN TERMS OF THEIR LEVERAGE.

23 I WAS VERY PLEASED -- I GUESS I FEEL LIKE I'M
24 GOING TO BE DISAGREEING WITH OUR LABORATORY PLANNER. I
25 THOUGHT ACTUALLY IT WAS QUITE FUNCTIONAL. AND I THOUGHT

BARRISTERS' REPORTING SERVICE

1 IT WAS VERY FLEXIBLE, AND I REALLY DIDN'T HAVE ANY
2 CONCERNS ABOUT IT. SO I PROBABLY WOULD HAVE DONE HIGHER
3 THAN A B.

4 SO IN TERMS OF SHARED RESOURCES, I DO HAVE A
5 COUPLE OF QUESTIONS FOR THE DAVIS TEAM WHEN WE HAVE THEM
6 MAKE THEIR COMMENTS. OVERALL, THEY HAD QUITE A FEW CORES
7 AND FACILITIES THAT THE CIRM SPACE WOULD BE ABLE TO SHARE
8 AND USE, BUT I WANT TO UNDERSTAND A LITTLE BIT MORE ABOUT
9 THEIR AGREEMENTS AND HOW THEY'RE GOING TO INTERACT WITH
10 OTHER INSTITUTIONS. THAT'S A QUESTION I HAVE FOR THE
11 DAVIS TEAM.

12 I THOUGHT IT WAS, YOU KNOW, ON THE COST SIDE, IT
13 WAS INTERESTING. I TOOK IT THAT ACTUALLY THE COSTS
14 OVERALL WERE SOMEWHAT BELOW THE AVERAGE, AND THEY'RE
15 PUTTING THE MOST EXPENSIVE SPACE IN THERE IN GMP AND
16 VIVARIUM. SO ACTUALLY I THOUGHT IN THE COST CATEGORY OF
17 VALUE THEY SCORED QUITE WELL BECAUSE THESE ARE THE MOST
18 EXPENSIVE TYPES OF SPACE TO BUILD. SO OVERALL I THOUGHT
19 IT WAS A VERY GOOD TO EXCELLENT VALUE FOR THE TAXPAYER.

20 I GUESS THE AREA THAT I WAS SOMEWHAT
21 DISAPPOINTED WOULD BE IN THE LEVERAGE CATEGORY. AND AT
22 THIS POINT I'D LIKE TO ASK FOR ANY COMMENTS OR QUESTIONS
23 OF ANY OF THE FACILITIES WORKING GROUP, AND THEN WE'LL
24 HAVE DAVIS COME UP AND MAKE COMMENTS.

25 MR. KLEIN: I'D JUST LIKE TO SAY THAT WHEN DAVIS

BARRISTERS' REPORTING SERVICE

1 MAKES THEIR COMMENTS, IF THEY COULD ADDRESS DEBORAH'S
2 QUESTION BECAUSE I THINK THEY DID LAY OUT A FAIRLY
3 DETAILED STRATEGY FOR FULL UTILIZATION OF THE BUILDING.
4 IT WOULD BE GOOD FOR US TO GO THROUGH THAT IN SUMMARY.

5 BUT MY QUESTION, RICK, GOES TO THE ISSUE OF
6 THEIR ORIGINAL APPLICATION AMOUNT, THEY SAID, WAS 56
7 MILLION. THE REVISED AMOUNT WAS 48. I UNDERSTAND IT'S
8 GONE UP BY A LITTLE OVER FOUR MILLION. WHAT IS IT THAT'S
9 BEEN EXCLUDED FROM THE LEVERAGE COST THAT THEY PROPOSED?

10 MR. KELLER: THE LEVERAGE COST, AS I MENTIONED,
11 WAS THAT 50 PERCENT OF THE VALUE OF IMPROVEMENTS TO THAT
12 BUILDING ACCRUE AND WILL BE USED FOR SPACE THAT IS
13 CURRENTLY NOT OCCUPIED OR OCCUPIED BY OTHER THAN THE
14 CIRM-FUNDED PROGRAMS.

15 MR. KLEIN: SO THAT'S THE ONLY NET EXCLUSION AT
16 THIS POINT?

17 MR. KELLER: THAT'S THE ONLY NET EXCLUSION. AND
18 THEN WHEN WE ADDED THE GENERATING CAPACITY, WE GOT ABOUT
19 FOUR AND A HALF OF THAT BACK.

20 MR. KLEIN: GREAT. THANK YOU.

21 CHAIRMAN LICHTENGER: I'D LIKE TO MAKE ONE
22 CORRECTION TO MY COMMENT ON LEVERAGE AFTER GETTING THIS
23 CHART. THANK YOU, RICK. THIS HELPS ME. SO I WOULD LIKE
24 TO SAY THAT IN MY VIEW, AFTER SEEING THIS ADJUSTMENT, THEIR
25 LEVERAGE IS SLIGHTLY ABOVE AVERAGE. SO, AGAIN, IT WOULD

BARRISTERS' REPORTING SERVICE

1 BE ABOVE AVERAGE WHEN COMPARED TO THE OTHER INSTITUTES.

2 MS. HYSEN: I FORGOT. I HAVE REALLY MESSY NOTES
3 HERE. I FORGOT ONE THING. RICK MENTIONED IT EARLIER,
4 BUT I FELT THAT BECAUSE THEY ALSO HAVE THE FUTURE GROWTH
5 SPACE FOR PHASE III AND IV, 37,000 SQUARE FEET, I FELT
6 THAT THAT WAS AN OPPORTUNITY TO CONTINUE TO GROW THE
7 PROGRAM. I THOUGHT THAT WAS IMPORTANT.

8 CHAIRMAN LICHTENGER: ANY OTHER?

9 MR. KASHIAN: DEBORAH, I MIGHT HAVE MISSED WHAT
10 YOU SAID. DID YOU COMMENT ABOUT IN THE VALUE CATEGORY
11 ABOUT SUSTAINABILITY AND INNOVATION?

12 MS. HYSEN: I THINK THIS IS THE ONE THEY'RE
13 GOING TO SEEK LEED CERTIFICATION. AND THE FACT THAT
14 THEY'RE USING THE COGEN AND THAT THEY'RE RENOVATING AN
15 EXISTING FACILITY, I THINK THEY'LL BE ABLE TO MEET THE
16 LEED CERTIFICATION.

17 MR. KASHIAN: HOW ABOUT INNOVATION?

18 MS. HYSEN: FROM A BUILDING DESIGN STANDPOINT, I
19 FELT THAT IT WAS PRETTY STANDARD ALONG WITH THE OTHER
20 DESIGNS. BECAUSE THEY'RE RENOVATING AN EXISTING
21 FACILITY, IT'S NOT AS INNOVATIVE IN ARCHITECTURE. I
22 DON'T KNOW THAT I CAN SPEAK TO SOME OF THE UNIQUE
23 INNOVATION OF THE SCIENCE, ALTHOUGH I FELT THEY DID A
24 REALLY INTERESTING JOB OF DESCRIBING HOW THEY WERE REALLY
25 GOING TO SEPARATE AND CONTAIN THE AREAS THAT COULD

BARRISTERS' REPORTING SERVICE

1 POTENTIALLY BE AREAS OF CONTAMINATION. THEY REALLY
2 DESCRIBED THAT PROCESS QUITE WELL, I THOUGHT.

3 MR. KASHIAN: I'D LIKE MR. COPENHAGEN AND
4 MR. GROOM TO COMMENT ON THE INNOVATION PORTION OF VALUE.

5 CHAIRMAN LICHTENGER: INNOVATION?

6 MR. KASHIAN: INNOVATION PORTION IN THE VALUE
7 SECTION.

8 MR. GROOM: THE INNOVATION IN THIS BUILDING IS
9 PRETTY LIMITED BECAUSE YOU'RE BACKING INTO A BUILDING
10 THAT'S ALREADY THERE. THE SUPER STRUCTURE IS THERE. SO
11 THE INNOVATION WOULD BE MORE IN THE DESIGN OF THE LAB,
12 THE DESIGN OF THE CORE SPACE, ETC. THAT'S WHERE THE
13 VALUE OF INNOVATION COMES IN. IS IT SIGNIFICANTLY
14 DIFFERENT THAN MANY OTHER RENOVATIONS? NO.

15 MR. COPENHAGEN: I SAW THERE WASN'T A LOT OF NEW
16 TECHNOLOGIES BEING APPLIED. THEY WERE APPLYING VERY
17 SOLID TECHNOLOGY TO THE BUILDING AND USING WHERE THEY
18 COULD THE COGEN TO GIVE THEM ENERGY CREDITS FOR
19 SUSTAINABILITY. PROBABLY IF THEY GO AFTER LEED UNDER AN
20 EXISTING BUILDING CATEGORY, THEY OUGHT TO BE ABLE TO
21 OBTAIN A SIGNIFICANT LEED RATING, MORE THAN JUST A
22 CERTIFICATION.

23 MR. KELLER: COULD I JUST ADD ONE THING TO
24 ANSWER ED'S QUESTION? ONE THING THAT I WANTED TO MENTION
25 IS THIS IS AN APPLICATION WHERE THE DESIGN OF THE GMP

BARRISTERS' REPORTING SERVICE

1 FACILITY DOES TAKE INTO ACCOUNT SOME VERY SPECIFIC
2 INNOVATIVE WAYS OF DEALING WITH SOME OF THE MECHANICAL
3 AIR HANDLING ASPECTS, WHICH THESE FACILITIES ARE VERY
4 EXPENSIVE TO OPERATE. AND I JUST WANTED TO ACKNOWLEDGE,
5 SINCE YOU BROUGHT THAT SPECIFIC ISSUE, THAT THIS WAS -- A
6 COMPONENT OF THEIR PROJECT WAS VERY CAREFUL DESIGN
7 CONSIDERATIONS ABOUT THE GMP.

8 MR. KASHIAN: THANK YOU VERY MUCH.

9 CHAIRMAN LICHTENGER: RICK, I HAVE JUST A
10 QUESTION. HOW DO WE COMPARE THIS UC POLICY ON GREEN
11 BUILDING DESIGN AND CLEAN ENERGY STANDARDS TO THE LEED
12 CERTIFICATION? HOW DO THOSE EQUATE?

13 MR. KELLER: THE UC POLICY IS THAT IT'S AT LEAST
14 CERTIFIED, I BELIEVE. THERE'S SEVERAL PEOPLE HERE THAT
15 CAN CORRECT ME IF I'M WRONG.

16 CHAIRMAN LICHTENGER: AS A MINIMUM.

17 MR. KELLER: IT'S MINIMUM.

18 CHAIRMAN LICHTENGER: FINE. GREAT. SO ARE
19 THERE ANY OTHER QUESTIONS OR COMMENTS OF THE FACILITIES
20 WORKING GROUP BEFORE WE HAVE THE APPLICANT MAKE THEIR
21 COMMENTS? GREAT. AT THIS TIME I'D LIKE TO ASK IF THE
22 APPLICANT WOULD LIKE TO STEP TO THE PODIUM AND MAKE SOME
23 COMMENTS, UP TO THREE MINUTES. WE WON'T COUNT YOUR
24 COMMENTS WITH OUR QUESTIONS WITHIN YOUR THREE MINUTES.

25 MR. ROMNEY: MARK ROMNEY WITH UC DAVIS HEALTH

BARRISTERS' REPORTING SERVICE

1 SYSTEM, RESEARCH FACILITIES PLANNER, ALONG WITH DR. JAN
2 NOLTA, WHO'S THE DIRECTOR OF STEM CELL PROGRAM.

3 CHAIRMAN LICHTENGER: THANK YOU FOR COMING.

4 MR. ROMNEY: BE HAPPY TO ANSWER ANY QUESTIONS.

5 CHAIRMAN LICHTENGER: SO YOU HAVE NO COMMENTS
6 OTHER THAN ANSWERING QUESTIONS?

7 MR. ROMNEY: JUST TO THANK THE REVIEWERS AND THE
8 BOARD FOR THE OPPORTUNITY.

9 CHAIRMAN LICHTENGER: THANK YOU. SO I HAD A
10 QUESTION ON SHARED RESOURCES. MAYBE YOU COULD JUST GO
11 INTO IT BRIEFLY. I SEE YOU HAVE QUITE A FEW CORES ON
12 CAMPUS, BUT TELL US A LITTLE BIT ABOUT YOUR CONCEPT ABOUT
13 TEAMING UP WITH OTHER INSTITUTIONS.

14 DR. NOLTA: SO I WOULD LIKE FIRST TO POINT OUT
15 THAT THE IMMUNODEFICIENT -- THE MOUSE CORE IS NOT JUST A
16 VIVARIUM. IT'S A VERY SPECIALIZED IMMUNE-DEFICIENT MOUSE
17 CORE WHERE WE'RE TESTING SPECIFICALLY HUMAN STEM CELLS,
18 INCLUDING NEWLY DERIVED EMBRYONIC STEM CELLS, USING
19 TECHNIQUES THAT ARE VERIFIED BY THE FDA TO LEAD TOWARD
20 CLINICAL TRIALS. AND THIS IS THE SOLE PURPOSE OF THAT
21 VIVARIUM. IT'S NOT REGULAR TRANSGENIC MICE. THOSE ARE
22 HOUSED ELSEWHERE ON CAMPUS. WE HAVE AN OUTSTANDING
23 PROGRAM OUT ON THE MAIN CAMPUS FOR THAT.

24 THIS VIVARIUM IS SPECIFICALLY TO TEST HUMAN STEM
25 CELLS LEADING TOWARD CLINICAL TRIALS, WHICH WILL BE DONE

BARRISTERS' REPORTING SERVICE

1 IN OUR GMP FACILITY. DR. GERHARDT BAUER, WHO IS DIRECTOR
2 OF GMP FACILITY, AND I HAVE WORKED TOGETHER FOR 15 YEARS.
3 WE HAVE PARTICIPATED IN OVER 18 CELLULAR THERAPY TRIALS.
4 AND SO WE ARE HELPING OTHER RESEARCHERS AND OTHER
5 INSTITUTIONS TO ACTUALLY GET FDA APPROVAL FOR THEIR
6 TRIALS. AND THAT IS OUR SPECIALTY.

7 AND SO THAT'S THE POINT OF THIS VIVARIUM AND
8 THIS GMP FACILITY IS TO TEST THE STEM CELLS IN AN
9 FDA-APPROVED MANNER, GET THEM INTO CLINICAL TRIALS, AND
10 THEN PERFORM THEM IN THOSE SIX WEEKS IN THE GMP FACILITY.
11 THERE IS, OF COURSE, NO PLACE ELSE ON CAMPUS OR IN OUR
12 REGION WHERE THIS CAN BE DONE.

13 CHAIRMAN LICHTENGER: OKAY. IN TERMS OF MY
14 QUESTION ON SHARED RESOURCES WITH OTHER INSTITUTIONS,
15 COULD YOU ADDRESS THAT?

16 DR. NOLTA: SO SHARING CORES OR FACILITIES?

17 CHAIRMAN LICHTENGER: DO YOU HAVE ANY FORMAL
18 AGREEMENTS AND UNDERSTANDINGS WITH OTHER RESEARCH
19 INSTITUTIONS TO SHARE?

20 DR. NOLTA: SO THOSE ALL FOCUS ON THEM USING OUR
21 MODELS, OUR SYSTEMS TO WORK TOWARDS A CLINICAL TRIAL.
22 WITHIN UC DAVIS WE HAVE 126 FACULTY MEMBERS IN THE STEM
23 CELL PROGRAM, AND WE ARE WORKING IN 12 DISEASE TEAMS.
24 THE MOU'S FOCUS ON OTHER MEMBERS THAT WE NEED FOR ADDED
25 EXPERTISE WITHIN THOSE DISEASE TEAMS TO GET THE CURES TO

BARRISTERS' REPORTING SERVICE

1 FRUITION, INTO A CLINICAL TRIAL. AND THAT'S WHAT THE
2 MOU'S ARE FOCUSED ON.

3 CHAIRMAN LICHTENGER: WHAT ABOUT OTHER
4 INSTITUTIONS?

5 DR. NOLTA: WILL WE SHARE THEIRS, YOU MEAN?

6 CHAIRMAN LICHTENGER: DO YOU HAVE ANY --

7 DR. NOLTA: WE HAVE SPECIFIC EXAMPLES, FOR
8 INSTANCE, WITH THE BUCK INSTITUTE. THEY HAVE SOME
9 CLINICALLY RELEVANT EMBRYONIC STEM CELL LINES THAT WE
10 WILL THEN TEST IN OUR MOUSE MODELS AND GO INTO THE GMP
11 FACILITY. WE HAVE OTHERS THAT ARE JUST FORMING FOR THAT
12 SPECIFIC PURPOSE WITH OTHER INSTITUTIONS. AND WITH, FOR
13 INSTANCE, THE VA HOSPITAL, WE'RE DOING CLINICAL TRIALS
14 WITH THEM.

15 MR. KLEIN: COULD YOU ALSO ADDRESS DEBORAH
16 HYSEN'S PREVIOUS POINT IN TERMS OF YOUR GEARING OR
17 RAMPING UP PLAN, HOW QUICKLY WILL YOU UTILIZE ALL THE PI
18 SPACE IN THE FACILITY? BY THE TIME THIS FACILITY IS
19 PREPARED TO BE ONLINE, WHAT PORTION OF THE FACULTY HIRES
20 DO YOU THINK WILL BE IN PLACE?

21 DR. NOLTA: THAT'S A GOOD QUESTION. WE'RE
22 CURRENTLY EXTREMELY CROWDED FOR SPACE, OF COURSE, SO WE
23 CANNOT HIRE ALL OF THE FACULTY MEMBERS THAT WE WILL BE
24 ACCRUING. I WOULD SAY THAT WE WILL BE AT ABOUT 80 TO 90
25 PERCENT CAPACITY AT MOVE-IN ALREADY BECAUSE WE'RE FINDING

BARRISTERS' REPORTING SERVICE

1 NICHES WHERE WE CAN PUT PEOPLE TEMPORARILY IN BORROWED
2 SPACE.

3 CHAIRMAN LICHTENGER: MEMBER KASHIAN.

4 MS. HYSEN: I WANTED JUST A COUPLE QUESTIONS
5 THAT I HAD EARLIER.

6 CHAIRMAN LICHTENGER: DEBORAH, MEMBER KASHIAN
7 HAD A QUESTION FIRST.

8 MR. KASHIAN: I'M NOT GOING TO --

9 MS. HYSEN: WERE THE BENCHES FIXED OR MOVABLE,
10 ONE OF THOSE CONCERNS THAT WAS RAISED IN TERMS OF
11 ADAPTABILITY?

12 MR. ROMNEY: SO THE BENCHES ARE MODULAR
13 BASICALLY DEvised ON A CORE WHICH ALLOWS THE USERS
14 WITHOUT GETTING FACILITIES BACK OUT THERE TO RENOVATE TO
15 REMOVE COUNTERS, BENCHES. THEN WE DO HAVE MOBILE CASE
16 WORK AS WELL, SO IT'S A MIXTURE OF MODULAR AND MOBILE.

17 MS. HYSEN: THEN WHAT WAS ALSO RAISED WAS THE
18 EQUIPMENT NOISE ISSUES, THAT IT MIGHT BE DISTRACTING
19 GIVEN THE OPEN LARGE LABORATORIES. I KNOW YOU CAN'T DO A
20 LOT OF SOFT SOUND ABSORBING SERVICES, BUT HAVE YOU
21 THOUGHT OF HOW TO ACOUSTICALLY ADDRESS THAT?

22 MR. ROMNEY: WE SURE DID. IN THE PLAN BASICALLY
23 WE'VE ISOLATED ALL THE HEAVY NOISE AND HEAT GENERATING
24 EQUIPMENT IN EQUIPMENT ROOMS. SO IN OUR WIDE COMPONENT,
25 YOU'VE GOT A WHOLE LARGE EQUIPMENT ROOM FOR THE MINUS 80

BARRISTERS' REPORTING SERVICE

1 FREEZERS, CENTRIFUGES, AND ALL THE HIGH HEAT AND NOISE
2 GENERATING. AS WELL IN OUR X COMPONENT WE HAVE A
3 THOUSAND SQUARE FEET OF FREEZER AND HIGH NOISE HEAT
4 GENERATING EQUIPMENT SPACE ISOLATED FROM THE OPEN LAB.

5 MS. HYSEN: MY LAST QUESTION. THEY INDICATED
6 THAT THE BUILDING WAS SHORT OF COMMUNAL SPACE. AND I
7 NOTICE THAT PHASE III AND IV HAD A LOT MORE OF THAT. IS
8 THAT WHERE YOU'RE INTENDING TO ADDRESS SOME OF THAT
9 INTERACTIVE SPACE?

10 MR. ROMNEY: ACTUALLY IN THE EXISTING CTSC
11 SPACE, THEY HAVE A LARGE LECTURE AREA AS WELL AS A
12 GATHERING AND BREAK AREA. AND WE WILL DO EXPANDED AREAS
13 AS PHASE III AND IV COME ON, BUT WE DO HAVE COMMUNAL AREA
14 EXISTING IN THE BUILDING. AND WE WILL HAVE FIXED SEATING
15 IN THE CORRIDOR AS WELL FOR INTERACTION. WE WANTED TO BE
16 LEAN AT LEAST AND GET THE MOST BENCH AREA. AND THE
17 OUTDOOR SEATING.

18 DR. NOLTA: WE HAVE A PRETTY NICE CLIMATE TOO.

19 MS. HYSEN: I KNOW. I LIVE THERE.

20 MR. KASHIAN: I KNOW THAT DAVIS HAS AN EXCELLENT
21 VETERINARIAN SCHOOL. AS A MATTER OF FACT, MY DOG WAS
22 TREATED THERE FOR CANCER. YOU LIST THE VETERINARIAN
23 SCHOOL AND YOUR TREATMENT OF ANIMALS AS A SHARED
24 RESOURCE. AND THIS IS NOT A REAL ESTATE QUESTION, BUT
25 HOW DO YOU VIEW THE INTERACTION BETWEEN THE VETERINARIAN

BARRISTERS' REPORTING SERVICE

1 SCHOOL AND THE CIRM RESEARCH?

2 DR. NOLTA: YES. WE'RE ACTIVELY COLLABORATING
3 WITH THE FACULTY IN THE SCHOOL OF VETERINARY MEDICINE.
4 WE'RE USING STEM CELLS FROM DOGS, CATS, AND HORSES TO
5 TREAT THEIR OWN AFFLICTIONS. WHILE IT'S NOT EXACTLY WHAT
6 WE WILL BE DOING IN THIS BUILDING, WHICH IS TESTING
7 SPECIFICALLY HUMAN STEM CELLS IN IMMUNE-DEFICIENT MOUSE
8 AND OTHER XENOGRAPHED ASSAYS, THIS PROVIDES A MODEL WHERE
9 THERE IS A FULL IMMUNE SYSTEM. WE CAN TEST THEIR CELLS.
10 THERE ARE EMBRYONIC STEM CELLS FOR SOME ANIMALS. WE HAVE
11 AN OUTSTANDING NONHUMAN PRIMATE FACILITY WHERE HUMAN
12 CELLS CAN BE TRANSPLANTED INTO THESE NONHUMAN PRIMATES.
13 EMBRYONIC STEM CELLS CAN BE TESTED FOR DIFFERENT
14 DISEASES.

15 WITH THE VETERINARY SCHOOL, WE HAVE VERY CLOSE
16 INTERACTIONS. WE MEET TOGETHER WITH OUR STUDENTS EVERY
17 TWO MONTHS WITH THE DIFFERENT DISEASE TEAMS, WITH THE
18 BONE TEAM AND THE EQUINE TEAM THAT ARE WORKING ON TENDON
19 AND LIGAMENT INJURIES. AND SO WE HAVE CLOSE INTERACTION
20 EVEN THOUGH WE'RE SEPARATED OVER THE CAUSEWAY.

21 MR. KASHIAN: I'M NOT SURE I TOTALLY UNDERSTAND
22 THIS, AND I'M NOT SURE I'M CAPABLE OF UNDERSTANDING IT,
23 BUT DO YOU INTEND TO DEVELOP DOG STEM CELLS TO EXPERIMENT
24 WITH THAT ISSUE?

25 DR. NOLTA: RIGHT NOW WE'RE USING THEIR OWN

BARRISTERS' REPORTING SERVICE

1 AUTOLOGOUS STEM CELLS. IF YOU START TO USE OTHER ANIMAL
2 STEM CELLS, IT NEEDS GO THROUGH USDA AND FDA TESTING, FOR
3 THE HORSES AT LEAST. BUT FOR THE DOGS, WE'RE ACTUALLY
4 ISOLATING THEIR OWN STEM CELLS.

5 CHAIRMAN LICHTENGER: DO WE HAVE ANY OTHER
6 QUESTIONS?

7 MR. KASHIAN: THANK YOU VERY MUCH.

8 CHAIRMAN LICHTENGER: BOB.

9 MR. KLEIN: SO I THINK YOU'RE THE ONLY NONHUMAN
10 PRIMATE LAB IN CALIFORNIA. SO IN TRYING TO MOVE TO FDA
11 TRIALS WHERE THEY REQUIRE NONHUMAN PRIMATES, AND THEY
12 WON'T IN ALL CASES, THIS IS A REALLY UNIQUE ASSET TO HAVE
13 THERE AT THAT FACILITY. SO IT'S A CONTRIBUTION TO THE
14 OVERALL STATEWIDE ABILITY TO MOVE FORWARD INTO CLINICAL
15 TRIALS WHERE THAT'S GOING TO BE A REQUIREMENT.

16 DR. NOLTA: ABSOLUTELY. THAT HAS LONG BEEN A
17 SHARED FACILITY FOR PEOPLE TO COME AND WORK THERE AND
18 APPLY TO WORK THERE. THREE OF OUR DISEASE TEAMS ARE
19 ACTUALLY NOW TESTING HUMAN EMBRYONIC STEM CELLS, WILL
20 SOON BE TESTING HUMAN EMBRYONIC STEM CELLS IN THE FETAL
21 MONKEYS.

22 CHAIRMAN LICHTENGER: OKAY. ANY OTHER QUESTIONS
23 OR COMMENTS? THANK YOU FOR COMING AND ANSWERING OUR
24 QUESTIONS. SO WE'LL TAKE A MINUTE OR SO FOR US TO RECORD
25 OUR PRELIMINARY SCORES FOR APPLICATION 00611-1.

BARRISTERS' REPORTING SERVICE

1 (PAUSE IN PROCEEDINGS.)

2 CHAIRMAN LICHTENGER: SO, RICK, LET'S MOVE ON.

3 MR. KELLER: THE NEXT ONE IS APPLICATION 612, UC
4 IRVINE. AND RAY GROOM WILL BE REVIEWING THE STAFF
5 ANALYSIS FOR YOU.

6 MR. GROOM: THIS APPLICANT PROPOSES A NEW
7 THREE-STORY STEM CELL RESEARCH FACILITY. IT CONSOLIDATES
8 BASIC AND DISCOVERY RESEARCH, PRECLINICAL RESEARCH,
9 PRECLINICAL DEVELOPMENT, AND CLINICAL RESEARCH PROGRAMS
10 WITHIN ONE FACILITY.

11 THE STEM CELL -- IT ALSO HAS A STEM CELL CULTURE
12 CORE, A VIDEOCONFERENCING CENTER, CLINICAL AND HUMAN
13 PERFORMANCE FACILITY, AS WELL AS A REGULATORY DEPARTMENT
14 THAT INCLUDES AN OUTPATIENT CLINIC. IT HAS 38,970
15 ASSIGNABLE SQUARE FEET AND 661,557 GROSS SQUARE FEET.
16 ALSO HAS A SHELL FACILITY VALUED AT ABOUT 2.6 TO \$3.5
17 MILLION.

18 A PORTION OF THE APPLICANT'S STEM CELL TEAM IS
19 CURRENTLY LOCATED OFF CAMPUS IN LEASED FACILITIES, SO
20 THIS WILL GIVE THEM A PERMANENT HOME ON CAMPUS. AT
21 OCCUPANCY IT WILL HOUSE 16 RESEARCH TEAMS, OF WHICH SIX
22 WILL BE NEW TO THE INSTITUTION. THE APPLICANT ALSO NOTES
23 IT HAS SPACE FOR TEN VISITING RESEARCHERS.

24 IT HAS A SUBGRADE LEVEL SHELL SPACE, AS I NOTED,
25 WHICH WILL BE USED TO ACCOMMODATE FUTURE EXPANSION NOT

BARRISTERS' REPORTING SERVICE

1 INCLUDED IN THE CIRM PROPOSAL. COMPLETION OF THE PROJECT
2 IS JULY 2010. IT IS SCHEDULED TO -- IT CURRENTLY
3 QUALIFIES FOR A LEED SILVER, BUT THEY ARE TRYING TO GET A
4 GOLD. AND IT WILL DEPEND ON THEIR BID. DOLLARS AND
5 CENTS WILL MAKE THAT DECISION.

6 THE MOST SIGNIFICANT ISSUE THAT WE IDENTIFIED IN
7 THE PROPOSAL IS THAT THIS PROPOSAL HAD THE SECOND LOWEST
8 LEVERAGE AMONGST THE APPLICANTS IN THIS CATEGORY.

9 THE LAB PLANNER SCORE, FUNCTIONALITY WAS B,
10 VALUE SCORE B. THE LAB PLANNER DID NOTE THAT THE MIXING
11 OF X, Y, AND Z RESEARCH TEAMS ON THREE FLOORS. THE
12 CRITICAL MASS OF 16 PI'S IN THE INTERACTION SPACE ARE
13 STRATEGICALLY LOCATED AT THE OFFICE LAB INTERFACE,
14 ENHANCING GOOD COMMUNICATIONS ACROSS THE RESEARCH TEAMS.

15 THE INNOVATION CONCEPT FOR THIS PROJECT IS
16 FOCUSED ON THE CAMPUS' MODIFIED DESIGN-BUILD DELIVERY
17 PROCESS AND THE ACCOMPANYING ECONOMIES DUE TO THE SPEED
18 OF CONSTRUCTION.

19 WITH THAT, I'LL TURN OVER THE DISCUSSION TO
20 MEMBER LAFF AS THE PRIMARY REVIEWER AND TO MR. KASHIAN AS
21 THE SECONDARY REVIEWER.

22 MR. LAFF: THANK YOU VERY MUCH. I WOULD LIKE TO
23 ECHO THE OTHER MEMBERS' THANKS TO BOTH THE STAFF, WHO PUT
24 AN INCREDIBLE AMOUNT OF WORK IN PUTTING ALL OF THIS
25 TOGETHER, AND TO ALL OF THE INSTITUTIONS THAT ALSO PUT A

BARRISTERS' REPORTING SERVICE

1 LOT OF WORK AND A LOT OF THOUGHT BEHIND THEIR PACKAGES.
2 SO THANK YOU VERY MUCH. AND FOR US WE HAD TO READ THEM
3 ALL.

4 I THOUGHT THAT UC IRVINE'S PROPOSAL WAS VERY
5 GOOD AND VERY STRONG. I THOUGHT IN TERMS OF VALUE, WHILE
6 THEY LOOK AT THE DESIGN-BUILD AS INNOVATIVE, I THINK IT'S
7 A GOOD PROCEDURE. THEY'RE ONE OF THE FEW INSTITUTIONS
8 THAT'S USING IT. YET IT IS FASTER AND IT IS LESS
9 EXPENSIVE, WHICH LED ME TO TRY AND UNDERSTAND THEIR
10 BUDGET A LITTLE BIT.

11 THEY HAVE A VERY STRONG INTERNAL TEAM. THEY
12 USED AN ESTIMATING FIRM TO DO THEIR BUDGET. THEY WERE
13 RELUCTANT TO SAY BECAUSE THEY HAD NOT SELECTED THEIR
14 DESIGN-BUILD TEAM YET. I WOULD HAVE LIKED TO HAVE SEEN A
15 CONTRACTOR'S VIEW OF THAT BECAUSE I THINK PRICING HAS
16 CHANGED A GREAT DEAL IN THE LAST SIX MONTHS.

17 AS IT WAS MENTIONED, THEY ARE GOING FOR A SILVER
18 LEED CERTIFICATION. I THINK THAT THERE'S NOTHING
19 INNOVATIVE ABOUT HAVING SHELL SPACE, BUT I THINK IT'S A
20 REALLY GOOD IDEA BECAUSE ONE OF THE QUESTIONS I HAVE IS
21 SO WHAT HAPPENS WHEN WE HAVE ONE MORE RESEARCHER THAN A
22 FLOOR OR A BUILDING HAS? HOW ARE THEY GOING TO HANDLE
23 THAT? AND SO THEY'RE GOING TO HANDLE IT BY HAVING
24 EXPANSION SPACE, AND I THOUGHT THAT WAS QUITE
25 INTELLIGENT.

BARRISTERS' REPORTING SERVICE

1 I WAS SOMEWHAT DISAPPOINTED IN THEIR LEVERAGE
2 MODEL. AND WHILE IT'S COME UP SIGNIFICANTLY BECAUSE OF
3 THE CENTRAL UTILITY PLANT, IT IS STILL IN THE SAME
4 CATEGORY, BEING THE SECOND LOWEST OF EVERYBODY IN THEIR
5 CATEGORY, ALBEIT BETTER.

6 THEY HAVE AN EXCELLENT INTERNAL TEAM. THEY
7 HAVE -- IN THEIR PROPOSAL THEY LISTED EIGHT PROJECTS THAT
8 THEY HAVE DONE SIMILAR TO THIS PROJECT THAT THEY HAD BEEN
9 ON TIME AND IN SOME CASES UNDER BUDGET. I THINK THAT'S
10 REALLY GOOD, BUT I DON'T KNOW WHETHER THE BUDGET IS BASED
11 ON WHERE OUTSIDE ESTIMATORS DID IT OR WAS ESTIMATED BY
12 THE CONTRACTORS THEY USED. MAYBE THEY COULD ANSWER THAT.

13 BUT THEY CLEARLY DEMONSTRATED TO ME THAT THEY
14 HAVE THE ABILITY TO COMPLETE THIS PROJECT ON TIME AND ON
15 BUDGET.

16 ONE OF THE THINGS THEY'RE DOING, WHICH IS
17 HELPING THEM IN THIS, IS THIS IS GOING TO BE CLOSE TO A
18 DUPLICATE OF A BUILDING THEY'VE JUST COMPLETED. THEY'RE
19 GOING TO MAKE SOME REFINEMENTS, BUT THEY'RE GOING TO
20 FOLLOW THOSE BUILDING PLANS PRETTY CLOSELY. I THOUGHT
21 THAT WAS A PRETTY GOOD IDEA.

22 IN TERMS OF SHARED RESOURCES, THEY TALKED IN
23 THEIR PROPOSAL ABOUT THE FACT THAT THEY HAVE -- AND I
24 THINK THESE ARE INFORMAL. IF THEY'RE HERE AND THEY COME
25 UP -- I KNOW THEY'RE HERE. I FLEW UP WITH ONE -- THEY

BARRISTERS' REPORTING SERVICE

1 COULD TELL ME. IT'S MY UNDERSTANDING THAT THEY ARE GOING
2 TO SHARE THIS SPACE WITH MANY LOCAL ORANGE COUNTY
3 INSTITUTIONS AND MAKE THAT SPACE AVAILABLE TO THEM.

4 I THINK THE BUILDING IS WELL-PLANNED AND
5 WELL-ORGANIZED. AND ONE OF THE QUESTIONS I GUESS I WOULD
6 HAVE TO ASK OUR LAB PLANNER, WHAT'S AN A? HOW DOES
7 SOMEBODY GET AN A?

8 MR. COPENHAGEN: I THINK THE A GRADES WERE WHEN
9 THE TOTAL PACKAGE RAISED THE BAR. I THINK I GAVE ONE OR
10 MAYBE TWO OF THE APPLICANTS AN A. THEY WERE REALLY DOING
11 SOMETHING DIFFERENT WITH THE FACILITY, MAKING IT MUCH
12 MORE CREATIVE SPACE OR INSPIRING SPACE FOR THE
13 RESEARCHERS THAN WHAT I WOULD SEE HERE. THEY HAVE A --
14 IRVINE HAS A VERY SOLID BUILDING PLAN, TRIED AND TRUE,
15 TESTED, HIGH UTILIZATION. IT'S GOT ALL THE RIGHT
16 COMPONENTS, BUT THERE'S NOTHING SPECIAL OR ABOVE.

17 MR. LAFF: THERE'S NO WOW. IS THAT WHAT YOU'RE
18 SAYING?

19 MR. COPENHAGEN: IT'S WOW AND IT'S KIND OF
20 WHAT'S NEXT.

21 MR. LAFF: OKAY. I THOUGHT THE BUILDING WAS
22 WELL-PLANNED, IS VERY FUNCTIONAL, AND WILL SERVE THE
23 RESEARCH THAT'S GOING TO GO ON IN THAT FACILITY WELL.

24 CHAIRMAN LICHTENGER: THANK YOU, STUART. SO NOW
25 THE SECONDARY REVIEW WILL BE ED KASHIAN.

BARRISTERS' REPORTING SERVICE

1 MR. KASHIAN: THANK YOU. I CONCUR IN MOST OF
2 WHAT STUART HAD TO SAY. I HAPPEN TO BE A STUDENT OF --
3 WHAT'S HER NAME, JANET MASON, IS IT THAT ADVOCATES
4 DESIGN-BUILD. I KNOW THE UC SYSTEM OPERATES AT A SNAIL'S
5 PACE, AND SHE HAS MADE THAT THING WORK, AND AS HAVE THE
6 REST OF STAFF THERE. THERE'S NO QUESTION IN MY MIND THAT
7 THEIR PLAN IS EXECUTABLE GIVEN THE STAFF AND THE
8 COMMITMENT TO WHAT THEY'RE DOING. NONE, NONE AT ALL.

9 THE ONLY WEAKNESS IN THIS APPLICATION FOR ME IS
10 I GAVE IT A FAIRLY LOW SCORE FOR LEVERAGE. THAT BEING
11 SAID, I THINK IT'S BEEN CORRECTED, BUT I DISAGREED WITH
12 THE STAFF ANALYSIS ABOUT NOT COUNTING VISITING LAB SPACE,
13 AND I INCLUDED IT IN MY ANALYSIS.

14 CHAIRMAN LICHTENGER: YES, RICK.

15 MR. KELLER: I WANTED TO CLARIFY THAT EXACT
16 POINT THAT MEMBER KASHIAN IS BRINGING UP IS THAT THE
17 DATASET, NOW WE HAVE UC IRVINE AT 16 AND THEN 10
18 VISITING. AND THEN I WANTED TO POINT YOUR ATTENTION TO
19 THE CENTRAL UTILITY TABLE, AND IT'S A LITTLE BIT -- I
20 MISLABELED IT BECAUSE IT SHOULD BE CENTRAL UTILITY AND
21 OTHER LEVERAGE ADJUSTMENTS.

22 FOR UC IRVINE ABOUT THREE MILLION WAS IDENTIFIED
23 BY THE CAMPUS AS THEIR INVESTMENT IN CENTRAL UTILITY
24 CAPACITY THAT WAS ATTRIBUTABLE TO THIS SPACE. IN
25 ADDITION, IN THE APPLICATION THEY IDENTIFIED THE SHELL

BARRISTERS' REPORTING SERVICE

1 SPACE AS BEING 100 PERCENT FUNDED BY THE CAMPUS AND HAD
2 NOT INCLUDED IT AS PART OF THE LEVERAGE.

3 AND SO IN CONFIRMING, AND WE DIDN'T REALIZE THAT
4 THAT WAS EITHER BECAUSE THEY DID NOT WANT TO COMMIT THAT
5 SPACE TO STEM CELL RESEARCH OR WANTED TO MAINTAIN
6 FLEXIBILITY. AND AFTER FOLLOW-UP, THEY INDICATED THAT
7 THAT SPACE IS INDEED COMMITTED TO STEM CELL RESEARCH EVEN
8 THOUGH IT'S SHELL SPACE. AND SO THAT NUMBER, THE 16
9 MILLION 055 INCLUDES BOTH UTILITY AND THE CATCH-UP FOR
10 THE SHELL SPACE. SO THE LEVERAGE MOVES UP.

11 CHAIRMAN LICHTENGER: SO THE LEVERAGE
12 PREVIOUSLY, RICK, IF I UNDERSTAND YOU CORRECTLY, WAS
13 16,507 AND NOW IT'S 22 --

14 MR. KELLER: 562.

15 CHAIRMAN LICHTENGER: SO DO WE HAVE A NEW CHART?

16 MR. KELLER: IT'S RIGHT UP THERE ON THE RIGHT.

17 CHAIRMAN LICHTENGER: SO IS THAT THE ONE THAT
18 WAS HANDED OUT OR NO?

19 MR. KELLER: THAT HAPPENS TO BE THE ONE THAT WAS
20 HANDED OUT. SO THIS IS THE RIGHT ONE.

21 MR. KASHIAN: I UNDERSTAND YOUR POINT OF VIEW.
22 I'M EXPLAINING MINE. I COUNTED IT IN MY SCORING.

23 THE ISSUE THAT IT SORT OF BRINGS UP IS FROM A
24 REAL ESTATE POINT OF VIEW ALWAYS A GOOD ISSUE IS TO
25 CREATE THAT SHELL SPACE IN THE INFRASTRUCTURE FOR THE

BARRISTERS' REPORTING SERVICE

1 FUTURE. AND I'M NOT SURE HOW IT FIGURES WITH THE
2 LEVERAGE AND THE REST OF IT, BUT FROM A REAL ESTATE POINT
3 OF VIEW, IN THE FUTURE I THINK IT'S ALWAYS A GOOD IDEA TO
4 INCLUDE IT. I'M HOPING MY COLLEAGUES WILL PROVIDE SOME
5 RELIEF FROM THE LEVERAGE SCORE TO HELP FACILITATE THIS
6 PROGRAM.

7 CHAIRMAN LICHTENGER: THANK YOU, ED. ANY OTHER
8 QUESTIONS OR COMMENTS REGARDING UC IRVINE?

9 MR. KLEIN: I WOULD LIKE TO ECHO ED KASHIAN'S
10 COMMENTS, PARTICULARLY BECAUSE THIS IS A REPEAT OF A
11 PRIOR BUILDING, AS INDICATED BY THE APPLICATION, THEY
12 SHOULD HAVE A VERY GOOD HANDLE ON THE SPACE. BUT I'D
13 LIKE TO ASK, STUART, WERE YOU THINKING THAT PERHAPS COSTS
14 HAD GONE DOWN AS COMPARED TO THE PRIOR BUILDING WITH YOUR
15 COMMENT ABOUT CHANGES OF COST IN THE LAST SIX MONTHS? OR
16 WERE YOU THINKING THAT THE COST HAD GONE UP IN THE LAST
17 SIX MONTHS?

18 MR. LAFF: WELL, COSTS HAVE NOT GONE UP IN THE
19 LAST SIX MONTHS. ONE, I DON'T REMEMBER WHEN THE ESTIMATE
20 BY THE ESTIMATING FIRM, THEY DID USE AN OUTSIDE FIRM.

21 MR. GROOM: CUMMINGS CORPORATION WAS USED, AND
22 THE DATE ON THE ESTIMATE WAS FEBRUARY 18, 2008, SO IT'S
23 PRETTY CURRENT.

24 MR. LAFF: PRETTY CURRENT.

25 MR. KLEIN: WITH THE ADVANTAGE OF DUPLICATING AN

BARRISTERS' REPORTING SERVICE

1 EXISTING BUILDING THEY HAD RECENTLY FINISHED, I WOULD
2 THINK THEY' D BE PRETTY CLOSE.

3 I WOULD LIKE IN THE APPLICANT' S COMMENTS FOR
4 THEM TO ADDRESS THE RATIO OF 10 VISITING FACULTY TO 16
5 FACULTY THAT ARE PART OF THEIR PERMANENT STAFF. I DO
6 UNDERSTAND THAT THERE ARE MANY SITUATIONS WHERE YOU CAN
7 GET EXTRAORDINARY ADVANTAGE OUT OF FACULTY FROM OTHER
8 STATES OR OTHER COUNTRIES, BUT I' D JUST LIKE TO
9 UNDERSTAND THE SIGNIFICANCE OF THAT RATIO.

10 AND I WOULD LIKE TO SAY THAT FROM A CLINICAL
11 POINT OF VIEW, THE USE OF OR THE INCLUSION OF CLINICAL
12 SPACE IN THE FACILITY WHERE YOU HAVE A POTENTIAL FOR THE
13 INTERSPACE BETWEEN THE SCIENTIFIC RESEARCHERS AND
14 PATIENTS IN TRIALS APPEAR TO BE AN INNOVATIVE FEATURE NOT
15 IN OTHER APPLICATIONS THAT WAS AN INTERESTING POINT.

16 CHAIRMAN LICHTENGER: GREAT. THANK YOU, BOB. I
17 HAD A FEW QUESTIONS, RICK. SO IN TERMS OF THIS, I WANT
18 TO MAKE SURE I' M CLEAR ON THIS. IN TERMS OF THE SHELL
19 BASEMENT, IS THIS COUNTED IN LEVERAGE?

20 MR. KELLER: IT IS NOW. ON THE CHART THAT WAS
21 DISTRIBUTED, BUT NOT COUNTED IN THE CHART THAT' S IN YOUR
22 PACKET.

23 CHAIRMAN LICHTENGER: IT IS NOW?

24 MR. KELLER: YES.

25 CHAIRMAN LICHTENGER: OKAY. WHY DON' T WE HAVE

BARRISTERS' REPORTING SERVICE

1 UC IRVINE COME UP UNLESS THERE ARE ANY OTHER COMMENTS OR
2 QUESTIONS TO STAFF OR STEVE COPENHAGEN BEFORE WE BRING UP
3 UC IRVINE. OKAY. UC IRVINE CAN COME UP. WE'LL ASK YOU
4 TO LIMIT YOUR COMMENTS TO THREE MINUTES, NOT INCLUDING
5 QUESTIONS.

6 DR. DONOVAN: MY NAME IS PETER DONOVAN. I'M THE
7 CO-DIRECTOR OF THE STEM CELL RESEARCH CENTER AT UC
8 IRVINE. I'D LIKE TO THANK YOU FOR ALL YOUR WORK AND
9 INTRODUCE THE OTHER MEMBERS OF THE TEAM HERE.

10 MS. LOCK: LESLIE LOCK, STEM CELL RESEARCHER AND
11 DIRECTOR OF THE STEM CELL TECHNIQUES COURSE.

12 MS. GLADSON: REBECCA GLADSON, CAMPUS ARCHITECT.

13 MS. MASON: JANET MASON, DIRECTOR OF CAPITAL
14 PLANNING.

15 DR. KIERSTEAD: HANS KIERSTEAD. I AM THE OTHER
16 CO-DIRECTOR OF THE CENTER. ALSO I'D JUST LIKE TO EXTEND
17 A THANKS TO THE REVIEWERS.

18 MS. GLADSON: I'D LIKE TO ADDRESS THE ISSUE OF
19 BUDGET AND THE DESIGN-BUILD. THE WAY THAT THE BUDGET WAS
20 ESTABLISHED WAS WITH AN INDEPENDENT COST ESTIMATOR. THIS
21 PROJECT IS ALSO CONSISTENT WITH A PROJECT THAT WE JUST
22 TOOK A BID ON ABOUT FOUR WEEKS AGO, SAME SIZE BUILDING,
23 VERY, VERY SIMILAR PROGRAM. AND THIS COST IS REFLECTIVE
24 OF EVEN THAT BID. SO ALTHOUGH IT MAY BE A LITTLE BIT
25 LOWER THAN WHAT SOME OF THE OTHER ONES ARE, IT DOES

BARRISTERS' REPORTING SERVICE

1 REFLECT WHAT WE'RE ABLE TO DO UTILIZING DESIGN-BUILD AND
2 THE WAY WE USE STRUCTURAL SYSTEMS FOR EXTERIOR CLADDING,
3 ETC. , WHICH IS IN YOUR DOCUMENTS.

4 SO IT HAS BEEN VETTED WITH THE DESIGN
5 CONSTRUCTION COMMUNITY AS WELL AS INDEPENDENT COST
6 ESTIMATING.

7 CHAIRMAN LICHTENGER: RICK, I HAVE A QUESTION.
8 I'M NOT SURE. YOU MAY HAVE ADDRESSED IT. SO ON
9 EQUIPMENT, I KNOW THERE WAS A QUESTION I HAD EARLIER IN
10 TERMS OF EQUIPMENT BECAUSE IT WAS LOW RELATIVE TO THE
11 OTHER PROPOSALS, BUT THEN THEY WERE GOING TO BE
12 RELOCATING. AND JUST IN FAIRNESS WITH THE OTHER
13 APPLICATIONS, DO WE HAVE EQUIPMENT CLASSIFIED UNDER
14 LEVERAGE, AND IS THERE OTHER EQUIPMENT THAT, AGAIN, MAY
15 NOT TECHNICALLY QUALIFY THAT IS SUBSTANTIAL THAT WE MIGHT
16 WANT TO BE AWARE OF?

17 DR. KIERSTEAD: THE CAMPUS HAS COMMITTED SO FAR
18 \$1.5 MILLION IN EQUIPMENT THAT IS IN ADDITION. AND --

19 CHAIRMAN LICHTENGER: IS THAT COUNTED IN OUR
20 LEVERAGE CATEGORY OR NOT?

21 DR. KIERSTEAD: NO, IT IS NOT.

22 CHAIRMAN LICHTENGER: SO IT IS AN ADDITIONAL 1.5
23 MILLION.

24 DR. KIERSTEAD: IT'S AN ADDITIONAL 1.5. AND THE
25 CAMPUS HAS ALSO COMMITTED SIX FTE'S, WHICH WILL COME WITH

BARRISTERS' REPORTING SERVICE

1 START-UP PACKAGES, SO WE EXPECT THAT THE EQUIPMENT
2 ALLOCATION IS GOING TO BE QUITE A TREMENDOUS ADDITION TO
3 THAT. THAT'S A \$17.5 MILLION COMMITMENT TO COVER ALL OF
4 THOSE SIX FTE'S DEDICATED TO THIS PROGRAM. THERE WILL BE
5 AN EQUIPMENT COMPONENT IN THERE.

6 CHAIRMAN LICHTENGER: SO 17.5 PLUS --

7 DR. KIERSTEAD: 1.5.

8 CHAIRMAN LICHTENGER: SO 19 MILLION ADDITIONAL
9 THAT'S NOT COUNTED IN LEVERAGE.

10 DR. KIERSTEAD: THAT'S CORRECT.

11 MR. KLEIN: MR. CHAIRMAN, I THINK HE'S
12 REFLECTING THE 17.5 IS FOR HIRING OF FACULTY, BUT WE NEED
13 TO FIND OUT. HE'S ALSO INDICATING THAT IT'S SIGNIFICANT.
14 IS IT A PORTION OF THE 17.5 THAT GOES TO EQUIPMENT, OR IS
15 THAT IN ADDITION TO THE 17.5?

16 DR. KIERSTEAD: A PORTION OF THE 17.5 WILL GO TO
17 EQUIPMENT.

18 MR. KLEIN: IS THERE AN ESTIMATE OF WHAT PORTION
19 IS?

20 MR. DONOVAN: THERE IS AN ESTIMATE. THE
21 START-UP PACKAGES THAT GO TO FACULTY DEPEND ON MARKET
22 FORCES AND COMPETE WITH OTHER CAMPUSES. SO IT COULD BE
23 ANYWHERE FOR ASSISTANT PROFESSOR FROM HALF A MILLION TO A
24 MILLION DOLLARS TO AN ASSOCIATE PROFESSOR OUT FROM THERE
25 AND A FULL PROFESSOR.

BARRISTERS' REPORTING SERVICE

1 MR. KLEIN: I THINK WE CAN ONLY WORK WITH YOUR
2 BUDGET TARGET FOR EQUIPMENT. SO IF YOU CAN TELL US THAT
3 NUMBER, THAT WILL GIVE US SOME POINT TO WORK WITH.

4 CHAIRMAN LICHTENGER: SO IF YOU DON'T HAVE
5 ANOTHER -- WE CAN'T CONSIDER IT AS PART OF LEVERAGE, BUT
6 IT IS INFORMATION THAT THE FACILITIES WORKING GROUP WANTS
7 TO BE AWARE OF. SO WE'VE GOT 1.5 THAT YOU KNOW IS PART
8 OF THAT, AND YOU'RE SAYING SOME PORTION OF THE 17.5, BUT
9 UNDEFINED.

10 DR. KIERSTEAD: THAT'S CORRECT. I'M SORRY.
11 IT'S VERY HARD TO PUT A NUMBER ON THAT.

12 CHAIRMAN LICHTENGER: ALL RIGHT. THAT'S FINE.
13 THAT'S AN HONEST ANSWER. I LIKE THAT. SO WERE THERE ANY
14 OTHER QUESTIONS FOR UC IRVINE?

15 MR. KLEIN: I HAD A QUESTION, MR. CHAIRMAN. IF
16 SOMEONE COULD EXPLAIN THE TEN VISITING PI'S RATIO TO THE
17 16 PI'S THAT ARE ON PERMANENT FACULTY, WHAT'S THE
18 STRATEGY THERE? AND WHY IS YOUR RATIO OF VISITING TO
19 PERMANENT AS HIGH AS IT IS? WHAT SPECIAL CONTRIBUTION
20 ARE THEY TRYING TO CAPTURE THERE?

21 DR. DONOVAN: AS DR. TROUNSON MENTIONED AT THE
22 BEGINNING, THIS TYPE OF RESEARCH IS BECOMING MUCH MORE
23 MULTIDISCIPLINARY AND OFTEN TRANSNATIONAL. AT UCI WE
24 ALREADY HAVE ABOUT FIVE OR SIX PROJECTS FUNDED FROM THE
25 UNITED KINGDOM. WE HAVE BY THE DEPARTMENT OF TRADE AND

BARRISTERS' REPORTING SERVICE

1 INDUSTRY COLLABORATIVE PROJECTS ON STEM CELL RESEARCH.
2 WE REALLY FEEL THAT'S SOMETHING THAT WE NEED AND WILL
3 BRING VALUE TO THE BUILDING, BRINGING NEW INTELLECT AND
4 NEW RESOURCES INTO THE BUILDING.

5 THE UK GOVERNMENT AND THE FRENCH GOVERNMENT HAVE
6 BEEN VERY INTERACTIVE WITH US IN TERMS OF PUSHING
7 COLLABORATIVE PROJECTS WITH THEIR SCIENTISTS. WE HAVE
8 COLLABORATIVE EFFORTS WITH RIVERSIDE, WHO SIGNED A
9 MEMORANDUM OF UNDERSTANDING FOR OUR SHARED RESEARCH LAB,
10 AND WE CONTINUE TO TRAIN THEIR SCIENTISTS, AND THEY WANT
11 TO COME TO OUR FACILITY. WE HAVE LOTS OF PEOPLE REALLY
12 KNOCKING ON OUR DOOR. WE FEEL THAT IF WE CAN PROVIDE
13 THEM THE SPACE, IT REALLY ADDS TO OUR RESEARCH
14 ENTERPRISE. WE'RE GETTING THEIR BRAINS INTO OUR
15 BUILDING, SO WE WANTED TO PROVIDE SPACE FOR THAT.

16 I SHOULD SAY THAT IF IT DOESN'T GET FILLED, AS
17 MOST OF THE ACADEMICS HERE KNOW, THERE WILL BE PEOPLE
18 WITH CLIPBOARDS WALKING AROUND THE BUILDING LOOKING TO
19 FILL THE SPACE. AND HANS AND I, AS CO-DIRECTORS, I THINK
20 WE ALWAYS HAVE RESEARCHERS ON CAMPUS WANTING SPACE FOR
21 STEM CELL RESEARCH. SO THAT WILL GET FILLED, BUT WE'RE
22 PRETTY CONFIDENT THAT WE HAVE VISITORS WANTING TO COME
23 AND USE THE SPACE.

24 CHAIRMAN LICHTENGER: THANK YOU. GREAT. ARE
25 THERE ANY OTHER QUESTIONS FOR UC IRVINE? GREAT. WELL,

BARRISTERS' REPORTING SERVICE

1 YOU WANT TO MAKE A COMMENT?

2 MS. GLADSON: WELL, THERE WAS A QUESTION
3 EARLIER, MAYBE A STATEMENT REGARDING THE LEED'S AND THE
4 GOLD AND ENERGY SUSTAINABILITY. AND THIS PROJECT WILL
5 EXCEED TITLE 24 BY OVER 30 PERCENT, CLOSER TO 35 PERCENT.
6 HOW YOU CALCULATE THAT IS THERE ARE LOTS OF FORMULAS, BUT
7 THAT IS WHAT IT WILL ULTIMATELY BE.

8 CHAIRMAN LICHTENGER: GREAT. THANK YOU. THANK
9 YOU FOR COMING.

10 DR. KIERSTEAD: THANK YOU VERY MUCH.

11 CHAIRMAN LICHTENGER: RICK, I DON'T KNOW. IF
12 STANFORD HAS THAT ADDITIONAL INFORMATION, HOW DO WE
13 TECHNICALLY HANDLE THAT?

14 MR. KELLER: INFORMATION ON EQUIPMENT?

15 CHAIRMAN LICHTENGER: ARE THEY JUST GOING TO
16 PROVIDE --

17 MR. KELLER: THEY HAVE PROVIDED A RANGE IN THE
18 APPLICATION. AND JUST AS IT WAS TESTIFIED TO A MOMENT
19 AGO, THESE INVESTMENTS ARE VERY DIFFICULT TO PREDICT
20 BECAUSE THEY DEAL WITH THE SPECIFIC RECRUITMENTS. AND SO
21 I THINK A RANGE IS ALL YOU'RE REALLY GOING TO BE ABLE TO
22 ASCERTAIN ON SOMETHING THAT'S THEORETICAL AS HOW MUCH IS
23 YOUR FUTURE EQUIPMENT BUDGET FOR RECRUITMENTS.

24 CHAIRMAN LICHTENGER: SO WE DON'T HAVE ANY NEW
25 INFORMATION?

BARRISTERS' REPORTING SERVICE

1 MR. KELLER: I'LL ASK CHRIS.

2 MR. SHAY: IT'S NOT NEW INFORMATION.

3 MR. KELLER: IT WAS SEVEN TO NINE AS I RECALL.

4 CHAIRMAN LICHTENGER: SO IT IS THAT RANGE.

5 MR. SHAY: SEVEN TO NINE --

6 MR. KLEIN: THEY HAVE TO COME TO THE MIC.

7 MR. SHAY: CHRIS SHAY WITH STANFORD UNIVERSITY.

8 SO FROM OUR GRANT APPLICATION, WE HAVE INDICATED THERE
9 WILL BE NINE TO \$12 MILLION WORTH OF EXISTING EQUIPMENT
10 THAT WILL BE DETAILED OUT LATER AND BE ABLE TO BE
11 AUDITED. AND THEN FROM THAT WE REPORTED, 4.4, THAT MEETS
12 THE STRICT CRITERIA THAT CIRM HAS PUT FORWARD. AND THEN
13 WE ESTIMATE THAT THERE WILL BE SEVEN MILLION PLUS FOR NEW
14 EQUIPMENT FOR NEW FACULTY MEMBERS, BETWEEN SEVEN TO 15
15 MILLION, SO THE CONSERVATIVE NUMBER WOULD BE \$20.4
16 MILLION THAT WILL BE GOING INTO THE BUILDING. AND THAT'S
17 THE LOW END OF THE RANGE THAT WE ESTIMATE.

18 CHAIRMAN LICHTENGER: THANK YOU. SO I'M GOING
19 TO ALLOW THE MEMBERS A MINUTE, BUT WE'RE GOING TO KIND OF
20 ADJOURN NOW FOR A TEN-MINUTE BREAK SO EVERYONE CAN HAVE A
21 LITTLE BREAK.

22 (A RECESS WAS TAKEN.) CHAIRMAN LICHTENGER:
23 I'D LIKE TO CALL THE MEETING BACK TO ORDER. SO BEFORE WE
24 MOVE ON TO THE NEXT APPLICATION, I WANT TO ASK IF THERE
25 ARE ANY PUBLIC COMMENTS. PLEASE IDENTIFY YOUR NAME AND

BARRISTERS' REPORTING SERVICE

1 AFFILIATION.

2 MR. REED: DON REED, CALIFORNIANS FOR CURES. I
3 DO NOT ENVY YOU YOUR TASK. THESE ARE TREMENDOUS
4 APPLICANTS ONE AND ALL. THE ROMAN REED SPINAL CORD
5 INJURY RESEARCH ACT HAS FUNDED RESEARCH AT SEVERAL OF
6 THESE INSTITUTIONS, BUT ONE IN PARTICULAR STANDS OUT. OF
7 COURSE, THAT'S UCI. UCI WAS THE FIRST USE OF THE
8 PRESIDENTIALLY FUNDED STEM CELL -- EMBRYONIC STEM CELL
9 LINES, THE FIRST STATE-FUNDED EMBRYONIC STEM CELL
10 RESEARCH IN THE NATION. THEY ARE GOING FOR THE FIRST
11 HUMAN TRIALS IN EMBRYONIC STEM CELL RESEARCH.

12 BUT THE THING THAT STRIKES ME THE MOST IS THE
13 TREMENDOUS ENERGY OF THE PLACE. I VISITED ABOUT MAYBE 12
14 TIMES. AND ONE THING THAT I KNOW ABOUT THEIR
15 COLLABORATION IS THAT THEY HAVE ONE LAB WHERE THERE'S NO
16 WALLS. AND THE PEOPLE ARE CONSTANTLY AWARE OF WHAT
17 EVERYBODY ELSE IS DOING. SO BASICALLY WHAT THEY ARE IS
18 THEY'RE BUSTING AT THE SEAMS. ALL THEY NEED IS THE ROOM,
19 AND I SINCERELY HOPE THAT YOU GUYS GIVE THEM WHAT THEY
20 NEED. THANK YOU.

21 CHAIRMAN LICHTENGER: THANK YOU.

22 MR. REED: I HAVE TO SAY ONE MORE THING. ONE
23 THING THEY DID NOT MENTION WAS THEY TALK ABOUT THE ANIMAL
24 MODELS AT UC DAVIS, WHICH IS A FANTASTIC THING. ROMAN
25 REED ACT HELPED PAY FOR THAT. NOW, ONE THING THAT UC

BARRISTERS' REPORTING SERVICE

1 IRVINE HAS, WHICH I DON'T THINK ANYBODY IN THE WORLD HAS,
2 AND THAT'S CHRONICALLY INJURED RATS. RATS, IT'S VERY
3 HARD TO MAINTAIN A RAT. AND THERE ARE RATS THAT HAVE A
4 SPINAL CORD INJURY THAT ARE TWO YEARS OLD. NOW, THAT
5 MEANS THAT CHRONICALLY INJURED PEOPLE, THAT WOULD BE A
6 DIRECT MODEL TO WORK FOR, WHICH NOBODY ELSE HAS THAT. SO
7 IT'S A TREMENDOUS EXAMPLE OF THE KIND OF FORETHINKING
8 THAT THEY DO. THEY'RE EXCELLENT.

9 CHAIRMAN LICHTENGER: THANK YOU.

10 MR. SIMPSON: JOHN SIMPSON FROM THE ORGANIZATION
11 THAT'S NOW KNOWN AS CONSUMER WATCHDOG. WE'VE CHANGED OUR
12 NAME FROM THE FOUNDATION FOR TAXPAYER AND CONSUMER
13 RIGHTS, SO THE TRANSCRIPTIONIST HAS A SHORTER THING TO
14 ENTER.

15 JUST VERY QUICKLY WANTED TO COMMEND ALL OF YOU
16 ON THE WAY THIS IS PROCEEDING AND NOT SLOW IT DOWN BY
17 TALKING AND MORE THAN SAYING THIS IS VERY GOOD. IT'S
18 OPEN, IT'S BEING DONE IN PUBLIC THE WAY IT SHOULD BE.
19 THANK YOU VERY MUCH.

20 CHAIRMAN LICHTENGER: THANK YOU. SO, RICK, IF
21 WE COULD MOVE TO THE NEXT APPLICATION.

22 MR. KELLER: NEXT APPLICATION IS UNIVERSITY OF
23 CALIFORNIA LOS ANGELES, AND RAY GROOM IS GOING TO GIVE
24 YOU THE OVERVIEW OF THE STAFF ANALYSIS.

25 MR. KLEIN: MR. CHAIRMAN, IF THE OTHER

BARRISTERS' REPORTING SERVICE

1 INSTITUTIONS COULD PROVIDE RICK, IF THEY HAVEN' T ALREADY,
2 THE TOTAL NUMBER OF RESEARCHERS AT CAPACITY THEY THINK
3 THEY WILL SERVICE IN THEIR FACILITY, I THINK THAT' S GOING
4 TO BE A USEFUL NUMBER.

5 CHAIRMAN LICHTENGER: I THINK WE HAVE THAT, BOB.

6 MR. KLEIN: RICK, DO WE HAVE THAT NUMBER?

7 MR. KELLER: WE HAVE IT IN CHART FORM HERE ON
8 THE TYPICAL RESEARCH TEAMS, AND I' M GETTING THAT COPIED.

9 MR. KLEIN: NOT THE TYPICAL RESEARCH TEAMS, BUT
10 WHAT THEY ACTUALLY EXPECT AT CAPACITY, RICK. SO, FOR
11 EXAMPLE, STANFORD GAVE US A NUMBER. AND IF THE OTHER
12 INSTITUTIONS HAVE A NUMBER, IT WOULD BE HELPFUL.

13 MR. GROOM: THE NEXT PROPOSAL IS FOR A NEW
14 FACILITY. IT' S A 176,596 GROSS SQUARE FOOT FACILITY,
15 FIVE STORIES, OF WHICH 20.1 PERCENT WILL BE ASSIGNED TO
16 CIRM. THE CIRM PROJECT CONSISTS OF ONE FLOOR, WHICH IS
17 21,114 ASSIGNABLE SQUARE FEET, AND 34,587 GROSS SQUARE
18 FEET.

19 THE COST FOR THIS PROJECT, AT LEAST THE PORTION
20 THAT CIRM IS CONSIDERING, IS 41,834,478, OF WHICH THE
21 CIRM REQUEST IS A LITTLE LESS THAN \$30 MILLION,
22 29,646,274.

23 THIS BUILDING IS AN INTERDISCIPLINARY PROGRAM
24 INVOLVING FACULTY FROM VARIOUS LIFE SCIENCES DEPARTMENTS.
25 IT INCLUDES CORE LABORATORIES, COMPUTATIONAL

BARRISTERS' REPORTING SERVICE

1 BIOINFORMATICS, ANALYSIS OF STEM CELLS, ADVANCED STEM
2 CELL SEPARATION TECHNOLOGIES, BIOENGINEERING FOR STEM
3 CELL GROWTH, INCLUDING ORGAN SCAFFOLDS, ADVANCED VITAL
4 MICROSCOPY, AND ADVANCED MOUSE GENETICS AND VECTOR
5 PRODUCTION. IT WILL HOUSE AT OCCUPANCY 15 RESEARCH TEAMS
6 OF WHICH NINE WILL BE NEW RECRUITS.

7 INCLUDED IN THAT SPACE IS SPACE FOR YOUNG
8 FACULTY DEVELOPMENT FOR WHICH THREE OR FOUR OF THE
9 CANDIDATES WILL BE FILLING THAT SPACE. THAT WILL BE
10 YOUNG FOLKS THEY'RE TRYING TO BRING UP.

11 THE CORE FACILITIES ARE TO COMPLEMENT EXTENSIVE
12 EXISTING CORES AVAILABLE TO THE STEM CELL RESEARCH THAT
13 ARE IN THE LOCAL AREA. COMPLETION OF THE PROJECT IS
14 SCHEDULED FOR MAY 2010. IT IS CERTIFIED. THEY ARE
15 ATTEMPTING FOR SILVER.

16 WE IDENTIFIED SEVERAL ISSUES. THE GROUP II
17 EQUIPMENT COSTS ARE MORE THAN TWICE THE AVERAGE OF OTHER
18 PROJECTS ON A SQUARE FOOTAGE BASIS. THIS AMOUNT INCLUDES
19 OVER 6.2 MILLION IN CORE FACILITIES. THESE CORE
20 FACILITIES ARE IN A BUILDING IN WHICH THE CIRM ELEMENT IS
21 APPROXIMATELY 20 PERCENT OF THE BUILDING, AND THE COST OF
22 EQUIPMENT PER SQUARE FOOT IS MORE THAN DOUBLE THE AVERAGE
23 FOR OTHER INSTITUTES.

24 ALSO OF NOTE IS THE PLANS AND SPACE PROGRAM
25 IDENTIFIES A RELATIVELY SMALL AMOUNT OF SPACE PER PI AND

BARRISTERS' REPORTING SERVICE

1 A LACK OF INTERACTIVE SPACES. THIS LIMITED LAB SPACE PER
2 PI AND THE LIMITED INTERACTIVE SPACE MAY IMPACT THE
3 POTENTIAL TO ACHIEVE THE CIRM MISSION.

4 THE LAB PLANNER'S SCORE WAS FUNCTIONALITY C,
5 VALUE C. HE DID NOTE THAT POSSIBLY DUE TO THE DENSITY,
6 THERE IS A LOW RATIO OF INTERACTION SPACE TO LAB SPACE.
7 THE INTERACTION SPACE IS MINIMAL.

8 WITH THAT, I TURN OVER THE DISCUSSION OF THE
9 APPLICATION TO MEMBER HYSEN, THE PRIMARY REVIEWER, AND
10 MR. LAFF AS THE SECONDARY REVIEWER.

11 MS. HYSEN: THANKS. I THINK THERE'S A
12 CORRECTION. I THOUGHT THE VALUE SCORE FOR THIS WAS C
13 PLUS.

14 MR. GROOM: YOU'RE RIGHT.

15 MS. HYSEN: GIVING YOU THAT EXTRA PLUS THERE,
16 UCLA. I THOUGHT THIS WAS A GOOD PROPOSAL THE WAY IT WAS
17 STRUCTURED. SOME OF THE THINGS THAT THE STAFF IDENTIFIED
18 ARE SOME CONCERNS THAT I HAVE AS WELL. AND THEY
19 PARTICULARLY ARE IN THE VALUE CATEGORY.

20 THERE ARE 15 PI'S FOR THIS LOCATION. AS THE
21 STAFF NOTED, IT IS NOW ONLY THE LOWEST ASSIGNABLE SQUARE
22 FOOT PER PI, NOT ONLY LOW, BUT APPARENTLY IT IS THE
23 LOWEST ASSIGNABLE SQUARE FEET PER PI. THAT WAS OF
24 CONCERN.

25 THE EQUIPMENT COSTS ARE AT \$272 PER GROSS SQUARE

BARRISTERS' REPORTING SERVICE

1 FEET, WHICH IS TWICE THE AVERAGE. AGAIN, A CONCERN IN
2 TERMS OF VALUE.

3 MR. COPENHAGEN NOTED THAT THERE IS GOOD DENSITY,
4 BUT THE FEAR OF HAVING THAT LEVEL OF DENSITY COULD
5 ACTUALLY NEGATIVELY IMPACT THE SCIENCE. AND UCLA DID
6 RESPOND TO THAT IN ITS WRITTEN REMARKS, INDICATING THAT
7 THE DESIGN WAS, IN FACT, FOCUSED ON MAXIMUM EFFICIENCY
8 AND INTERACTIVE SPACE. SO WHILE MR. COPENHAGEN REMARKED
9 THAT THE DENSITY COULD BE PROBLEMATIC, UCLA DID RESPOND
10 THAT THAT WAS A PURPOSEFUL DESIGN TO ACHIEVE MAXIMUM
11 EFFICIENCY.

12 THE THING THAT I WAS CONCERNED WITH IS THAT
13 THERE'S NO CONTINGENCY SET-ASIDE. THAT'S AWFULLY BRAVE.
14 BUT I'VE SEEN THE TEAM THAT'S DOING THIS WORK.

15 CHAIRMAN LICHTENGER: EXCUSE ME, DEBORAH. RICK
16 HAS A COMMENT TO THAT.

17 MR. KELLER: I JUST WANTED TO INDICATE THAT WE
18 DID RECEIVE ADDITIONAL INFORMATION WITHIN THE LAST FEW
19 DAYS THAT THERE IS. INDEED, THE CONTINGENCY HAD BEEN
20 ROLLED INTO THE CONSTRUCTION AMOUNT.

21 MS. HYSEN: OKAY. THAT MAKES SENSE, BUT I DO
22 THINK IF ANYONE COULD HAVE PULLED IT OFF, IT WOULD BE
23 THIS TEAM.

24 THE COSTS PER SQUARE FEET ARE GENERALLY CLOSE TO
25 THE INSTITUTE AVERAGE, SO THAT WAS GENERALLY IN LINE. I

BARRISTERS' REPORTING SERVICE

1 THINK THEIR ARCHITECTURAL TEAM DID A REALLY GOOD JOB WITH
2 THIS BUILDING. IT INDICATES THAT IT MEETS THE LABS FOR
3 21ST CENTURY STANDARD. AND I THINK, AS STAFF MENTIONED
4 EARLIER, THEY ARE ONE POINT SHY OF LEED SILVER, AND
5 THAT'S PRETTY REMARKABLE. I'M HOPING THAT THEY STRIVE TO
6 GET THAT EXTRA POINT. I KNOW THAT'S HARD.

7 SO FROM A VALUE STANDPOINT, AGAIN, C PLUS, I
8 FELT THAT IT WAS -- THAT WAS ACTUALLY PROBABLY A LITTLE
9 GENEROUS GIVEN SOME OF THE CONCERNS WITH THE EQUIPMENT
10 AND THE ASSIGNABLE SQUARE FEET PER PI.

11 THE LEVERAGE AMOUNT, IT IS THE LOWEST OF THE
12 SEVEN APPLICANTS IN THIS CATEGORY, AND THAT IS OF
13 CONCERN. UCLA DID RESPOND ON THIS ISSUE; AND WHEN THEY
14 GET UP TO TESTIFY, I'D LIKE THEM TO ANSWER THE QUESTION
15 BECAUSE IT APPEARS THAT THERE MAY BE SOME SUPPLEMENTAL
16 THINGS IN THE LEVERAGE CATEGORY THAT WE SHOULD AT LEAST
17 TRY AND UNDERSTAND.

18 URGENCY, I FELT THAT THEY RATED VERY HIGH IN
19 THIS CATEGORY. THEY'VE ALREADY STARTED THE SHELL
20 CONSTRUCTION LAST YEAR. CURRENT INDICATORS SUGGEST THAT
21 THEY'RE AHEAD OF SCHEDULE. IN MY MIND, THEY'VE MITIGATED
22 A LOT OF PROJECT RISKS ALREADY. AS I SAID EARLIER, THEY
23 HAVE A VERY PROVEN TRACK RECORD. THERE'S A LOT OF
24 CONSTRUCTION GOING ON ON THE UCLA CAMPUS, AND I THINK
25 THEY'RE DOING A REALLY GOOD JOB KEEPING IT ON TRACK. IT

BARRISTERS' REPORTING SERVICE

1 LOOKS TO ME THAT THE CIRM SPACE WILL ACTUALLY START
2 PLANNING IN '08 AND WILL BE DONE BY MAY OF '10, AND I
3 HAVE EVERY CONFIDENCE THAT THEY'LL, IN FACT, MEET THAT
4 SCHEDULE.

5 AND THE SHARED RESOURCES CATEGORY, THEY HAVE
6 ESTABLISHED A RECORD OF COLLABORATION. THEY DO HAVE SOME
7 COLLABORATION, I THINK, WITH CALTECH. THEY HAVE
8 CENTRALIZED FUNCTIONS WHICH ENCOURAGE SHARED RESOURCES.
9 THEY HAVE A SIGNIFICANT INVESTMENT IN EQUIPMENT AND
10 FACILITIES THAT ARE GOING TO BE MADE AVAILABLE TO CIRM
11 PROGRAMS WITHOUT ADDED COST. THAT'S MY NOTE AT LEAST.
12 AND THAT INVESTIGATORS OUTSIDE OF UCLA WILL BE INVITED TO
13 APPLY FOR SPACE AND THAT SPACE ASSIGNMENTS WILL BE MADE
14 THROUGH A FORMAL PROCESS. SO I FELT THAT THEY REALLY
15 ANTICIPATED WHAT IS THAT PROCESS FOR ALLOWING THAT
16 COLLABORATION TO OCCUR.

17 ON FUNCTIONALITY I THINK THE SPACE WAS DESIGNED
18 FLEXIBLY AND EFFICIENTLY. THEY DID HAVE A LIMITED AMOUNT
19 OF INTERACTIVE SPACE, AS WAS MENTIONED EARLIER. AND
20 UCLA'S RESPONSE, I THOUGHT, WAS RATHER APPROPRIATE. THEY
21 FELT THAT THEY WERE AVOIDING DUPLICATION OF INDIVIDUAL
22 LABS AS PART OF THEIR EFFORT TO ENCOURAGE INTERACTION. I
23 THINK THAT THEIR FLEXIBILITY ALSO IS IN THEIR MOVABLE AND
24 VERTICAL ADJUSTED CASE WORK AND THEIR OVERHEAD UTILITIES.
25 SO I THINK THEY DID A REALLY GOOD JOB ON FUNCTIONALITY.

BARRISTERS' REPORTING SERVICE

1 AGAIN, THEY MENTIONED THE FACT THAT THEY HAVE
2 DEDICATED SPACE FOR DEVELOPMENT OF YOUNG FACULTY. I
3 THINK THAT WAS VERY IMPORTANT. ONE OF THE REVIEWERS I
4 NOTICED ON THE SCIENCE SAID THIS WAS AN OUTSTANDING
5 PROPOSAL. AND SO THAT WAS, I THINK, IMPORTANT FOR ME TO
6 UNDERSTAND HOW THE SCIENTISTS LOOKED AT THIS DESIGN.

7 THE THING THAT I THINK IS -- WHEN I LOOK AT THIS
8 OVERALL, I THINK I'M STILL SOMEWHAT ALARMED BY SOME OF
9 THE VALUE ISSUES. AND SO OVERALL I THINK THAT THIS
10 PROPOSAL REALLY NEEDS TO ADDRESS THOSE VALUE ISSUES OR I
11 GUESS IT STANDS ON ITS OWN MERIT.

12 CHAIRMAN LICHTENGER: THANK YOU, DEBORAH.
13 STUART, YOU'RE THE SECONDARY REVIEWER FOR UCLA.

14 MR. LAFF: WELL, YOU KNOW, ON THE VALUE ASPECT,
15 BEING ONE POINT SHORT OF SILVER, I THINK, HAVING DONE A
16 NUMBER OF THESE MYSELF, THEY WILL BE ABLE TO FIND ONE
17 POINT, I'M SURE.

18 I TOO WAS BOTHERED BY THE TWICE THE AVERAGE OF
19 THE GROUP II EQUIPMENT. I LOOKED AT THIS BECAUSE THEY'RE
20 GOING IN A BUILDING THAT'S ALREADY BEEN DESIGNED, I
21 STARTED THINKING ABOUT THIS MORE AS AN INTERIOR JOB THAT
22 THEY ARE PUTTING THIS AREA INTO, AND I'M NOT SURE THE
23 BUILDING WAS DESIGNED SPECIFICALLY TO HAVE EMBRYONIC STEM
24 CELL RESEARCH. I DON'T KNOW IF THAT'S VASTLY DIFFERENT,
25 AND THAT'S WHAT LED YOU TO THE LOWER FUNCTIONALITY

BARRISTERS' REPORTING SERVICE

1 RATINGS.

2 MR. COPENHAGEN: I THINK THE LOWER FUNCTIONALITY
3 RATE WAS SIMPLY WHEN I LOOKED AT THE DENSITY OF THE
4 NUMBER OF FACULTY THEY WERE PUTTING INTO IT, AND THEN I
5 DIDN'T SEE WHERE -- THE GOOD SIDE IS THAT THEY HAD A LOT
6 OF DIFFERENT PEOPLE TOGETHER IN ONE SPACE, A LOT OF VERY
7 SENIOR PEOPLE, BUT THERE WAS NO PLACE FOR THE SENIOR
8 PEOPLE TO MEET OUTSIDE OF THEIR LAB SPACE. ALL OF THE
9 SPACE, IT LOOKED LIKE THEY WERE JAMMING A LOT INTO THE
10 FLOOR.

11 MR. LAFF: IS THAT BECAUSE OF THE CORE
12 FACILITIES THAT ARE ALSO JAMMED ON THAT FLOOR?

13 MR. COPENHAGEN: THEY ARE ACCOUNTING FOR THEIR
14 CORES AS WELL AS ALL OF THEIR RESEARCH LABS ALL IN THAT
15 ONE FLOOR SPACE. AND JUST THAT THEY HAD A LOT OF
16 DIFFERENT TEAMS ON THERE.

17 ONE OF THE THINGS THAT THEY MENTIONED WAS THE
18 BRINGING ALONG JUNIOR FACULTY. WHAT HAPPENS WHEN THEIR
19 PROGRAMS BECOME SUCCESSFUL? WHERE DO THEY GO? HOW DO
20 THEY GROW? THEY WERE ALREADY -- IT LOOKED LIKE THEY WERE
21 VERY TIGHT ON THE FIT INTO THE FLOOR OF THE BUILDING.

22 MR. LAFF: ONE OF MY CONCERNS IS EXACTLY THAT.
23 WHAT HAPPENS WHEN THEY GROW? AND I KNOW --

24 MR. COPENHAGEN: WE ALL HOPE THEY'RE GOING TO BE
25 VERY SUCCESSFUL.

BARRISTERS' REPORTING SERVICE

1 MR. LAFF: WE ALL WANT THEM TO BE VERY
2 SUCCESSFUL. AND SO WHAT IS THEIR PLAN TO GIVE MORE SPACE
3 TO EMBRYONIC STEM CELLS? THAT WAS ONE OF THE QUESTIONS
4 THAT I HAD.

5 ONE OF THE INTERESTING THINGS, I THINK, ABOUT
6 THESE LARGE INSTITUTIONS, WE DON'T NECESSARILY VALUE LAND
7 IN THIS CURRENT MARKETPLACE. BUT WE DO ALLOW LAND AT
8 COST AS PART OF LEVERAGE. AND THERE WERE A NUMBER OF
9 THESE INSTITUTIONS, INCLUDING UCLA, ALSO UC IRVINE, THAT
10 DIDN'T LOOK AT THAT AT ALL. I WAS JUST VERY CURIOUS WHY
11 THEY DIDN'T. AND I FORGOT TO ASK IRVINE, SO I GUESS I'LL
12 ASK UCLA.

13 MR. KELLER: FOR THE APPLICANTS WE SAID THAT FOR
14 LAND COST TO BE CONSIDERED, IT WOULD HAVE TO BE AN
15 OUT-OF-POCKET EXPENSE SINCE ALL OF THE INSTITUTIONS
16 RELATIVE TO UNIVERSITIES ARE EITHER UC CAMPUSES OR THE
17 TWO PRIVATE CAMPUSES WITH ESTABLISHED, WELL-ESTABLISHED
18 LONG-RANGE DEVELOPMENT PLANS OR GENERAL PLANS. YOU'RE
19 ABSOLUTELY RIGHT. THAT LAND IS A FUNDAMENTAL ELEMENT OF
20 THE RESOURCE BASE, AND IT'S NOT REALLY PARSED THE WAY IT
21 IS IN A MORE BUSINESS-ORIENTED WAY.

22 THEREFORE, YOU HAVE THE CIRCUMSTANCE WHERE BOTH
23 THE BUCK INSTITUTE AND THE CONSORTIUM, BY VIRTUE OF THE
24 FACT THAT THEY ARE NOT UNIVERSITIES AND ARE RESEARCH
25 INSTITUTIONS UNDER THE NONPROFIT 501(C)(3) CODE, THAT

BARRISTERS' REPORTING SERVICE

1 ENTERS INTO THE PICTURE. WE'LL DISCUSS THAT PROBABLY AT
2 LENGTH IN A FEW MINUTES.

3 MR. LAFF: I'LL BET AT LENGTH. OKAY.

4 THE OTHER THING IS THAT I WAS WORRIED ABOUT
5 STEPPING AWAY FROM THE NUMBER. LET'S GO BACK TO THE
6 DENSITY. WHILE I REALIZE THAT, YOU KNOW, SOME OF THE
7 AMENITIES THAT ARE BEING BUILT IN A NUMBER OF THESE
8 BUILDINGS ARE IMPORTANT, I DON'T SEE THAT HERE. AND THAT
9 REALLY DISTURBS ME BECAUSE I THINK ALMOST AS IMPORTANT AS
10 THE NUMBER OF PI'S AND OTHER RESEARCHERS THAT WE GET IN
11 IS THE AMENITIES AND THE PLACE THAT WE GIVE THESE
12 RESEARCHERS TO WORK IN. AND I BELIEVE STRONGLY THAT SOME
13 OF THESE AMENITIES ARE ALMOST AS IMPORTANT TO MAKING
14 THESE RESEARCHERS SUCCESSFUL AS HAVING ONE MORE
15 RESEARCHER. THAT BOTHERED ME AGAIN ABOUT THIS.

16 OUTSIDE OF THAT, THE OTHER THING I COULDN'T
17 FIGURE OUT, AND IF UCLA IS HERE, MAYBE THEY CAN ANSWER
18 THIS QUESTION. I WAS LOOKING AT THE SITE IMPROVEMENTS
19 THAT THEY WERE CHARGING CIRM. I COULDN'T MAKE THE
20 NUMBERS GO TOGETHER WITH WHAT THEY WERE SAYING. OKAY.
21 THEY WERE TALKING, WAS IT SIX MILLION OR WHATEVER, OR AM
22 I MIXING UP?

23 MR. KELLER: IT IS A PART OF A LARGER PROJECT,
24 IN MY REVIEW, OF HOW THEY MOVED, AND THERE WAS AN
25 EXPLANATION THAT HELPED ME FROM THE CAMPUS, WAS THEY

BARRISTERS' REPORTING SERVICE

1 PRORATED. AND THIS HAD TO DO WITH THE ISSUE OF WHEN WE
2 WERE CLEARING UP THAT THE CONTINGENCY WAS ACTUALLY PART
3 OF THE CONSTRUCTION AMOUNT, I THINK THEY PRORATED THE
4 COSTS OF THE MAJOR FACILITY INTO THE CIRM SPACE, AND THEN
5 THERE WAS AN ADDITIONAL INVESTMENT FOR GROUP I EQUIPMENT
6 OF \$1.4 MILLION. THAT'S THE INSTALLED EQUIPMENT. THAT
7 GETS ROLLED INTO THAT.

8 SO PART OF THE CONTRIBUTION HERE. BUT ALL OF
9 THE COSTS OF THE MAJOR BUILDING WERE PRORATED AT 20.1
10 PERCENT.

11 MR. LAFF: 20.1. OKAY. ALL RIGHT.

12 ONE OF THE STRONGEST PARTS OF THIS IS THAT I
13 THINK THAT THERE IS VERY LITTLE RISK ON THEIR ABILITY TO
14 DELIVER THIS IN A TIMELY MANNER. IT IS A VERY STRONG
15 TEAM THAT HAS ACTUALLY WORKED ON THIS CAMPUS SEVERAL
16 TIMES. THE CONTRACTOR HAS BUILT THREE OR FOUR DIFFERENT
17 FACILITIES ON THIS CAMPUS. SO I'M PRETTY CONFIDENT IN
18 THEIR NUMBERS AND THEIR ABILITY TO DELIVER THIS IN A
19 TIMELY MANNER.

20 CHAIRMAN LICHTENGER: THANK YOU, STUART. ANY
21 QUESTIONS THE FACILITIES WORKING GROUP HAS FOR STAFF OR
22 THE PRIMARY OR SECONDARY REVIEWER?

23 RICK, ONE JUST GENERAL QUESTION I HAVE FOR YOU
24 WITH ALL OUR CHARTS AND NUMBERS. SO DO WE HAVE A NEW
25 CHART HANDOUT AFTER TAKING INTO ACCOUNT THE VISITING PI'S

BARRISTERS' REPORTING SERVICE

1 ON A CIRM COST PER PI ADJUSTED AFTER THE VISITING PI'S?

2 MR. KELLER: I'M TRYING TO GET ORGANIZED HERE.

3 SO REQUESTED CIRM FUNDS OR DOLLARS?

4 CHAIRMAN LICHTENGER: ACTUALLY, I'M SORRY, RICK.

5 I MISSPOKE. BECAUSE WE HAD A COMPARISON OF COST PER PI,

6 RIGHT?

7 MR. KELLER: YES.

8 CHAIRMAN LICHTENGER: SO HAVE WE ADJUSTED THAT

9 NOW TO ACCOMMODATE THE VISITING PI'S, THAT CHART?

10 MR. KELLER: COST PER PI, AND IT'S CHART 7 IN

11 YOUR BOOK WITH THE ADDED PI'S WOULD GIVE RISE TO THIS

12 CHART. AND IT'S AT THE APPROPRIATE NUMBER FOR THESE AS

13 REFLECTED, INCLUDING USC AT 18.

14 MR. KLEIN: YOU HAD ANOTHER CHART THAT ACTUALLY

15 SHOWED AT THE BOTTOM THE DOLLAR AMOUNTS, SO IT'S NOT JUST

16 GRAPHICALLY, BUT NUMERICALLY REPRESENTED. IT'S ABOUT

17 THREE CHARTS BACK, RICK.

18 MR. KELLER: I KNOW I HAD IT BY GROSS SQUARE

19 FOOT. IT'S NOT PER PI. I CAN DO THAT.

20 CHAIRMAN LICHTENGER: CAN WE DISTRIBUTE THAT?

21 MR. KLEIN: THAT'S PER SQUARE FOOT, BUT IT WOULD

22 BE GREAT --

23 CHAIRMAN LICHTENGER: I WANT THE COST, THE NEW

24 ADJUSTED COST PER PI.

25 MR. KELLER: WE CAN THAT DO.

BARRISTERS' REPORTING SERVICE

1 CHAIRMAN LICHTENGER: THAT WOULD BE HELPFUL.

2 SO AT THIS POINT I'D LIKE TO ASK UCLA TO COME UP
3 AND MAKE COMMENTS AND ANSWER QUESTIONS.

4 MR. OLSON: THANK YOU, MR. CHAIRMAN. I'M STEVE
5 OLSON. I'M VICE CHANCELLOR FOR FINANCE AND CAPITAL
6 PROGRAMS AT UCLA. I HAVE WITH ME STEVE PECKMAN WITH THE
7 BROAD STEM CELL CENTER AT UCLA. I'M OPEN TO YOUR
8 QUESTIONS.

9 CHAIRMAN LICHTENGER: WELL, I THINK, DEBORAH,
10 YOU HAD SOME QUESTIONS.

11 MS. HYSEN: MY QUESTION IS WHEN THE STAFF
12 ANALYSIS WAS PREPARED, THEY ASKED A FEW QUESTIONS. AND I
13 THINK THEY WERE, FOR THE MOST PART, ANSWERED TO MY
14 SATISFACTION. I WAS A LITTLE UNCLEAR ON THE LEVERAGE
15 ISSUE.

16 THE QUESTION THAT WAS RAISED BY THE STAFF WAS
17 HOW WILL THIS WORKING GROUP WEIGH THE RELATIVELY LOW
18 LEVERAGE FOR A FACILITY OF MODEST SIZE THAT OFFERS LESS
19 SQUARE FOOTAGE PER PI THAN OTHER PROPOSALS? AND YOU
20 RESPONDED, AFTER THE CHART THAT LISTED THE SUPPORT OF
21 STEM CELL-RELATED RESEARCH ON CAMPUS, AND I WASN'T SURE
22 IF THAT WAS INTENDED TO BE ADDED TO THE 6.2 MILLION OF
23 ALLOWABLE LEVERAGE NOW. BECAUSE THERE'S ONE NOTE THAT
24 THERE'S AT LEAST 768,000 THAT MAY BE ABOVE AND BEYOND
25 THAT, BUT I COULDN'T TELL IF THE REST WERE AS WELL.

BARRISTERS' REPORTING SERVICE

1 MR. OLSON: I WOULD HAVE TO DEFER TO THE
2 FACILITIES WORKING GROUP AND YOUR STAFF TO DETERMINE WHAT
3 COULD OR COULDN'T BE COUNTED AS LEVERAGE. I THINK THE
4 BROADER AND MORE PERTINENT ISSUE, RATHER THAN INDIVIDUAL
5 ITEMS, IS OUR OVERALL STRATEGY, WHICH HAS BEEN TO
6 POSITION THIS FACILITY DIRECTLY ADJACENT TO THE RECENTLY
7 COMPLETED BIOLOGICAL SCIENCES RESEARCH BUILDING, WHICH
8 WAS DEDICATED LAST AUGUST AFTER A CAMPUS INVESTMENT OF
9 \$80 MILLION. IT'S THE HOME OF THE BROAD STEM CELL
10 INSTITUTE. IT HOUSES 26 PRINCIPAL INVESTIGATORS THAT ARE
11 STEM CELL INVESTIGATORS, AND IT'S DIRECTLY ACROSS THE
12 STREET FROM THE SITE AT WHICH THE CONSTRUCTION IS
13 CURRENTLY UNDERWAY.

14 SO WE DID NOT BELIEVE THAT IT WAS APPROPRIATE TO
15 INVEST IN A COMPREHENSIVE STAND-ALONE FACILITY THAT HAD
16 ALL OF THE AMENITIES TO WHICH MR. LAFF REFERRED TO. IT
17 IS LABORATORIES, IT IS FLEXIBLE DESIGN, IT HAS
18 LABORATORIES, CORE FACILITIES. AND, NO, IT DOESN'T HAVE
19 CONGREGATING SPACE. THERE IS A HEADQUARTER --
20 ADMINISTRATIVE HEADQUARTERS THAT INCLUDES A CONFERENCE
21 ROOM ACROSS THE STREET, PLUS THE SPACE THAT IS AVAILABLE
22 IN THAT BUILDING, AND THERE'S A LOT OF INTERACTION THAT
23 WILL TAKE PLACE BETWEEN THOSE FACULTY AND THE NEW FACULTY
24 THAT WILL GO INTO THIS PARTICULAR FACILITY.

25 I'D ALSO LIKE TO ADD TO WHAT OUR COLLEAGUES FROM

BARRISTERS' REPORTING SERVICE

1 STANFORD HAD TO SAY ABOUT THE WAY IN WHICH ISSUES LIKE
2 FOOD SERVICE FACILITIES. IF THERE IS ONE PLACE IN
3 CALIFORNIA THAT HAS A BETTER CLIMATE THAN STANFORD, IT'S
4 WESTWOOD. THE WAY THAT WE DO SCIENCE AT UCLA IS WE EAT
5 LUNCH OUTSIDE. THE COURT OF THE SCIENCES, THE BOMB
6 SHELTER FACILITY IS A TWO-MINUTE WALK FROM ALL OF THESE
7 FACILITIES. WE'RE PREPARING TO MAKE A \$15 MILLION
8 INVESTMENT TO UPGRADE THAT FACILITY. THAT'S NOT COUNTED
9 AS LEVERAGE. DIRECTLY ADJACENT TO THE LIFE SCIENCES
10 REPLACEMENT BUILDING, WHICH IS THIS PROJECT, WE'RE
11 INVESTING ANOTHER \$23 MILLION IN HERSHEY HALL. FOR OTHER
12 LIFE SCIENCES DEPARTMENTS, THERE IS A COURTYARD BETWEEN
13 THE TWO BUILDINGS THAT WILL BE A CONGREGATING SPACE FOR
14 THE FACULTY. NONE OF THIS IS COUNTED AS LEVERAGE OR
15 COUNTS FOR QUALITY POINTS THE WAY THAT THE PROCESS HAS
16 BEEN SET UP.

17 ASIDE FROM WHAT YOU CAN COUNT AS LEVERAGE AND
18 YOU CAN COUNT AS VALUE, I HOPE YOU WILL TAKE ALL OF THESE
19 FACTORS IN CONSIDERATION WHEN YOU ASSIGN OVERALL VALUE TO
20 THIS PROJECT. WE BELIEVE THAT IT IS A VERY SOUND, VERY
21 TARGETED INVESTMENT ON VERY LARGE INVESTMENTS THAT UCLA
22 IS ALREADY MAKING.

23 CHAIRMAN LICHTENGER: GREAT. THANK YOU. ED,
24 YOU HAD A QUESTION?

25 MR. KASHIAN: YOU DON'T MENTION ANY OTHER

BARRISTERS' REPORTING SERVICE

1 INSTITUTIONS IN THE AREA THAT YOU ARE COLLABORATING WITH.
2 IS THERE ANY OTHER COLLABORATION GOING ON?

3 DR. PECKMAN: ACTUALLY OUR APPLICATION INCLUDES
4 A COLLABORATION WITH CALIFORNIA INSTITUTE OF TECHNOLOGY.
5 THIS IS OUR PRIMARY COLLABORATOR.

6 CHAIRMAN LICHTENGER: ANY OTHERS?

7 DR. PECKMAN: WELL, OUR STEM CELL RESEARCH IS
8 VERY COLLABORATIVE. THE APPLICATION ALSO REFERS TO
9 SPECIFIC SCIENTIFIC COLLABORATIONS; FOR EXAMPLE, ONE
10 ONGOING WITH UC IRVINE. AND OUR SHARED RESEARCH
11 LABORATORY, WHICH WAS AWARDED BY THIS GROUP LAST YEAR,
12 INCLUDED SEVERAL COLLABORATIONS AS WELL. AND SO UCLA
13 PRIDES ITSELF ON ITS COLLABORATIVE ENVIRONMENT AND THE
14 INTENT OF ITS INVESTIGATORS.

15 CHAIRMAN LICHTENGER: JUST FOR THE MEMBERS,
16 BECAUSE I DON'T HAVE A PHOTOGRAPHIC MEMORY, SO UC IRVINE,
17 WHO ELSE?

18 DR. PECKMAN: CALTECH, CAL STATE NORTHRIDGE, AND
19 WE ALSO HAVE ONGOING COLLABORATIONS WITH INSTITUTIONS
20 INVOLVED IN STEM CELL SCIENCE OUTSIDE THE STATE AS WELL,
21 INCLUDING UNIVERSITY OF CONNECTICUT.

22 CHAIRMAN LICHTENGER: OKAY. GREAT. THANK YOU.
23 STUART, DID YOU HAVE SOME QUESTIONS? BOB.

24 MR. KLEIN: SO LET ME UNDERSTAND THIS. SO THE
25 BROAD CENTER IS ACROSS THE STREET, AND THAT HAS 26 PI'S

BARRISTERS' REPORTING SERVICE

1 IN IT?

2 MR. OLSON: THERE ARE 26 INVESTIGATORS THAT ARE
3 STEM CELL INVESTIGATORS IN THAT BUILDING.

4 MR. KLEIN: SO I'M TRYING TO UNDERSTAND THE
5 TERMINOLOGY. TWENTY-SIX PI'S OR RESEARCHERS?

6 DR. PECKMAN: I GUESS THE QUESTION IS WHAT'S THE
7 DIFFERENCE BETWEEN AN INVESTIGATOR AND A RESEARCHER?

8 MR. KLEIN: HOW MANY TOTAL RESEARCHERS ACROSS
9 THE STREET? IN OTHER WORDS, IF YOU HAVE A PI TEAM --

10 DR. PECKMAN: YOU TALKING ABOUT THE RESEARCH
11 TEAMS?

12 MR. KLEIN: ARE YOU SAYING THERE'S 26 RESEARCH
13 TEAMS ACROSS THE STREET?

14 DR. PECKMAN: I'LL GIVE YOU AN EXAMPLE. SO
15 WE'VE JUST RECRUITED SIX VERY TALENTED JUNIOR FACULTY
16 FROM ALL OVER THE COUNTRY, HARVARD, MIT, JOHNS HOPKINS,
17 UC SAN FRANCISCO, UNIVERSITY OF MICHIGAN, AND
18 ROCKEFELLER. ONE OF THOSE TEAMS HAS TEN STAFF, TECHNICAL
19 STAFF WORKING WITH HER. SHE'S A JUNIOR INVESTIGATOR.
20 YOU COULD HAVE A SENIOR INVESTIGATOR IF YOU HAVE 20 TO 40
21 TO 50 PEOPLE WORKING WITH THEM ON THEIR RESEARCH. AND SO
22 TO TALK ABOUT TEAMS, I THINK THAT WAS ARTICULATED
23 EARLIER, IS AN EXTREMELY FLEXIBLE CONCEPT DEPENDING, ONE,
24 ON THE TYPE OF RESEARCH YOU'RE DOING AND THE LEVEL AT
25 WHICH YOU ARE AS AN INVESTIGATOR AND THE KIND OF WORK

BARRISTERS' REPORTING SERVICE

1 YOU' VE ALREADY DONE.

2 SO, FOR EXAMPLE, ONE OF THE CORES WE ARE
3 PROMOTING IN THIS SITE IS A BIOINFORMATICS CORE, WHICH IS
4 MOSTLY COMPUTERS AND HARDWARE. THERE WON' T BE A LOT OF
5 PEOPLE IN THOSE TEAMS WORKING IN THAT AREA. BUT YET IN
6 ANOTHER AREA, SO, FOR EXAMPLE, OWEN WITTE, WHO' S THE
7 DIRECTOR OF OUR STEM CELL CENTER, IS ALSO AN HHMI
8 INVESTIGATOR AND MEMBER OF THE NAS AND THE IOM. HE HAS
9 26 MEMBERS OF HIS RESEARCH TEAM THAT ARE CURRENTLY
10 WORKING IN HIS HHMI LABORATORY, AND THAT' S NOT COUNTING
11 THE PEOPLE WHO ARE GOING TO BE WORKING IN THE STEM CELL
12 AREA.

13 SO IT' S HIGHLY VARIABLE DEPENDING ON THE LEVEL
14 AT WHICH THE INVESTIGATOR IS AT OR FACULTY MEMBER OR
15 PRINCIPAL INVESTIGATOR.

16 MR. KLEIN: NO. I REALIZE IT' S HIGHLY VARIABLE.
17 IN FACT, YOU HAVE A COMMENTARY IN YOUR APPLICATION THAT
18 TALKS ABOUT IN THIS BUILDING HAVING JUNIOR INVESTIGATORS
19 WITH SMALL TEAMS, YOUNG FACULTY WITH LARGER TEAMS, AND
20 SENIOR INVESTIGATORS WITH STILL LARGER TEAMS. IN TERMS
21 OF THE TOTAL NUMBER OF RESEARCHERS AT CAPACITY IN THIS
22 BUILDING, DO YOU HAVE AN ESTIMATE FOR THAT FIGURE?

23 DR. PECKMAN: YES. IN FACT, RICK HAD SENT AN
24 E-MAIL OUT EARLIER IN THE WEEK ASKING FOR AN ESTIMATE OF
25 THAT NUMBER. AGAIN, I THINK WE NEED TO LOOK AT THIS IN

BARRISTERS' REPORTING SERVICE

1 TERMS OF HOW WE ARTICULATE PRINCIPLES AND THE PARADIGM IN
2 WHICH WE'VE STRUCTURED THIS IS THAT WE'RE NOT LOOKING AT
3 WALLED CITY STATES FOR INVESTIGATORS OR PRINCIPAL
4 INVESTIGATORS OR RESEARCHERS. WE'RE LOOKING AT HIGHLY
5 FLEXIBLE SPACE WITHOUT WALLS THAT ARE ASSIGNED TO PEOPLE
6 DEPENDING ON THE PROJECTS THAT THEY'RE DOING THAT ARE
7 RELATED TO THE SUCCESSFUL INTENT OF THE CENTER AND THE
8 KIND OF RESEARCH WE WANT TO ACCOMPLISH FROM VERY BASIC
9 BENCH RESEARCH ALL THE WAY TO APPLIED CLINICAL TRIALS.

10 AND SO THE TOTAL NUMBER, TAKING INTO ACCOUNT
11 FROM JUNIOR TO SENIOR, ONE MORE POINT I THINK NEEDS TO BE
12 MADE HERE IS THAT IN TERMS OF OCCUPATION PER SQUARE FOOT,
13 I DON'T KNOW OF ANY LABORATORY SITE THAT HAS CONSTANT
14 OCCUPATION OF ANY FACILITY. MOST LABS ARE RUN ON A
15 24-HOUR BASIS. AND SO WHEN YOU THINK ABOUT THE
16 LABORATORY IN TERMS OF WORKING DURING THE REGULAR
17 WORKDAY, THE ESTIMATE WOULD BE SOMEWHERE BETWEEN 40 TO 50
18 ON OUR FLOOR.

19 CHAIRMAN LICHTENGER: GREAT. THANK YOU.

20 MR. KLEIN: THANK YOU VERY MUCH. AND THEN THE
21 OTHER QUESTION IS THAT CLEARLY THERE'S A VERY PUBLIC
22 GRANT THAT ELI BROAD GAVE FOR 20 OR \$25 MILLION.

23 MR. OLSON: TWENTY.

24 MR. KLEIN: SO IS THAT GRANT, DID IT GO TO
25 FACULTY COMMITMENT AND RECRUITMENT? OR THE QUESTION IS

BARRISTERS' REPORTING SERVICE

1 WHY DOESN' T THAT LEVERAGE SHOW UP HERE? WHERE IS THAT
2 FUNDING GOING?

3 MR. OLSON: IT' S GOING FOR INNOVATION AWARDS,
4 THERE' S EQUIPMENT, TECHNICAL SUPPORT, AND SEED GRANTS.
5 IS THE EQUIPMENT COUNTED AS A MATCH IN OUR APPLICATION?

6 DR. PECKMAN: SOME OF IT, YES.

7 MR. OLSON: SOME OF IT IS COUNTED AS THE MATCH
8 IN THE APPLICATION.

9 MR. KLEIN: WHAT I' M UNDERSTANDING IS THAT A
10 PORTION OF THAT 20 MILLION IS REALLY GOING TO ADVANCE
11 THIS MISSION, BUT --

12 MR. OLSON: THAT' S CORRECT. IT' S NOT RELATED TO
13 THE FACILITY, AND WE CAN' T COUNT IT FOR THAT REASON.

14 DR. PECKMAN: IT' S NOT RELATED TO THE STRUCTURE
15 OF THE FACILITY, BUT IT' S DEFINITELY GOING TO SUPPORT ALL
16 THE RESEARCH -- THE BROAD GIFT, THE VERY GENEROUS GIFT OF
17 \$20 MILLION, AS STEVE ARTICULATED, IS GOING TO BE USED
18 FOR A LOT OF DIFFERENT EFFORTS, OF WHICH IT WILL BE
19 EXPENDED ON RESEARCH THAT WILL OCCUR IN THE FACILITY.
20 SO, FOR EXAMPLE, WE WILL BE PROMOTING INNOVATION AND SEED
21 GRANTS FOR STEM CELL SCIENTISTS UP TO \$250,000 A YEAR
22 USING A PORTION OF THIS GIFT OF WHICH AWARDEES WILL BE
23 WORKING IN THE FACILITY. THAT' S NOT AN ALLOWABLE
24 LEVERAGE ACCORDING TO THE RFA.

25 MR. KLEIN: AND YOU IDENTIFIED SOME OTHER GRANTS

BARRISTERS' REPORTING SERVICE

1 THAT WERE NOT ALLOWABLE LEVERAGE IN YOUR RESPONSE LETTER.
2 SOME OF THEM WERE NOT NECESSARILY COMPLETELY CLEAR ON
3 THEIR FACE. THE BSCRC, 20 MILLION OVER FIVE YEARS, PART
4 OF IT'S GOING INTO CONSTRUCTION.

5 MR. OLSON: NO, IT'S NOT. THESE ARE
6 INSTITUTIONAL COMMITMENT TO THE PROGRAM. THAT PARTICULAR
7 20 MILLION IS A COMMITMENT FROM THE CHANCELLOR OF OUR
8 UNIVERSITY FOR SUPPORT OF FACULTY AND FOR THE
9 ADMINISTRATIVE INFRASTRUCTURE OF THE STEM CELL INSTITUTE.

10 MR. KLEIN: BECAUSE ONE OF THE SUBCATEGORIES
11 UNDER THAT WAS INFRASTRUCTURE CONSTRUCTION AND EQUIPMENT.

12 MR. OLSON: I'M SORRY. THERE IS -- IT'S NOT A
13 LARGE PART OF IT. I THINK IT'S UNDER A MILLION. UNDER A
14 MILLION OF THAT REPRESENTS EQUIPMENT PURCHASES. THE
15 PURPOSE OF THIS WAS TO DEMONSTRATE THE LEVEL OF OVERALL
16 INSTITUTIONAL SUPPORT IN A WAY THAT DOESN'T NECESSARILY
17 ALIGN WITH YOUR REQUIREMENTS OF WHAT CAN COUNT AS
18 LEVERAGE FOR THE FACILITY ITSELF.

19 MR. KLEIN: I KNEW -- I RECOGNIZE THAT THOSE
20 WERE THERE, BUT THAT ADDITIONAL DETAIL IS HELPFUL.

21 CHAIRMAN LICHTENGER: SO RELATED TO BOB'S
22 QUESTION, ON THIS -- IN YOUR RESPONSE LETTER, THE \$266
23 MILLION, NONE OF THAT IS GOING TO BE DIRECTLY -- THERE'S
24 NO INFORMATION HERE THAT WE DON'T HAVE COUNTED IN OUR
25 LEVERAGE, CORRECT, RICK?

BARRISTERS' REPORTING SERVICE

1 MR. OLSON: THAT'S CORRECT.

2 CHAIRMAN LICHTENGER: ANY OTHER QUESTIONS BY THE
3 MEMBERS? GREAT. THANK YOU VERY MUCH. AND WE'LL TAKE
4 PUBLIC COMMENT FROM ANYONE ELSE WHO WOULD LIKE TO COMMENT
5 BEFORE WE DO OUR SCORES. THANK YOU VERY MUCH.

6 MR. KLEIN: RICK, IF I CAN ASK ONE ADDITIONAL
7 QUESTION ON EQUIPMENT. THIS HIGH DOLLAR AMOUNT OF
8 EQUIPMENT, COULD YOU COMMENT ON WHAT THAT'S BUYING AND
9 WHAT THE VALUE IS?

10 DR. PECKMAN: THE MAJORITY, AT LEAST 50 PERCENT,
11 ACTUALLY MORE THAN THAT, IS GOING TO CORE RESOURCES,
12 WHICH, AS THE PART 1 REVIEW SAID, WERE OUTSTANDING. SO
13 THE CORE RESOURCES ARE PRETTY UNIQUE. ONE IS ADVANCED
14 MOUSE GENETICS, WHICH ACTUALLY IS GOING TO END UP SAVING
15 A TREMENDOUS AMOUNT OF MONEY WITH A DRAMATIC DECREASE IN
16 TIME NECESSARY TO CREATE AND EVALUATE MUTANT MICE, AND
17 CERTAINLY TO RESULT IN SIGNIFICANT REDUCTION IN TERMS OF
18 MOUSE BREEDING AND HOUSING COSTS, PROBABLY OVER 25
19 PERCENT.

20 ALSO MICROARRAY AND CGH CORE RESOURCE WHICH WILL
21 EXAMINE THE GENOME OF HUMAN EMBRYONIC STEM CELLS AND
22 IDENTIFY GENETIC DIFFERENCES, WHICH ACTUALLY WE JUST
23 PUBLISHED AN ARTICLE ABOUT THAT. SO THIS WILL BE ABLE TO
24 IDENTIFY AND CONTROL INDIVIDUAL TRAITS AND DEFINE
25 SUSCEPTIBILITY.

BARRISTERS' REPORTING SERVICE

1 WE ALSO ARE ONE OF THE PIONEERS IN THE AREA OF
2 MICROFLUIDICS WHERE WE'VE BEEN ACTUALLY USING
3 MICROFLUIDIC TECHNOLOGY NOW FOR SEVERAL YEARS. SO THERE
4 ARE DIFFERENT AREAS WITHIN OUR CORES THAT REQUIRE
5 INNOVATIVE AND NEW EQUIPMENT THAT ACTUALLY, WHEN IT'S NEW
6 EQUIPMENT, IS GOING TO COST MORE MONEY.

7 CHAIRMAN LICHTENGER: GREAT. THANK YOU. THANK
8 YOU FOR ANSWERING OUR QUESTIONS.

9 SO AT THIS POINT, IF THERE ARE ANY PUBLIC
10 COMMENTS. NO. OKAY. NO PUBLIC COMMENTS. SO WE'LL TAKE
11 A MOMENT NOW FOR US TO RECORD OUR PRELIMINARY SCORES.

12 VICE CHAIRMAN SERRANO-SEWELL: WHILE THAT'S
13 HAPPENING, MR. CHAIRMAN, I WANTED TO MAKE A GENERAL
14 STATEMENT. AND THAT IS, IT'S NOT SPECIFIC TO THIS
15 APPLICANT, BUT IT WAS PROBABLY NOTED WHEN YOU OPENED THE
16 MEETING, THAT WE HAD A LOT OF PUBLIC HEARINGS. AND WE
17 STROVE TO COME UP WITH DEFINITIONS FOR EACH CRITERION.
18 WE HAVE TO LIVE WITH THOSE DEFINITIONS. AND EITHER THE
19 INSTITUTION'S SORT OF VALUE SYSTEM ALIGNS WITH IT OR IT
20 DOESN'T. THAT'S REALLY THE CHALLENGE, I THINK, EACH ONE
21 OF US ARE FACING IS HOW DO WE DEAL WITH IT? AND FOR ME
22 PERSONALLY IT'S ONLY TO ACCEPT AND LIVE WITH THE
23 DEFINITIONS THAT WE'VE AGREED UPON IN ASSIGNING A SCORE
24 IN EACH CATEGORY.

25 SO I RECOGNIZE AND APPRECIATE THE GOOD WORKS

BARRISTERS' REPORTING SERVICE

1 THAT EACH INSTITUTION IS DOING; BUT IF IT DOESN'T FIT OUR
2 DEFINITION, AT LEAST FOR ME, I HAVE TO SCORE WITHIN THE
3 CONFINES OF OUR DEFINITION. AND THE OTHER INFORMATION IS
4 HELPFUL, BUT DOESN'T NECESSARILY SWAY ME ONE WAY OR THE
5 OTHER.

6 CHAIRMAN LICHTENGER: THANK YOU, MR. VICE CHAIR.

7 (PAUSE IN PROCEEDINGS.)

8 MR. KELLER: BEFORE WE BEGIN THE NEXT REVIEW, WE
9 DISTRIBUTED TWO GRAPHS WHICH YOU REQUESTED. AND I WANTED
10 TO JUST BRIEFLY REMIND YOU OF ITS COMPOSITION.

11 THE GRAPH THAT'S ON YOUR RIGHT, WHICH IS THE
12 NUMBER OF PRINCIPAL INVESTIGATORS SHOWING BOTH THE FULL
13 TIME PART 1 AND THE VISITING PART TIME AND OTHER HAS
14 BELOW IT A CHART THAT WAS DERIVED FROM INFORMATION
15 RECEIVED FROM THE APPLICANTS AND REVIEWED BY STEVE
16 COPENHAGEN LOOKING AT THE TYPICAL RESEARCH TEAM. AND
17 RATHER THAN RELY UPON WHAT WE THOUGHT WERE VERY SQUISHY
18 KINDS OF CIRCUMSTANCES OF SOME OF THE THINGS THAT STEVE
19 PECKMAN POINTED OUT ABOUT WHAT SORT OF ASSUMPTIONS ABOUT
20 FTE OR OCCUPANCY LEVELS, WE DECIDED TO USE A GRADING OR A
21 SYSTEM OF DIVIDING THEM UP SO THAT ONE CIRCLE WITH A STAR
22 IS A CIRCUMSTANCE WHERE THE PI TO STAFF RATIO IS UNDER 1
23 TO 6; TWO IS 1 TO 6 TO 1 TO 10; THREE, 1 TO 10 TO 1 TO
24 14; AND FOUR BULLETS WOULD BE 1 TO 14 OR OVER.

25 SO WE THOUGHT THAT THAT WAS THE BEST WE COULD DO

BARRISTERS' REPORTING SERVICE

1 BECAUSE OF THE NATURE OF THE INFORMATION HAVING BEEN
2 SECURED IN VERY SHORT TIMEFRAME AND ALSO HAVING A CHECK
3 AGAINST WHAT WE THOUGHT WERE ON THE DRAWINGS. BASED ON
4 AN EVALUATION, WE ELECTED TO PROVIDE THAT SORT OF RANGE.

5 CHAIRMAN LICHTENGER: THANK YOU, RICK.

6 MR. KELLER: THEN THE OTHER CHART THAT WAS
7 DISTRIBUTED IS THE ONE YOU REQUESTED, WHICH IS CHART 7.
8 AND SINCE WE MODIFIED -- PART OF THE ADVANTAGE THAT WE
9 WERE TRYING TO ACHIEVE HERE TODAY WAS TO BE ABLE TO MAKE
10 SOME ADJUSTMENTS ON THE FLY, AND SO WE ADDED AT THE
11 BOTTOM THE DATA TABLE THAT WOULD SHOW YOU THE APPLICANT'S
12 FUNDS FOR PI. IN SOME CASES I SEE IT MAY HAVE BEEN
13 TRUNCATED IN A CELL, BUT THAT'S PART OF WHAT WE DEAL
14 WITH. AND THE CIRM FUNDS PER PI. SO I THINK THAT WAS
15 WHAT YOU HAD ASKED FOR, MR. CHAIRMAN, AS TABLE 7 WITH THE
16 CIRM PROJECT COST PER PI.

17 CHAIRMAN LICHTENGER: YES, THANK YOU. SO IF
18 IT'S OKAY, RICK, I'D LIKE TO MOVE ON TO THE NEXT
19 APPLICANT.

20 MR. KELLER: UC SAN FRANCISCO, AND RAY GROOM IS
21 GOING TO GIVE YOU THE OVERVIEW OF THE STAFF ANALYSIS.

22 MR. GROOM: THIS IS A NEW BUILDING THAT WILL
23 CONSOLIDATE STEM CELL RESEARCHERS AND EXPAND THE RESEARCH
24 OF STEM CELLS AT THIS CAMPUS. IT HAS SIGNIFICANT CORE
25 FACILITIES TO AUGMENT THE CONSIDERABLE CORES THAT ALREADY

BARRISTERS' REPORTING SERVICE

1 EXIST ON THE CAMPUS. HAS 46,286 ASSIGNABLE SQUARE FEET
2 AND 74,832 GROSS SQUARE FEET.

3 THE TOTAL COST OF THE PROJECT IS \$94,514,740,
4 AND THE REQUESTED CIRM FUNDING IS \$40 MILLION.

5 UPON OCCUPANCY IT WILL HOUSE 25 RESEARCH TEAMS
6 OF WHICH SEVEN WILL BE NEW RECRUITS. IT ALSO HAS AN
7 ADDITIONAL 18 PART-TIME RESEARCHERS AS NOTED ON THIS
8 CHART. I'M SORRY I STUMBLED THERE. THOSE ARE GOING INTO
9 BACKFILLED SPACE THAT WAS REFERENCED IN THE RFP, THE
10 RESPONSE TO THE RFP.

11 THE SPACE BEING VACATED, THAT'S THE 25,000
12 SQUARE FEET, WILL BE USED FOR NEW STEM CELL RESEARCHERS,
13 WHICH IS THE 18 THAT WE DISCUSSED A SECOND AGO.
14 COMPLETION OF THE PROJECT IS SCHEDULED FOR JULY 2010.
15 IT'S CURRENTLY SLATED TO ACHIEVE A SILVER LEED.

16 WE IDENTIFIED SEVERAL ISSUES. THE APPLICANT
17 NOTED THAT THEY WILL TRANSFER \$5 MILLION IN EQUIPMENT AND
18 \$17 MILLION IN INFRASTRUCTURE COST FROM THE PROJECT AND
19 \$14 MILLION AVOIDED BY THE CENTRAL PLANTS INVESTMENT THAT
20 WERE NOT INCLUDED IN THEIR LEVERAGE CALCULATION, WHICH
21 RESULTS IN OUR CHANGE IN SOME OF THOSE CHARTS. ALSO
22 NOTED WAS THE APPLICANT'S INVESTMENT IN A VIVARIUM VALUED
23 AT \$9.8 MILLION, WHICH WAS NOT BUILT WITH CIRM
24 INVESTMENT. COMBINING THESE ASSETS EQUATE TO ABOUT \$45
25 MILLION IN VALUE.

BARRISTERS' REPORTING SERVICE

1 THE ASSIGNMENT OF SPACE PER RESEARCHER IS
2 APPROXIMATELY HALF THE AVERAGE FOR THE INSTITUTES. SO IT
3 HAS A LOW ASSIGNMENT PER RESEARCHER. THE APPLICANT
4 COMMITS TO USING THE 25,000 SQUARE FEET OF SPACE BY THE
5 PROJECT TO FUTURE REGENERATIVE MEDICINE RECRUITS. THIS
6 IS THE ONLY PROPOSAL THAT MADE SUCH A COMMITMENT OF
7 REINVESTING VACATED SPACE AS RESEARCHERS MOVED INTO THE
8 NEW FACILITY SPECIFICALLY FOR REGENERATIVE MEDICINE.

9 THE LAB PLANNER GAVE AN UNUSUAL FUNCTIONAL SCORE
10 OF A AND A VALUE SCORE OF A. SO HE BELIEVES IT TO BE A
11 RELATIVELY STRONG PROPOSAL. HE DID NOTE THE INNOVATIVE
12 SPLIT LEVEL DESIGN ALLOWS FOR EASY FLOW BETWEEN LABS, AND
13 THE DOUBLE STACKING OF THE OFFICES OVER THE LABS WITH
14 ADJACENT BREAK ROOMS AND CONFERENCE ROOMS IS THE PERFECT
15 EXAMPLE OF HOW A BUILDING DESIGN CAN ENHANCE INTERACTION.

16 WITH THAT, I TURN OVER THE DISCUSSION OF THE
17 APPLICATION TO MEMBER LICHTENGER, THE PRIMARY REVIEWER,
18 AND MEMBER HYSEN, THE SECONDARY REVIEWER.

19 CHAIRMAN LICHTENGER: THANK YOU. SO FIRST OF
20 ALL, I'D LIKE TO SAY I THOUGHT THE APPLICATION WAS VERY
21 STRONG OVERALL. YOU KNOW, I DO HAVE SOME QUESTIONS ABOUT
22 SOME OF THESE RECLASSIFICATIONS IN A MINUTE, RICK. LET'S
23 TALK ABOUT SOME THINGS THAT, I THINK, ARE PRETTY
24 STRAIGHTFORWARD.

25 I THOUGHT JUST ON FUNCTIONALITY I ACTUALLY

BARRISTERS' REPORTING SERVICE

1 AGREED WITH OUR LABORATORY PLANNER ON THIS ONE. I
2 THOUGHT IT WAS REALLY A QUITE EXCELLENT INNOVATIVE
3 APPROACH, INTERACTIVE, YOU KNOW. SO, YOU KNOW, NEW
4 ADJACENT VIVARIUM, EXTENSIVE CORES ON CAMPUS. I JUST
5 THOUGHT IT WAS VERY FUNCTIONAL.

6 I THINK THEY HAD A DESIGN-BUILD TEAM, CORRECT,
7 ON THIS? AND, AGAIN, ON URGENCY, THEY SEEM TO MEET THE
8 TWO-YEAR REQUIREMENT. IT'S AN AGGRESSIVE PLAN, BUT I
9 THINK THEY CAN DO IT. THEY DO HAVE A VERY EXPERIENCED
10 TEAM THERE.

11 SHARED RESOURCES, MANY, MANY, MANY CORES FOR
12 SHARED RESOURCES AT UCSF. I'D LIKE TO ASK THE APPLICANT
13 A LITTLE BIT ABOUT ANY AGREEMENTS AND SHARING THEY HAVE
14 WITH OTHER INSTITUTIONS TO UNDERSTAND THAT A LITTLE
15 BETTER, BUT, AGAIN, EXCELLENT ON SHARED RESOURCES.

16 IN TERMS OF VALUE, I WANT TO TALK -- I DO HAVE A
17 FEW QUESTIONS ABOUT LEVERAGE BEFORE I TALK ABOUT VALUE,
18 AND I'LL TURN IT OVER TO DEBORAH. RICK, CAN YOU EXPLAIN
19 TO ME THE CHANGES WITH LEVERAGE? I KNOW WE HAD TALKED
20 ABOUT THIS.

21 MR. KELLER: AS RAY MENTIONED, FIRST OFF, THAT
22 IN THE APPLICATION, THE DISCUSSION, THE INSTITUTION
23 COMMITS TO USE THE VACATED SPACE, WHERE OTHER
24 INSTITUTIONS HAVE BORROWED SPACE AND ARE TURNING IT BACK
25 TO THE DEAN OR RETURNING IT TO ITS PREVIOUS USE OR LEASED

BARRISTERS' REPORTING SERVICE

1 FACILITIES THAT ARE NO LONGER GOING TO BE USED FOR
2 REGENERATIVE MEDICINE, THIS IS THE CASE WHERE THE SPACE
3 BEING VACATED WAS COMMITTED. AND, THEREFORE, THAT WAS
4 PART OF THE LEVERAGE, AT LEAST IN TERMS OF
5 UNDERSTANDING -- I'M SORRY. THAT'S PART OF THE PI'S ON
6 THE RIGHT.

7 FOR THE LEVERAGE THERE ARE TWO COMPONENTS TO \$31
8 MILLION IN ADJUSTMENTS. THE FIRST IS THE UTILITY CENTRAL
9 GENERATING CAPACITY, WHICH WOULD HAVE TO BE BUILT IN THIS
10 BUILDING, THE VALUE OF WHAT WOULD HAVE TO BE BUILT IN THE
11 BUILDING TO REPLACE WHAT WAS ACTUALLY COMMITTED BY THE
12 INSTITUTION FOR STEAM, CHILLED WATER, AND OTHER CENTRAL
13 UTILITIES. THAT WAS ABOUT \$14 MILLION. IN THE
14 APPLICATION THERE WAS \$17 MILLION OF SITE DEVELOPMENT,
15 AND THE SITE FOR THIS BUILDING IS UP AGAINST MT. SUTRO.
16 IT REQUIRES EXTENSIVE EXCAVATIONS, AND THAT SITE
17 DEVELOPMENT AND LANDSCAPING COST HAD NOT BEEN INCLUDED IN
18 THE ORIGINAL PROPOSAL. AND IN LEVELIZING THE OVERALL
19 LEVERAGE CALCULATIONS, THAT \$17 MILLION WAS IDENTIFIED AS
20 LEVERAGE.

21 CHAIRMAN LICHTENGER: SO THIS TOTAL OF 31
22 MILLION QUALIFIES UNDER CIRM'S GUIDELINES FOR LEVERAGE,
23 CORRECT?

24 MR. KELLER: YES.

25 MR. KLEIN: MR. CHAIRMAN, \$14 MILLION FOR

BARRISTERS' REPORTING SERVICE

1 UTILITY ALLOCATION IS SUBSTANTIALLY OUT OF LINE WITH
2 UTILITY ALLOCATIONS ON THE OTHERS. I REALIZE I'M ONE OF
3 THOSE PEOPLE WHO HAS ADVOCATED LOOKING AT UTILITY
4 ALLOCATIONS, BUT HOW DOES THIS RECONCILE TO THE UTILITY
5 ALLOCATIONS ON THE OTHER PROJECTS?

6 MR. KELLER: IT'S QUITE A BIT HIGHER. WE
7 RECEIVED THESE AND HAVE NOT HAD A CHANCE TO ANALYZE THEM
8 IN DETAIL. THEY ARE HERE AND CAN EXPLAIN -- WE WERE NOT
9 GIVEN MUCH TIME TO --

10 CHAIRMAN LICHTENGER: I THINK WE NEED TO EXPLORE
11 THIS WITH THE APPLICANT. SO ACTUALLY I WAS PLANNING ON
12 IT. THANK YOU, BOB.

13 SO JUST -- SO THIS NEW INFORMATION IN TERMS OF
14 LEVERAGE, I GUESS WE'LL HAVE TO MAKE A DETERMINATION ON
15 THE 31 MILLION, HOW MUCH OF THAT IS ACTUALLY ELIGIBLE
16 UNDER OUR OWN GUIDELINES. BUT CERTAINLY ON THE 17
17 MILLION, IT SOUNDS LIKE THAT WOULD BE ELIGIBLE A HUNDRED
18 PERCENT, CORRECT, RICK?

19 MR. KELLER: FOR SITE DEVELOPMENT, UTILITIES,
20 YES, IT'S THE SAME. I'M SORRY. FOR THE SITE DEVELOPMENT
21 AND LANDSCAPING, IT WOULD BE CONSISTENT WITH WHAT YOU'RE
22 INCLUDING IN OTHER PROJECTS, YES.

23 CHAIRMAN LICHTENGER: GREAT. THANK YOU. SO I
24 GUESS IN TERMS OF THE VALUE, I CAN -- I THINK THERE'S --
25 VALUE IS VERY GOOD TO EXCELLENT DEPENDING ON WHAT I FIND

BARRISTERS' REPORTING SERVICE

1 OUT ABOUT THE FACILITIES BECAUSE THAT DOES AFFECT HOW I
2 VIEW VALUE.

3 THE ONE CONCERN I HAD ABOUT THIS PROPOSAL WAS
4 THEIR COSTS WERE HIGHER THAN -- I DON'T KNOW IF THEY WERE
5 THE HIGHEST PER SQUARE FOOT. BUT IF WE LOOK AT IT ON A
6 PI COST BASIS, IT LOOKS LIKE THEY'RE ABOUT AVERAGE; IS
7 THAT CORRECT?

8 MR. KLEIN: I THINK THEY WERE ONE OF THE LOWER
9 PI COSTS.

10 CHAIRMAN LICHTENGER: ON AN ADJUSTED PI BASIS,
11 THEIR COSTS ARE SUBSTANTIALLY LOWER, IT LOOKS LIKE, ON
12 THIS NEW CHART HERE. LOOKS LIKE THEY'RE BELOW AVERAGE.
13 SO IT WAS KIND OF MITIGATED BY THEIR DESIGN. EVEN THOUGH
14 THEIR PER SQUARE FOOT PRICE AND THEIR TOTAL COST WAS VERY
15 HIGH, IF WE LOOK AT IT ON THE PI COST, THEIR COST WAS,
16 LOOKS LIKE, WELL BELOW AVERAGE. SO THAT MITIGATED THE
17 COST FOR ME.

18 AND, AGAIN, LOOKING AT THE OVERALL -- ALL THE
19 OTHER FACTORS IN TERMS OF INNOVATIVE ELEMENTS AND
20 CONSERVATION OF RENEWABLE RESOURCES, IT LOOKS LIKE,
21 AGAIN, THE VALUE PROPOSITION IS QUITE HIGH IN MY
22 PERSPECTIVE FROM VERY GOOD TO EXCELLENT.

23 MS. HYSEN: WELL, I'M A HUGE FAN OF
24 ARCHITECTURE, AND THIS BUILDING HAS THE WOW FACTOR. AND
25 FOR THE UCSF FOLKS, I WANT TO VISIT THIS WHEN IT'S DONE

BARRISTERS' REPORTING SERVICE

1 BECAUSE IT'S AN INCREDIBLE DESIGN. I DON'T KNOW HOW IT
2 FACILITATES NECESSARILY THE HIGHEST LEVEL OF INTERACTION,
3 BUT TO DO THIS SPLIT LEVEL WITH THE OFFICES OVERLOOKING
4 THE LABS IS JUST FASCINATING TO ME. I'M JUST REALLY
5 CURIOUS HOW IT WORKS OUT. BUILDING IT OVER A CLIFF, ALL
6 THESE THINGS, I THINK THE COST IS HIGH. IT LOOKED LIKE
7 THE HIGHEST PER SQUARE FOOT, 1164 PER SQUARE FOOT, WHICH
8 IS VERY HIGH. I THINK IT PROBABLY COULD HAVE BEEN HIGHER
9 IF YOU HADN'T FIGURED OUT THE STRUCTURAL PIECES. IT'S
10 JUST AN INCREDIBLY BEAUTIFUL BUILDING.

11 WHEN YOU'RE DOING SOMETHING AS INNOVATIVE AS
12 STEM CELL RESEARCH, TO HAVE A BUILDING THAT YOU CAN BE
13 PROUD OF TO GO TO WORK IN EVERY DAY AND BE SO UNUSUAL, I
14 THINK REALLY IS SYMBOLIC OF THE KIND OF WORK THAT GOES
15 INTO THAT BUILDING, SO I WAS VERY IMPRESSED.

16 EQUIPMENT COSTS, THEY WERE LOW. I THINK THEY'RE
17 ONE OF THE LOWEST, \$99 A SQUARE FOOT, MAINLY BECAUSE THEY
18 ARE RELOCATING ABOUT FIVE MILLION WORTH OF EQUIPMENT. SO
19 WHILE THE BUILDING COSTS ARE HIGH, I THOUGHT THE
20 EQUIPMENT COSTS WERE LOW.

21 THE FACT THAT THEY'RE GOING TO TURN OVER 25,000
22 SQUARE FEET TO CIRM RESEARCH, I WASN'T SURE IF I PUT THAT
23 IN THE LEVERAGE CATEGORY OR THE VALUE CATEGORY BECAUSE
24 ESSENTIALLY YOU'RE GETTING 25,000 SQUARE FEET FOR FREE.
25 AND SO IN MY MIND I WANTED TO APPLY THAT TOWARDS REDUCING

BARRISTERS' REPORTING SERVICE

1 THE OVERALL COST PER SQUARE FOOT BECAUSE YOU'RE ACTUALLY
2 GAINING AN ADDITIONAL 25,000 SQUARE FEET. SO FROM MY
3 PERSPECTIVE, IF IT'S OKAY WITH STAFF, I'D LIKE TO VIEW
4 THAT IN THE VALUE CATEGORY IN TERMS OF REDUCING THE
5 OVERALL SQUARE FOOTAGE COST BECAUSE I SEE THAT AS GAINING
6 25,000 SQUARE FEET, QUITE FRANKLY.

7 I NOTICED THERE WAS NO VIVARIUM, BUT IT APPEARS
8 THAT YOU ARE LOCATING ONE NEARBY. AND, AGAIN, I THOUGHT
9 THAT INCREASED THE VALUE RATIO BECAUSE YOU DON'T HAVE TO
10 BUILD SOMETHING THAT'S QUITE EXPENSIVE.

11 THE LEED CERTIFICATION, I KNOW THEY'RE GOING TO
12 TRY AND DO A STRETCH GOAL TOWARDS SILVER. I'M SURPRISED
13 THEY NEED TO STRETCH BECAUSE TO DO THE GREEN ROOFS,
14 TERRACED, HOW THEY'RE LOCATING THE BUILDING TO MAXIMIZE
15 OR MINIMIZE THE AMOUNT OF SUN EXPOSURE, I JUST FOUND THAT
16 BE A REALLY FASCINATING PART. I THINK THIS IS GOING TO
17 BE ONE OF THOSE BUILDINGS THAT IS GOING TO GET RAVE
18 REVIEWS IN THE ARCHITECTURAL COMMUNITY AND IS REALLY
19 GOING TO BE A NICE ADDITION TO CALIFORNIA'S ARCHITECTURE.

20 ON THE LEVERAGE I NEED CLARIFICATION SINCE
21 THERE'S ALL KINDS OF TALK ABOUT LEVERAGE. THE ORIGINAL
22 LEVERAGE THAT THEY INDICATED WAS \$41 MILLION? AND SO IF
23 THEY'RE ADDING THIS OTHER \$31 MILLION, DOES IT STILL PUT
24 THEM IN THIRD PLACE IN TERMS OF THE CATEGORIES?

25 MR. KELLER: THE REVISED CHART IS TO YOUR LEFT

BARRISTERS' REPORTING SERVICE

1 AND SO THE --

2 CHAIRMAN LICHTENGER: THIRD PLACE, YES.

3 MS. HYSEN: SECOND. SO THAT COULD BUMP THEM UP.

4 MR. KELLER: SECOND IN INSTITUTES.

5 MS. HYSEN: IF THIS OTHER DISPUTED LEVERAGE IS
6 CONSIDERED, IT BUMPS THEM UP A PLACE, BUT GENERALLY THEY
7 WERE IN THE THIRD-PLACE CATEGORY FOR LEVERAGE IS WHAT I'M
8 READING. SO I THINK THAT THEY WERE IN GOOD SHAPE BEFORE
9 THIS ADDITIONAL LEVERAGE WAS CONSIDERED.

10 MR. KELLER: IF YOU LOOK AT THE DARK BLUE, THESE
11 WERE ALL IN FAIRLY CONSISTENT LEVEL, AND THEN THIS IS SAN
12 FRANCISCO WITH THE ADDED AMOUNT.

13 MS. HYSEN: AGAIN, I THINK THE FUNCTIONALITY,
14 MR. COPENHAGEN GAVE THEM AN A. IT SEEMS TO ME IT'S AN A
15 PLUS, AND MAYBE IT'S BECAUSE I DON'T UNDERSTAND SCIENCE.
16 BUT JUST THE WAY IN WHICH THEY'VE ORIENTED THE BUILDING,
17 I THINK IT REALLY MAXIMIZES THE ABILITY TO HAVE THAT
18 INTEGRATED, CROSSCUTTING APPROACH TO RESEARCH. SO I
19 FOUND THE DESIGN, PROBABLY OF ALL THE DESIGNS, TO REALLY
20 ENHANCE OR AT LEAST ADDRESS THE POTENTIAL FOR ENHANCED
21 FUNCTIONALITY. MAYBE YOU DON'T GIVE A PLUSES, BUT I WAS
22 TEMPTED TO ADD A PLUS HERE.

23 MR. COPENHAGEN: I AGREE. THE STRUCTURE OF THE
24 BUILDING, THE FLOW THAT YOU GET FROM ONE END OF THE
25 BUILDING, THERE WAS NO BOUNDARIES BETWEEN THEM OF ANY

BARRISTERS' REPORTING SERVICE

1 KIND.

2 MS. HYSEN: IT'S REALLY HARD WHEN YOU'RE IN A
3 MULTISTORY BUILDING. IT SEEMS LIKE WHEN YOU'RE ON
4 ANOTHER FLOOR, IT REALLY IS KIND OF A PAIN TO GO DOWN TO
5 THAT OTHER FLOOR UNLESS IT'S AN OPEN STAIRCASE SETTING.
6 AND SO NOT ONLY DID YOU ADDRESS THAT, BUT YOU'VE KIND OF
7 DONE THE OLD 1950 STYLE SPLIT LEVEL, AND I GUESS THERE'S
8 SOME VALUE TO THAT CONCEPT. I WAS SO IMPRESSED WITH THIS
9 DESIGN.

10 SHARED RESOURCES I THOUGHT WERE -- I HAVE HERE A
11 LOWER ALLOWANCE OF SQUARE FEET PER PI. IT'S 1851 SQUARE
12 FEET VERSUS THE 3,345 SQUARE FOOT AVERAGE. I DON'T KNOW
13 IF THAT'S A CONCERN. I DON'T KNOW IF YOU HAD THAT
14 CONCERN, DAVID. BUT I JUST NOTED THAT AS AN AREA OF
15 CONCERN.

16 CHAIRMAN LICHTENGER: I WASN'T REALLY CONCERNED
17 BECAUSE THERE'S SO MUCH CORE CONNECTED BY THE BRIDGE.

18 MR. COPENHAGEN: THAT'S RIGHT. UCSF HAS AN
19 EXTENSIVE AMOUNT OF CLOSE-BY CORES, AND THEY WENT TO THE
20 EFFORT OF BUILDING THE BRIDGE TO MAKE SURE THAT THEY
21 COULD GET TO THOSE CORES EASILY.

22 MS. HYSEN: I THOUGHT IT REALLY FACILITATED A
23 HIGH LEVEL OF INVESTIGATORS AT THIS LOCATION. SO I WAS
24 REALLY IMPRESSED WITH THIS APPLICATION. I THOUGHT IT WAS
25 EXTREMELY STRONG.

BARRISTERS' REPORTING SERVICE

1 ON THE URGENCY, IT LOOKS LIKE THE BRIDGING
2 DOCUMENTS ARE DONE. THEY'RE GOING TO USE DESIGN-BUILD.
3 IT'S A PROVEN METHOD FOR FAST TRACKING. I THINK THE TEAM
4 HAS AN EXCELLENT TRACK RECORD WITH RECENT CONSTRUCTION.
5 THERE'S AN INTERESTING THING THAT THEY'RE DOING HERE.
6 I'VE SEEN IT DONE IN ONE OTHER CASE. THEY'RE USING TWO
7 DESIGN-BUILD TEAMS TO KIND OF COMPETE AGAINST EACH OTHER
8 AND SEE WHO HAS THE BEST DESIGN. AND THERE'S A LOT OF
9 INNOVATION THAT COME OUT OF THAT EFFORT, AND THAT'S
10 ANOTHER FASCINATING ELEMENT OF THIS. AND THEY HAD A
11 PROJECT SCHEDULE, AND I LIKE TO SEE PROJECT SCHEDULES SO
12 I AT LEAST SEE HOW THEY'VE CHARTED OUT HOW THIS IS GOING
13 TO PROGRESS. SO I GIVE IT AN A PLUS.

14 CHAIRMAN LICHTENGER: THANK YOU, DEBORAH. ANY
15 OTHER QUESTIONS BY ANY MEMBERS BEFORE WE HAVE UCSF COME
16 UP AND SPEAK? BOB.

17 MR. KLEIN: THE SMALL SQUARE FOOTAGE IS AN ISSUE
18 FOR ME. I'D LIKE TO SEE THE RESPONSE FROM THE APPLICANT
19 BECAUSE, WHILE I AGREE THAT THIS IS A GREAT BUILDING AND
20 THEY'RE WORKING OFF THE CORES THAT ARE CONNECTED BY THE
21 BRIDGE, I DON'T KNOW. I'D LIKE TO KNOW HOW MANY CORES
22 ARE DIRECTLY CONNECTED BY THAT BRIDGE.

23 AND WHEN YOU HAVE 754 SQUARE FEET FOR THE LAB
24 AND SUPPORT VERSUS 1500 OR 2,000 SQUARE FEET IN SOME OF
25 THE OTHER APPLICATIONS, YOU ARE GOING TO GET MORE

BARRISTERS' REPORTING SERVICE

1 RESEARCHERS THAT WE'RE ACTUALLY GETTING VALUE FOR. AND
2 SO I'D LIKE TO FIND OUT HOW MANY -- I KNOW HOW MANY PI'S,
3 BUT I'D LIKE TO UNDERSTAND AT CAPACITY WHAT THE FACILITY
4 IS GOING TO PROVIDE IN TERMS OF TOTAL RESEARCHERS HERE
5 BECAUSE THAT SMALL SQUARE FOOTAGE IS A SIGN TO ME THAT
6 WE'RE NOT GOING TO GET THE SAME CAPACITY.

7 CHAIRMAN LICHTENGER: WHY DON'T WE ASK THE
8 APPLICANT.

9 MR. KELLER: BEFORE THAT, JUST A CLARIFICATION
10 IS THAT WHEN WE PRODUCED THE CHART THAT ADDED THE 18
11 PI'S, THE 25 -- BECAUSE WE DIDN'T WANT TO SKEW THE COST
12 PER SQUARE FOOT, YOU ARE GETTING 25,000 FEET FOR NO
13 INVESTMENT, THAT DIDN'T INCLUDE THE SQUARE FOOTAGE. SO
14 THIS IS MORE -- IF WE LOOK AT JUST THE BUILDING, BASED ON
15 THE 24 PI'S THAT ARE GOING TO RESIDE IN THE BUILDING, THE
16 AMOUNT OF SQUARE FOOTAGE PER PI IS 1267, WHICH IS STILL
17 BELOW SEVERAL, BUT MORE COMPARABLE.

18 MR. KLEIN: IN TERMS OF THE 18, THIS IS THE
19 BACKFILL SPACE?

20 MR. KELLER: I'M SAYING, AS DEBORAH WAS SAYING,
21 IF YOU ADD THE BACKFILL SPACE, THEN IT SHOULD REALLY
22 DRIVE THE COST PER SQUARE FEET DOWN. THAT'S THE WAY
23 YOU'RE LOOKING AT IT BECAUSE YOU AVERAGE IT ACROSS.
24 THAT'S ONE WAY TO LOOK AT IT. WE DIDN'T INCLUDE THAT
25 WHEN WE DIVIDED THE PI'S INTO THE SQUARE FEET.

BARRISTERS' REPORTING SERVICE

1 MR. KLEIN: BUT THE 18, THAT'S WHAT THAT
2 REPRESENTS, THE BACKFILL SPACE?

3 MR. KELLER: YES.

4 MR. KLEIN: DID WE ASK ALL THE OTHER APPLICANTS
5 IF THEY WERE GOING TO COMMIT THE BACKFILL SPACE?

6 MR. KELLER: WE ASKED IN THE APPLICATION TO
7 DISCUSS THE USE OF SECONDARY EFFECTS OF THESE PROJECTS.

8 MR. KLEIN: I THINK WHILE IT SHOULD GET A VALUE
9 CREDIT, IT'S NOT COMPARABLE TO THESE OTHER APPLICATIONS
10 BECAUSE IT'S NOT IN THE SAME BUILDING. IT'S NOT IN THE
11 SAME FACILITY. SO THESE 18, THEY'RE BACKFILLING THEM.
12 WE DON'T KNOW IF OTHER INSTITUTIONS ARE GOING TO
13 BACKFILL. AND UNLESS WE SPECIFICALLY ASKED THAT
14 QUESTION, HOW DO WE JUDGE THAT 18? IT'S A VALUE, BUT I
15 THINK --

16 CHAIRMAN LICHTENGER: I DON'T THINK -- I THINK
17 WE ASKED THE QUESTION IN THE APPLICATION, AND PEOPLE
18 RESPONDED HOW THEY SAW FIT. AND UCSF RESPONDED
19 DIFFERENTLY THAN THE OTHERS.

20 MR. KLEIN: WE ASKED THE QUESTION IN THE
21 APPLICATION IF THEY WERE GOING TO COMMIT THE BACKFILL
22 SPACE?

23 MR. KELLER: WE ASKED THEM TO DISCUSS THE
24 BACKFILL.

25 MR. KLEIN: WE DIDN'T ASK IF THEY WOULD COMMIT

BARRISTERS' REPORTING SERVICE

1 THE BACKFILL SPACE.

2 MR. KELLER: THAT WAS THEIR DISCRETION.

3 CHAIRMAN LICHTENGER: BUT UCSF WAS THE ONLY
4 APPLICANT TO DISCUSS THIS, CORRECT, RICK?

5 MR. KELLER: CORRECT. I'M FINE WITH LEAVING IT
6 OUT IF YOU WANT TO LEAVE IT OUT. IT'S A POLICY DECISION.

7 MR. KLEIN: THIS IS JUST AN INDIVIDUAL POINT OF
8 VIEW. THIS IS A WHOLE COMMITTEE.

9 CHAIRMAN LICHTENGER: SO I ACTUALLY -- I THINK
10 UCSF DESERVES KUDOS ON THIS IN THAT THEY'RE THE ONLY ONE
11 THAT ACTUALLY COMMITTED THAT SPACE TO CIRM AND TO THE
12 RESEARCHERS. AND WE DID ASK THE QUESTION, AND PEOPLE
13 INTERPRETED THE QUESTIONS HOW THEY WANTED TO. I'D LIKE
14 TO HAVE THE APPLICANT COME UP.

15 MR. KASHIAN: DAVID, I HAVE A QUESTION OF YOU.
16 WHAT IS YOUR EVALUATION OF THE UCSF PROPOSAL IN TERMS OF,
17 YOUR EVALUATION, IN TERMS OF SHARED RESOURCES?

18 CHAIRMAN LICHTENGER: YOU KNOW, WELL, THEY HAVE
19 A LOT OF CORES AND THEY HAVE QUITE A FEW RESEARCHERS AND
20 PI'S ON CAMPUS. AND ACTUALLY THAT IS A QUESTION I'M
21 GOING TO ASK THE APPLICANT IN A MINUTE ABOUT WHAT SHARING
22 OF RESOURCES THEY HAVE WITH OTHER INSTITUTIONS.

23 MS. HYSEN: I HAVE MY NOTES HERE. PERHAPS I
24 FAILED TO MENTION IT. I MADE A NOTATION THEY HAVE OVER
25 80 TECHNOLOGY CORES OUTSIDE THE FACILITIES, AND THAT

BARRISTERS' REPORTING SERVICE

1 PRIORITY WILL BE GIVEN TO THE RESEARCHERS HOUSED IN THIS
2 BUILDING TO UTILIZE THOSE. AND IN PARTICULAR, THEY
3 INCLUDED THE VIVARIUM AND THE GMP FACILITIES.

4 CHAIRMAN LICHTENGER: SO I GUESS TO ANSWER YOUR
5 QUESTION, ED, SOMEWHERE BETWEEN VERY GOOD AND EXCELLENT.
6 AFTER I HEAR THEIR ANSWER, I'LL LET YOU KNOW.

7 MR. LAFF: I WANT TO TALK ABOUT THE 25,000
8 SQUARE FOOT COMMITMENT. WHEN YOU READ ALL OF THE
9 APPLICANTS, YOU WILL FIND OUT THAT MANY OF THESE
10 APPLICANTS HAD THE RESEARCHERS IN LEASED SPACE, IN SPACE
11 THAT IS USED FOR OTHER THAN RESEARCHERS, AND THEY'RE
12 BRINGING THOSE PEOPLE OUT AND THEY'RE GETTING RID OF THE
13 SPACE TO OCCUPY THESE BUILDINGS. SO I SORT OF FALL ON
14 THE SIDE OF BOB. IT'S A NICE THING, BUT I'M NOT SURE
15 WHAT THE VALUE IS AND WHY YOU SHOULD GIVE THEM CREDIT
16 WHEN OTHER PEOPLE DIDN'T EVEN HAVE THE ABILITY TO DO IT.

17 MR. KLEIN: I WANT TO MAKE IT CLEAR. I THINK
18 IT'S A VALUE. I JUST -- THE QUESTION IS WHERE DO I
19 ACCOUNT FOR IT? AND IT'S KIND OF A VALUE OUTSIDE OF WHAT
20 WE SPECIFICALLY ASKED FOR IS ALL I'M STATING.

21 CHAIRMAN LICHTENGER: I WOULD AGREE WITH THAT,
22 BOB. I DON'T THINK WE CAN COUNT IT DIRECTLY IN SOME OF
23 THESE CATEGORIES, BUT IT IS GOOD INFORMATION. AND I WISH
24 ALL THE INSTITUTIONS HAD COMMITTED THEIR BACKFILL SPACE.
25 YOU KNOW, WE MAY NOT BE ABLE TO TAKE IT INTO ACCOUNT NOW,

BARRISTERS' REPORTING SERVICE

1 BUT I'M OPEN TO HEARING ABOUT IT.

2 MS. HYSEN: CAN I ADD ONE COMMENT ON THAT? I
3 THINK FOR ME IN THE SAME WAY, AND I THINK IT WAS THE UC
4 DAVIS PROPOSAL, THAT IDENTIFIED GROWTH SPACE. THERE WAS
5 A FUTURE PHASE. TO ME WE'RE SORT OF LOOKING AT THIS IN
6 THE REVERSE. TO ME THIS IS FUTURE SPACE. AND SO I NOT
7 ONLY LOOKED AT THE FACT THAT THEY ACTUALLY COMMITTED TO
8 PROVIDING THIS SPACE TO CIRM, AND SO THIS WAS COMMITTED
9 FUTURE SPACE, AND IT ALLOWED FOR THE GROWTH. AND IN MY
10 MIND IT WAS 25,000 FREE SQUARE FEET.

11 CHAIRMAN LICHTENGER: THANK YOU. COULD THE
12 APPLICANT PLEASE ADDRESS THE COMMITTEE NOW.

13 MS. YAMAUCHI: MY NAME IS LAURIE YAMAUCHI. I'M
14 ASSISTANT VICE CHANCELLOR FOR CAMPUS PLANNING AT UCSF.
15 BEFORE WE ADDRESS YOUR QUESTIONS, I WANTED TO STATE THAT
16 SINCE WE SUBMITTED OUR APPLICATION TO YOU, THE BOARD OF
17 REGENTS FOR THE UNIVERSITY OF CALIFORNIA AT ITS MARCH
18 MEETING APPROVED THIS PROJECT. AND THEY ALSO APPROVED
19 THE SITE INFRASTRUCTURE PROJECT THAT WAS REFERRED TO
20 EARLIER. AND WE'LL SPEAK TO THAT IN A MOMENT.

21 WITH ME ARE COLLEAGUES BOTH ON THE ACADEMIC SIDE
22 AND ON THE FACILITIES SIDE.

23 MR. BADE: I'M MICHAEL BADE. I'M DIRECTOR OF
24 CAPITAL PROGRAMS AT UCSF.

25 DR. KRIEGSTEIN: ARNOLD KRIEGSTEIN, DIRECTOR OF

BARRISTERS' REPORTING SERVICE

1 THE STEM CELL PROGRAM AT UCSF.

2 MR. BENDET: DAVID BENDET, PROJECT MANAGER.

3 DR. HALME: DINA GOULD HALME, DEAN'S OFFICE,
4 SCHOOL OF MEDICINE.

5 MS. YAMAUCHI: SO WE'RE PLEASED TO ANSWER YOUR
6 QUESTIONS. SPECIFICALLY YOU HAD A QUESTION ABOUT THE
7 COLLABORATION WITH OTHER INSTITUTIONS, ARRANGEMENTS WITH
8 OTHER INSTITUTIONS. DID YOU WANT TO TALK ABOUT THE \$14
9 MILLION? WHERE DID YOU WANT TO START?

10 CHAIRMAN LICHTENGER: WHEREVER YOU GUYS WANT TO
11 START IS FINE WITH ME.

12 MS. YAMAUCHI: SINCE YOU JUST SPOKE ABOUT THE
13 25,000 SQUARE FEET OF SPACE THAT WE WOULD COMMIT, VACATED
14 SPACE THAT WE COULD COMMIT, DR. KRIEGSTEIN IS PREPARED TO
15 SPEAK.

16 DR. KRIEGSTEIN: I JUST WANT TO ECHO SOME OF THE
17 COMMENTS THAT WE'D HEARD BEFORE. THAT IS THAT THE
18 APPLICATION DIDN'T ASK US HOW WE WOULD HANDLE PEOPLE WHO
19 ARE RELOCATED INTO THE NEW BUILDING. THERE'S AN
20 INSTITUTIONAL COMMITMENT AT UCSF FOR THE STEM CELL
21 PROGRAM THAT ACTUALLY, AS WE SAY, IS TRANSLATED INTO THE
22 COMMITMENT OF THAT SPACE THAT'S VACATED WHEN
23 INVESTIGATORS CURRENTLY AT UCSF MOVE INTO THE NEW SPACE.
24 THE BACKFILL SPACE WILL THEN BE COMMITTED ALSO TO THE
25 STEM CELL PROGRAM. SO THE NEW FACULTY HIRED INTO THOSE

BARRISTERS' REPORTING SERVICE

1 SLOTS, OF WHICH WE ESTIMATE THERE WILL BE 18, WILL ALL BE
2 CIRM THAT WILL BE STEM CELL INVESTIGATORS. AND THAT'S
3 THE COMMITMENT THAT THE INSTITUTION HAS MADE.

4 CHAIRMAN LICHTENGER: IS THAT A TEN-YEAR PLUS
5 COMMITMENT?

6 DR. KRIEGSTEIN: THOSE SLOTS WILL BE FILLED AS
7 SOON AS THOSE ROOMS ARE VACATED.

8 CHAIRMAN LICHTENGER: YOU'RE COMMITTING THAT
9 SPACE FOR TEN YEARS OR MORE?

10 DR. HALME: I BELIEVE MY UNDERSTANDING IS THAT
11 IT WOULD BE FOR THE COMMITMENT OF THE LIFETIME OF CIRM,
12 WHICH IS THE SAME TIMEFRAME FOR WHICH WE'RE COMMITTING
13 THE SPACE IN THE BUILDING.

14 CHAIRMAN LICHTENGER: GREAT. THANK YOU.

15 HOW ABOUT -- CAN WE TALK ABOUT THE UTILITIES?
16 THAT SEEMS TO BE AN ISSUE.

17 MR. BADE: I'LL BE HAPPY TO ADDRESS THAT.

18 CHAIRMAN LICHTENGER: CAN YOU GIVE ME SOME
19 GRANULARITY ON THE UTILITY NUMBER?

20 MR. BADE: IT'S AN INTERESTING QUESTION. WE
21 HAVE A 13-MEGAWATT COGENERATION FACILITY ON THE PARNASSUS
22 CAMPUS. AND WE ARE GOING TO SERVE THIS BUILDING FROM
23 THAT CENTRAL PLANT. THAT CENTRAL PLANT ALSO SERVES OUR
24 MEDICAL CENTER, AND IT'S AN OSHPD-REGULATED FACILITY.
25 COST OF DEVELOPING IT IS MUCH HIGHER THAN FOR A NORMAL

BARRISTERS' REPORTING SERVICE

1 CENTRAL PLANT BECAUSE IT HAS TO GO THROUGH OSHPD
2 STRUCTURAL REVIEW AND FUNCTIONALITY REVIEW. SO WE WERE
3 REALLY SCRATCHING OUR HEADS. WE'RE MAKING A PARALLEL
4 INVESTMENT --

5 CHAIRMAN LICHTENGER: WHAT'S THE TOTAL COST ON
6 THAT FACILITY?

7 MR. BADE: OH, GOD. I DON'T KNOW. TEN YEARS
8 AGO IT WAS \$70 MILLION. AND IF WE DID IT TODAY, IT WOULD
9 PROBABLY BE 150 MILLION EASILY, MAYBE MORE, BECAUSE IT'S
10 OSHPD REGULATED. BUT WE ARE MAKING AN INVESTMENT IN THAT
11 CENTRAL PLANT SEPARATE FROM THE CIRM PROJECT IN PARALLEL
12 WITH IT TO IMPROVE ITS LOW LOAD FUNCTIONALITY. AND THAT
13 WILL SERVE THE BUILDING AND THE REST OF THE CAMPUS.

14 WE'RE IN A -- OUR CLIMATE IS HIGHLY VARIABLE. SOMETIMES
15 HAVE A HIGH COOLING LOAD, AND A LOT OF THE TIME WE DON'T
16 BECAUSE IT'S SAN FRANCISCO, COUPLE MILES FROM THE OCEAN.

17 SO WE'RE ACTUALLY INVESTING ABOUT \$5 MILLION IN
18 THAT ENHANCEMENT TO THE CENTRAL PLANT. IF WE WERE TO
19 BUILD A STAND-ALONE PLANT FOR THIS BUILDING, WE WOULD
20 HAVE TWO CHILLERS AND TWO BOILERS FOR REDUNDANCY, AND THE
21 CHILLERS WERE ESTIMATED AT ABOUT \$7 MILLION AND THE
22 BOILERS AT ABOUT \$6 MILLION. NOW, REMEMBER, THIS IS A
23 DIFFICULT SITE TO BUILD ON, AND SO WE WOULD HAVE TO MAKE
24 PROVISION INSIDE THE BUILDING FOR THIS OR WRECK OUR
25 ROOFSCAPE. SO THIS IN AND OF ITSELF IS MORE EXPENSIVE

BARRISTERS' REPORTING SERVICE

1 THAN IF IT WERE IN A MORE CONVENTIONAL BUILDING.

2 CHAIRMAN LICHTENGER: I'M SORRY. I'M STRUGGLING
3 ON THIS UTILITY ISSUE. SO MY QUESTION FOR YOU IS THAT
4 EXISTING UTILITY, YOU'RE PUTTING \$17 MILLION MORE RELATED
5 TO CIRM INTO IT?

6 MR. BADE: NO. THE \$17 MILLION IS SITE
7 DEVELOPMENT.

8 CHAIRMAN LICHTENGER: \$14 MILLION.

9 MR. BADE: NO. NO. WE'RE ACTUALLY -- WE HAVE A
10 PARALLEL INVESTMENT IN THE CENTRAL PLANT THAT'S SERVING
11 THE CIRM PROJECT AND OTHER BUILDINGS ON CAMPUS. IT'S
12 ABOUT A \$5 MILLION INVESTMENT. WE HAVE PLENTY OF
13 CAPACITY IN THE CENTRAL PLANT. WE'RE IMPROVING ITS
14 FUNCTIONALITY IS WHAT WE'RE DOING. THAT'S WHY, WHEN WE
15 PUT OUR APPLICATION IN, WE DIDN'T REALLY INCLUDE THAT IN
16 THE COST OF THE BUILDING.

17 CHAIRMAN LICHTENGER: I'M REALLY STRUGGLING NOW.
18 SO 5 MILLION OR 14 MILLION? I WANT TO KNOW HOW MUCH
19 MONEY IS BEING PUT FOR THE CIRM -- THAT'S GOING INTO
20 SUPPORT CIRM ON THIS UTILITY.

21 MR. BADE: THAT'S HARD TO ANSWER.

22 MR. KLEIN: COULD I ASK A LITTLE BIT DIFFERENT
23 QUESTION? IF YOU SIZE THAT PLANT AND THAT PLANT IS GOING
24 TO SERVE THIS FACILITY, AND YOU DID A PRO RATA ALLOCATION
25 OF THAT PLANT BASED ON NORMALIZED COSTS, FORGETTING YOUR

BARRISTERS' REPORTING SERVICE

1 OSHPD BECAUSE WE DON'T NEED AN OSHPD FOR THIS BUILDING,
2 SO ON A NORMALIZED BASIS, WHAT'S THE PRO RATA ALLOCATION
3 OF COST OF THIS BUILDING? AND IF IT TAKES A MINUTE TO
4 COME UP WITH IT, YOU COULD COME BACK WITH A FIGURE LATER.
5 IT'S A TOUGH QUESTION. I WANT YOU TO HAVE THE CHANCE TO
6 THINK ABOUT IT IF YOU NEED TO.

7 MR. BADE: IT GETS INTO THE ARCANA OF CENTRAL
8 PLANT CAPACITY ALLOCATIONS, WHICH IS A VERY COMPLEX
9 SUBJECT. ON A PEAK LOAD BASIS, THE CHILLED CAPACITY OF
10 THE -- OR THE CHILLED WATER DEMAND FOR THE CIRM IS ABOUT
11 SEVEN -- 6, 7 PERCENT OF THE PLANT CAPACITY.

12 MR. KLEIN: SO, MR. CHAIRMAN, I WOULD SUGGEST
13 THAT IF HE HAS A CHANCE TO JUST, AFTER THE REST OF THESE
14 QUESTIONS, TO SIT DOWN AND THINK ABOUT HOW TO ALLOCATE
15 THIS, WHETHER 6 OR 7 PERCENT, AND COME BACK WITH A NUMBER
16 THAT DOESN'T HAVE THE EXCESS OSHPD OVERLAY, WE'D PROBABLY
17 GET A NUMBER CLOSER TO SOME OF THESE OTHER NUMBERS.

18 CHAIRMAN LICHTENGER: I MAY BE ASKING A
19 DIFFERENT QUESTION THAN BOB IS, BUT BASICALLY I WANT TO
20 UNDERSTAND A BREAKOUT OF ANY ADDITIONAL UPGRADES THAT ARE
21 REQUIRED THAT YOU ARE PUTTING INTO THE PLANT THAT ARE
22 RELATED TO CIRM. DOES THAT MAKE SENSE TO EVERYONE?

23 MR. BADE: YEP.

24 CHAIRMAN LICHTENGER: DO WE HAVE ANY OTHER
25 QUESTIONS? I KNOW WE HAD ONE ABOUT SHARED RESOURCES.

BARRISTERS' REPORTING SERVICE

1 VICE CHAIRMAN SERRANO-SEWELL: IT IS OSHPD
2 REGULATED, RIGHT?

3 MR. BADE: THE CENTRAL PLANT.

4 VICE CHAIRMAN SERRANO-SEWELL: YES. ONE CAN
5 THEORETICALLY SEPARATE IT AND DICE IT ALL WE WANT. AT
6 THE END OF THE DAY, IN REALITY IT IS OSHPD REGULATED
7 BECAUSE IT'S PART OF THE HOSPITAL; IS THAT RIGHT?

8 MR. BADE: IT SERVES BOTH THE RESEARCH
9 INFRASTRUCTURE AND THE HOSPITAL, WHICH IS WHY IT HAD TO
10 BE OSHPD REGULATED, WHICH IS ALL CONNECTED IN A 15-STORY
11 MEGA STRUCTURE.

12 VICE CHAIRMAN SERRANO-SEWELL: RIGHT. ON
13 PARNASSUS. I WAS THERE YESTERDAY. SO I MEAN IT IS WHAT
14 IT IS. I THINK WHAT BOB'S SUGGESTING IS INTERESTING, BUT
15 WE HAVE TO KEEP IN MIND THAT IT IS OSHPD REGULATED. THAT
16 IS ONE OF THE UNIQUE FEATURES OF THIS APPLICATION.

17 MR. KLEIN: DAVID, MAYBE HE COULD GIVE US THE
18 TRUE COST ALLOCATION WITH AND WITHOUT THE OSHPD OVERLAY,
19 AND THEN INDIVIDUALS CAN LOOK AT IT.

20 CHAIRMAN LICHTENGER: RICK, I HAVE A QUESTION
21 FOR YOU RELATED TO THIS. WAS THIS AMOUNT FOR UTILITIES
22 AS PROPOSED NEW DOLLARS TO UPGRADE, OR IS THIS -- THIS IS
23 MONEY THAT WAS PREVIOUSLY SPENT?

24 MR. KELLER: WE ASKED THE INSTITUTIONS, AND WE
25 GAVE THEM ABOUT SIX HOURS TO RESPOND TO THE QUESTION, WAS

BARRISTERS' REPORTING SERVICE

1 WHAT IS THE VALUE OF THE CENTRAL GENERATING CAPACITY THAT
2 IS BEING COMMITTED TO THE CIRM-FUNDED PROJECT.

3 CHAIRMAN LICHTENGER: VALUE.

4 DR. HALME: WE PROVIDED THE COST SAVINGS. SO IF
5 YOU HAD TO PROVIDE THIS CAPACITY IN THE BUILDING, THEN WE
6 ESTIMATE IT WOULD HAVE COST AN ADDITIONAL \$14 MILLION.
7 WE THOUGHT THAT WAS THE QUESTION. I DON'T KNOW WHAT THE
8 OTHER APPLICANTS THOUGHT THE QUESTION WAS, SO I'M NOT
9 SURE WHAT THOSE NUMBERS ARE EITHER. I REALIZE OURS ARE
10 MUCH HIGHER; BUT GIVEN OUR ASSESSMENT, AND MICHAEL CAN
11 GIVE YOU THE BREAKDOWN OF 7 MILLION FOR THE CHILLERS,
12 ETC., AND THAT'S HOW WE DERIVED THAT NUMBER.

13 CHAIRMAN LICHTENGER: BUT THE UTILITY EXISTS
14 TODAY, AND YOU'RE NOT HAVING TO SPEND THE MONEY, CORRECT?

15 MR. BADE: THAT'S CORRECT.

16 CHAIRMAN LICHTENGER: SO THERE IS NO NEW COST
17 THAT'S BEING INCURRED TO SUPPORT THE CIRM FACILITY.
18 THAT'S MY QUESTION.

19 MR. BADE: WE'RE SPENDING ABOUT \$5 MILLION TO
20 SUPPORT THE CIRM FACILITY IN SOMETHING THAT REALLY
21 AMOUNTS TO A FUNCTIONALITY UPGRADE OF THE CENTRAL PLANT.
22 IT'S NOT IN STRAIGHT CAPACITY.

23 CHAIRMAN LICHTENGER: SO NOW THIS \$5 MILLION IS
24 TO UPGRADE THE WHOLE FACILITY OR JUST THE PORTION FOR
25 CIRM, OR IS THAT THE ALLOCATED COST FOR CIRM?

BARRISTERS' REPORTING SERVICE

1 MR. BADE: THAT'S THE ALLOCATED COST FOR CIRM.

2 CHAIRMAN LICHTENGER: SO THE 5 MILLION IS NEW
3 DOLLARS IN SUPPORT OF THE CIRM FACILITY.

4 MR. BADE: RIGHT.

5 CHAIRMAN LICHTENGER: THANK YOU. I THINK I
6 FINALLY UNDERSTAND THE UTILITIES.

7 MR. BADE: I DON'T.

8 MS. HYSEN: ISN'T YOUR UTILITIES MORE
9 COMPLICATED BY THE FACT YOUR ROOFS ARE ALL GREEN?

10 MR. BADE: IT MADE IT -- IT MAKES IT DIFFICULT
11 TO DO THE NORMAL THING, WHICH IS TO PLUNK THE PLANT
12 EQUIPMENT ON THE ROOFS. WE DIDN'T WANT TO DO THAT. WE
13 WANTED TO MAKE IT A PLACE THAT WOULD ENHANCE THE
14 BUILDING.

15 MS. HYSEN: THERE'S A COST ASSOCIATED WITH THAT?

16 MR. BADE: THERE WOULD BE IF WE WERE GOING TO
17 INCORPORATE THE PLANT INTO THE BUILDING. WE'D HAVE TO
18 UNDERSLUNG IT, AND THAT GETS VERY EXPENSIVE BECAUSE IT
19 BECOMES DIFFICULT TO CONSTRUCT.

20 MS. HYSEN: THANK YOU.

21 CHAIRMAN LICHTENGER: SO I KNOW I HAD A QUESTION
22 ABOUT SHARED RESOURCES WITH OTHER INSTITUTIONS. CAN
23 SOMEONE COMMENT TO YOUR CURRENT AGREEMENTS WITH OTHER
24 INSTITUTIONS AND PLANS?

25 DR. KRIEGSTEIN: SURE. SO WE HAVE MULTIPLE

BARRISTERS' REPORTING SERVICE

1 LEVELS OF COLLABORATION WITH INSTITUTIONS LOCALLY AND, OF
2 COURSE, AT GREAT DISTANCES. WITHIN SAN FRANCISCO, OF
3 COURSE, THE GLADSTONE INSTITUTIONS, AND WE COLLABORATE
4 VERY EXTENSIVELY AND WE HAVE AGREEMENTS FOR COLLABORATION
5 THERE. SAN FRANCISCO STATE AS WELL, WE TRAIN STEM CELL
6 TECHNICIANS IN OUR STEM CELL COURSE. WE HAVE A
7 RELATIONSHIP WITH THE UNIVERSITY OF BERKELEY WHEN IT
8 COMES TO TECHNOLOGY AND BUYING MATERIALS. THERE'S JUST A
9 WHOLE RANGE OF NETWORKS OF COLLABORATIONS, BOTH
10 INDIVIDUAL TO INDIVIDUAL AND INSTITUTION TO INSTITUTION
11 THAT SUPPORT THE INFRASTRUCTURE AT UCSF, AND OUR STEM
12 CELL PROGRAM AS WELL.

13 MR. KLEIN: IN TERMS OF THE 17 MILLION, IN MY
14 INTERIM COMMENTS, I HAD ADVOCATED THAT IT APPEARED TO ME
15 YOU HAD UNDERSOLD YOUR LEVERAGE. AND AS I UNDERSTAND IT,
16 THAT IS REAL COST ALLOCATED TO THIS SITE FOR SITE
17 DEVELOPMENT AND LANDSCAPING. SO FROM MY PERSPECTIVE, IT
18 VERY CLEANLY FITS WITHIN OUR RULES AND SHOULD GO DIRECTLY
19 INTO LEVERAGE. IS THAT WHAT THAT COST IS?

20 MR. BADE: THAT IS.

21 CHAIRMAN LICHTENGER: DO WE HAVE ANY MORE
22 QUESTIONS FOR THE APPLICANTS?

23 MR. KASHIAN: I DON'T HAVE A QUESTION. I HAVE A
24 REQUEST. I DON'T HAVE A QUESTION, BUT I HAVE A REQUEST.
25 DEBORAH INVITED HERSELF TO THE OPENING. I WAS WONDERING

BARRISTERS' REPORTING SERVICE

1 IF YOU COULD EXTEND TWO INVITATIONS. I'D LIKE TO SEE IT
2 AS WELL.

3 MR. BADE: WE WOULD BE DELIGHTED.

4 MR. KLEIN: MR. CHAIRMAN, COULD WE FIND OUT IN
5 CAPACITY HOW MANY TOTAL RESEARCHERS WOULD BE IN THIS
6 BUILDING? WHAT IS YOUR ESTIMATE?

7 DR. HALME: IF YOU INCLUDE PRINCIPAL
8 INVESTIGATORS, IT'S 245. IF YOU DO NOT, IT'S 220. AND
9 IF YOU INCLUDE THE BACKFILL SPACE, WHICH I KNOW IS
10 CONTROVERSIAL, BUT I'LL PROVIDE THE NUMBER ANYWAY, THAT
11 WOULD BE AN ADDITIONAL 18 PI'S, WHICH WOULD BRING US TO A
12 TOTAL OF 421 RESEARCHERS.

13 CHAIRMAN LICHTENGER: GREAT. THANK YOU. THANK
14 YOU FOR ANSWERING MY QUESTIONS. I ACTUALLY THINK I NOW
15 UNDERSTAND ON UTILITIES.

16 DR. KRIEGSTEIN: I WONDER IF I COULD JUST MAKE
17 ONE VERY BRIEF STATEMENT, WHICH IS THAT, AS ONE OF THE
18 SCIENTISTS WHO WILL LIVE IN THIS BUILDING, I JUST WANT TO
19 LET EVERYONE KNOW THAT THIS DESIGN OF THE SITE SELECTION,
20 THE RELATIONSHIP TO THE ENVIRONMENT, EVERY ASPECT OF THIS
21 BUILDING WAS REALLY DICTATED BY THE SCIENCE AND NOT BY
22 ANY OTHER CONSIDERATION. THAT'S PART OF THE REASON WHY
23 THE SITE IS SO CHALLENGING. I THINK, AS YOU ALL
24 MENTIONED, I THINK WE HAD A CHALLENGE TO OVERCOME, AND
25 I'M VERY GRATEFUL TO THE ARCHITECTURE AND FOR THE

BARRISTERS' REPORTING SERVICE

1 BUILDING ITSELF. AND I CERTAINLY AM LOOKING FORWARD TO
2 MOVING IN MYSELF.

3 CHAIRMAN LICHTENGER: THANK YOU.

4 MR. KLEIN: I'D ALSO LIKE TO SAY I DO APPRECIATE
5 THE DATA ON THE BACKFILL SPACE BECAUSE I DO THINK IT'S A
6 UNIQUE CONTRIBUTION AND HAS A VALUE ASPECT. JUST THE
7 QUESTION IS TO HOW WE LOOK AT IT IN TERMS OF THE OVERALL
8 SCORING.

9 CHAIRMAN LICHTENGER: GREAT. THANK YOU. SO I'D
10 LIKE TO, BEFORE WE TAKE ANY PUBLIC COMMENT, I'D JUST LIKE
11 TO SAY I PERSONALLY AM VIEWING IT, I DON'T KNOW HOW WE
12 HANDLE THIS, RICK, BUT I THINK THAT WE NEED TO ADJUST THE
13 NEW LEVERAGE NUMBER DOWN.

14 MR. KELLER: EASILY DONE.

15 CHAIRMAN LICHTENGER: I MOVE -- DO WE NEED A
16 MOTION? MY MOTION IS THAT WE REDUCE THE UCSF LEVERAGE ON
17 UTILITIES DOWN TO 5 MILLION. DO I HAVE A SECOND?

18 MR. KLEIN: I'LL DO A SECOND.

19 CHAIRMAN LICHTENGER: SO I GUESS WE HAVE TO HAVE
20 A VOTE NOW. ALL THOSE IN FAVOR SAY AYE.

21 MS. PACHTER: MIGHT WANT TO DO A ROLL CALL.

22 CHAIRMAN LICHTENGER: WANT TO DO CALL ROLL,
23 PLEASE.

24 MS. PACHTER: DEBORAH HYSEN.

25 MR. HYSEN: ABSTAIN. I FEEL THERE'S STILL A

BARRISTERS' REPORTING SERVICE

1 LACK OF CLARITY IN MIND ABOUT WHAT WAS ASKED AND WHAT WAS
2 RESPONDED TO BY THE CANDIDATE.

3 MS. PACHTER: EDWARD KASHIAN.

4 MR. KASHIAN: I'M IN THE SAME CATEGORY AS
5 DEBORAH. I DON'T QUITE UNDERSTAND WHAT'S BEING TALKED
6 ABOUT.

7 MS. PACHTER: ROBERT KLEIN.

8 MR. KLEIN: AYE.

9 MS. PACHTER: STUART LAFF.

10 MR. LAFF: YES.

11 MS. PACHTER: DAVID LICHTENGER.

12 CHAIRMAN LICHTENGER: YES.

13 MS. PACHTER: DAVID SERRANO-SEWELL.

14 VICE CHAIRMAN SERRANO-SEWELL: NO.

15 MS. PACHTER: JANET WRIGHT.

16 DR. WRIGHT: NO.

17 MS. PACHTER: IT DOES NOT CARRY.

18 MR. KLEIN: MR. CHAIRMAN, IS THERE -- WE HAVE
19 TWO MEMBERS THAT SAY THEY DON'T HAVE SUFFICIENT
20 INFORMATION. IS THERE GOING TO BE A MOTION TO INCLUDE
21 THE 14 MILLION? OR, IN FACT, DO WE NEED TO ASK THE
22 APPLICANT ADDITIONAL INFORMATION SO THAT WE CAN ACTUALLY
23 HAVE A VOTE THAT WE KNOW WHERE WE'RE AT?

24 MS. PACHTER: IF I CAN MAKE A SUGGESTION.

25 CHAIRMAN LICHTENGER: PLEASE.

BARRISTERS' REPORTING SERVICE

1 MS. PACHTER: ALL OF YOU ARE GOING TO TAKE ALL
2 THE DIFFERENT INFORMATION THAT'S GIVEN TO YOU AS A DATA
3 POINT. AND I DON'T KNOW IF IT'S NECESSARY FOR YOU TO
4 DECIDE WHAT'S GOING TO BE IN LEVERAGE OR NOT SINCE
5 ULTIMATELY ALL YOU ARE GOING TO DECIDE IS A SCORE. YOU
6 MIGHT WANT TO THINK ABOUT THAT.

7 MR. KLEIN: I DON'T THINK THAT'S APPROPRIATE
8 WHEN THIS IS SUCH A LARGE NUMBER. IT JUST DOESN'T PASS
9 MUSTER. I WOULD ASK THE INDIVIDUALS, DEBORAH AND ED, WHO
10 SAID THEY DON'T HAVE SUFFICIENT INFORMATION, WOULD A
11 CLARIFICATION OF THIS \$5 MILLION HELP YOU?

12 MS. HYSEN: WELL, IT'S NOT THAT -- I THINK
13 THEY'VE ADEQUATELY EXPLAINED IT. I'M JUST WONDERING IF
14 THE QUESTION THAT WAS ASKED IS CLEAR IN EVERY APPLICANT'S
15 MIND, THAT THEY RESPONDED UNIFORMLY. AND I DON'T GET
16 THAT SENSE. VALUE IS DIFFERENT THAN COST. AND SO IT
17 SEEMS TO ME PERHAPS WE DIDN'T ASK A CLEAR ENOUGH
18 QUESTION. AND IT JUST HAPPENS TO BE IN UCSF'S
19 APPLICATION RIGHT NOW, BUT I'M WONDERING IF THAT QUESTION
20 WAS CLEARLY ASKED OF ALL OF THE CANDIDATES.

21 CHAIRMAN LICHTENGER: HOW ABOUT WE -- MAYBE WE
22 CAN HAVE UCSF ANSWER -- TO COME BACK UP FOR A MOMENT.

23 MS. HYSEN: IT MIGHT EVEN BE HELPFUL TO POLL THE
24 APPLICANTS ON THIS QUESTION.

25 CHAIRMAN LICHTENGER: RICK, CAN WE TALK ABOUT

BARRISTERS' REPORTING SERVICE

1 OUR DEFINITION ON UTILITIES SO THAT -- AND MAYBE UCSF CAN
2 HELP ENLIGHTEN US TO WHAT THE RIGHT NUMBER IS.

3 MS. HYSEN: RICK, PERHAPS YOU CAN REPHRASE THE
4 QUESTION THAT WAS ASKED OF THEM SO I CAN UNDERSTAND WHAT
5 THAT QUESTION WAS.

6 CHAIRMAN LICHTENGER: I THINK, RICK, IF IT'S
7 OKAY, I WANT TO TRY TO PARAPHRASE IT. SO WE WERE ASKING
8 THE APPLICANTS ABOUT ANY COSTS INCURRED ON-SITE, CORRECT,
9 RICK, NOT OFFSITE?

10 MR. KLEIN: WHY DON'T WE DO THIS. WE COULD GO
11 FORWARD AND HE CAN FIND THE E-MAIL, GIVE HIM SOME TIME TO
12 FIND IT, SO WE CAN HEAR THE EXACT QUESTION. THAT GIVES
13 US AN OBJECTIVE BASIS.

14 MR. KELLER: OH, I HAVE SEVERAL COPIES HERE. SO
15 WHAT I ASKED FOR WAS WILL THE CIRM-FUNDED PROJECT DRAW
16 FROM CENTRAL ENERGY GENERATING RESOURCES ON YOUR CAMPUS?

17 MR. BADE: ANSWER IS YES.

18 MR. KELLER: INDICATING ELECTRICAL GENERATION,
19 STEAM, OR HOT WATER PLANT, OR CHILLED WATER. IF YES, CAN
20 YOU PROVIDE AN ESTIMATE OF THE CAPITAL VALUE OF THE
21 PORTION OF GENERATING CAPACITY THAT IS BEING COMMITTED TO
22 THE CIRM-FUNDED PROJECT?

23 MR. BADE: I THINK WE MISUNDERSTOOD THE QUESTION
24 ORIGINALLY. AND WE ANSWERED IT IF WE WERE GOING TO HAVE
25 TO BUILD THAT CAPACITY IN THE BUILDING. BUT I THINK THE

BARRISTERS' REPORTING SERVICE

1 QUESTION IS ASKING WHAT IS THE FRACTIONAL VALUE OF THE
2 CENTRAL PLANT THAT'S DEVOTED TO THE CIRM BUILDING? IS
3 THAT THE SENSE OF THE COMMITTEE?

4 CHAIRMAN LICHTENGER: YES.

5 MR. BADE: THAT'S NOT A QUESTION I CAN ANSWER
6 OFF THE TOP OF MY HEAD BECAUSE WE HAVE 13 MEGAWATTS OF
7 GENERATING CAPACITY, WE HAVE 5,000 TONS OF CHILLED WATER,
8 WE HAVE X AMOUNT OF STEAM. AND SO WE HAVE TO LOOK AT
9 EACH SYSTEM AND DO A POLYNOMIAL CALCULATION AND COME UP
10 WITH A COMPOSITE ANSWER. SO ON THE BASIS OF CHILLED
11 WATER, IT'S ABOUT 6 OR 7 PERCENT. IT'S 400 TONS OF 5,000
12 TONS, BUT IT'S DIFFERENT FOR POWER AND IT'S DIFFERENT FOR
13 STEAM.

14 CHAIRMAN LICHTENGER: THAT'S GREAT. I THINK I
15 UNDERSTAND WHERE THE PROBLEM LIES. I THINK I WAS
16 THINKING ABOUT A DIFFERENT QUESTION THAN WE ASKED. I
17 THINK I WAS -- I WAS THINKING ABOUT WHAT WAS ANY
18 ADDITIONAL COST THAT MIGHT HAVE BEEN INCURRED ON BEHALF
19 OF THE PROJECT.

20 MR. BADE: WE WERE MAKING THIS INVESTMENT IN THE
21 CENTRAL PLANT, BUT WE DIDN'T CREDIT THE PROJECT WITH IT
22 IN OUR APPLICATION. WE WERE SILENT ON THAT. SO WE'RE
23 TRYING TO ANSWER THE COMMITTEE'S QUESTIONS AS BEST WE
24 CAN.

25 CHAIRMAN LICHTENGER: I UNDERSTAND NOW, I THINK,

BARRISTERS' REPORTING SERVICE

1 A LITTLE BIT MORE CLEARLY WHERE THE ISSUE IS. THANKS
2 VERY MUCH.

3 MR. KLEIN: WHAT YOU ARE GOING TO NEED IS TO
4 GIVE THEM SOME TIME TO COME UP WITH A NUMBER.

5 CHAIRMAN LICHTENGER: I DON'T THINK WE HAVE THAT
6 TIME, BOB. I DON'T THINK WE HAVE THAT LUXURY. EACH
7 MEMBER OF THE COMMITTEE IS GOING TO HAVE TO TAKE THAT \$14
8 MILLION INTO ACCOUNT HOW THEY VIEW IT. I DON'T THINK WE
9 CAN --

10 MR. KLEIN: HOW MUCH TIME? HERE'S THE PROBLEM.
11 THIS IS A MAJOR DISTORTION IN THE OTHER FIGURES. YOU
12 COULD ALSO JUST ELIMINATE THE UTILITY COLUMN COMPLETELY
13 FROM ALL APPLICATIONS. BUT THE PROBLEM HERE IS IF YOU
14 DON'T HAVE THE CONSISTENCY BETWEEN THESE APPLICATIONS,
15 THIS IS GOING TO CREATE A DISTORTION.

16 CHAIRMAN LICHTENGER: I UNDERSTAND. I AGREE
17 WITH THAT.

18 VICE CHAIRMAN SERRANO-SEWELL: I JUST WANTED TO
19 ECHO YOUR COMMENTS, DAVID. I KNOW WE CAN -- I BET IF I
20 WENT THROUGH CATEGORY BY CATEGORY, BOB, I COULD SAY,
21 WELL, WE ASKED THAT QUESTION DIFFERENTLY, AND HOW DID
22 THEY ANSWER, AND ARE WE BEING CONSISTENT? RICK, PUT THAT
23 CHART UP AGAIN. I WANT TO SEE IT. CALCULATE IT THIS
24 WAY. WE CAN COME UP WITH MULTIPLE DIFFERENT ANALYSES OF
25 EACH DATA POINT.

BARRISTERS' REPORTING SERVICE

1 I AGREE WITH YOU, DAVID. WE'VE ASKED THE
2 QUESTION. THE APPLICANTS ANSWERED TO THE BEST THEY
3 COULD, THE BEST THEY COULD UNDERSTAND THE ANSWER. I
4 THINK THEY'VE DONE A GOOD JOB. NOW IT'S TIME FOR US TO
5 SCORE, AND WE OUGHT TO DO THAT. UNFORTUNATELY, BOB, I
6 JUST DON'T FEEL LIKE WE HAVE THE LUXURY TO GET THIS
7 INFORMATION RIGHT NOW. QUITE FRANKLY, I DON'T KNOW IF
8 IT'S GOING TO HAVE A BEARING ON THE SCORE ONE WAY OR THE
9 OTHER, SO I PROPOSE WE MOVE ON.

10 CHAIRMAN LICHTENGER: I AGREE WITH YOU.

11 MS. HYSEN: CAN I JUST SAY ONE THING TO THE
12 DAVIDS?

13 CHAIRMAN LICHTENGER: CAN WE ALLOW THE APPLICANT
14 TO SIT DOWN UNLESS WE HAVE MORE QUESTIONS?

15 MS. HYSEN: THERE MAY BE A QUESTION. I THINK
16 YOU'RE RIGHT. I THINK THAT EACH QUESTION COULD BE
17 PERHAPS VIEWED DIFFERENTLY. THE FACT THAT WE GAVE THE
18 APPLICANTS SIX HOURS, ADMITTEDLY STATED BY THE STAFF, ON
19 SOMETHING AS UNDEFINED AS WHAT IS VALUE, CLEARLY A VERY
20 SOPHISTICATED INSTITUTION THAT'S USED TO PRODUCING GRANT
21 INFORMATION DID NOT SEE CLARITY IN THIS QUESTION, AND
22 ADMITTED THAT THEY MAY NOT HAVE UNDERSTOOD THE QUESTION
23 CORRECTLY. SO I THINK THAT IT IS AN ISSUE. I DON'T KNOW
24 THAT WE HAVE THE TIME TO RESOLVE IT TODAY. I HATE TO
25 DISCOUNT THE FACT THAT THEY'RE UTILIZING EXISTING

BARRISTERS' REPORTING SERVICE

1 CAPACITY OFFSITE. COGENS, THAT'S A VERY IMPORTANT
2 ENVIRONMENTAL EFFORT. I HATE TO DISCOUNT THAT ENTIRELY,
3 BUT I DO THINK THAT, SINCE WE GAVE THEM SUCH A SHORT
4 AMOUNT OF TIME, AND OUR FIRST RESPONDENT THAT WE'VE
5 ACTUALLY ASKED THIS QUESTION DIDN'T SEEM TO UNDERSTAND
6 IT. AND I THINK THE FACT THAT WE'RE ALL PERHAPS UNCLEAR
7 ON IT, I'M JUST CONCERNED THAT ONE WAY OR THE OTHER WE
8 ADDRESS IT, BUT I THINK THERE'S CLEARLY SOME
9 INCONSISTENCY THAT WE --

10 MR. KLEIN: SO I WOULD MAKE A MOTION THAT WE
11 ELIMINATE ALL OF THESE ADDITIONAL UTILITIES WHICH WERE
12 NOT DIRECTLY ASKED FOR IN THE APPLICATION. AND BEFORE WE
13 GO TO THE BOARD MEETING, WE CAN GIVE THEM PLENTY OF TIME
14 WITH SOME VERY PRECISE DEFINITION AND GET A FINAL ANSWER
15 TO THE QUESTION. BUT AT THIS POINT I DON'T THINK WE HAVE
16 THE INFORMATION TO INCLUDE UTILITIES IN ADDITION TO
17 LEVERAGE.

18 CHAIRMAN LICHTENGER: THANK YOU. THANKS AGAIN.
19 SO, RICK, I HAVE A QUESTION FOR YOU, BOB, BEFORE I
20 ADDRESS THIS. RICK, WHAT WERE THE OTHER APPLICANTS THAT
21 HAD ADDITIONAL DOLLARS? I KNOW DAVIS HAD DOLLARS ON
22 UTILITY.

23 MR. KELLER: THEY'RE LISTED IN THE TABLE:
24 STANFORD, DAVIS, UC IRVINE. AND THEN IT'S FOOTNOTED TO
25 INDICATE WHERE THERE WERE OTHER INDICATIONS SUCH AS THE

BARRISTERS' REPORTING SERVICE

1 SHELL SPACE CORRECTION AT IRVINE. WE WERE JUST, AGAIN,
2 TAKING ACCOUNT OF THE FACT THAT THEY WERE GIVEN A VERY
3 SHORT TIMEFRAME, AND IN RESPONSE TO REQUESTS FOR THIS
4 INFORMATION FROM REVIEWERS, THE INFORMATION WAS
5 ACCUMULATED.

6 MR. KLEIN: ORIGINALLY ONLY TWO OF THE
7 APPLICANTS HAD THIS UTILITY FIGURE.

8 CHAIRMAN LICHTENGER: SO I GUESS I WOULD AGREE
9 FOR --

10 MR. KLEIN: I HAVE A MOTION. THE QUESTION IS IS
11 THERE A SECOND AS A POINT OF ORDER?

12 DR. WRIGHT: I'LL SECOND IT.

13 MR. KASHIAN: I THOUGHT SOMEBODY ASKED ME MY
14 OPINION ABOUT A HALF HOUR AGO.

15 CHAIRMAN LICHTENGER: GO AHEAD.

16 MR. KASHIAN: I SEE THE QUESTION OF BEING OSHPD
17 CORRECTED OR NOT CORRECTED AS BEING IRRELEVANT. IT IS
18 WHAT IT IS. THE QUESTION REALLY IS IF THEY DO BUILD A
19 NEW POWER PLANT JUST TO SERVE THIS BUILDING, HOW MUCH
20 WOULD THAT COST? AND I'M NOT SURE, GIVEN THE AMOUNT OF
21 DOLLARS WE'RE TALKING ABOUT, THAT IT'S RELEVANT.

22 I ALSO BELIEVE THAT, FOR WHATEVER REASON, WE
23 HAVE TO ASSUME BOTH OUR STAFF AND THE APPLICANTS ARE
24 INTELLECTUALLY HONEST AND ARE GIVING THEIR BEST OPINIONS.
25 I PERSONALLY DON'T LIKE GETTING MANIPULATED WITH MY

BARRISTERS' REPORTING SERVICE

1 OPINION ABOUT THAT KIND OF A QUESTION. I BELIEVE THAT
2 THIS BELONGS IN EXECUTIVE SESSION WHERE WE CAN TALK IT
3 OUT IN DETAIL.

4 CHAIRMAN LICHTENGER: THANK YOU, ED. ANY OTHER
5 COMMENTS? WE HAVE A MOTION ON THE FLOOR. IF WE HAVE NO
6 OTHER COMMENTS, WE'LL TAKE A VOTE.

7 MR. KLEIN: JUST AS A POINT, WE'RE NOT ALLOWED
8 TO -- THIS IS NOT A SUBJECT WE CAN COVER IN EXECUTIVE
9 SESSION. SO JUST BECAUSE OF THE RULES THE STATE OPERATES
10 UNDER, WE CAN ONLY TALK ABOUT THIS ISSUE IN THIS CONTEXT.

11 THE MOTION IS TO TAKE -- SINCE THERE APPEARS TO
12 BE CONFUSION AS TO THIS ITEM IS TO ELIMINATE THE UTILITY
13 ITEM AT THIS TIME. BEFORE WE GO TO THE BOARD, WE'LL HAVE
14 SOME VERY REFINED QUESTIONS AND TRY AND GET CONSISTENT
15 ISSUES SO THAT AT THE BOARD WE COULD LOOK AT THIS AS
16 ADDITIONAL LEVERAGE.

17 CHAIRMAN LICHTENGER: I HAVE A QUESTION. BOB,
18 ARE YOU SUGGESTING ALSO ABOUT UCSF'S LEVERAGE ABOUT THE
19 OTHER DOLLARS?

20 MR. KLEIN: THE OTHER DOLLARS APPEAR TO BE
21 COMPLETELY WITHIN OUR DEFINITION.

22 CHAIRMAN LICHTENGER: FINE.

23 VICE CHAIRMAN SERRANO-SEWELL: MY FOLLOW UP
24 QUESTION, BOB, IS, MAKE SURE I UNDERSTAND IT A HUNDRED
25 PERCENT. SO YOU'RE SAYING -- OKAY. SO THE QUESTION THAT

BARRISTERS' REPORTING SERVICE

1 MR. KELLER POSED VIA E-MAIL IN WHICH THE APPLICANTS HAD
2 SIX HOURS TO ANSWER, WE'RE WIPING THAT OUT FOR ALL THE
3 APPLICANTS?

4 MR. KLEIN: FOR ALL THE APPLICANTS.

5 CHAIRMAN LICHTENGER: FOR UTILITIES.

6 VICE CHAIRMAN SERRANO-SEWELL: WE'RE RETRACTING
7 THAT ANSWER.

8 MR. KLEIN: WE ARE NOT GOING TO COUNT THAT AS
9 ADDITIONAL LEVERAGE AT THIS LEVEL IN THIS COMMITTEE.
10 BECAUSE WE --

11 VICE CHAIRMAN SERRANO-SEWELL: WHAT SORT OF
12 GUIDANCE ARE WE GOING TO PROVIDE TO THE FULL ICOC IN MAY?
13 THEY'LL LOOK TO US FOR SOME --

14 CHAIRMAN LICHTENGER: I THINK OUR GUIDANCE TO
15 THEM SHOULD BE TO GIVE THE STAFF AND THE APPLICANTS
16 ADEQUATE TIME TO HAVE A WELL-DEFINED DEFINITION THAT
17 EVERYONE CAN RESPOND TO, AND WE CAN CONSIDER IT AS
18 LEVERAGE AT THAT POINT IN TIME.

19 VICE CHAIRMAN SERRANO-SEWELL: AS A PART OF YOUR
20 MOTION, I WOULD FEEL MORE COMFORTABLE IF WE DELEGATED THE
21 AUTHORITY TO ASK THAT QUESTION TO THE PRESIDENT. I DON'T
22 FEEL CONFIDENT WITH THAT QUESTION BEING DELEGATED TO ANY
23 ICOC MEMBER OR WORKING GROUP MEMBER.

24 MR. KLEIN: I WILL AMEND MY MOTION TO INCLUDE --

25 VICE CHAIRMAN SERRANO-SEWELL: IF THAT'S

BARRISTERS' REPORTING SERVICE

1 ACCEPTABLE TO THE PRESIDENT. I'D FEEL MORE COMFORTABLE,
2 ALAN, IF THAT ISSUE RESTED WITH YOU BECAUSE THAT'S JUST
3 MY OPINION. AS PRESIDENT, AS THE CHIEF EXECUTIVE OF THE
4 INSTITUTE, AND DEALING WITH A COMPLICATED ISSUE HERE SORT
5 OF, YOU'VE HEARD ALL THE TESTIMONY, I HAVE A COMFORT
6 LEVEL, AND I THINK THE OTHER ICOC MEMBERS WOULD TOO IF
7 THE QUESTION CAME FROM YOUR OFFICE.

8 MR. KLEIN: YOU'RE ASKING HIM TO DIRECT STAFF?

9 VICE CHAIRMAN SERRANO-SEWELL: AS YOU SEE FIT.

10 DR. TROUNSON: YOU KNOW, I THINK THAT'S FINE. I
11 JUST WANT ABSOLUTE CLARITY ABOUT WHAT YOU THINK WE SHOULD
12 BE ASKING IN THIS REGARD BECAUSE I THINK --

13 VICE CHAIRMAN SERRANO-SEWELL: WE DON'T KNOW.
14 THAT'S PART OF THE PROBLEM.

15 DR. TROUNSON: THAT'S A LITTLE BIT OF THE
16 PROBLEM.

17 CHAIRMAN LICHTENGER: I THINK THERE ARE TWO
18 QUESTIONS. I AGREE WITH YOU, ALAN.

19 DR. TROUNSON: IF THERE ARE TWO, IF WE COULD GET
20 THEM PRECISELY, THEN I THINK WE CAN ACCOMMODATE. IF WE
21 GO ASK THE QUESTION AGAIN, THAT SAME QUESTION, WE'LL
22 PROBABLY END UP WITH FURTHER CONFUSION. SO IF YOU COULD
23 BE MORE PRECISE THE QUESTION OR TWO QUESTIONS, AND THEN
24 WE WILL DO THEM.

25 MR. KLEIN: MR. CHAIRMAN, IF WE COULD HAVE A

BARRISTERS' REPORTING SERVICE

1 VOTE ON THE MOTION, AND THEN WE CAN HAVE A DISCUSSION OF
2 THE DIRECTION TO THE STAFF.

3 MS. PACHTER: IF I CAN MAKE A SUGGESTION, I
4 WOULD SUGGEST THAT THE MOTION THAT MEMBER KLEIN MADE
5 ORIGINALLY TO ELIMINATE ALL UTILITIES FROM THE
6 CALCULATION OF LEVERAGE IN EACH APPLICATION, AND THEN YOU
7 CAN GIVE DIRECTION TO THE PRESIDENT SEPARATELY. YOU
8 DON'T NEED TO PUT IT IN THE MOTION.

9 CHAIRMAN LICHTENGER: BUT ARE WE TALKING ABOUT,
10 BOB, ON YOUR MOTION ALL UTILITIES OR ALL NEW UTILITIES
11 THAT WE HAD RESPONSES?

12 MR. KLEIN: I THINK JUST TO HAVE A FAIR AND
13 EQUAL PLAYING FIELD FOR EVERYONE, IF WE TAKE -- THESE ARE
14 UTILITY COSTS OUTSIDE THE BUILDING. THESE ARE CENTRAL
15 PLANT UTILITIES. THAT'S THE QUESTION. SO WE'RE
16 ELIMINATING ALL CENTRAL PLANT UTILITIES AS ADDITIONAL
17 LEVERAGE.

18 CHAIRMAN LICHTENGER: OKAY. SO I THINK WE
19 UNDERSTAND THE QUESTION NOW. SO LET'S CALL ROLL ON THIS.

20 MS. PACHTER: DEBORAH HYSEN.

21 MS. HYSEN: FOR CLARITY, THE MOTION WILL NOT
22 INCLUDE THE DIRECTION TO THE PRESIDENT, BUT --

23 MS. PACHTER: THAT'S RIGHT. LET ME REPEAT THE
24 MOTION SO EVERYBODY UNDERSTANDS. THE MOTION IS TO
25 ELIMINATE ALL UTILITIES FROM THE CALCULATION OF LEVERAGE

BARRISTERS' REPORTING SERVICE

1 IN EACH APPLICATION.

2 MR. KLEIN: ALL CENTRAL PLANT UTILITIES.

3 MS. HYSEN: IS THERE GOING TO BE A CAVEAT TO THE
4 MOTION, THAT WE'LL HAVE THE PRESIDENT DECIDE ON --

5 MR. KLEIN: THAT'S AN UNDERSTANDING THAT WE'LL
6 IMMEDIATELY GO TO THAT ITEM.

7 MS. HYSEN: THEN AYE.

8 MS. PACHTER: ED KASHIAN.

9 MR. KASHIAN: A RELUCTANT AYE.

10 MS. PACHTER: ROBERT KLEIN.

11 MR. KLEIN: AYE.

12 MS. PACHTER: STUART LAFF.

13 MR. LAFF: NO.

14 MS. PACHTER: DAVID LICHTENGER.

15 CHAIRMAN LICHTENGER: YES.

16 MS. PACHTER: DAVID SERRANO-SEWELL.

17 VICE CHAIRMAN SERRANO-SEWELL: NO.

18 MS. PACHTER: JANET WRIGHT.

19 DR. WRIGHT: YES.

20 MS. PACHTER: IT PASSES.

21 VICE CHAIRMAN SERRANO-SEWELL: IF I CAN SPEAK TO
22 THE ISSUE, SINCE I RAISED IT, AND I DON'T KNOW IF I'M THE
23 PERSON TO BRING CLARITY TO THE QUESTION OR QUESTIONS,
24 DR. TROUNSON, BUT THAT'S WHY I WANT TO DELEGATE IT TO
25 YOUR OFFICE. BECAUSE I'M NOT CONFIDENT, WITH ALL DUE

BARRISTERS' REPORTING SERVICE

1 RESPECT TO THE PERSONS THAT ASKED RICK TO ASK THOSE
2 QUESTIONS, THAT WE'RE GOING TO GET CLARITY ON THAT NOW.
3 SO I TRUST ALAN TO SURVEY THE STAKEHOLDERS AND DO WHAT HE
4 DEEMS APPROPRIATE TO ASK THE QUESTION OR QUESTIONS. I
5 DON'T WANT TO LIMIT DR. TROUNSON IN HIS ABILITY TO ASK
6 AND DO HIS DUE DILIGENCE TO ASK THAT QUESTION. I DON'T
7 WANT TO GET INTO THE WEEDS THAT WAY BECAUSE WE HAVE OTHER
8 THINGS TO DEAL WITH.

9 WHAT I WOULD PROPOSE IS THAT WE DELEGATE TO THE
10 PRESIDENT THE AUTHORITY TO ASK THE QUESTION OF THESE
11 CENTRAL UTILITIES IN A WAY THAT THE PRESIDENT DEEMS FIT,
12 TAKING INTO CONSIDERATION THE TESTIMONY HE HEARD TODAY
13 AND ANY OTHER DUE DILIGENCE THE PRESIDENT SEES FIT.
14 LET'S JUST MOVE ON. I KNOW THE ICOC WILL ENDORSE
15 WHATEVER THE PRESIDENT SEES AS THE APPROPRIATE NEXT STEP.

16 MR. KLEIN: I THINK THAT'S APPROPRIATE.

17 VICE CHAIRMAN SERRANO-SEWELL: IT'S MORE OF A
18 PHILOSOPHICAL STATEMENT THAN A MOTION. I THINK THAT'S
19 THE BEST WAY TO PROCEED.

20 CHAIRMAN LICHTENGER: I'M OKAY WITH THAT. I
21 ASSUME, YOU KNOW, THAT HE WILL CONSULT WITH THE CHAIR OF
22 THE FACILITIES WORKING GROUP. SO THEN I'M GOOD WITH IT.
23 CAN WE NOW TAKE ANY --

24 MS. PACHTER: I JUST WANTED TO LET THE CHAIR
25 KNOW THAT WE'RE CHECKING, BUT WE DON'T THINK THAT THE

BARRISTERS' REPORTING SERVICE

1 MOTION CARRIED BECAUSE WE THINK WE'RE REQUIRED TO HAVE 65
2 PERCENT OF A QUORUM, WHICH WOULD BE A VOTE OF SIX, AND WE
3 HAVE A VOTE OF FIVE.

4 MR. KLEIN: 65 PERCENT OF A QUORUM? NO.

5 MR. HARRISON, COULD YOU COMMENT ON THIS, PLEASE?

6 MR. HARRISON: WE'LL CHECK. A QUORUM IS 65
7 PERCENT OF THE COMMITTEE. MAJORITY OF A QUORUM.

8 MR. KLEIN: EXACTLY. YOU NEED A MAJORITY OF THE
9 QUORUM.

10 MS. PACHTER: THEN IT SHOULD BE FINE. I JUST
11 WANTED TO LET YOU KNOW.

12 CHAIRMAN LICHTENGER: IT DID CARRY. OKAY.
13 GREAT. SO I CERTAINLY APOLOGIZE FOR US GETTING A BIT OFF
14 TRACK ON THIS UTILITY QUESTION. I HAVE TO TAKE MY SHARE
15 OF RESPONSIBILITY ON IT. SORRY.

16 SO AT THIS POINT I'D LIKE TO INVITE PUBLIC
17 COMMENT, IF ANY, AND THEN I'D LIKE TO ASK THE COMMITTEE
18 MEMBERS TO SCORE THEIR PRELIMINARY SCORE FOR UCSF.

19 VICE CHAIRMAN SERRANO-SEWELL: I WOULD SAY -- I
20 WON'T MAKE IT AS A MOTION. YOU GET THE SENSE OF THE
21 COMMITTEE, DR. TROUNSON. I DON'T EVEN KNOW IF I COULD
22 ENCAPSULATE IT ALL IN ONE LONG SENTENCE. SO LET'S JUST
23 FOREGO THE VOTE. YOU SEE THE EXPRESSED WILL OF THE
24 COMMITTEE. IT'S UNANIMOUS AS FAR AS I CAN TELL.

25 (PAUSE IN PROCEEDINGS.)

BARRISTERS' REPORTING SERVICE

1 CHAIRMAN LICHTENGER: DO WE NEED TO TAKE A --
2 GIVE OUR TWO-HOUR BREAK FOR A FEW MINUTES?

3 MR. KELLER: YOU'RE SCHEDULED FOR A MEAL.

4 CHAIRMAN LICHTENGER: DO WE WANT --

5 MR. KELLER: SCHEDULED FOR DINNER FIVE MINUTES
6 AGO.

7 CHAIRMAN LICHTENGER: WELL, THE QUESTION IS DO
8 WE WANT TO TRY TO DO ONE MORE, OR DO WE WANT TO -- HOW IS
9 EVERYONE FEELING? LET'S TRY TO DO ONE MORE. HOPEFULLY
10 THERE WILL BE NO UTILITY QUESTIONS ON THAT.

11 I DID WANT TO JUST FOR THE RECORD STATE THAT IN
12 SPIITE OF THE UTILITY QUESTION, I ABSOLUTELY THOUGHT
13 UCSF'S APPLICATION WAS EXTREMELY STRONG IN EVERY REGARD.
14 JUST TO GO ON THE RECORD WITH THAT.

15 MR. LAFF: I'D LIKE TO ECHO THAT. AND
16 REGARDLESS OF WHAT COMES OUT, THE SCORE THAT I'M GOING TO
17 GIVE UCSF DOESN'T CHANGE.

18 CHAIRMAN LICHTENGER: ANYWAY, SO NOW NEXT
19 APPLICATION.

20 MR. KELLER: NEXT APPLICATION IS 619, USC. THE
21 PROJECT IS CONSTRUCTION OF A NEW FIVE-STORY BUILDING
22 WHICH IS BELOW GRADE CONNECTING TO AN EXISTING MULTISTORY
23 LAB BUILDING. THE LABORATORIES WOULD BE LOCATED ON THE
24 UPPER FLOORS, AND THERE WILL BE A SHELL SPACE BELOW GRADE
25 THAT WOULD BE FINISHED LATER ON INTO A VIVARIUM. IT'S

BARRISTERS' REPORTING SERVICE

1 ABOUT 52,000 ASSIGNABLE SQUARE FEET, 87,000 GROSS WITH A
2 TOTAL COST OF \$80 MILLION, GROUP II EQUIPMENT IS 2
3 MILLION 160.

4 FIRM FUNDING REQUEST IS 37 MILLION. THERE'S A
5 TOTAL OF 18 PRINCIPAL INVESTIGATORS, 15 AT THE
6 INSTITUTION AND THREE THAT ARE ASSOCIATED WITH THE
7 COLLABORATING INSTITUTIONS IN THE AREA, BUT IT IS NOT A
8 CONSORTIUM.

9 THERE'S EXTENSIVE SHARED SPACE, INCLUDING
10 CONFERENCE SPACE AND SHARED LABORATORY SPACE. THE CORE
11 LABS ARE EXTENSIVE, CELL BANK, MASS SPECTROMETERS, CELL
12 CULTURE. THE PROJECT ALSO INCLUDES GREEN BUILDING
13 ELEMENTS, INCLUDING GREEN ROOF.

14 COMPLETION OF THE PROJECT IS SCHEDULED FOR JULY
15 2010, AND IT IS PROPOSED TO BE A SILVER UNDER THE LEED'S
16 GUIDELINES.

17 THE ONLY ISSUE WE REALLY BROUGHT UP HERE WAS THE
18 FACT THAT THERE WAS THE SHELL SPACE WHICH WAS INDICATED
19 IN THE APPLICATION AS PART OF THE PROJECT. AND YOU'VE
20 ALREADY HAD A DISCUSSION ABOUT SHELL SPACE, AND I THINK
21 OUR POINT WAS SIMPLY TO MAKE SURE THE COMMITTEE WAS AWARE
22 OF THE FACT THAT THE PROJECT INCLUDED SHELL SPACE AND
23 THAT THE APPLICANT ADDRESSED THAT ISSUE IN TERMS OF THE
24 FUTURE FUNDING IN THEIR LETTER OF COMMENT ON THE STAFF
25 ANALYSIS.

BARRISTERS' REPORTING SERVICE

1 THE STEVE COPENHAGEN REMARKS WERE A FUNCTIONAL
2 SCORE OF B MINUS AND VALUE OF C. AND HE NOTES THE AMOUNT
3 OF LAB SUPPORT SPACE ON THE FLOORS IS GOOD; HOWEVER, THE
4 RELIANCE ON CORES IN THE ADJACENT BUILDING OR AT THE
5 REMOTE LOCATION OF THE PARTNER INSTITUTIONS MAY CAUSE
6 PROBLEMS WITH INEFFICIENCY. ALL OF THE CASE WORK HAS
7 BEEN IDENTIFIED AS OWNER FURNISHED.

8 WITH THAT, I'LL TURN IT OVER TO THE PRIMARY
9 REVIEWER, WHICH IS MEMBER LAFF, AND THE SECONDARY
10 REVIEWER IS MEMBER KASHIAN.

11 MR. LAFF: THANK YOU. I WILL TRY NOT TO BE
12 REDUNDANT ON WHAT HAS ALREADY BEEN TOLD TO YOU. THEY
13 HAVE PROVIDED AN EXCELLENT TEAM BOTH ARCHITECTURALLY AND
14 THE CONTRACTOR. USC HAS HAD AN INCREDIBLE BUILDING
15 PROGRAM GOING ON AS LONG AS I'VE BEEN IN L.A. THE
16 INTERESTING THING I THINK ABOUT THIS INSTITUTION IS THAT
17 IT IS LOCATED IN THE CENTER, ESSENTIALLY THE CENTER OF
18 LOS ANGELES, WITH EASY ACCESS BOTH BY FREEWAYS WHEN THEY
19 WORK, BUT PUBLIC TRANSPORTATION TO GET TO THE SITE.

20 SO I THINK IT OFFERS SOME GOOD ABILITY FOR SOME
21 OF THE CONSORTIUM MEMBERS TO TRAVEL EASILY TO USC. I WAS
22 IMPRESSED BY THE FACT THAT THEY WERE PUTTING A GREEN ROOF
23 ON. I WAS IMPRESSED BY THE FACT THAT THEY'RE TAKING CARE
24 OF THEIR STORM RUNOFF, WHICH I ASSUME IS THE REASON WHY
25 THE MECHANICAL ROOM WAS PUT ON THE FIRST FLOOR OF THE

BARRISTERS' REPORTING SERVICE

1 BUILDING, THAT AND THE VIVARIUM BELOW IT, WHICH WOULD
2 MAKE IT PROBABLY THE MOST ECONOMICAL WAY TO PUT IN THE
3 VIVARIUM LATER.

4 ONE OF THE QUESTIONS I HAD ABOUT THAT IS WHAT
5 KIND OF VIBRATION ARE THEY GOING TO GET THROUGH THAT
6 BUILDING BY HAVING THE MECHANICAL AND ELECTRICAL
7 EQUIPMENT ON THE FIRST FLOOR? HOPEFULLY WHEN SC COMES UP
8 HERE, THEY WILL TALK TO THAT. I'M SURE IT CAN BE
9 ISOLATED. I JUST WANT TO UNDERSTAND WHAT THEY'RE DOING
10 TO DO THAT.

11 I THOUGHT THE PROJECT WAS WELL LEVERAGED. I
12 AGREE WITH THE COMMENTS ON THE PLANNING OF THE FACILITY.
13 I WAS WORRIED ABOUT THE FACT THAT, I GUESS, A LOT OF THE
14 CORE IS GOING TO BE DONE IN ANOTHER BUILDING. AND EVEN
15 THOUGH I GUESS IT'S A BUILDING ACROSS THE STREET, THERE
16 IS -- THERE'S INEFFICIENCIES THAT COME ALONG WITH PUTTING
17 FACILITIES IN TWO BUILDINGS. SO THAT CONCERNED ME.

18 I THOUGHT THEY WERE REASONABLY WELL LEVERAGED,
19 ESPECIALLY WITH THE ADDITION NOW OF -- MAYBE THE ADDITION
20 OF THE ELECTRICITY OR THE UTILITY. THEY HAVE CLEARLY
21 DEMONSTRATED THROUGH THEIR TEAM AND SCHEDULES AND BUDGETS
22 THAT THEY'VE PUT FORTH THAT THEY CAN CLEARLY DO THIS
23 PROJECT IN THE TIMEFRAME THAT THEY'RE SAYING.

24 THEY HAVE A WONDERFUL COLLABORATION BETWEEN SIX
25 INSTITUTIONS THAT HAVE ACTUALLY SIGNED A DEFINITIVE

BARRISTERS' REPORTING SERVICE

1 AGREEMENT TO COLLABORATE WITH EACH OTHER. AND I LOOKED
2 AT THAT AS VERY POSITIVE. SOME OF THESE INSTITUTIONS ARE
3 LOCATED IN DOWNTOWN L. A. AS WELL. SO I THOUGHT THAT WAS
4 GOOD.

5 I THOUGHT THE SPACE ON FLOORS 3, 4, AND 5 WERE
6 WELL DESIGNED, AND I LIKE THEIR SOLUTION OF REMOVABLE
7 BENCHES AND SUCH THAT THEY WERE USING. I THOUGHT THAT
8 SEEMS TO BE THE WAY ALL OF THE APPLICANTS ARE DOING IT IN
9 ONE WAY OR THE OTHER. SO I THOUGHT THAT WAS KIND OF
10 INTERESTING.

11 AGAIN, I TALKED ABOUT SHELL SPACE. I'M NOT SURE
12 AT THE END OF THE DAY THAT THAT WILL BE A VIVARIUM. I
13 THINK IT JUST DEPENDS ON THE USE. BUT I HAVE NO DOUBT
14 THAT SC CAN RAISE THE FUNDS TO DO THE VIVARIUM ANY TIME
15 THEY CHOOSE TO DO THE VIVARIUM. I MEAN THEY JUST
16 FINISHED A \$600 MILLION CAMPAIGN, EITHER A BILLION
17 CAMPAIGN AND STARTING ON THE 600 MILLION OR THE REVERSE,
18 BUT THEY KNOW HOW TO RAISE MONEY.

19 CHAIRMAN LICHTENGER: SHOW ME THE MONEY.

20 MR. LAFF: THEY'VE RAISED IT. SO I THOUGHT IT
21 WAS A WELL PUT TOGETHER PROPOSAL. AND I REALLY LIKED THE
22 FACT THAT THEY HAVE THIS CONSORTIUM THAT IS SIGNED WITH A
23 MEMO OF UNDERSTANDING, THAT PEOPLE ARE REALLY GOING TO DO
24 THIS SHARING OF SPACE. I'M ALWAYS WORRIED WHEN IT'S
25 NEBULOUS. WE'VE HAD THIS WE DON'T HAVE IT, BUT THEY HAVE

BARRISTERS' REPORTING SERVICE

1 IT, AND I WAS PRETTY IMPRESSED WITH THAT.

2 CHAIRMAN LICHTENGER: THANK YOU, STUART.

3 MR. KASHIAN: I CONCUR GENERALLY WITH THE
4 PRIMARY REVIEWER. I'D LIKE TO ADD SOME OTHER ISSUES THAT
5 I THINK ARE IMPORTANT. THEY ARE IN THE PROCESS OF
6 CREATING, AS I UNDERSTAND, AN ELEVEN-ACRE MEDICAL
7 RESEARCH PARK ADJACENT TO THIS FACILITY. I CONSIDER THAT
8 EXTREMELY IMPORTANT.

9 I HAVE SOME QUESTIONS ABOUT I WASN'T QUITE SURE
10 ABOUT WHETHER THE BUILDING PERMIT HAD BEEN GRANTED OR NOT
11 GRANTED OR WHAT THE ISSUE WAS AND SOME QUESTIONS ABOUT
12 THE STATUS OF THE EIR. I HAVE NO QUESTION IN MY MIND
13 THAT USC IS CAPABLE OF EXECUTION BOTH IN CONSTRUCTION AND
14 RAISING MONEY. BUT SOMETIMES THE GOVERNMENT BUREAUCRACY
15 GETS IN THE WAY, SO I'D LIKE SOME CLARIFICATION ABOUT
16 THAT ISSUE.

17 OTHERWISE, THE APPLICATION WAS GREAT, AND I
18 NOTED THAT WE HAD MADE PRIOR INVESTMENTS IN MEDICAL
19 GRANTS TO THIS INSTITUTION, AND I FEEL LIKE IT'S
20 IMPORTANT TO BE ABLE TO FOLLOW UP WITH THESE GRANTS AS
21 WELL.

22 CHAIRMAN LICHTENGER: THANK YOU, ED. I HAD SOME
23 QUESTIONS FOR STEVE. SO, STEVE, YOU MENTION THAT YOU'RE
24 CONCERNED ABOUT BUILDING UP THE VIVARIUM WILL BE
25 DISRUPTIVE TO THE ADJACENT CORE.

BARRISTERS' REPORTING SERVICE

1 MR. COPENHAGEN: RIGHT. IN THE BASEMENT
2 ADJACENT TO THE SHELL SPACE, THEY HAVE LOCATED A COUPLE
3 OF THEIR SENSITIVE INSTRUMENTS.

4 CHAIRMAN LICHTENGER: IN THE BASEMENT?

5 MR. COPENHAGEN: IN THE BASEMENT. IT'S THE
6 RIGHT PLACE FOR THE INSTRUMENTS, AND IT WOULD BE OKAY IF
7 THE VIVARIUM HAD ALREADY BEEN BUILT OUT, BUT THE
8 CONSTRUCTION OF THE VIVARIUM COULD BE DISRUPTIVE TO THE
9 LOCATION OF THOSE INSTRUMENTS.

10 CHAIRMAN LICHTENGER: OKAY. RICK, I HAD OR RAY.
11 I DON'T KNOW. RICK, ON THE CASE WORK, IS THAT SHOWN AS A
12 COST OR A LEVERAGE?

13 MR. KELLER: IT'S IN THE PROJECT. WHAT HAPPENED
14 WAS WHEN I REVIEWED THE COST ESTIMATE, THE CONTRACTOR HAD
15 TAKEN IT OUT BECAUSE THE INSTITUTION IS PROVIDING THAT
16 THROUGH A SEPARATE --

17 CHAIRMAN LICHTENGER: SO IT'S IN THERE.

18 MR. KELLER: WHEN I INITIALLY REVIEWED THE COST
19 ESTIMATE, IT WAS ZERO, SO I WAS CONCERNED THAT THEY WERE
20 GOING TO HAVE A BUILDING WITH VERY LITTLE CASE WORK.

21 CHAIRMAN LICHTENGER: WHAT ABOUT THIS GROUP II
22 EQUIPMENT COST? THE LAST ITEM ON STEVE'S, BOTTOM OF THE
23 PAGE. CASE WORK DOESN'T SHOW UP IN THERE. I SEE. NEVER
24 MIND.

25 DOES ANYONE HAVE ANY MORE QUESTIONS BEFORE WE

BARRISTERS' REPORTING SERVICE

1 HAVE USC COME UP?

2 MS. HYSEN: I JUST HAVE A COMMENT. IT SEEMED TO
3 ME YOU WERE QUESTIONING WHETHER THERE WAS MONEY ALLOCATED
4 FOR THE FUTURE BUILDOUT OF THE SHELL SPACE. AND IT
5 SEEMED THAT STAFF INDICATED THERE WAS, THAT THEY HAD
6 COMMITTED TO 50 MILLION. I DON'T KNOW IF I MISSED THAT
7 IN THE DISCUSSION.

8 MR. KLEIN: THEY HAVE IN THEIR WRITE-UP \$50
9 MILLION, WHICH IS ALSO COMMITTED. A PORTION OF IT GOES
10 TO FACULTY, BUT A PORTION GOES INTO EQUIPPING NEW
11 EQUIPMENT AND BUILDOUT.

12 CHAIRMAN LICHTENGER: LET'S ASK THE APPLICANT.
13 SO IF IT'S OKAY WITH EVERYONE, I'D LIKE TO HAVE USC STEP
14 UP. YOU GUYS GET TO GO RIGHT BEFORE WE EAT.

15 MR. WILLIAMS: I WAS TRYING TO DEBATE WHETHER
16 IT'S GOOD TO BE EARLY OR LATE IN THESE PROCEEDINGS. AND
17 I'M CURT WILLIAMS, AND I'M THE VICE PRESIDENT FOR CAMPUS
18 DEVELOPMENT, AND WITH ME IS DR. MARTIN PERA, WHO IS THE
19 DIRECTOR OF OUR STEM CELL PROGRAM AT USC. I'LL MAKE A
20 FEW COMMENTS, AND THEN DR. PERA CAN SPEAK ESPECIALLY TO
21 THE COLLABORATION AND THOSE ISSUES.

22 BUT WE REALLY FEEL THAT THE VALUE OF THIS
23 PROJECT, ESPECIALLY BY THE LAB PLANNER, HAS BEEN
24 UNDERVALUED IN THE SENSE THAT NOT ONLY ARE WE TAKING
25 MAXIMUM ADVANTAGE OF SHARED RESOURCES, BOTH OF OUR OWN

BARRISTERS' REPORTING SERVICE

1 SHARED RESOURCES WITHIN THE UNIVERSITY, BUT ALSO WITH OUR
2 PARTNERS, AND THAT BRINGS TREMENDOUS VALUE. IN ADDITION,
3 THERE'S ALMOST \$4 MILLION OF EQUIPMENT THAT WAS PURCHASED
4 ALREADY THAT COULD NOT BE INCLUDED. AND IN SOME OF THE
5 DISCUSSION ABOUT THE \$50 MILLION COMMITMENT, WHICH WAS
6 NOT DIRECTLY FOR THE VIVARIUM BUILDOUT, BUT OUT OF THAT
7 THERE'S SEVEN OR \$8 MILLION OF EQUIPMENT THAT ALSO WILL
8 BE FURNISHED TO THE PROJECT, WHICH IS ALSO NOT INCLUDED
9 IN THE LEVERAGE.

10 AND I WANT TO SPEAK REAL BRIEFLY ABOUT BRINGING
11 UP AN ISSUE FROM THE PREVIOUS PRESENTATION ABOUT BUILDING
12 ON DIFFICULT SITES. MOST OF US THAT LIVE ON URBAN
13 CAMPUSES ARE BUILDING ON DIFFICULT SITES. AND IN SOME
14 CASES THOSE ARE INCLUDED IN OUR PROJECT COST AND OTHER
15 CASES WE HAVE NOT INCLUDED THOSE. I'M SURE THAT USC IS
16 SPENDING PROBABLY \$10 MILLION OF MONIES OUTSIDE OF THIS
17 TO BE ABLE TO BUILD THIS BUILDING FOR VARIOUS MITIGATIONS
18 AND OTHER ISSUES JUST BECAUSE WE ARE ON AN URBAN CAMPUS.
19 SO I ASK AS YOU CONSIDER REALLY, AND YOU HAVE THE
20 TREMENDOUS CHALLENGE OF COMPARING APPLES AND APPLES ALL
21 ACROSS THE BOARD, WHETHER IT'S PI'S, SQUARE FOOT PER PI,
22 RESEARCHERS, ALL THOSE KINDS OF THINGS, AND IT GETS TO BE
23 VERY DIFFICULT, AND I WOULD ASK THAT YOU TAKE INTO
24 ACCOUNT THOSE KIND OF THINGS AND HOW WE DEFINE THEM.

25 JUST A FEW THINGS IN SPECIFIC REFERENCE TO SOME

BARRISTERS' REPORTING SERVICE

1 OF YOUR QUESTIONS. THE MECHANICAL SPACE THAT'S ON THE
2 FIRST FLOOR, THIS IS A CONCRETE BUILDING. IT'S BEING
3 DESIGNED WITH ALL THE AIR HANDLERS ON VIBRATION PADS. WE
4 FEEL THE VIBRATION IS LESS THAN IN MOST CASES WHERE A LOT
5 OF THIS EQUIPMENT WOULD BE LOCATED ON THE ROOF. IT'S
6 VERY ACCESSIBLE TO BEING ABLE TO WORK ON THE VIVARIA.

7 THE WHOLE BUILDING IS BEING DESIGNED SO THAT
8 THAT SHELL SPACE, WHICH IS INTENDED TO BE VIVARIA IN THE
9 FUTURE, CAN BE BUILT OUT WITH VIRTUALLY NO DISRUPTION TO
10 THE BUILDING. MUCH OF THE INFRASTRUCTURE IS ALREADY IN
11 PLACE, AND WE FEEL IT CAN BE INSTALLED VERY, VERY EASILY.

12 WE DO NOT NEED TO DO FUND-RAISING. WE MAY DO
13 FUND-RAISING, BUT WE DO NOT NEED TO DO FUND-RAISING TO BE
14 ABLE TO BUILD OUT THIS SPACE.

15 A COUPLE OF OTHER THINGS. A QUESTION WAS, WE
16 WILL HAVE APPROXIMATELY 234 PEOPLE IN THIS BUILDING, BOTH
17 PI'S AND INVESTIGATORS, WHEN THE BUILDING GETS BUILT.
18 AND I THINK OUR KEY THING IS THAT WE REALLY DON'T WANT TO
19 SPEND MONEY ON BUILDING FACILITIES THAT WE DON'T HAVE TO
20 WHERE WE CAN TAKE ADVANTAGE OF THE PARTNERSHIPS WITH
21 OTHER INSTITUTIONS OR WITHIN OUR OWN DEPARTMENTS WITHIN
22 OUR CAMPUS. I'LL LET DR. PERA SPEAK MORE TO THAT.

23 DR. PERA: THANK YOU. AND THANKS TO ALL OF YOU
24 FOR YOUR ASSESSMENTS AND YOUR HELPFUL COMMENTS. WITH
25 REGARD TO THE CORES, AS A SCIENTIST WHO WILL USE THIS

BARRISTERS' REPORTING SERVICE

1 BUILDING, I'M ABSOLUTELY CONFIDENT THAT THE CORES WILL
2 DELIVER THE FACILITIES THAT WE NEED. ALL THE CORES IN
3 THIS BUILDING ARE CORES THAT WE REQUIRE DIRECT ACCESS TO.
4 THESE ARE CORES THAT WE USE TO ANALYZE CELLS, BE IT THE
5 STEM CELL CORE, THE IMAGING CORE, THE FLOW CYTOMETRY
6 CORE, OR THE CHEMICAL GENOMICS CORES. OTHER CORES, WE
7 DON'T REQUIRE QUITE SO DIRECT ACCESS TO, BUT MOST OF
8 THEM, THE ROUTINE STUFF, SUCH AS GENOMICS, ARRAYS, ETC.,
9 IS VERY EASILY REACHABLE.

10 AND WITH RESPECT TO THE COLLABORATION, THE
11 PURPOSE OF THE -- PART OF THE PURPOSE OF THE
12 COLLABORATION WAS TO LEVERAGE SOME OF THE CAPABILITY
13 AVAILABLE IN OUR AREA, SUCH AS GMP AND NANOFABRICATION,
14 WHICH WOULD HAVE OTHERWISE BEEN VERY, VERY EXPENSIVE TO
15 DUPLICATE.

16 MR. KLEIN: SO QUESTION FOR YOU. IT WAS MY
17 UNDERSTANDING THE VIVARIUM IS CONNECTED BY A TUNNEL. THE
18 EXISTING VIVARIUM IS CONNECTED BY A TUNNEL TO THIS
19 FACILITY SO THAT YOU HAVE DIRECT CONNECTION TO THAT
20 RESOURCE; IS THAT CORRECT?

21 DR. PERA: THAT'S CORRECT.

22 MR. KLEIN: WHAT IS THE CONNECTION TO THE
23 BUILDING THAT HAS MOST OF THE OTHER CORES, OR IS IT A --
24 WHEN IT'S ADJOINING, JUST GIVE US A PROXIMITY
25 UNDERSTANDING.

BARRISTERS' REPORTING SERVICE

1 DR. PERA: THE ADJOINING BUILDING, WHICH IS
2 ACTUALLY CONNECTED ON ALL LEVELS BY A BRIDGE, IS THE
3 SILKEN NEUROGENETIC INSTITUTE. THAT'S WHERE THE VIVARIUM
4 IS. WE'LL USE THEM AS A DELIVERY ACCESS AND ALSO AS A
5 LIQUID NITROGEN STORE. MOREOVER, THERE ARE IMPORTANT
6 SCIENTIFIC CONNECTIONS WITH THIS BUILDING BECAUSE WE HAVE
7 CLOSE COLLABORATIONS WITH THEM.

8 IN FUTURE, JUST TO SPEAK TO AN ISSUE THAT CAME
9 UP EARLIER, THAT AREA IS WHERE OUR STEM CELL PROGRAM
10 CURRENTLY IS AND THE CANCER TOWER. BOTH OF THOSE SPACES
11 WILL BE VACATED, AND WE ARE DOING JOINT RECRUITMENTS IN
12 STEM CELL THAT WILL MOVE INTO THOSE AREAS.

13 MR. KLEIN: SO IF EACH OF THOSE FLOORS IS
14 CONNECTED BY A BRIDGE, IF I COULD ASK -- IS IT STEVE THAT
15 EVALUATED THIS APPLICATION. IT WAS RAY. WHO
16 EVALUATED -- WHO GAVE THE GREEN SHEET GRADE ON THIS?

17 MR. COPENHAGEN: GREEN SHEET IS MINE.

18 MR. KLEIN: SO THE QUESTION IS IN TERMS OF THE
19 COMMENT ABOUT CORES, IF IT'S CONNECTED BY BRIDGES AT
20 EVERY LEVEL, THAT'S AN INCREDIBLE, FLEXIBLE, AND EASILY
21 FUNCTIONAL ACCESS. SO WHY ISN'T THAT KIND OF AN OPTIMAL
22 ABILITY TO LEVERAGE JUST AS SAN FRANCISCO DID BY THE
23 BRIDGE TO THE ADJOINING BUILDING TO BENEFIT THE CORES?
24 UC SAN FRANCISCO YOU GAVE AN A TO, YET THEY HAVE FAR
25 FEWER CORES IN THEIR BUILDING THAN THIS ONE DOES.

BARRISTERS' REPORTING SERVICE

1 MR. COPENHAGEN: I THINK THE FUNCTIONAL GRADE
2 THAT I GAVE THEM WAS A CONCERN OF THE -- THERE WAS ONLY
3 FIVE FACULTY MEMBERS ON A FLOOR OF THE BUILDING. JUST
4 THE SITE DELIVERED A BUILDING WITH A FAIRLY SMALL FLOOR
5 PLATE. THEY'VE DONE EVERYTHING THEY CAN TO MAXIMIZE THE
6 INTERACTION BETWEEN THE ADJACENT BUILDINGS. JUST THE
7 FLOOR PLATE DIDN'T HAVE ENOUGH CRITICAL MASS TO IT OR WAS
8 ON THE SMALL SIDE. SO THEY'VE LOCATED THE INTERACTION
9 CONFERENCE ROOMS, MEETING ROOM SPACES AT THE KNUCKLE
10 BETWEEN THE TWO BUILDINGS. THEY'VE DONE EVERYTHING RIGHT
11 TO MAXIMIZE THE FUNCTIONALITY AND THE INTERACTION BETWEEN
12 THE BUILDINGS. IT JUST WAS WHEN COMPARED TO THE
13 INTERACTION. I'M NOT TALKING A CORE ISSUE HERE.

14 MR. KLEIN: THIS IS NOT A CORE ISSUE. THIS IS
15 JUST FLOOR PLATE SIZE FOR OPTIMAL INTERACTION?

16 MR. COPENHAGEN: THAT'S RIGHT.

17 MR. KLEIN: THAT'S VERY HELPFUL. THANK YOU.

18 CHAIRMAN LICHTENGER: SO I HAVE A FEW QUESTIONS.
19 SO ON THIS \$50 MILLION THAT HAVE BEEN REFERRED TO, SO
20 YOU'RE SAYING THERE'S ABOUT \$8 MILLION OF EQUIPMENT THAT
21 WILL BE EVENTUALLY PUT INTO THIS SPACE; IS THAT CORRECT?

22 MR. WILLIAMS: WELL, THERE IS PARTS OF THE
23 RECRUITMENT PACKAGES THAT SOME OF THE OTHER UNIVERSITIES
24 HAVE AS WELL. WE ESTIMATE THAT SEVEN TO \$8 MILLION OF
25 THOSE RECRUITMENT PACKAGES WILL BE EQUIPMENT THAT WILL GO

BARRISTERS' REPORTING SERVICE

1 INTO THIS BUILDING.

2 CHAIRMAN LICHTENGER: ALSO CAN WE TALK ABOUT
3 YOUR -- A LITTLE BIT ABOUT YOUR SCHEDULE? SO THERE'S AN
4 ENVIRONMENTAL IMPACT REPORT. CAN YOU GIVE ME A LITTLE
5 GRANULARITY ABOUT WHERE YOU GUYS ARE IN THE PROCESS?

6 MR. WILLIAMS: THAT QUESTION HAS BEEN RAISED.
7 WE HAVE THE ENVIRONMENTAL IMPACT REPORT COMPLETED,
8 TOTALLY DONE. IT INCLUDES NOT ONLY DEVELOPMENT ON THIS
9 SITE BUT OTHER SITES ON OUR HEALTH SCIENCES CAMPUS. AND
10 WE HAVE A SPECIFIC APPROVAL FOR THIS PROJECT WHERE YOU
11 HAVE TO KNOW WHERE THE BUILDING IS GOING, THE SIZE, AND
12 THOSE KIND OF THINGS. THAT'S IN FOR REVIEW, AND WE WILL
13 HAVE THAT BY THE TIME THE MAY MEETING COMES AROUND. AND
14 THE BUILDING PERMIT WILL BE ISSUED ALONG ABOUT THE SAME
15 TIME. SO WE DO NOT SEE THAT ANY OF THE ENVIRONMENTAL OR
16 BUILDING PERMIT BEING A HINDRANCE TO BUILDING THIS
17 BUILDING.

18 MR. KASHIAN: I NOTICED YOU HAVE A VERY
19 DIFFICULT ENVIRONMENT. I KNOW FIRS THAND. IN YOUR
20 ENVIRONMENTAL IMPACT REPORT, YOU HAD A SIGNIFICANT AMOUNT
21 OF OFFSITE MITIGATING MEASURES. ARE ANY OF THOSE BEING
22 ALLOCATED AGAINST THIS BUILDING, AND WHO'S MAKING THAT
23 JUDGMENT DECISION?

24 MR. WILLIAMS: THOSE ARE WHAT I MENTIONED BEFORE
25 ABOUT EVERY SITE IS A DIFFICULT SITE. SO WHEN WE BUILD A

BARRISTERS' REPORTING SERVICE

1 NEW BUILDING, AND THE EIR OUTLINES CERTAIN TRIGGERS THAT
2 SAY, OKAY, AT A CERTAIN POINT, ENOUGH POPULATION COMES TO
3 THE CAMPUS, YOU HAVE TO DO THESE MITIGATIONS THAT INCLUDE
4 THINGS LIKE FREEWAY OFFRAMP IMPROVEMENTS, OTHER
5 INTERSECTION IMPROVEMENTS, ADDITIONAL PARKING, THOSE KIND
6 OF THINGS. AND WE HAVE TWO OR THREE PROJECTS THAT ARE
7 GOING ALONG AT THE SAME TIME THAT ARE TRIGGERING THOSE
8 KIND OF THINGS, WHICH PROBABLY REPRESENT SIX OR \$8
9 MILLION.

10 NONE, I COULD SAY, ARE EXACTLY TRIGGERED BY THE
11 BROAD CENTER THAT WE'RE BUILDING, BUT THE COMBINATION OF
12 THE THREE PROJECTS ARE TRIGGERING THOSE MITIGATIONS.

13 MR. KASHIAN: NONE OF COST OF THAT -- OF THOSE
14 MITIGATING MEASURES ARE ALLOCATED AGAINST THIS BUILDING?

15 MR. WILLIAMS: AND IT'S NOT COUNTED AS PART OF
16 OUR LEVERAGE EITHER.

17 MR. KASHIAN: I NOTICE ONE THING THAT WAS
18 EXTREMELY HELPFUL. YOU HAVE THE SUPPORT OF THE MAYOR.
19 THANK YOU.

20 CHAIRMAN LICHTENGER: ANY OTHER QUESTIONS FOR
21 USC? YOU GUYS BUILDING ANY POWER PLANTS? JUST KIDDING.

22 PUBLIC COMMENTS. OKAY. SO WE'RE GOING TO
23 ADJOURN FOR DINNER AND REGROUP.

24 MR. KELLER: YOU MIGHT WANT TO RECORD YOUR
25 PRELIMINARY VOTE ON USC, AND THEN WE'LL COLLECT THOSE OR

BARRISTERS' REPORTING SERVICE

1 MAKE SURE THAT THEY' RE SECURE.

2 CHAIRMAN LICHTENGER: YES. WE' RE GOING TO
3 RECORD OUR PRELIMINARY SCORES NOW, AND THEN WE' RE GOING
4 TO ADJOURN FOR DINNER. AND, RICK, HOW LONG ARE WE
5 GIVING?

6 MR. KELLER: YOU' RE ALLOCATED ONE HOUR.

7 CHAIRMAN LICHTENGER: SO WE' RE GOING TO GIVE
8 EVERYBODY AN HOUR. IT LOOKS LIKE IT' S ABOUT SEVEN NOW.
9 SO WE' LL SEE EVERYBODY BACK AT EIGHT SHARP.

10 (A RECESS WAS TAKEN.) CHAIRMAN LICHTENGER: SO
11 NOW I AM GOING TO CALL THE MEETING TO ORDER OFFICIALLY

12 MR. KLEIN: MR. CHAIRMAN, SINCE YOU' VE CALLED
13 THE MEETING TO ORDER, I' D LIKE TO MAKE THIS DAVID
14 SERRANO-SEWELL DAY FOR MAJOR FACILITIES.

15 MS. SAMUELSON: SECOND.

16 MR. KLEIN: I HAVE A SECOND. SO MAYBE WE COULD
17 JUST HAVE IT BE UNANIMOUS.

18 CHAIRMAN LICHTENGER: DAVID SERRANO-SEWELL DAY
19 FOR MAJOR FACILITIES DAY. I' M TRYING TO GET THROUGH SOME
20 APPLICATIONS HERE, GUYS.

21 SO I WOULD LIKE TO INVITE THE PUBLIC TO COME AND
22 MAKE COMMENTS. OKAY. SO I SAID IT. ALL KIDDING ASIDE
23 NOW, I' VE ASKED THE PUBLIC, AND NO ONE WOULD LIKE TO MAKE
24 ANY PUBLIC COMMENT AT THIS TIME, SO I' M GOING TO ASK RICK
25 -- OH, WE ARE GOING TO GET A PUBLIC COMMENT.

BARRISTERS' REPORTING SERVICE

1 MR. SIMPSON: JUST INFORMATIONALLY I THINK A
2 NUMBER OF THE APPLICANTS ARE STILL DINING. I SUSPECT
3 THEY' LL WANT TO BE BACK.

4 CHAIRMAN LICHTENGER: WE' RE PUNCTUAL PEOPLE HERE
5 AT THE FACILITIES WORKING GROUP. YOU CAN FEEL FREE TO GO
6 GET THEM. YOU CAN INFORM THEM.

7 MR. KELLER: THE SAN DIEGO PEOPLE ARE HERE.

8 CHAIRMAN LICHTENGER: SAN DIEGO PEOPLE, THANK
9 YOU FOR BEING HERE TODAY. ALL KIDDING ASIDE, RICK, CAN
10 WE START THE REVIEW OF THE SAN DIEGO CONSORTIUM OF
11 REGENERATIVE MEDICINE?

12 MR. KELLER: SURE. THIS PROPOSAL IS FOR
13 CONSTRUCTION OF A FIVE-STORY BUILDING. IT WILL HOUSE
14 STEM CELL RESEARCHERS FROM FOUR INSTITUTIONS IN THE AREA,
15 AND IT IS THE ONLY CONSORTIUM FORMED IN RESPONSE TO THE
16 RFA.

17 THE OBJECTIVE IS TO CO-LOCATE THE STEM CELL
18 RESEARCHERS, AND THE BUILDING INCLUDES 130,000 GROSS
19 SQUARE FEET, ROUGHLY A HUNDRED THOUSAND ASSIGNABLE SQUARE
20 FEET, SOME OF WHICH WOULD BE ASSIGNED TO NON-CIRM
21 RESEARCH ACTIVITY, BUT IT COULD BE DEVOTED TO STEM CELL
22 RESEARCH AT SOME POINT IN THE FUTURE. THE CIRM COMPONENT
23 IS ABOUT 71,332 ASSIGNABLE SQUARE FEET, THE NON-CIRM
24 SPACE IS 29,240.

25 THE CIRM FUNDING REQUEST IS FOR \$50 MILLION, AND

BARRISTERS' REPORTING SERVICE

1 THE TOTAL PROJECT COST IS \$115.2 MILLION. THE FACILITY
2 INCLUDES LAB, LAB SUPPORT, CORE FACILITIES, INCLUDING A
3 NEW VIVARIUM, RELATED OFFICE ADMINISTRATIVE AND SUPPORT
4 SPACE. IT WOULD HOUSE 21 RESEARCH TEAMS OR PI'S, 18 OF
5 WHICH WILL BE RELOCATING FROM THE HOME MEMBER
6 INSTITUTIONS. THE PROJECT IS CURRENTLY SILVER, BUT I
7 THINK THEY'RE GOING FOR MORE POINTS TO TRY TO GET IT
8 HIGHER.

9 WE IDENTIFIED TWO KEY ISSUES WHEN WE REVIEWED
10 THIS. ONE WAS THE FACT THAT THE LAND COST OR RATHER THE
11 LAND VALUE, THE FACILITY IS GOING TO BE LOCATED ON SEVEN
12 ACRES, AND IT WILL BE PROPERTY THAT WILL BE UNDER A
13 GROUND LEASE WITH THE UNIVERSITY OF CALIFORNIA, BUT THE
14 CONSORTIUM WILL CONTROL IT. AND THAT GROUND LEASE WAS
15 VALUED AT \$14 MILLION ON A PRESENT VALUE BASIS. AND YOUR
16 ORIGINAL JUDGMENT ABOUT HOW LEVERAGE SHOULD BE COUNTED
17 WAS IT WOULD BE OUT-OF-POCKET EXPENSES FOR LAND. SO YOU
18 NEED TO JUDGE WHETHER OR NOT YOU FEEL THAT THE COST OF
19 LAND IN PRESENT VALUE TERMS, AND THERE'S SOME QUESTION
20 ABOUT WHETHER OR NOT THAT WOULD EVER BE PAID IF THE
21 CONSORTIUM PROCEEDS WITH THE RESEARCH. THERE MAY BE SOME
22 PROVISION FOR FORGIVENESS OF THE RENT BY THE UNIVERSITY.

23 AND THEN THE OTHER ISSUE WAS THAT WE WERE
24 CONCERNED ABOUT KIND OF THE WAY THE SPACE HAD BEEN PARSED
25 BETWEEN THE CIRM-FUNDED SPACE AND THE NON-CIRM-FUNDED

BARRISTERS' REPORTING SERVICE

1 SPACE. IN THE PROCESS OF WORKING THROUGH THAT WITH
2 REPRESENTATIVES OF THE CONSORTIUM, AND GETTING ADDITIONAL
3 INFORMATION AS OF, LIKE, YESTERDAY MORNING, THEN I THINK
4 WE'RE FINE WITH THE FACT THAT WE'VE GOT SOME UPDATED
5 INFORMATION ON THE WAY THAT THAT SPACE IS BEING ALLOCATED
6 BETWEEN NON-CIRM AND CIRM SPACE. SO THE BUILDING IS
7 ACTUALLY 142,000 GROSS SQUARE FEET, AND SO THAT MADE A
8 BIG DIFFERENCE. SO IT WENT UP 12,000 FEET, AND THAT
9 12,000 GROSS SQUARE FEET WAS ACTUALLY PART OF THE
10 NON-CIRM-FUNDED SPACE.

11 THE LAB PLANNING SCORE WAS A FUNCTIONALITY SCORE
12 C, VALUE SCORE OF C MINUS. STEVE'S COMMENTS INCLUDED
13 WHILE THE FLOORS WERE CONFIGURED FOR MAXIMUM INTERACTION,
14 THE RESULTANT PATTERN BREAKS THE LABORATORIES INTO SMALL
15 UNITS OF CONTIGUOUS BENCH SPACE WHICH AFFECTS THE
16 ULTIMATE FLEXIBILITY AND SPACE BENCH ASSIGNMENT. HE ALSO
17 MENTIONS THAT THE LARGEST CORE BEING PROVIDED IS IN THE
18 VIVARIUM, WHICH IS ONE OF THE MOST EXPENSIVE TYPES OF
19 SPACES TO BUILD.

20 THE PRIMARY REVIEWER IS CHAIR LICHTENGER AND THE
21 SECONDARY REVIEWER IS MEMBER HYSEN.

22 CHAIRMAN LICHTENGER: I'M HAVING PROBLEMS HERE
23 WITH MY MIC. GREAT. SO, RICK, QUICK HOUSEKEEPING
24 QUESTION REGARDING LEVERAGE. SO THE CURRENT CHARTS WE
25 HAVE DO NOT SHOW THE LAND, CORRECT?

BARRISTERS' REPORTING SERVICE

1 MR. KELLER: I REDID THE CHART AT THE BREAK, AND
2 WE TOOK OUT THE AREAS -- I'M SORRY -- THE FIGURE THAT
3 DEALT WITH ALL THE UTILITIES AND INSTEAD LEFT IN THE
4 ADJUSTMENTS FOR THE INFRASTRUCTURE, LANDSCAPING, AND SITE
5 PREPARATION FOR SAN FRANCISCO, WHICH I BELIEVE THERE WAS
6 AN AGREEMENT TO INCLUDE THAT 17 MILLION. WE LEFT IN ON
7 612, IRVINE, THE AMOUNT THAT WAS RELATED TO THE SHELL
8 SPACE THAT HAD NOT PREVIOUSLY BEEN CONSIDERED IN
9 LEVERAGE. AND I BELIEVE THE BERKELEY, WE HAVEN'T GOTTEN
10 TO BERKELEY YET, BUT I'LL JUST MENTION THAT THERE WAS
11 SPACE IN THE BASEMENT OF THE BUILDING WHERE THE STEM CELL
12 PROGRAM IS LOCATED THAT HAS SIMILAR CIRCUMSTANCES AS
13 IRVINE WHERE THERE'S SPACE THAT'S FULLY DEVOTED TO THE
14 STEM CELL PROGRAM, AND THE VALUE OF THAT SPACE IS IN THE
15 FACT THAT THEY HAD ALREADY COUNTED \$4.5 MILLION IN
16 LEVERAGE FOR THE EQUIPMENT. THE SPACE NEEDED TO BE
17 ACCOUNTED FOR AS WELL.

18 CHAIRMAN LICHTENGER: THANK YOU, RICK. SO
19 SPECIFICALLY REGARDING THE CONSORTIUM, WE DO NOT HAVE THE
20 LAND IN THAT NUMBER, CORRECT?

21 MR. KELLER: THE LAND IS IN THE LEVERAGE.

22 CHAIRMAN LICHTENGER: IT IS.

23 MR. KELLER: IT IS NOT IN THE COST.

24 CHAIRMAN LICHTENGER: SO IT IS IN THE LEVERAGE.

25 MR. KELLER: IT IS IN THE LEVERAGE.

BARRISTERS' REPORTING SERVICE

1 CHAIRMAN LICHTENGER: OKAY. FINE.

2 MR. KELLER: IN THE DARK BLUE COLUMN.

3 CHAIRMAN LICHTENGER: OKAY. THAT'S WHAT I
4 WANTED TO CLARIFY.

5 MR. KASHIAN: WHAT IS THE AMOUNT OF RENT CHARGED
6 FROM UC?

7 MR. KLEIN: IT'S ON PAGE 5. IT'S ON PAGE 5 OF
8 THE APPLICANT'S LETTER.

9 CHAIRMAN LICHTENGER: IF YOU DON'T MIND, IF YOU
10 COULD JUST LET ME DO MY REVIEW FIRST. IT IS ON PAGE 5
11 THOUGH.

12 SO I HAD A COUPLE OF QUESTIONS FOR OUR
13 LABORATORY PLANNER. SO, STEVE, YOU KNOW, I NOTICE YOU
14 GAVE THEM A C FOR FUNCTIONALITY, SO CAN YOU GIVE ME
15 SOME -- A LITTLE MORE DETAIL ABOUT WHY YOU GAVE THEM THE
16 C?

17 MR. COPENHAGEN: I WAS CONCERNED WITH THE
18 BUILDING BEING BY ITSELF, AND THEY'VE VERY CAREFULLY
19 LOCATED IT EQUIDISTANT BETWEEN ALL THE OTHER INSTITUTES
20 THAT THEY ARE WORKING WITH OR RESEARCH CAMPUSES, BUT THEY
21 ALSO LEFT A LOT OF THE SUPPORT CORES, WHICH IS VALUE
22 BECAUSE WE'RE NOT BUILDING MORE CORE HERE. WE'RE GOING
23 TO USE THE CORE AT THE OTHER CAMPUS. BUT WHERE THE OTHER
24 APPLICANTS HAD CORES IN THE ADJACENT BUILDING OR IN A
25 CLOSELY LOCATED CIRCLE AROUND THEIR LABORATORIES, THIS

BARRISTERS' REPORTING SERVICE

1 APPLICANT, BECAUSE THEY'RE LOCATED OUT ON THAT TORREY
2 PINES KIND OF A FREESTANDING, INDEPENDENT BUILDING,
3 LOOKED TO ME LIKE THEY WERE GOING TO HAVE TO RELY ON --
4 HAD TO RELY ON CORES AT THE OTHER INSTITUTES, AND THEY
5 HAD TO GO TO FOUR OTHER PLACES TO USE ALL THOSE CORES.

6 CHAIRMAN LICHTENGER: SO IT WAS REALLY BECAUSE
7 OF THE LOCATION THAT WAS SEPARATE FROM THE FOUR
8 INSTITUTIONS?

9 MR. COPENHAGEN: IT'S DISCONNECTED FROM ANY ONE
10 INSTITUTION, WHICH IS BOTH A PLUS AND MINUS.

11 CHAIRMAN LICHTENGER: SO THAT WAS YOUR -- BUT IN
12 TERMS OF THE FUNCTIONALITY OF THE ACTUAL SPACE THEY WERE
13 BUILDING.

14 MR. COPENHAGEN: THE FLOOR PLANS LOOKED GOOD.
15 THEY DID -- WHILE ALL THE OTHER APPLICANTS HAD MORE
16 CONTIGUOUS LAB, THEY HAD BROKEN THEIR CONTIGUOUS LABS UP
17 WITH ALL OFFICE SPACE OR SUPPORT SPACE. WASN'T AS MUCH
18 CONTIGUOUS BENCH SPACE, WHICH IS A LOT OF YOUR
19 FLEXIBILITY IS THAT I CAN JUST TAKE OVER THE NEXT BENCH.

20 CHAIRMAN LICHTENGER: AND ON YOUR VALUE SCORE
21 YOU HAVE A C MINUS. CAN YOU GIVE ME SOME UNDERSTANDING?

22 MR. COPENHAGEN: THE ACTUAL LAB FLOORS LOOKED
23 GOOD, LOOKED LIKE GOOD LAB FLOORS. THEY HAD SOME HIGH
24 DEGREE OF INTERACTION PROVIDED ON THE FLOOR, BUT THE
25 OTHER SPACES IN THE BUILDING, THERE WAS A LOT OF OTHER

BARRISTERS' REPORTING SERVICE

1 VOLUME OF SPACE THAT WAS JUST, IN MY MIND, CHALLENGED AS
2 TO HOW MUCH IT WAS TRULY CONTRIBUTING TO THE SCIENCE IN
3 THE BUILDING. I UNDERSTAND BECAUSE THEY ARE REMOTE FROM
4 ALL THE OTHER INSTITUTES, THAT THEY HAVE TO DRAW PEOPLE
5 TO THEIR BUILDING FOR THE INTERACTION, AND THAT CAUSED
6 THEM TO CREATE A LOT OF THESE LARGER SEMINAR AND
7 AUDITORIUM SPACES DOWN ON THE FIRST FLOOR AND MAYBE A
8 LARGER BREAKOUT AREA. SO IT WAS A CONSEQUENCE OF THEIR
9 LOCATION CAUSED A LARGER VOLUME OF SPACE THAN THE OTHER
10 APPLICANTS HAD TO PROVIDE.

11 CHAIRMAN LICHTENGER: GREAT. THANK YOU. SO I'M
12 GOING -- THANKS FOR CLARIFYING THAT. SO I'LL START WITH
13 FUNCTIONALITY IN TERMS OF MY REVIEW. YOU KNOW, I THOUGHT
14 THE PROJECT GENERALLY HAD GOOD FUNCTIONALITY. YOU KNOW,
15 AS STEVE OUTLINED, THERE ARE SOME CHALLENGES GIVEN ITS
16 LOCATION, GIVEN THE FACT THAT IT'S A NEW ORGANIZATION,
17 BUT I'M NOT A HUNDRED PERCENT EXACTLY HOW WE VALUE OR HOW
18 WE TAKE THAT INTO ACCOUNT IN FUNCTIONALITY BECAUSE IT'S
19 THE NATURE OF A NEW ORGANIZATION, AND IT IS SEPARATE AND
20 APART FROM THE FOUR ORGANIZATIONS THAT ARE PERFORMING IT.
21 GENERALLY I THOUGHT THE SPACE WAS FUNCTIONAL AND GOOD.

22 AND LEVERAGE, I THOUGHT THE LEVERAGE WAS ABOVE
23 AVERAGE, BUT IT WASN'T EXCELLENT. AND THAT'S TAKING INTO
24 ACCOUNT THE VALUE OF THE LAND. AGAIN, IF WE TOOK OUT
25 THAT VALUE OF THE LAND, THE LEVERAGE WOULD BE

BARRISTERS' REPORTING SERVICE

1 SIGNIFICANTLY LESS AND BELOW AVERAGE. BUT TAKING INTO
2 ACCOUNT THE LAND, IT IS ABOVE AVERAGE.

3 ON URGENCY, YOU KNOW, I HAD SOME CONCERNS ON THE
4 URGENCY. I THINK THERE POTENTIALLY COULD BE SOME DELAYS
5 RELATED TO THE PROCESS. SO I THINK THE SCHEDULE SEEMS
6 SOMEWHAT AGGRESSIVE, ALTHOUGH ON PAPER, AGAIN, I BELIEVE,
7 RICK, THEY MEET THE CRITERIA, CORRECT, FOR TWO YEARS?
8 YEAH. SO THEY MEET IT ON PAPER. ALTHOUGH I DO HAVE SOME
9 CONCERNS ABOUT THAT SCHEDULE BECAUSE I THINK THERE'S SOME
10 COASTAL AND ENVIRONMENTAL AND DESIGN CONSIDERATIONS THAT
11 NEED TO BE ADDRESSED. PERHAPS THE APPLICANT CAN SHED
12 SOME LIGHT ON THOSE ISSUES.

13 IN TERMS OF SHARED RESOURCES, I THINK OBVIOUSLY,
14 GIVEN THE NATURE OF A CONSORTIUM AND THE FOUR
15 INSTITUTIONS THAT ARE FORMING IT, I THINK THAT THE SHARED
16 RESOURCES WILL BE EXCELLENT. I DON'T KNOW THE EXACT --
17 DO WE HAVE KNOWLEDGE OF THE EXACT DISTANCES FROM THE FOUR
18 INSTITUTIONS? PERHAPS THE APPLICANT CAN GIVE US THOSE
19 EXACT DISTANCES BECAUSE THAT WAS A LITTLE UNCLEAR TO ME
20 WHEN I WAS LOOKING AT THIS. SO OVERALL URGENCY, WE
21 TALKED ABOUT SHARED RESOURCES I THOUGHT WAS EXCELLENT.
22 LEVERAGE WAS ABOVE AVERAGE.

23 AND VALUE I THINK, YOU KNOW, IT'S GOOD. YOU
24 KNOW, THE COSTS WERE LOW, WHICH I THINK WAS ONE OF THEIR
25 BIGGEST PLUSES THEY HAD, THAT THEY WERE ONE OF THE

BARRISTERS' REPORTING SERVICE

1 LOWEST, IF NOT THE LOWEST, CORRECT, RICK, IN TERMS OF
2 COST IN THIS CATEGORY.

3 MR. KELLER: I THINK THEY WERE THE LOWEST --
4 SECOND LOWEST. LOWEST IN THIS CATEGORY AND SECOND LOWEST
5 OVERALL.

6 CHAIRMAN LICHTENGER: SO THEY WERE THE LOWEST IN
7 THIS CATEGORY, SO I THOUGHT THAT WAS A HUGE PLUS IN THEIR
8 FAVOR. AND, YOU KNOW, WITH THE LAND AND THE NATURE OF
9 THE CONSORTIUM, AGAIN, OVERALL I THOUGHT IT WAS GOOD
10 VALUE. SO THAT'S MY REVIEW.

11 MS. HYSEN: THANK YOU. WELL, FIRST OF ALL, I
12 THINK WE'RE ALL EXCITED TO SEE A LOT OF INSTITUTIONS
13 COMING TOGETHER IN A FORMAL WAY TO CREATE A CONSORTIUM.
14 WE HAD ENCOURAGED THAT EARLY ON. AND TO SEE SAN DIEGO
15 STEP UP AND MAKE THAT A REALITY WAS VERY EXCITING TO ME.

16 NOT TO REPEAT A LOT OF WHAT HAS BEEN SAID
17 ALREADY, YES, THE BUILDING COSTS SEEMED LOW. MY NUMBER
18 WAS 773 PER SQUARE FOOT. IT'D BE EVEN BETTER WITH THE
19 ADDITIONAL SQUARE FOOTAGE THAT'S BEEN ADDED, SO I FOUND
20 THAT WAS GOOD. GROUP II EQUIPMENT DID SEEM TO BE HIGH,
21 BUT IN GENERAL THE COSTS SEEMED LOW.

22 I KNOW FROM A VALUE STANDPOINT, IT WAS PROBABLY
23 REAL HARD TO FIGURE OUT HOW TO LOCATE THIS FACILITY TO
24 MAXIMIZE INTERACTION WITH ALL FOUR INSTITUTIONS. AND
25 SHORT OF LOCATING IT AT ONE INSTITUTION, I THINK THE

BARRISTERS' REPORTING SERVICE

1 THEORY OF LOCATING IT EQUIDISTANCE WAS PROBABLY THE MOST
2 APPROPRIATE THING THEY COULD DO. AND I'M VERY FAMILIAR
3 WITH THESE FOUR INSTITUTIONS, AND I THINK THAT THAT'S
4 PROBABLY AN IDEAL LOCATION WHERE THEY HAVE IT IN TORREY
5 PINES MESA.

6 THE ONE THING THAT I DID NOTE, AND PERHAPS THE
7 CONSORTIUM CAN SPEAK TO THIS, IS THEY REALLY SEEM TO
8 DEVELOP THEIR CYBER INFRASTRUCTURE CORE TO FACILITATE
9 COMMUNICATION AND DATA ANALYSIS. I'M HOPING THAT THAT
10 WAS MEANT TO ENHANCE THE INTERACTION, IF NOT IN A
11 PHYSICAL WAY, IN A VIRTUAL WAY WITH THE INSTITUTIONS THAT
12 ARE LOCATED OFFSITE. SO I'D REALLY LIKE TO HEAR THAT.

13 THE AMOUNT OF ASSIGNED SQUARE FEET PER PI VERY
14 GOOD, BUT I NOTED THAT IN MR. COPENHAGEN'S ANALYSIS HE
15 WAS CONCERNED THAT THE ASSIGNED SQUARE FOOTAGE WAS VERY
16 GOOD BECAUSE OF THE WAY IN WHICH THEY ALLOCATED THE
17 FIRST-FLOOR SPACE. WAS THAT RESOLVED IN LATER ANALYSIS?

18 MR. COPENHAGEN: THE ASSIGNMENT OF SQUARE
19 FOOTAGE IN MY ANALYSIS IS JUST THE LABORATORY SPACE. IT
20 DID NOT ACCOUNT FOR THE NONLAB FUNCTIONS THAT WERE DOWN
21 ON THE FIRST FLOOR.

22 MS. HYSEN: OKAY. I NOTICE THAT YOU SAID THAT
23 THERE WAS VERY LOW VALUE ASCRIBED TO THE FIRST-FLOOR
24 SPACE, BUT GOOD VALUE ON THE LAB FLOORS; IS THAT CORRECT?
25 OR IS THAT STAFF ANALYSIS?

BARRISTERS' REPORTING SERVICE

1 MR. COPENHAGEN: YES. I THINK MY ANALYSIS
2 COMMENTED ON HOW THEY UTILIZED THAT FIRST FLOOR. THERE
3 WAS A LOT OF VOLUME OF SPACE THERE. AND IN ONGOING
4 DISCUSSION, IT APPEARS THAT THE SAN DIEGO AREA AND THOSE
5 INSTITUTES IN PARTICULAR DO DRAW WELL AND SHARE WELL AND
6 HAVE SYMPOSIUMS ON CAMPUSES, AND A LOT OF PEOPLE DO COME
7 TO THEM FROM ALL OVER THE SAN DIEGO AREA, WHICH IS
8 PROBABLY SOMETHING UNIQUE TO THE SAN DIEGO AREA.

9 OTHERWISE THAT KIND OF AN INSTITUTE OUT BY ITSELF HOPES
10 TO HAVE THIS MAGNET, BUT NOBODY EVER USES IT.

11 MS. HYSEN: SO THERE WAS MORE VALUE.

12 MR. COPENHAGEN: RIGHT.

13 MS. HYSEN: AND THEY EXPECT TO RECEIVE LEED
14 GOLD. I THINK THAT'S A GREAT ACCOMPLISHMENT IF THEY CAN
15 DO THAT.

16 I ALSO WAS CONCERNED ABOUT THE LAND VALUE ISSUE.
17 I'M NOT SURE HOW WE ADDRESS THAT. BUT THEY WERE HIGHER,
18 THEY WERE SECOND OF SEVEN IN TERMS OF LEVERAGE. AND I
19 DON'T KNOW WHERE THEY WOULD BE PLACED IF THE LAND VALUE
20 WAS DEDUCTED FROM THAT EQUATION.

21 URGENCY, I THINK OF ANY OF THE CONCERNS THAT I
22 HAD IN THIS APPLICATION IT WAS IN URGENCY. I THINK THIS
23 SCHEDULE IS HIGHLY AMBITIOUS. I WOULD BE REALLY
24 SURPRISED IF THEY COULD MEET THE DEADLINE THAT THEY'VE
25 IDENTIFIED. SO I THINK THAT'S ONE THING I'D REALLY LIKE

BARRISTERS' REPORTING SERVICE

1 TO HEAR ABOUT BECAUSE WE PUT A LOT OF IMPORTANCE ON
2 GETTING UP AND RUNNING AS SOON AS POSSIBLE. I DON'T KNOW
3 THAT THEY'VE ADEQUATELY ADDRESSED HOW THEY CAN MITIGATE
4 SOME OF THESE SCHEDULE RISKS. ANY OF YOU THAT HAVE TRIED
5 TO GET A PERMIT FROM THE COASTAL COMMISSION, IT'S QUITE
6 COMPLICATED. AND I DON'T BELIEVE THAT THEY HAVE THE
7 PERMIT NOW, ALTHOUGH THEY EXPECT TO RECEIVE IT IN
8 DECEMBER OF THIS YEAR. I'D LIKE TO HEAR A LITTLE BIT
9 ABOUT THAT BECAUSE I THINK THE SCHEDULE IS AMBITIOUS EVEN
10 WITHOUT HAVING TO DEAL WITH THE COASTAL COMMISSION. FROM
11 AN URGENCY STANDPOINT, I HAD CONCERNS THERE.

12 SHARED RESOURCES, OBVIOUSLY THE FACT THAT THEY
13 HAVE COME TOGETHER WITH, AS THE SCIENTIFIC REVIEW HAS
14 POINTED OUT, AN INCREDIBLE ARRAY OF SCIENTISTS IN WHAT IS
15 CLEARLY GOING TO BE A HIGH COLLABORATIVE ENVIRONMENT WAS
16 INCREDIBLE. I THINK THEIR COLLABORATION PLANS ARE WELL
17 DEFINED.

18 FUNCTIONALITY, THE ONLY THING THAT I NOTED, I
19 DID NOTE THE SCORE OF C FROM MR. COPENHAGEN. I DID SEE
20 THAT THE FLOOR PLANS WERE SMALL, AND SO I WASN'T CERTAIN
21 IF THAT PROVIDED THE MOST AMOUNT OF INTERACTION BETWEEN
22 THE SCIENTISTS. OTHER THAN THAT I DIDN'T HAVE ANY
23 CONCERNS WITH THE DESIGN.

24 THERE WAS NOT MUCH DISCUSSION OF GROWTH, AND SO
25 I DON'T KNOW HOW THEY WOULD BE ABLE TO ACCOMPLISH GROWTH,

BARRISTERS' REPORTING SERVICE

1 IF AT ALL. MAYBE I JUST MISSED IT. BUT IN GENERAL, I
2 FOUND THIS BE A VERY GOOD APPLICATION.

3 CHAIRMAN LICHTENGER: THANK YOU, DEBORAH. RICK,
4 I HAD A COUPLE OF QUESTIONS GOING BACK TO THE ISSUE OF
5 THE SQUARE FOOTAGE AND THE ALLOCATION. SO PREVIOUSLY,
6 THE PREVIOUS ANALYSIS HAD BEEN THAT THERE WAS AN
7 ASSIGNMENT OF A HUNDRED PERCENT OF THE --

8 MR. KELLER: DIFFERENCE BETWEEN GROSS, THAT WE
9 WERE BASICALLY BEING PRESENTED WITH A COST FOR
10 CIRCULATION, MECHANICAL SPACE, AND BASICALLY THE TEAR AS
11 BEING ALLOCATED TO THE CIRM-FUNDED PORTION OF THE
12 PROJECT. SINCE THAT TIME, THEY INDICATED THAT THE TABLES
13 THAT WERE INCLUDED IN THE APPLICATION WERE INCORRECT.
14 AND, IN FACT, IN SOME OF THE DRAWINGS, ONCE YOU CONSIDER
15 THE CIRCULATION SPACE ON UPPER FLOORS, THE GROSS IS
16 ACTUALLY 142, SO IT ENDS UP ABOUT A THIRD OF THE GROSS
17 HAS BEEN ALLOCATED TO THE NON --

18 CHAIRMAN LICHTENGER: SO --

19 MR. KELLER: SO IT'S RESOLVED ITSELF.

20 CHAIRMAN LICHTENGER: SO IT'S RESOLVED ITSELF IN
21 LINE WITH WHAT WE WOULD HAVE EXPECTED TO HAVE SEEN?

22 MR. KELLER: THAT'S RIGHT.

23 CHAIRMAN LICHTENGER: EXCELLENT. THAT'S GOOD.
24 BEFORE WE CALL UP -- BOB.

25 MR. KLEIN: BEFORE THE APPLICANT, IF WE TALK

BARRISTERS' REPORTING SERVICE

1 HERE ABOUT THE VALUE SCORE WHICH WAS EXPLORED HERE A
2 LITTLE EARLIER. AS DEBORAH SAYS, THIS COST IS 20 PERCENT
3 BELOW THE AVERAGE COST FOR INSTITUTES. AND MY
4 UNDERSTANDING IS THAT, STEVE, YOU SAW FUNCTIONALLY A VERY
5 GOOD VALUE IN THE LAB SPACE ITSELF, AND YOUR CONCERN OVER
6 VALUE WAS IN THE AUDITORIUM SPACE AND THE CONFERENCE
7 SPACE.

8 MR. COPENHAGEN: THAT'S RIGHT.

9 MR. KLEIN: AND WITH THIS BEING THE LOWEST COST
10 BY 20 PERCENT, IF WE ASSIGN NO VALUE TO THAT SPACE AT
11 ALL, THEN THEY WOULD HAVE -- WE COULD OFFSET THAT LACK OF
12 VALUE BY THE 20 PERCENT LOWER COST, AND THEY'D BE LEFT
13 WITH A RATING OF VERY GOOD FUNCTIONALITY ON ALL THE OTHER
14 SPACE. SO I THINK YOU HAVE TO MAKE IN VALUE A VALUE
15 ADJUSTMENT FOR THE FACT THEY HAVE 20 PERCENT LOWER COST.

16 CHAIRMAN LICHTENGER: BUT, BOB, RICK, MAYBE YOU
17 COULD HELP ME WITH THIS, BOB. THEY HAVE A 20 PERCENT
18 LOWER COST THAT TAKE INTO ACCOUNT THEIR CONFERENCE AND
19 OFFICE SPACE IN THE FIRST FLOOR, CORRECT?

20 MR. KLEIN: SURE, IT DOES.

21 MR. KELLER: YES, IT DOES.

22 MR. KLEIN: HE'S SAYING THAT THEY DON'T HAVE
23 GOOD VALUE TO CONFER. WHAT WE'RE BUYING IS -- THEY'RE
24 BEING DOWNGRADED BECAUSE OF THAT CONFERENCE SPACE. WHEN
25 YOU DO THE VALUE ADJUSTMENT, WE COULD GET ZERO VALUE OF

BARRISTERS' REPORTING SERVICE

1 THAT AND STILL HAVE EFFECTIVELY, THEN, ON THE BALANCE OF
2 THIS -- THE 20 PERCENT LOWER COST IS AS IF WE DIDN'T EVER
3 PAY FOR THAT SPACE AT ALL. FOLLOW ME? WE GOT TO NET OUT
4 20 PERCENT OF THE COST BECAUSE THEY'RE 20 PERCENT LOWER
5 COST THAN THE AVERAGE COST, AND THEN YOU ARE LEFT WITH
6 LAB SPACE THAT'S FUNCTIONALLY VIEWED AS BEING VERY GOOD.
7 FROM A VALUE VIEWPOINT, STEVE, WHEN YOU ADJUST FOR COST,
8 WOULD YOU ASSIGN IT A DIFFERENT GRADE?

9 MR. COPENHAGEN: I WAS TRYING IN MY ANALYSIS NOT
10 TO JUST LOOK AT THE DOLLAR PER SQUARE FOOT AND SAY THAT'S
11 LOWER AND, THEREFORE, HAS GREATER VALUE. I WAS LOOKING
12 AT THE FUNCTIONAL OR THE -- WHETHER THE BUILDING WAS
13 CREATING SPACES THAT WERE REALLY STRONG SUPPORT OR
14 NECESSARY TO THE SCIENCE AS PART OF THAT VALUE EQUATION.

15 BUT IF YOU TAKE YOUR SCENARIO THERE, YES,
16 BECAUSE THEY ARE SO MUCH CHEAPER IN COST, THAT YOU ARE
17 GETTING THAT VOLUME OF SPACE AND YOU'RE NOT PAYING A
18 PREMIUM FOR IT AT ALL.

19 CHAIRMAN LICHTENGER: IT SHOULD BE LESS
20 EXPENSIVE SPACE THOUGH IF 36 PERCENT OF IT IS OTHER
21 OFFICES AND ADMIN SUPPORT.

22 MR. KLEIN: SURE. BUT YOU CAN'T PENALIZE
23 SOMEONE TWICE. THEY'VE ALREADY GOT THE LOWEST COST.

24 CHAIRMAN LICHTENGER: I'M NOT PENALIZING THEM.
25 I JUST -- I'M JUST SAYING, BOB, IF YOU WANT TO REALLY

BARRISTERS' REPORTING SERVICE

1 EQUALIZE COST, THEN YOU HAVE TO SAY WHAT PERCENTAGE OF
2 THE SPACE IS OFFICE AND OTHER COMPARED TO LABS, SUPPORT,
3 AND PI, AND CORE FACILITIES.

4 MR. KLEIN: OFFICE HAS BEEN INCLUDED IN THE --
5 THE PI OFFICES HAVE BEEN INCLUDED WITH LAB SPACE IN THE
6 OTHER APPLICANTS. SO IT'S -- FURTHERMORE, I WOULD MAKE
7 THE ARGUMENT THAT ONE OF THE UNIQUE THINGS THAT THEY
8 PRESENTED IN TERMS OF THE SCIENTIFIC ARGUMENTS FOR THIS
9 AND ONE OF OTHER UNIQUE THINGS THEY PRESENTED IN THE
10 APPLICATION WAS THEY'RE PART OF A BIOTECH COMMUNITY
11 THAT'S VERY VIBRANT HERE, AND THAT THEY ARE PROPOSING TO
12 BRING THEM TOGETHER THROUGH THIS CONFERENCE AND MEETING
13 SPACE WITH THE CLINICIANS AND THE SCIENTISTS TO GET
14 BETTER TEAMS OF PEOPLE. SO I THINK IT ACTUALLY HAS A
15 VALUE.

16 CHAIRMAN LICHTENGER: BOB, YOU KNOW, I WOULD SAY
17 THERE'S DEFINITELY A VALUE TO THAT; BUT IF YOU LOOK AT
18 THE COST, TOTAL PROJECT COST PER PI, THEY DO HAVE, I
19 GUESS, THE THIRD HIGHEST IN THIS CATEGORY.

20 MR. KLEIN: IF YOU ADJUST THAT FOR TOTAL COST
21 PER RESEARCHER, YOU WILL FIND THAT THEY'RE TOWARDS THE
22 LOWEST END BECAUSE THEY'RE PROVIDING MORE SQUARE FOOTAGE
23 PER RESEARCHER THAN MANY OF THE OTHER APPLICANTS.

24 CHAIRMAN LICHTENGER: OKAY. SO ANY OTHER
25 COMMENTS OR QUESTIONS BEFORE WE --

BARRISTERS' REPORTING SERVICE

1 MR. KASHIAN: I HAVE SOME QUESTIONS. ON THE
2 ISSUE THAT BOB IS TALKING ABOUT, I TOTALLY AGREE. WHAT
3 THEY'RE DOING IN EFFECT IS CREATING A NEW ORGANIZATION, A
4 NEW ORGANIZATION THAT HAS TO SUSTAIN ITSELF WITH THE
5 ORGANIZATIONAL PART OF THE ASSOCIATIONS, ORGANIZATIONAL
6 PART THAT'S ALREADY ASSOCIATED WITH THE ESTABLISHED
7 CAMPUSES. THEY DON'T HAVE ADMINISTRATIVE OFFICE FOR
8 FACULTY AND FACILITIES AND THIS KIND OF THING. IF YOU
9 ADJUST THE COST AND TAKE OUT, THEN THEIR COST IS ABOUT
10 THE AVERAGE OF EVERYONE ELSE.

11 THE QUESTION I HAVE IS, RICK, I GUESS THIS IS OF
12 YOU. THERE'S NO QUESTION IN MY MIND THAT THERE'S VALUE
13 TO THE LAND. I KNOW TO BE FACT THAT THE UNIVERSITY, THE
14 UNIVERSITY TRUSTEES ARE NOT ALLOWED TO SELL GROUND BY
15 LAW. CAN'T DO IT. THE VALUE OF THE LAND DEPENDS ON WHAT
16 RENT THE TRUSTEES ARE CHARGING THIS CONSORTIUM FOR THE
17 LAND. THAT DETERMINES THE VALUE OF THE LAND. SO DO YOU
18 KNOW THE ANSWER TO MY QUESTION?

19 MR. KELLER: I KNOW WHAT THEY SAID IN THEIR
20 LETTER. AND I THINK THE CHAIRMAN INDICATED ON PAGE 5.

21 CHAIRMAN LICHTENGER: TAKE A LOOK AT PAGE 5.

22 MR. KELLER: PAGE 5 IN THE YELLOW SHEET.

23 MR. KLEIN: IT'S THE YELLOW SHEET, PAGE 5, THE
24 SECOND FULL PARAGRAPH.

25 MR. KELLER: WHAT THAT INDICATES IS THAT THEY

BARRISTERS' REPORTING SERVICE

1 WILL OBTAIN RIGHTS TO USE THE LAND FOR A 52-YEAR LEASE.
2 AND THEN THE LAST SENTENCE IS THE CAPITALIZED LEASE COST,
3 CIRM-FUNDED SHARE OF THE FACILITY IS 14.4 MILLION. AND
4 THEN IN THE PARAGRAPH THAT STARTS BELOW, IT SAYS,
5 ACCORDING TO STATEMENT OF ACCOUNTS, AND THEN THE NEXT
6 PARAGRAPH IS TO THE EXTENT THAT THE SDCRM USES ALL OR A
7 PORTION OF THE BUILDING FOR THE APPROVED USES, UCSD HAS
8 GENEROUSLY OFFERED TO GRANT TO SDCRM A CREDIT IN
9 PROPORTION TO SUCH APPROVED USE.

10 SO I DON'T KNOW THE DYNAMIC. ANSWERING YOUR
11 QUESTION AS TO HOW MUCH WILL THEY PAY IN RENT, IT SAYS
12 THAT THERE'S AN AMOUNT THAT IS PART OF A CAPITALIZED
13 LEASE. AND THEN THERE'S A STATEMENT THAT IT WOULD BE
14 FORGIVEN GENEROUSLY IF THEY USE THE BUILDING FOR THE
15 PURPOSES FOR WHICH IT'S INTENDED TO BE USED.

16 MR. KASHIAN: WELL, THE SECOND HALF OF THAT IS
17 RELEVANT.

18 MR. KELLER: YES.

19 MR. KASHIAN: THE OTHER ISSUE IS IS 52 YEARS
20 ENOUGH TO AMORTIZE WHAT WE'RE TALKING ABOUT AS A
21 LONG-TERM RESEARCH PROGRAM?

22 MR. KELLER: THIS WOULD HAVE THE LAND REVERT
23 BACK TO THE UNIVERSITY AT THE CONCLUSION OF THAT ALONG
24 WITH ANY IMPROVEMENTS.

25 CHAIRMAN LICHTENGER: ED, I HATE TO CUT YOU OFF,

BARRISTERS' REPORTING SERVICE

1 BUT I WANT TO GET THE APPLICANT UP HERE. AND WE CAN TALK
2 ABOUT THAT A LITTLE BIT MORE AFTER.

3 MR. KASHIAN: I OBJECT.

4 CHAIRMAN LICHTENGER: YOU OBJECT. OKAY. WHAT'S
5 YOUR QUESTION ON THIS, ED?

6 MR. KASHIAN: MY OTHER QUESTION LIES WITH THE
7 ABILITY TO GOVERN. WHERE IS -- HOW IS THAT ADDRESSED?
8 WHEN YOU DEVELOP A NEW CONSORTIUM, YOU HAVE ALL THESE
9 DIFFERENT ISSUES. AND HOW DO YOU GOVERN THE CONSORTIUM?

10 MR. KELLER: WE DIDN'T ADDRESS THAT, BUT I THINK
11 THE APPLICANT WILL BE ABLE TO ADDRESS IT.

12 MR. KASHIAN: THANK YOU.

13 CHAIRMAN LICHTENGER: THANKS, ED. IF WE COULD
14 HAVE THE CONSORTIUM STEP UP TO THE PODIUM, PLEASE.

15 DR. HOLMES: THANK YOU. MY NAME IS ED HOLMES.
16 I'M THE PRESIDENT OF THE SAN DIEGO CONSORTIUM FOR
17 REGENERATIVE MEDICINE OR SDCRM. AND LET ME SAY IT'S A
18 REAL PLEASURE TO BE ON THIS SIDE OF THE TABLE AND TO BE
19 HAVING THIS DISCUSSION. HAVING HAD THE PLEASURE TO WORK
20 WITH THE ICOC FOR SEVERAL YEARS, BOB AND OTHER ICOC
21 MEMBERS, I APPLAUD THAT YOU'VE GOTTEN US THIS FAR WHERE
22 WE'RE HAVING THIS PARTICULAR DISCUSSION. I ALSO THANK
23 RICK AND HIS STAFF. BEING A CONSORTIUM, WE PROBABLY HAD
24 TWICE AS MANY QUESTIONS AS ANYONE ELSE DID TO COME TO
25 YOU, AND THEY'VE BEEN VERY PATIENT IN HELPING US.

BARRISTERS' REPORTING SERVICE

1 SO I'M HERE WITH MY COLLEAGUE, LOUIS COFFMAN,
2 WHO'S THE VICE PRESIDENT OF SDCRM. AND WE THOUGHT WE
3 WOULD TAKE THIS IN TWO SETS IF THAT'S OKAY. I'LL DEAL
4 WITH FUNCTIONALITY, HE'LL DEAL WITH VALUE, AND WE'LL TRY
5 AND ANSWER ANY QUESTIONS OBVIOUSLY THAT HAVE YOU FOR US
6 ABOUT OTHER ISSUES IF THAT'S OKAY, MR. CHAIRMAN.

7 CHAIRMAN LICHTENGER: SURE. PLEASE NOTE THAT
8 YOU HAVE A THREE-MINUTE LIMIT OTHER THAN ANSWERING
9 QUESTIONS.

10 DR. HOLMES: QUICKLY THEN, ON THE FUNCTIONALITY
11 PART OF THIS, THE SCIENTISTS, I BROUGHT A LETTER WHICH I
12 COULD LEAVE FOR THE GROUP FROM THE LOCAL SCIENTISTS THAT
13 PARTICULARLY ADDRESS THIS FUNCTIONALITY. AND I WON'T GO
14 INTO THAT OTHER THAN TO SAY THIS IS A BUILDING THAT'S
15 REALLY BEEN DESIGNED BY LOCAL SCIENTISTS. AND THEY FEEL
16 VERY POSITIVE ABOUT THE BUILDING SERVING THEIR SCIENTIFIC
17 NEEDS, WHICH WE THINK IS VERY IMPORTANT.

18 LIKEWISE, TO SAY SOMETHING ABOUT THE COMMON
19 SPACE, I THINK THAT, AS MR. KLEIN SAID IN HIS REMARKS,
20 THAT A PART OF THE SCIENTIFIC PROGRAM IS THE COMMON
21 SPACE. THAT'S THE WAY THE PROGRAM WAS DESIGNED AND UNDER
22 ITS SCIENTIFIC REVIEW WAS SOMETHING THAT WAS VIEWED, I
23 THINK, POSITIVELY AT THAT TIME. SO THE COMMON SPACE IS
24 PART OF THE OVERALL COLLABORATIVE EFFORT WITH OTHER
25 PEOPLE WHO AREN'T IN THE BUILDING, BEING THE PRIVATE

BARRISTERS' REPORTING SERVICE

1 SECTOR ARE THERE.

2 IF I MIGHT SAY A WORD ABOUT THE LOCATION, THAT
3 THE EXACT NUMBER OF METERS, I CAN'T TELL YOU, BUT THE
4 SITE WAS CHOSEN SO THAT IT IS ADJACENT. THE SALK
5 INSTITUTE, UCSD, AND THE SCRIPPS RESEARCH INSTITUTE
6 PROPERTY ALL ABUTS UPON THIS. SO AS THE SALK FACULTY
7 LIKE TO SAY, IT'S CLOSER TO GET TO THIS BUILDING THAN IT
8 IS THEIR CAFETERIA IN THE SALK SO THAT IT'S QUITE
9 PROXIMATE FOR PEOPLE AT UCSD, SALK, AND TSRI TO GET
10 THERE. IT'S ACROSS THE STREET FROM UCSD, IT ABUTS SALK,
11 AND THE TSRI PROPERTY IS ADJACENT TO IT ALSO.

12 CHAIRMAN LICHTENGER: CAN YOU GIVE ME -- AGAIN,
13 I KNOW YOU'RE SAYING THAT YOU DON'T KNOW METERS. ARE WE
14 TALKING A HUNDRED YARDS, 300 YARDS?

15 DR. HOLMES: I GUESS IT DEPENDS UPON WHAT PART
16 OF THE UCSD CAMPUS THAT YOU MIGHT BE IN. LET'S SAY,
17 SALK, IT'S LITERALLY AS FAR AS FROM HERE TO YOU ACROSS
18 THE STREET TO GET THERE. FROM UCSD, PART OF UCSD IS
19 LITERALLY ACROSS THE STREET.

20 CHAIRMAN LICHTENGER: WHAT ABOUT THE CORES THAT
21 THESE RESEARCHERS WILL ACCESS?

22 DR. HOLMES: I MIGHT HAVE TO ASK LOUIS WHERE ALL
23 OF THE CORES ARE LOCATED.

24 MR. COFFMAN: PRINCIPALLY WHAT'S HAPPENED, AS ED
25 SAID, THE BUILDING HAS BEEN DESIGNED FROM THE BOTTOM UP.

BARRISTERS' REPORTING SERVICE

1 AND SO THE CORES THAT SCIENTISTS NEED, SPECIFICALLY THE
2 VIVARIUM AND THE ANIMAL IMAGING, ARE IN THE BUILDING.
3 THE GENOMICS, THE HIGH THROUGHPUT GENOMICS AND THE LIKE
4 ARE ALL IN THE BUILDING BECAUSE THE SCIENTISTS SAID THEY
5 NEED THAT TO ACHIEVE THE SCIENCE THAT THEY DESCRIBED IN
6 PART 1.

7 THE CORES THAT WE'RE GOING TO RELY ON PARTNERS,
8 OUR GMP FACILITIES, OUR RELATIONSHIP WITH ALTHEA
9 TECHNOLOGIES, GENOMICS WITH THE VENDOR INSTITUTE AND THE
10 LIKE.

11 WITH RESPECT TO DISRUPTION IN TERMS OF ACCESS TO
12 THE CORES ITSELF THAT ARE GOING TO BE RELIED ON IN OTHER
13 INSTITUTES, PROTEOMICS IS THE LARGEST, AND THAT'S SO WE
14 DON'T HAVE TO DUPLICATE THE MASS SPEC FACILITY THAT'S AT
15 TSRI IMMEDIATELY ADJACENT TO THE SITE.

16 DR. HOLMES: I THINK TO ANSWER THE CHAIRMAN'S
17 QUESTION, THE PROTEOMICS IS AT TSRI, WHICH ABUTS. I
18 DON'T KNOW EXACTLY WHICH BUILDING IN TSRI THAT IT'S IN.
19 WE CAN GET THAT INFORMATION FOR YOU.

20 CHAIRMAN LICHTENGER: I THINK YOU'VE GIVEN ME A
21 GOOD ENOUGH SENSE, THAT IT'S RIGHT NEXT TO IT.

22 DR. HOLMES: I THINK YOU CAN SAY THAT IT'S FIVE
23 MINUTES WALKING DISTANCE TO MOST OF THE AREA.

24 CHAIRMAN LICHTENGER: PERFECT. THAT HELPS.
25 THANK YOU.

BARRISTERS' REPORTING SERVICE

1 DR. HOLMES: AND IF I MIGHT SAY ONE THING ABOUT
2 GROWTH, WHICH WE WERE ASKED SPECIFICALLY TO COMMENT ON
3 GROWTH. THE BUILDING AS IT'S DESIGNED AND WAS SPOKEN TO,
4 ROUGHLY 60 PERCENT OF IT IS SDCRM, 40 PERCENT OR 29,000
5 SQUARE FEET OF THIS SPACE IS NOT SDCRM. THE COMMITMENT
6 FROM THE FOUR PARTNER INSTITUTIONS IS THAT THEY WILL PUT,
7 TO THE EXTENT POSSIBLE, STEM CELL SCIENTISTS INTO THAT.
8 SO IN OUR MIND THAT IS OUR GROWTH SPACE THAT IS PART OF
9 THAT BUILDING. AND EACH OF THE FOUR INSTITUTIONS WANTS
10 AND PLANS TO AND IS COMMITTED TO PUT STEM CELL SCIENTISTS
11 THERE. THEY MAY NOT HAVE ALL OF THE STEM CELL SCIENTISTS
12 RIGHT NOW TO GO IN THAT; HENCE, THE GROWTH CAPACITY.

13 FINALLY, I WOULD JUST SAY ONE THING ABOUT THE
14 CONSORTIUM. I DON'T KNOW HOW YOU WOULD PUT THIS IN AS
15 FAR AS VALUATION TO DEAL WITH. BUT IN OUR EARLY
16 DISCUSSIONS ABOUT GOING IN SEPARATELY AS FOUR
17 INSTITUTIONS VERSUS GOING IN AS A CONSORTIUM, IN THE
18 BEGINNING STAGE EACH OF THE FOUR INSTITUTIONS HAD PLANNED
19 TO GO IN SEPARATELY. SO WE WENT IN FOR \$50 MILLION. I
20 DON'T KNOW EXACTLY WHAT IT WOULD BE IF WE HAD GONE IN
21 SEPARATELY, BUT I SUSPECT IT WOULD HAVE BEEN \$100 MILLION
22 IF YOU TAKE THE VARIOUS INSTITUTIONS IF THEY HAD GONE IN.
23 I DON'T KNOW HOW TO DEAL WITH THAT AS A PARTICULAR
24 SAVINGS, BUT IT WAS A SPECIFIC PART OF OUR PLAN WAS TO
25 TRY AND SAVE COST THAT WAY.

BARRISTERS' REPORTING SERVICE

1 CHAIRMAN LICHTENGER: WE APPRECIATE IT. THANK
2 YOU.

3 MR. COFFMAN: I THINK OUR THREE MINUTES ARE UP,
4 BUT IF I CAN IMPOSE JUST TO ADDRESS A COUPLE OF THE
5 QUESTIONS.

6 CHAIRMAN LICHTENGER: QUESTIONS DON'T COUNT FOR
7 YOUR TIME.

8 MR. COFFMAN: ASK ME ABOUT VALUE.

9 CHAIRMAN LICHTENGER: ACTUALLY I WANT TO ASK YOU
10 ABOUT URGENCY THOUGH.

11 MR. COFFMAN: HAPPY TO TALK ABOUT THE URGENCY.
12 SO URGENCY, ONE OF THE THINGS THAT WE'VE -- THE
13 INNOVATIVE THINGS THAT WE'VE DONE HERE IS THAT THE
14 CONSORTIUM HAS ENGAGED A DEVELOPER. THE DEVELOPER, AND
15 THE DEVELOPER IS LANGFORD & ASSOCIATES, WE WENT THROUGH
16 AN RFP PROCESS, AND HE HAS ASSEMBLED A TEAM, INCLUDING
17 TWO SETS OF ARCHITECTS, AS WELL AS A SUSTAINABILITY
18 ENGINEER, AND HENSEL PHELPS IS THE CONTRACTOR. WE'VE
19 ENGAGED THE DEVELOPER EFFECTIVELY TO BRING COST
20 DISCIPLINE AND TIME DISCIPLINE. BUT WE'RE WORKING WITH
21 UCSD AS OUR GROUND TENANT AND ALSO AS THE LEAD AGENCY
22 WITH RESPECT TO THE EIR. AND SO MANY PARTS OF THE EIR
23 PROSECUTION PROCESS ARE BEING DONE IN PARALLEL THAT WOULD
24 NORMALLY BE DONE SERIALLY.

25 FOR INSTANCE, NOW WE ARE IN THE MIDST OF THE --

BARRISTERS' REPORTING SERVICE

1 WE ARE IN THE PUBLIC HEARING ON THE NOTICE OF
2 PREPARATION. OUR EIR IS BEING DRAFTED. IT'S NOT
3 PREDETERMINED, BUT IT'S BEING DRAFTED AS WE SPEAK. SO
4 WHEN THE NOTICE OF PREPARATION, THAT PUBLIC PERIOD IS
5 OUT, WE'RE READY TO ISSUE THE EIR. WE WORK WITH THE
6 OFFICE OF THE PRESIDENT IN TERMS OF THE NUMBERS OF
7 REVIEWS THAT WE EXPECT THAT THEY WILL DO, SO WE BELIEVE,
8 WE APPRECIATE AND WE ACCEPT THAT IT IS AN AGGRESSIVE
9 SCHEDULE, BUT WE BELIEVE THAT WE CAN GET TO THE REGENTS
10 IN NOVEMBER OF '08. IF WE GET TO THE REGENTS IN NOVEMBER
11 OF '08, WE CAN BE TO THE CALIFORNIA COASTAL COMMISSION
12 BECAUSE WE'VE HAD PRELIMINARY DISCUSSIONS WITH THE STAFF.
13 WE BELIEVE WE CAN BE THERE IN DECEMBER, AND WE CAN PUT A
14 SHOVEL IN THE GROUND IN MARCH '09.

15 MS. HYSEN: IN TERMS OF THE SCHEDULE, I DO THINK
16 IT'S HIGHLY AMBITIOUS. DO YOU HAVE ANY INCENTIVE TO THE
17 CONTRACTOR OR ARE YOU CONTEMPLATING IT TO MEET YOUR
18 TIMEFRAMES OR CONVERSELY ANY PENALTY IF THEY DON'T?

19 MR. COFFMAN: WE HAVE PASSED THROUGH ANY
20 PENALTIES ASSOCIATED WITH THE CIRM PENALTIES BACK ONTO
21 THE DEVELOPMENT MANAGEMENT AGREEMENT WHERE THE PRESIDENT
22 HAS DISCRETION TO PENALIZE US IF WE DO NOT MEET THE
23 URGENCY REQUIREMENT.

24 CHAIRMAN LICHTENGER: WHAT IF IT'S CAUSED BY THE
25 COASTAL PERMIT PROCESS OR OTHER GOVERNMENTAL APPROVAL

BARRISTERS' REPORTING SERVICE

1 PROCESSES? SO I MEAN --

2 MR. COFFMAN: IF WE DO NOT MEET THE CIRM
3 DEADLINE, WE HAVE THE ISSUE. WHAT THEY'VE DONE IS
4 THEY'VE WORKED PART AND PARCEL WITH US PUTTING TOGETHER
5 THE SCHEDULE. WE ADMIT IT'S AGGRESSIVE. IT'S VERY
6 DIFFICULT. I BELIEVE WE'VE EXPENDED EVERY EFFORT WE CAN
7 TO, ONE, ENGAGE THE COMMUNITY. ONE, I THINK YOU'VE SEEN
8 IN OUR LETTER WE HAVE SUPPORT OF THE MAYOR, WE HAVE THE
9 SUPPORT OF THE COUNCIL PRESIDENT, WE HAVE THE SUPPORT OF
10 TWO MEMBERS OF THE BOARD OF SUPERVISORS, AND THEY'RE ALL
11 WHOLLY BEHIND THE PROJECT. SO, YES, IT IS AGGRESSIVE,
12 BUT WE BELIEVE THAT WE CAN ACCOMPLISH IT AND BE IN FRONT
13 OF THE REGENTS IN NOVEMBER.

14 CHAIRMAN LICHTENGER: I'M GOING TO GIVE YOU A
15 SOFTBALL. YOU WANT TO TELL ME ABOUT VALUE?

16 MR. COFFMAN: THANK YOU. WITH RESPECT TO VALUE,
17 WHAT WE DID IS ADDRESS IN THE APPLICATION IN THE CRITERIA
18 THAT WERE DISCUSSED THROUGHOUT THE LAST YEAR. ONE,
19 REASONABLE AND NECESSARY COST I REMEMBER BECAUSE I
20 SUGGESTED IT, AND THEN INNOVATION AND SUSTAINABILITY.
21 WITH RESPECT TO REASONABLE AND NECESSARY, IT'S ALREADY
22 BEEN POINTED OUT THAT THE APPLICATION IS THE LOWEST COST.
23 AND WE BELIEVE THAT IT'S A RESULT OF THE DISCIPLINE THAT
24 WE BROUGHT BY VIRTUE OF EMPLOYING THE DEVELOPER, WHO'S
25 BEEN VERY RIGOROUS IN TERMS OF HOLDING THE COST DOWN.

BARRISTERS' REPORTING SERVICE

1 WITH RESPECT TO SUSTAINABILITY, WE'VE ENGAGED
2 LINCOLN SCOTT, WHO IS VERY, VERY ADVANCED IN TERMS OF
3 SUSTAINABILITY AND DIFFERENT GREEN INITIATIVES. SOME OF
4 THE MEP SOLUTIONS THAT THEY'VE HAD HELPED US REDUCE
5 SIGNIFICANTLY THE MECHANICAL COSTS OF THE BUILDING USING
6 CHILLED BEAMS, CONVECTIVE, AND THE LIKE, AND SO THAT, I
7 THINK, IS GOING TO BE EXTRAORDINARY. AS WELL AS THE
8 VIVARIUM, WE'RE LOOKING AT WHAT I KNOW OTHER APPLICANTS
9 HAVE LOOKED AT AS WELL, A DISPOSABLE CAGING SYSTEM WHICH
10 OBVIATES THE PURCHASE OF EXTRAORDINARY CAGE WASHING
11 EQUIPMENT, PLUS IT ENABLES US TO LOCATE VIVARIA UP ON THE
12 LAB FLOORS.

13 THE OTHER INNOVATIVE THING WHICH ADDRESSES A
14 THING THAT, MS. HYSEN, YOU BROUGHT UP AS WELL AS STEVE
15 CRITICIZED THE LABS AS BEING CONTIGUOUS. ONE OF THE
16 PEOPLE MADE A COMMENT THAT LAB RESEARCHERS ARE PRONE TO
17 GO 10 X HORIZONTAL BEFORE THEY GO VERTICAL. IT'S BECAUSE
18 THEY HAVE TO BECAUSE THERE ARE NO SPACES. WHAT WE HAVE
19 DONE IS, GIVEN THE SITE LIMITATIONS, WE'VE CREATED
20 CIRCULAR STAIRCASES IN THE MIDDLE OF THE LABS, WHAT WE
21 CALL VERTICAL CIRCULATION ELEMENTS, TO TIE THE ENTIRE
22 BUILDING TOGETHER TO INCREASE THE COLLABORATION. I'M
23 GETTING EXCITED. I'VE BEEN LIVING THIS.

24 SO THE IDEA WAS THAT THE PRINCIPAL PURPOSE OF
25 THE BUILDING WAS TO ENABLE AND FACILITATE COLLABORATION.

BARRISTERS' REPORTING SERVICE

1 AND SO IN THAT EVERYTHING WE'VE DONE IS THAT THE
2 SCIENTISTS, EVERYTHING ABOUT THE BUILDING WAS TO ENABLE
3 THAT. AND THE MOST IMPORTANT THING WITH RESPECT TO
4 FUNCTIONALITY IN THAT ADDITIONAL SPACE, WE'RE GOING TO
5 LOCATE 21 INVESTIGATORS IN THE BUILDING. IN OUR PART 1
6 APPLICATION, THERE WERE 109 BIOSKETCHES, AND THERE
7 WEREN'T 160 BECAUSE 50 COULDN'T GET THEM TO US IN TIME.
8 THE OTHER SPACES ARE CREATED THERE TO ENGAGE THE OTHER 90
9 MEMBERS OF THE NONRESIDENT FACULTY MEMBERS IN THE
10 COMMUNITY AS WELL AS THE CORPORATE PARTNERS THAT I
11 ALLUDED TO.

12 MS. SAMUELSON: MY QUESTION GOES TO I THINK BOTH
13 VALUE AND FUNCTIONALITY AND MAYBE FOCUSES MOST ON THE
14 GROUND FLOOR CONFERENCE SPACES. AND THERE WAS A
15 DISCUSSION ABOUT THAT BEING A BENEFIT COUNTYWIDE. IT
16 WOULD SEEM TO ME THAT THE BENEFIT IS MUCH MORE
17 INTERNATIONAL. WITNESS YOUR OWN DR. HOLMES' HISTORY
18 SINCE YOU LEFT US. AND THE COLLABORATIONS, I WOULD THINK
19 YOU'D BE HAVING WITH ASIA AND SO ON. THAT'S VERY
20 EXCITING, I WOULD THINK, AND OF ENORMOUS VALUE AND HAVE A
21 BIG A RETURN ON INVESTMENT IN TERMS OF THE WORK PRODUCT,
22 IN ADDITION TO BEING CHEAP PERHAPS. COULD YOU SPEAK TO
23 THAT BECAUSE WE HAVEN'T REALLY HEARD ABOUT THAT?

24 DR. HOLMES: THANK YOU FOR THAT COMMENT. YES,
25 WE DO VIEW IT AS SOMETHING THAT IS MORE THAN JUST THE

BARRISTERS' REPORTING SERVICE

1 LOCAL COMMUNITY THAT WOULD TAKE ADVANTAGE OF THAT. THE
2 DESIGN OF THE PROGRAM SCIENTIFICALLY IN THE SCIENTIST'S
3 MIND, I THINK, COULD VERY MUCH ENVISION THAT PART OF
4 THEIR COLLABORATION, YOU COULD EITHER HAVE PEOPLE COMING
5 IN AND WORKING AT A BENCH NEXT TO YOU, OR YOU COULD
6 HAVING PEOPLE COMING INTO A FACILITY LIKE THIS TO
7 PARTICIPATE IN DIFFERENT TYPES OF INTERACTION. AND I
8 TAKE YOUR POINT. IT WOULD BE, ALTHOUGH WE HAVE NOT
9 THOUGHT ABOUT IT, IT WOULD BE REALLY IMPORTANT TO THINK
10 ABOUT USING IT FOR INTERNATIONAL TYPES OF ACTIVITIES AS
11 WELL AS JUST ACTIVITIES ACROSS THE WIDER SAN DIEGO
12 COMMUNITY AND CALIFORNIA. DO YOU WANT TO ADD ANYTHING TO
13 IT?

14 MR. COFFMAN: I THINK BEYOND THE INTERNATIONAL,
15 A COMMENT THAT WAS MADE BY MR. COPENHAGEN IS THAT THERE
16 ARE NO PROGRAMS IDENTIFIED OTHER THAN INTERACTION AND
17 SEMINAR SPACE THAT JUSTIFIES THE LARGE OPEN AREA ON THE
18 FIRST FLOOR. WE RESPECTFULLY DISAGREE BECAUSE IN THE
19 PART 1, THROUGHOUT THE PART 1 AND ALSO IN PART 2, THE
20 PRINCIPAL OBJECTIVES OF THE CONSORTIUM WERE TO PROMOTE
21 COLLABORATION, TO INVENT NEW TOOLS, TEACH AND TRAIN THE
22 NEXT GENERATION OF SCIENTISTS, AND THEN OUTREACH TO THE
23 COMMUNITY. ALL OF THESE SPACES ARE VITALLY IMPORTANT FOR
24 THOSE SPECIFIC PURPOSES. IT'S NOT THAT THIS IS STARTING
25 DE NOVO. THERE'S AN EXTRAORDINARY EXPERIENCE AMONG ALL

BARRISTERS' REPORTING SERVICE

1 THE CONSORTIUM MEMBERS ALREADY IN REACHING OUT TO THE
2 COMMUNITY. THE NEUROSCIENCE STEM CELL TRAINING PROGRAM
3 WAS RECENTLY RANKED THE BEST IN THE WORLD.

4 SO THERE IS PROGRAMMATIC PURPOSE FOR THOSE
5 SPACES. AND OTHERS ARE CRITICIZED FOR NOT HAVING ENOUGH
6 OF THEM, AND WE'VE GOT TOO MUCH OF THEM, BUT WE BELIEVE
7 THAT THEY'RE WHOLLY SUPPORTED AND JUSTIFIED IN WHAT WAS
8 DESCRIBED IN PART 1.

9 CHAIRMAN LICHTENGER: THE VICE CHAIR HAD A
10 QUESTION.

11 VICE CHAIRMAN SERRANO-SEWELL: I WANT TO GET
12 BACK TO URGENCY FOR A SECOND. I DON'T WANT TO DWELL ON
13 IT, BUT IT SEEMS TO ME THAT THERE WERE CERTAIN -- GIVE ME
14 A COMFORT LEVEL HERE. IT SEEMS TO ME THAT THERE ARE
15 CERTAIN CHALLENGES AND ISSUES THAT ARE JUST OUTSIDE OF
16 THE CONSORTIUM'S CONTROL. YOU CAN MEET WITH THE COASTAL
17 COMMISSION, AND IT'S GOOD. I'M GLAD TO HEAR YOU'RE
18 MEETING WITH THEM, BUT ULTIMATELY IT'S THE COMMISSIONERS
19 THAT ARE GOING TO MAKE THAT CALL. THERE ARE OTHER
20 INTERESTED STAKEHOLDERS IN THE COMMUNITY THAT HAVE
21 EXPRESSED THEIR DIRE -- THEIR CONCERN ABOUT THIS.

22 MR. COFFMAN: IT'S DIRE.

23 VICE CHAIRMAN SERRANO-SEWELL: I'M A LAND USE
24 ATTORNEY IN SAN FRANCISCO FOR THE CITY, SO I KNOW HOW
25 CHALLENGING THIS CAN BE. IT CAN BE VERY CHALLENGING, AND

BARRISTERS' REPORTING SERVICE

1 GETS VERY DICEY REAL FAST. SO HAVE YOU THOUGHT ABOUT AND
2 ARE YOU ENGAGING SOMEONE TO, LIKE, WORK WITH THOSE
3 STAKEHOLDERS TO GET A BROKERED SITUATION SO, YOU KNOW,
4 THERE'S A UNIFIED FRONT BEFORE THE COASTAL COMMISSION?
5 BECAUSE IT'S BEEN MY EXPERIENCE YOU DON'T NEED A LOT TO
6 STOP SOMETHING. IT'S EASY TO STOP SOMETHING. IT'S
7 HARDER TO MAKE IT HAPPEN. THAT'S THE HARD WORK.

8 I'M NOT SUGGESTING -- I'M NOT CASTING ANY
9 ASPERSIONS ON ANYONE. I THINK ALL VOICES NEED TO BE
10 HEARD, AND THIS IS WHAT THE REGULATORY PROCESS IS ALL
11 ABOUT. SO IT'S NOT A SLIGHT ON ANYONE. BUT I'M NOT
12 SUGGESTING THAT PEOPLE JUST WANT TO SAY NO TO THESE
13 THINGS. BUT I'M SAYING THIS IS THE REALITY OF CALIFORNIA
14 LAND USE POLITICS ARE SUCH THAT YOU, AS THE APPLICANT AND
15 AS THE PROJECT SPONSOR, HAVE TO DEAL WITH IT.

16 SO BEYOND, LIKE, OKAY, I GOT THE WHOLE SCIENCE,
17 IT'S INTEGRATED WITH STAIRS. I'M FINE. TELL ME HOW
18 YOU'RE GOING TO DEAL WITH THAT PIECE OF IT, AND THAT GOES
19 TO URGENCY IN MY OPINION.

20 MR. COFFMAN: ABSOLUTELY. SINCE DECEMBER,
21 WEEKLY UCSD, WHO IS THE LEAD AGENCY IN ALL OF THIS, AS
22 WELL AS WITH CONTACTS BACK INTO UNIVERSITY, THE
23 PRESIDENT'S OFFICE AS WELL, ALSO -- I DIDN'T KNOW THIS
24 EXISTED BEFORE WE STARTED THIS -- A HISTORICAL ATTORNEY,
25 WHOSE FOCUS IS JUST ON DEALING WITH SITES THAT ARE LISTED

BARRISTERS' REPORTING SERVICE

1 ON THE NATIONAL REGISTRY OF HISTORICAL PLACES. AND WE
2 ALSO HAVE A CEQA ATTORNEY WHO'S WORKING WITH US HAND IN
3 HAND IN DEVELOPING THE EIR. THE SITE, THE ISSUE, WE
4 VISITED, WE'VE DONE IT, WE'VE DONE A PRELIMINARY REVIEW
5 OF ALL THE ENVIRONMENTAL POTENTIAL IMPACTS, AND WE HAVE
6 NOT PREDETERMINED. BUT AS THE APPLICANT, WE'VE DECIDED
7 TO GO FORWARD CONSCIOUSLY WITH THIS DESPITE ALL OF THESE
8 POTENTIAL BARRIERS BECAUSE THE ISSUE IS THE GLIDER PORT.
9 AND IT'S NOT THE HANG GLIDERS. THE HANG GLIDERS, THE
10 PEOPLE WHO TAKE THE LEAP OF FAITH WITH THE LITTLE KITE ON
11 THE BACK, THEY'RE NOT GOING TO BE IMPACTED. IT'S JUST
12 THE SOARING, THE GLIDERS, THE FIXED-WING GLIDERS. AND
13 THE FIXED-WING GLIDER PORT IS NOTED ON THE NATIONAL
14 REGISTRY FOR HISTORICAL SIGNIFICANCE FROM 1932 TO 1950.

15 NOW, THE IMPORTANCE IS, WHAT WE'VE LEARNED OF
16 THE NATIONAL HISTORIC SITE IS THAT WHAT'S THE BASIS OF
17 THIS LISTING? AND THE BASIS OF THIS LISTING IS EVENTS
18 AND PEOPLE, NOT A STRUCTURE. AND SO WE BELIEVE THAT
19 GIVEN THE FACT THAT -- WE AGREE THAT THE EVENTS AND THE
20 PEOPLE THAT HAPPEN THERE SHOULD BE REMEMBERED AND
21 CELEBRATED. WE THINK WE CAN DO THAT WITHOUT
22 DISRUPTING -- WITHOUT IT PRECLUDING US FROM BUILDING ON A
23 SITE THAT'S IN THE UCSD LONG-RANGE DEVELOPMENT PLAN FOR
24 ACADEMIC USE IN A GROVE OF TREES, WHICH IS NOT A PIECE OF
25 PROPERTY THAT'S TYPICALLY ASSOCIATED WITH FLIGHT. THE

BARRISTERS' REPORTING SERVICE

1 GLIDER PORT HAS A RUNWAY. THAT'S GOING TO BE UNIMPACTED,
2 SO WE HAVE A TEAM OF PEOPLE, VERY DIVERSE PEOPLE, THAT
3 ARE VISITING THESE ISSUES.

4 YOU'RE RIGHT, MR. SERRANO-SEWELL, WE CAN'T --
5 ANYTHING CAN HAPPEN, BUT I THINK WE'VE DONE A VERY, VERY
6 THOROUGH JOB OF EXAMINING THEM AND ANTICIPATING THEM.

7 MR. KLEIN: I THINK THE GLIDER PORT --

8 DR. HOLMES: YOU MENTIONED ABOUT HAVING OTHER
9 HELP. WE HAVE RETAINED A CONSULTANT WHO'S VERY
10 KNOWLEDGEABLE IN DEALING WITH THESE TYPES OF MATTERS
11 WHO'S WORKING WITH US ON A BASIS TO DEAL WITH THE
12 POLITICAL, ALL THE VARIOUS AGENCIES WITH WHOM WE HAVE TO
13 WORK, AND HAS BEEN SUCCESSFUL IN THE PAST IN HELPING.

14 MR. KLEIN: THE GLIDER PORT IS CLEARLY AN ISSUE,
15 AND THE COASTAL ZONE APPROVAL IS CLEARLY AN ISSUE. BUT I
16 HAVE ACTUALLY FOR AFFORDABLE HOUSING GONE THROUGH A
17 COASTAL ZONE APPROVAL EVEN FASTER THAN THIS. IT'S A
18 WEIGHING OF PUBLIC POLICY. I TAKE IT THAT BEING LOCAL
19 THERE YOU WOULDN'T BE SPENDING MONEY UNLESS YOU REALLY
20 BELIEVED YOU'RE GOING TO GET THROUGH THE COASTAL ZONE
21 COMMISSION BECAUSE THE PEOPLE THAT ARE INVOLVED HERE ARE
22 EXTRAORDINARILY WELL-INFORMED PEOPLE IN THIS COMMUNITY.
23 BUT IT IS A RISK THAT EVERYBODY HAS TO UNDERSTAND.

24 BUT IN TERMS OF THE FUNCTIONALITY, THIS RECEIVED
25 THE HIGHEST OVERALL SCORES OF ANY APPLICATION. AND THE

BARRISTERS' REPORTING SERVICE

1 PEER REVIEW PROCESS, THEY UNDERSTOOD WHERE THIS WAS, HOW
2 IT WAS SITUATED IN RELATION TO THE OTHER FACILITIES. AND
3 IT WOULD BE INTERDEPENDENT FOR ITS USE OF CORES, SO THE
4 SCIENTISTS ON THE PEER REVIEW PANEL, IN GIVING THIS THE
5 HIGHEST SCIENTIFIC SCORE, LOOKED AT THIS ISSUE AND
6 EVALUATED IT, AND I THINK I PERSONALLY WILL SHOW SOME
7 DEFERENCE TO THEIR OPINION.

8 BUT FOR THE PUBLIC'S BENEFIT, YOU HAVE A LETTER.
9 HOW LONG IS THAT LETTER, THE LETTER FROM THE SCIENTISTS?

10 DR. HOLMES: I CAN PROBABLY EXTRACT THE KEY
11 POINTS FROM IT AND LEAVE IT WITH YOU. IT'S A PAGE AND A
12 HALF.

13 CHAIRMAN LICHTENGER: WHY DON'T WE DISTRIBUTE IT
14 TO THE MEMBERS.

15 MR. KLEIN: WE SHOULD DISTRIBUTE IT, BUT FOR THE
16 BENEFIT OF THE PUBLIC, I THINK YOU SHOULD READ THE KEY
17 POINTS BECAUSE IT'S IMPORTANT THAT THE PUBLIC BE ABLE TO
18 COMMENT ON THOSE KEY POINTS IF THEY THINK IT'S
19 APPROPRIATE.

20 DR. HOLMES: THIS IS SIGNED BY -- ACTUALLY WE
21 WERE ASKED ABOUT GOVERNANCE, IF I MIGHT ANSWER THAT
22 BECAUSE IT GOES TO THIS POINT, MR. CHAIRMAN, ABOUT HOW WE
23 WOULD GOVERN THE ORGANIZATION. I'M THE PRESIDENT OF THE
24 ORGANIZATION, WHICH WOULD BE SORT OF LIKE A DEAN, I GUESS
25 YOU WOULD SAY. WE HAVE A SCIENTIFIC STEERING COMMITTEE

BARRISTERS' REPORTING SERVICE

1 WHO ARE THE PEOPLE WHO SIGNED THIS PARTICULAR LETTER IN
2 FRONT OF YOU, WHICH IS A SENIOR SCIENTIST, STEM CELL
3 SCIENTIST, FROM EACH OF THE FOUR INSTITUTIONS, AND WE
4 HAVE A BOARD OF DIRECTORS COMPOSED OF THE PRESIDENTS OF
5 THE FOUR INSTITUTIONS, PLUS KEY COMMUNITY LEADERS WHO WE
6 GO TO FOR GOVERNANCE-RELATED ISSUES.

7 AS FAR AS RECRUITMENT, THE FOUR SCIENTISTS
8 WORKING WITH THE FACULTIES IN THE FOUR INSTITUTIONS WILL
9 DO THE ADDITIONAL RECRUITING AS A TEAM EFFORT, AND EACH
10 PERSON WILL HOLD A PRIMARY APPOINTMENT ON THE FACULTY AT
11 ONE OF THE INSTITUTIONS. CIRM GETS, IF YOU WILL, THE
12 BENEFIT OF, LET'S SAY, HAVING TENURE AT UCSD AND THE SIX
13 FTE'S THAT UCSD IS PUTTING INTO THIS IF THAT POTENTIALLY
14 ADDRESSES THAT QUESTION.

15 MR. KASHIAN: I'D LIKE TO ASK YOU A FEW MORE
16 FOLLOW-UP QUESTIONS.

17 DR. HOLMES: SHOULD I JUST FINISH OFF THIS
18 LETTER, THEN, FROM THE SCIENTIFIC STEERING COMMITTEE?

19 CHAIRMAN LICHTENGER: LET HIM FINISH THAT IF
20 THAT'S OKAY, ED.

21 DR. HOLMES: JUST TO READ A SENTENCE HERE, AS
22 THE LEADERSHIP TEAM FOR THE GROUP OF SCIENTISTS WHO WILL
23 OCCUPY AND USE THIS BUILDING, WE ARE CONFIDENT THAT THE
24 DESIGN OF THIS FACILITY IS HIGHLY FUNCTIONAL FOR THE TYPE
25 OF COLLABORATIVE STEM CELL RESEARCH AND BEHAVIORAL

BARRISTERS' REPORTING SERVICE

1 CHARACTERISTICS OF OUR UNIQUELY INTERACTIVE SCIENTIFIC
2 COMMUNITY. THEY GO ON TO SAY THAT THEY'VE WORKED
3 CAREFULLY WITH THE ARCHITECTS AT EVERY STEP OF THE WAY
4 AND HAVE BROUGHT THE BEST OF WHAT THEY HAVE IN THEIR FOUR
5 INSTITUTIONS INTO THE PLANNING OF THIS SPACE THAT MEETS
6 THEIR NEED.

7 THEY SAY THE APPARENT ISOLATION OF THE PROPOSED
8 SDCRM AS NOTED BY CANNON DESIGN DOES NOT TAKE ACCOUNT
9 THAT OUR COMMUNITY MOVEMENT OF SCIENTISTS AND
10 COLLABORATIVE TEAMS BETWEEN THE FOUR INSTITUTIONS HAPPENS
11 ON A DAILY BASIS BY A COMBINATION OF WALKING, DRIVING,
12 AND SHUTTLE SERVICES. NONE OF THESE SITES IS MORE THAN
13 FIVE TO TEN MINUTES AWAY FROM EACH OTHER. IN FACT, THE
14 COMBINED SITE IS SMALLER THAN MOST UNIVERSITY CAMPUS
15 SITES. AND I BELIEVE THAT'S THE KEY POINTS RELATED TO
16 THAT.

17 CHAIRMAN LICHTENGER: GREAT. THANK YOU. ED,
18 DID YOU WANT TO ASK A FOLLOW-UP QUESTION?

19 MR. KASHIAN: A FEW. I WANT TO PREFACE WHAT I'M
20 ASKING BY TELLING YOU THAT THIS CONCEPT IN THE SCIENTIFIC
21 SCORE, I COMMEND YOU AND YOUR COLLEAGUES TOTALLY. IT'S
22 EXACTLY THE KIND OF THING THAT I THINK SHOULD HAPPEN.

23 THAT BEING SAID, I DON'T MEAN TO BE CRASS BY
24 ASKING THIS QUESTION, BUT IT MAY HAVE BEEN WRITTEN AND I
25 MISSED IT, DO YOU HAVE A WRITTEN ORGANIZATION? ARE YOU A

BARRISTERS' REPORTING SERVICE

1 LEGAL ENTITY?

2 DR. HOLMES: OH, YES. WE ARE A 501(C)(3)
3 NOT-FOR-PROFIT.

4 MR. COFFMAN: YES, WE'RE ORGANIZED AS A
5 CALIFORNIA CORPORATION, NONPROFIT CORPORATION. WE'VE
6 RECEIVED AN IRS DETERMINING LETTER OF OUR TAX-EXEMPT
7 STATUS.

8 MR. KASHIAN: DO YOU HAVE A WRITTEN, EXECUTED
9 LEASE WITH THE UNIVERSITY?

10 MR. COFFMAN: IT'S UNDER NEGOTIATION. TERM
11 SHEET, BUT IT WAS EMBODIED -- THE DOCUMENT THAT CAUSED
12 THE ORGANIZATIONS TO COME TOGETHER WAS A CONSORTIUM
13 AGREEMENT. THAT CONSORTIUM AGREEMENT HAD IT IN THERE
14 THAT WE WOULD WORK THROUGH THIS TERM SHEET FOR A GROUND
15 LEASE WITH THE UNDERSTANDING --

16 MR. KASHIAN: LEASE SAYS THAT THE RENT WILL BE
17 FORGIVEN IF IT'S USED FOR THIS PURPOSE?

18 MR. COFFMAN: THE LEASE SAYS -- YES, WE WILL PAY
19 FAIR MARKET RENT FOR THE LEASE, WHICH IS DETERMINED BASED
20 UPON A FAIR MARKET COMP BASED ON A RECENT TRANSACTION
21 LEASE THAT THEY'VE DONE WITH ANOTHER TENANT.

22 THEY WILL, INDEED, TO THE EXTENT THAT WE USE
23 THIS FOR STEM CELL RESEARCH, WE WILL INDEED GET A RENT
24 CREDIT EQUAL TO THAT USE; HOWEVER, WE MAY HAVE TO
25 MONETIZE THEIR POSITION BECAUSE IT SAID TO THE EXTENT

BARRISTERS' REPORTING SERVICE

1 THAT ANY OF THE PARTNERS HAVE TO COME UP WITH A CAPITAL
2 CONTRIBUTION TO MEET THE MATCHING REQUIREMENT, THANKFULLY
3 WE'RE NOT GOING TO HAVE TO DO THAT, BUT IF THERE'S MATCH,
4 THE VALUE OF THE LEASE WOULD OFFSET THEIR COMMITMENT. SO
5 THERE'S A POTENTIAL THAT IT CAN, IN FACT, BE MONETIZED.

6 OUR APPROACH HERE WAS BECAUSE THIS ENTITY IS
7 SEPARATE AND DISTINCT FROM THE UNIVERSITY, TWO SEPARATE
8 ENTITIES, WE ENTERED INTO A TRANSACTION AT FAIR MARKET
9 VALUE AT ARM'S LENGTH WITH THE UNIVERSITY. AND THE
10 UNIVERSITY IS A SEPARATE ORGANIZATION, GRANTED A
11 CONTRIBUTION BACK. SO IN OUR VIEW IT'S TANTAMOUNT TO A
12 DONOR MAKING A CONTRIBUTION THAT WE WENT AFTER AND PAID
13 FOR.

14 AND IT'S NOT MEANT TO BE SLEIGHT OF HAND; IT'S
15 NOT MEANT TO BE DISINGENUOUS. THE IDEA IS USING ACTUALLY
16 ONE OF THE QUESTIONS, THE FAQ'S, THAT WAS IN THE RFA THAT
17 SAID THIS IS -- BECAUSE, AS YOU SAID, MR. KASHIAN,
18 THERE'S VALUE TO THIS LAND, AND THIS IS A NEW
19 ORGANIZATION.

20 MR. KASHIAN: SOMEONE AT THE PRESIDENT'S OFFICE
21 WAS CONCERNED ABOUT THE FACT THAT YOU'RE ABLE TO EXECUTE.
22 WHY?

23 MR. COFFMAN: I'M SORRY?

24 MR. KASHIAN: WELL, THE LEASE SAYS IF USED FOR
25 THIS PURPOSE, THEN THE RENT WOULD BE FORGIVEN, WHICH

BARRISTERS' REPORTING SERVICE

1 WOULD THEN, IN MY MIND, GIVE YOU THE FULL VALUE OF THE
2 REAL ESTATE AS LEVERAGE.

3 MR. KLEIN: ED, THERE'S A 52-YEAR LEASE, AND
4 THEY'RE COMMITTED WITH US, EVERY INSTITUTION, TO STEM
5 CELL RESEARCH FOR TEN YEARS. AFTER THE TEN YEARS, PART
6 OF THIS COULD BE -- ANY OF THESE APPLICANTS COULD USE
7 SPACE FOR DIFFERENT PURPOSES IF, IN FACT, THE SCIENCE
8 MOVED IN A DIFFERENT DIRECTION.

9 MR. COFFMAN: PERHAPS A WORD OF THE EVOLUTION OF
10 THIS AS WELL. THE ENGAGEMENT OF THE DEVELOPER, THE
11 DEVELOPER WAS GOING TO HAVE FREE REIGN TO LEASE A
12 PORTION --

13 CHAIRMAN LICHTENGER: I'M SORRY. I'M JUST GOING
14 TO -- WE'RE REALLY RUNNING OUT OF TIME ON THIS ISSUE, ED.
15 I'M SORRY.

16 MR. KASHIAN: I WANT TO HEAR IT.

17 CHAIRMAN LICHTENGER: WELL, ED, PLEASE.

18 MR. KASHIAN: LET ME GO ONE STEP FURTHER.

19 CHAIRMAN LICHTENGER: ON THIS ISSUE I THINK IT'S
20 VERY CLEAR IN THE DETAILS THAT RICK PROVIDED AND THEIR
21 COMMENTS THE ISSUE AND HOW WE'RE DEALING WITH THIS.

22 MR. KASHIAN: I UNDERSTAND.

23 CHAIRMAN LICHTENGER: WHAT'S THE NEXT ISSUE?

24 MR. KASHIAN: I'M GOING ON TO ANOTHER QUESTION.

25 CHAIRMAN LICHTENGER: WHAT IS THAT?

BARRISTERS' REPORTING SERVICE

1 MR. KASHIAN: YOU WANT ME TO ASK YOU OR YOU WANT
2 ME TO ASK THEM?

3 CHAIRMAN LICHTENGER: I WANT TO MOVE ON TO THE
4 NEXT APPLICATION BECAUSE WE HAVE OTHERS TO DO TONIGHT.

5 MR. KASHIAN: IN ORDER TO GET THROUGH ALL OF
6 THIS, YOU NEED TO BE FUNDED FOR PREDEVELOPMENT COSTS.
7 WHERE IS THAT MONEY COMING FROM?

8 MR. COFFMAN: THE DEVELOPER. WE'VE A WRITTEN
9 AGREEMENT. OUR AGREEMENT WITH THE DEVELOPER WAS WE WENT
10 OUT AND ASKED FOR AN RFP FROM DEVELOPERS WHO WOULD FRONT
11 ALL OF THESE COSTS WITH FULL RISK OF LOSS IF WE'RE NOT
12 AWARDED THIS GRANT. SO THE DEVELOPER HAS FRONTED ALL OF
13 THESE COSTS. CLOSE TO THREE QUARTERS OF A MILLION
14 DOLLARS, AND IF WE DON'T GET THE GRANT --

15 MR. KASHIAN: INCLUDING THE EIR AND ALL?

16 MR. COFFMAN: HE'S BEEN FRONTING ALL OF THE
17 COST.

18 MR. KASHIAN: EXCELLENT.

19 MS. HYSEN: WHAT'S THEIR NAME?

20 MR. COFFMAN: LANGFORD & ASSOCIATES. WE HAD
21 THREE BIDDERS.

22 CHAIRMAN LICHTENGER: GREAT. THANK YOU, ED.
23 FIRST OF ALL, I'D LIKE TO THANK THE CONSORTIUM FOR COMING
24 THIS EVENING AND ANSWERING OUR QUESTIONS FOR YOUR
25 APPLICATION, WHICH WAS REALLY APPRECIATED. AND THANK

BARRISTERS' REPORTING SERVICE

1 YOU. SO PUBLIC COMMENT?

2 MR. SIMPSON: JOHN SIMPSON FROM CONSUMER
3 WATCHDOG. I JUST WANT TO SAY THAT FROM THE TAXPAYER'S
4 POINT OF VIEW, WE WOULD RATE THIS A PLUS, A PLUS. WE
5 THINK THAT THEY'VE DONE EVERYTHING THAT SHOULD HAVE
6 HAPPENED. THE SCIENTISTS GOT TOGETHER. FROM WHAT I
7 UNDERSTAND, THEY SAID THIS IS THE KIND OF BUILDING WE
8 WANT TO HAVE BUILT. IT'S BEEN BUILT. I FEAR THAT THE
9 LAB DESIGNER EVALUATED THIS PERHAPS FROM THE POINT OF
10 VIEW OF FREESTANDING LAB AND NOT TAKING INTO FULL ACCOUNT
11 THE COMPLETELY COLLABORATIVE NATURE OF THIS. IT WOULD
12 SEEM TO ME STRANGE IF YOU DID NOT END UP GIVING THIS
13 PROBABLY ALSO YOUR HIGHEST SCORE ON THE FACILITIES SIDE
14 AS WELL AS ON THE SCIENTIFIC SIDE. THANK YOU.

15 MS. SAMUELSON: I JUST WANTED TO POINT SOMETHING
16 OUT FOR ANYBODY ON THE WORKING GROUP WHO MAY NOT KNOW THE
17 SCIENTISTS. AND I'M NOT A SCIENTIST, BUT I DO KNOW THAT
18 THEY AREN'T JUST GREAT SCIENTISTS WHO REPRESENT IMPORTANT
19 INSTITUTIONS. LARRY GOLDSTEIN, RUSTY GAGE, AND EVAN
20 SNIDER ARE ALL INDEPENDENTLY BIG KAHUNAS IN THE
21 INTERNATIONAL STEM CELL COMMUNITY. FOR THEM ALL TO BE
22 ENDORSING THIS, I DON'T JUST HAPPEN TO KNOW DR.
23 FRIEDLANDER, BUT HE MAY WELL BE OF THE SAME STATURE, BUT
24 THEY ARE GIANTS IN THE INTERNATIONAL STEM CELL COMMUNITY,
25 WOULDN'T YOU SAY, BOB, AND THAT'S ANOTHER REALLY EXCITING

BARRISTERS' REPORTING SERVICE

1 T H I N G .

2 C H A I R M A N L I C H T E N G E R : T H A N K Y O U , J O A N . S O W E ' V E
3 G O T T E N P U B L I C C O M M E N T S , W E ' V E C E R T A I N L Y A S K E D A F E W
4 Q U E S T I O N S , S O I ' D A S K E V E R Y O N E T O R E C O R D T H E I R
5 P R E L I M I N A R Y S C O R E . I ' M H A V I N G M I C P R O B L E M S H E R E .

6 (P A U S E I N P R O C E E D I N G S .)

7 C H A I R M A N L I C H T E N G E R : S O , R I C K , S O N O W W E ' V E
8 D O N E E V E R Y O N E O F T H E O N E S I N T H I S C A T E G O R Y , S O W E ' R E
9 G O I N G T O A L L O W T I M E .

10 M R . K E L L E R : I F Y O U ' D L I K E T O T A K E A M O M E N T T O
11 R E R E V I E W Y O U R P R E L I M I N A R Y S C O R E S A N D P U T T H E F I N A L S C O R E S
12 D O W N , T H A T W O U L D B E A G O O D T H I N G T O D O . A N D T H A T W A Y W E
13 C A N A G G R E G A T E T H O S E I N T H E M O R N I N G R E G A R D L E S S O F W H E R E
14 Y O U F I N I S H . Y O U N E E D T O D O T H A T I N I N K A C C O R D I N G T O Y O U R
15 G E N E R A L C O U N S E L .

16 M S . H Y S E N : T H E S E A R E F I N A L ? W E D O N ' T H A V E A
17 C H A N C E T O M O D I F Y T H E M T O M O R R O W A F T E R D I S C U S S I O N ? I
18 F O R G E T T H E P R O C E S S .

19 M S . P A C H T E R : W H A T W E ' R E T R Y I N G T O D O I S
20 C O M P L E T E T H E D I S C U S S I O N O N E A C H C A T E G O R Y I N D I V I D U A L L Y S O
21 W E C A N I N V I T E B A C K I N T H E M E M B E R S W H O W E R E R E C U S E D I N
22 T H I S C A T E G O R Y , B U T W H O C A N P A R T I C I P A T E I N T H E N E X T T W O .
23 T H E R E ' S N O T H I N G T O P R E V E N T Y O U F R O M H A V I N G D I S C U S S I O N N O W
24 O N T H E W H O L E C A T E G O R Y .

25 M S . H Y S E N : T H A T W O U L D B E I N P U B L I C ?

BARRISTERS' REPORTING SERVICE

1 MS. PACHTER: YES.

2 MS. HYSEN: THANK YOU.

3 MR. KLEIN: WE WILL IN THE PROGRAM DISCUSSION
4 TOMORROW HAVE AN ABILITY TO EVALUATE WHAT THE SCORES MEAN
5 HAVING GONE THROUGH ALL THREE CATEGORIES.

6 (PAUSE IN PROCEEDINGS.)

7 MS. HYSEN: EVEN IF THERE'S STILL INFORMATION
8 NOT FILLED OUT ON THAT PAGE?

9 MR. KELLER: ANY PAGE WHERE YOU FILLED SOMETHING
10 IN, I DON'T KNOW WHERE THE BREAK IS. JUST SO THAT WE
11 HAVE THE RECORD IF WE AGGREGATE THOSE SCORES, IN THE
12 MORNING, WE WANT TO MAKE SURE THAT YOUR SIGNATURE IS ON
13 THE PAGE THAT YOU PUT ANYTHING ON.

14 MS. HYSEN: BUT WHEN THERE'S A PAGE WHERE
15 THERE'S ONE WHO GROUP THAT'S NOT BEEN FILLED IN, DO YOU
16 WANT US TO SIGN JUST THAT ONE WE FILLED IN?

17 MR. KELLER: JUST THE ONE YOU FILLED IN OR DRAW
18 A LINE AND SIGN IN. JUST DRAW A LINE AND SIGN IT.

19 MR. KLEIN: SO WE'RE GOING TO GET A SEPARATE
20 BOOK TO PUT THE OTHERS IN?

21 MR. KELLER: NO. THEY SHOULD BE IN THERE.
22 WE'RE GOING TO COLLECT THEM AND THEN REDISTRIBUTE THEM
23 BACK.

24 CHAIRMAN LICHTENGER: RICK.

25 MR. KELLER: IN THE MORNING.

BARRISTERS' REPORTING SERVICE

1 MR. KLEIN: BUT WE'RE GOING TO COVER TWO MORE
2 TONIGHT.

3 CHAIRMAN LICHTENGER: WHY WOULDN'T WE GIVE THESE
4 TO WHOEVER IS GOING TO PUT THOSE NUMBERS TOGETHER SO THEY
5 CAN START WORKING ON THEM?

6 MR. KELLER: THAT'S THE DAY CREW. THE DAY CREW
7 WILL BE IN AT 7 A.M. TO DO THIS.

8 CHAIRMAN LICHTENGER: YOU GUYS DON'T HAVE THE
9 SHIFT COMING IN SHORTLY?

10 MR. KELLER: DIVISION OF LABOR.

11 MR. KLEIN: WE'RE SIGNING THESE, BUT WE'RE NOT
12 HANDING THEM IN YET.

13 MR. KELLER: RIGHT.

14 CHAIRMAN LICHTENGER: SO LET'S GIVE MEMBERS
15 ANOTHER COUPLE OF MINUTES, AND THEN WE'RE GOING TO MOVE
16 ON TO THE NEXT APPLICATION. WE DID TAKE PUBLIC COMMENTS,
17 RIGHT?

18 WELCOME, MARCY. OKAY. RICK, I THINK WE CAN
19 MOVE ON TO THE NEXT APPLICATION.

20 MR. KELLER: THAT COMPLETES THE INSTITUTES. AND
21 MOVING ON TO THE CENTERS OF EXCELLENCE, YOU HAVE TWO
22 PROPOSALS IN THIS CATEGORY.

23 CHAIRMAN LICHTENGER: OUR GOAL IS TO GET THROUGH
24 THESE TWO THIS EVENING.

25 MR. KELLER: THE FIRST ONE IN THIS CATEGORY IS

BARRISTERS' REPORTING SERVICE

1 APPLICATION 600 FOR THE BUCK INSTITUTE. THE APPLICATION
2 PROPOSES CONSTRUCTION OF A FOUR-STORY BUILDING TO HOUSE
3 LABORATORIES FOR EXISTING AND FUTURE STEM CELL
4 RESEARCHERS, CORE FACILITIES, AND ALSO A REGIONAL OR
5 STATEWIDE TISSUE CULTURE FACILITY, AND A VARIETY OF
6 SUPPORT SPACES AS WELL.

7 THE BUILDING DESIGN IS SIMILAR IN DESIGN TO
8 EXISTING BUILDINGS AT THIS CAMPUS. SO IT'S SORT OF
9 TAKING ADVANTAGE OF EXISTING DESIGN FOR THEIR MASTER
10 PLAN. THE PROJECT WOULD HAVE 12 PRINCIPAL INVESTIGATORS
11 THAT WOULD BE ENGAGED IN INSTITUTIONAL-BASED RESEARCH,
12 AND THERE'S ALSO CAPACITY FOR FOUR ADDITIONAL PI'S ON A
13 VISITING SCIENTIST BASIS. CURRENTLY THE APPLICANT HAS
14 SIX PI'S AND ANTICIPATES TO RECRUIT A TOTAL OF TEN WITH
15 SOME OTHERS LOCATED IN OTHER BUILDINGS ON THE CAMPUS.

16 THE PROJECT ALSO INCLUDES A VARIETY OF SPACES
17 BECAUSE IT'S A VERY FAIRLY SMALL INSTITUTE AND,
18 THEREFORE, THEY HAVE OPTED TO INCLUDE SOME SPACES THAT
19 ARE TYPICALLY NOT INCLUDED IN SCIENCE BUILDINGS, SUCH AS
20 A FITNESS CENTER, A CONFERENCE CENTER, AND EXTENSIVE FOOD
21 SERVICE AND LIBRARY SPACE AS PART OF THE PROJECT.

22 IN ADDITION, WE IDENTIFIED THE FACT THAT THERE
23 WERE SOME DIFFICULTIES WITH THE CALCULATION OF THE
24 ASSIGNABLE SQUARE FEET, BUT I THINK WE'VE ESTABLISHED
25 THAT THE ASSIGNABLE SQUARE FEET SHOULD BE 44,119, AND

BARRISTERS' REPORTING SERVICE

1 THAT'S THE NUMBER THAT WE USED THROUGHOUT THIS AS WE
2 CONSIDER IT A TECHNICAL CORRECTION.

3 SECOND, THE CIRM-FUNDED PROJECT INCLUDES SPACE
4 THAT TYPICALLY IS NOT PROVIDED, AS I MENTIONED. AND ALSO
5 IN THE STRATEGIC PLAN SPACE FOR STATEWIDE CORE
6 FACILITIES, SUCH AS TISSUE CULTURE, IS AN OBJECTIVE OF
7 CIRM LATER ON. IF THESE SPACES WERE FUNDED OUTSIDE THE
8 CIRM-FUNDED PROJECT, THE PROJECT WOULD BE ABOUT ONE-THIRD
9 THE SIZE THAT IT CURRENTLY IS.

10 THIRD, WE NOTE THAT THE AMOUNT OF LEVERAGE
11 INCLUDED A CONSIDERABLE AMOUNT OF FUNDS FOR WHAT IS
12 CLASSIFIED AS PRIOR EXPENDITURES. AND ON PAGE 4 OF THE
13 STAFF ANALYSIS, THERE'S A LISTING OF SIX CATEGORIES.
14 BASED ON YOUR PREVIOUS ACTION, 2,250,000 THAT HAD BEEN
15 INCLUDED TO APPORTION PRESENT VALUE OF THE CENTRAL PLANT
16 UTILITIES AND AN EXISTING AUDITORIUM AND RELATED DESIGN
17 COST WOULD NOT BE ALLOWED. YOU MAY WANT TO DISCUSS THAT.
18 THERE'S ALSO 1.9 MILLION THAT'S ACTUALLY PRIOR YEAR
19 EXPENDITURES FOR RESEARCH. THERE'S 6.4 MILLION FOR AN
20 EXISTING VIVARIUM, WHICH IS EXISTING. AND SO WE WOULD
21 NOT CONSIDER THAT TO BE LEVERAGE.

22 THE BALANCE, THE TOP THREE ITEMS INCLUDES THE
23 PRESENT VALUE OF LAND APPORTIONMENT AND ENTITLEMENTS
24 ASSOCIATED WITH THE INSTITUTE, WHICH BEGAN -- I BELIEVE
25 CONSTRUCTION BEGAN ABOUT 1995.

BARRISTERS' REPORTING SERVICE

1 FINALLY, IN TERMS OF IDENTIFICATION OF FUNDING
2 FOR MATCHING. THERE'S A MATCHING REQUIREMENT AND FUNDS
3 IN EXCESS -- CONSTRUCTION FUNDS THAT ARE NEEDED IN EXCESS
4 OF THE CIRM REQUEST OF \$25 MILLION IS 11.9 MILLION. THE
5 APPLICANT INDICATES THAT THIS MONEY WOULD COME FROM A
6 YET-TO-BE CONSUMMATED REAL ESTATE TRANSACTION THAT WILL
7 THROW OFF FUNDING THAT WOULD PROVIDE THE MATCH AND
8 ADDITIONAL CONSTRUCTION FUNDS. SO WE DON'T KNOW THE
9 NATURE OF THAT OR WHETHER IT CAN BE CONSUMMATED PRIOR TO
10 THE JULY REQUIREMENT.

11 STEVE COPENHAGEN'S EVALUATION WAS A FUNCTIONAL
12 SCORE B AND A VALUE SCORE C. HE NOTED THAT THE
13 INTERACTION SPACE AND RELATIVELY LOW COST FOR THIS
14 PROJECT ARE DUE TO AVAILABLE AND CONVENIENT SITE. I
15 THINK THAT ABOUT COVERS IT. I THINK WE'D TURN THIS OVER
16 TO THE PRIMARY REVIEWER IS MEMBER KASHIAN AND SECONDARY
17 REVIEWER IS CHAIR LICHTENGER.

18 MR. KASHIAN: THANK YOU. THIS APPLICATION IS
19 EXCELLENT FROM MY POINT OF VIEW. AT THE RISK OF ANNOYING
20 MR. HARRISON, I HAVE A PARTICULAR INTEREST IN THIS
21 INSTITUTION BECAUSE THEIR FOCUS IS ON THE AGING, AND I
22 FEEL LIKE I QUALIFY FOR THAT GROUP. I'M NOT SURE THAT'S
23 A CONFLICT.

24 MR. HARRISON: IT'S NOT.

25 MR. KASHIAN: THE INSTITUTE IS FOCUSED AND HAS

BARRISTERS' REPORTING SERVICE

1 BEEN RELENTLESS IN THE PURSUIT OF THEIR MISSION SINCE
2 INCEPTION, WHICH IS NOW BARELY 20 YEARS OLD OR SUCH. AND
3 THIS APPLICATION IS CONSISTENT, I BELIEVE, WITH THE
4 REQUIREMENTS OF THE CIRM AND CONSISTENT WITH PROPOSITION
5 71. THEY ARE, AS I UNDERSTAND IT, RESEARCHING SEVEN OF
6 THE TWELVE ISSUES THAT ARE REQUIRED IN THE PROPOSITION.

7 THE COSTS ARE IN LINE AND COMMENSURATE WITH THE
8 AREA. THEIR ABILITY TO BE ABLE TO START IS DEMONSTRATED.
9 THEY HAVE ALL OF THE LAND ENTITLEMENTS AND ALL OF THE
10 ISSUES READY TO GO. THEY HAVE ALL OF THE INFRASTRUCTURE
11 IN. I'M NOT SURE THEY GET CREDIT FOR IT OR NOT, BOB, BUT
12 I GIVE THEM CREDIT FOR THAT. AND IT'S ALL AVAILABLE AND
13 IN PROCESS.

14 THE BUILDING COSTS ARE, IN MY MIND, REALLY
15 APPROPRIATE. THEY'RE ABOUT \$450 A SQUARE FOOT,
16 THEREABOUTS. AND WHAT'S OF PARTICULAR VALUE TO ME IS THE
17 FACT THAT THEY ARE INCLUDING IN THEIR PLAN HOUSING ON
18 SITE. TOGETHER WITH THE OPEN SPACE THEY HAVE ON A LARGE
19 CAMPUS, I BELIEVE THAT IT CREATES A REALLY GOOD
20 ENVIRONMENT FOR SCIENTISTS LONG TERM AND LONG-TERM
21 RECRUITMENT. IT'S EASY TO RECRUIT SOMEBODY, BUT KEEPING
22 THEM FOR A LONG PERIOD OF TIME, IN MY OPINION, IS
23 DIFFICULT. I WHOLEHEARTEDLY RECOMMEND THIS PROJECT.

24 CHAIRMAN LICHTENGER: THANK YOU, ED. SO I'D
25 LIKE TO START ON URGENCY FIRST. I ASSUME THAT THEY MET

BARRISTERS' REPORTING SERVICE

1 OUR REQUIREMENTS FOR TWO YEARS AND COMPLETION -- I WAS
2 SAYING ON URGENCY THEY SEEM TO BE FROM VERY GOOD TO
3 EXCELLENT. THEY MET OUR REQUIREMENTS FOR TWO YEARS.
4 LOOKS LIKE THEY'RE SCHEDULED TO COMPLETE IN JULY 2010,
5 AND IT SEEMS LIKE THEY'VE GOT A GOOD TEAM THERE, AND IT
6 SEEMS LIKE THERE ARE NO ISSUES THAT I'VE IDENTIFIED OR
7 CIRM HAS IDENTIFIED THAT SEEM TO BE MAJOR ISSUES FOR
8 THEM.

9 ON LEVERAGE, YOU KNOW, I HAVE A LOT OF QUESTIONS
10 FOR THE APPLICANT, SO I'M GOING TO HOLD MY OPINION UNTIL
11 I UNDERSTAND A BIT MORE ABOUT THAT.

12 ON SHARED RESOURCES, YOU KNOW, THEY DO SEEM TO
13 HAVE SOME CORES THAT WILL BE AVAILABLE TO BE SHARED. I'D
14 LIKE TO ASK THE APPLICANT A LITTLE BIT MORE ABOUT THEIR
15 SHARED RESOURCES.

16 THEIR COSTS WERE LOW. THAT WAS ACTUALLY ONE OF
17 THE BEST THINGS ABOUT THE PROPOSAL. I THOUGHT THEY DID A
18 GREAT JOB. I THINK THEY WERE -- THEY'RE CERTAINLY THE
19 LOWEST IN THIS CATEGORY, CORRECT, RICK?

20 MR. KELLER: LOWEST IN BOTH CATEGORIES.

21 CHAIRMAN LICHTENGER: THEY HAD VERY, VERY LOW
22 COST, WHICH IS, I THINK, EXCELLENT.

23 AND THE BIG QUESTION FOR ME IS TO UNDERSTAND
24 THIS LEVERAGE ON A LOT OF THE BREAKDOWN ITEMS THAT RICK
25 IDENTIFIED THAT I'D LIKE TO ASK THE APPLICANT ABOUT

BARRISTERS' REPORTING SERVICE

1 REGARDING THESE. THERE'S ABOUT \$28 MILLION OF LEVERAGE,
2 AND TO ME IT SEEMS VERY CLEAR THAT APPROXIMATELY EIGHT
3 AND A HALF OF IT NEEDS TO BE RULED OUT IMMEDIATELY. 6.4
4 MILLION PRORATED SHARE OF AN EXISTING VIVARIUM AND 1.952
5 MILLION FOR PRIOR EXPENDITURES FOR RESEARCH, BUT I DO
6 WANT TO ASK THE APPLICANT ON THE PRESENT VALUE OF LAND
7 AND THE PRESENT VALUE OF APPORTIONED COST, THE LAND
8 IMPROVEMENTS, AND COSTS FOR ENTITLEMENTS. AND WE'VE
9 ALREADY DEALT WITH THE UTILITY COST. I THINK WE'RE
10 PRETTY CLEAR THAT WE -- RICK, AND WE ARE WILLING TO ALLOW
11 AT COST, CORRECT, LAND AND LAND IMPROVEMENTS?

12 MR. KELLER: WHATEVER YOU DETERMINE TO INCLUDE.

13 CHAIRMAN LICHTENGER: BUT DON'T WE HAVE -- WE
14 DON'T TALK ABOUT PRESENT VALUE. WE TALK ABOUT COST,
15 CORRECT?

16 MR. KELLER: YOU TALKING ABOUT THE UTILITIES?

17 CHAIRMAN LICHTENGER: NO. I'M TALKING ABOUT
18 CIRM --

19 MR. KELLER: ON THE LAND.

20 CHAIRMAN LICHTENGER: ON THE LAND. CIRM HAS A
21 GUIDELINE ABOUT HOW WE'RE GOING TO VIEW COST, CORRECT,
22 BOB? HELP ME HERE.

23 MR. KLEIN: SURE. THERE'S TWO CONCEPTS OF
24 PRESENT VALUE. IF IT WAS A PRIOR EXPENDITURE, THEIR
25 PRESENT VALUE BY INFLATING IT, I DON'T THINK THAT WORKS.

BARRISTERS' REPORTING SERVICE

1 COST IS COST. BUT IN TERMS OF THE UC SAN DIEGO WHICH WE
2 JUST LOOKED AT, THEY DISCOUNTED THE PRESENT VALUE, AND
3 THAT WOULD BE AN APPROPRIATE FASBE REQUIRED FINANCIAL
4 STATEMENT PROCEDURE FOR ARRIVING AT COST.

5 CHAIRMAN LICHTENGER: I THINK THE BEST THING TO
6 DO TO IS REALLY HAVE THE APPLICANT COME UP AT THIS POINT,
7 AND PERHAPS THEY CAN ANSWER SOME OF THESE QUESTIONS THAT
8 I HAVE.

9 MR. KLEIN: DON'T YOU HAVE A SECONDARY?

10 CHAIRMAN LICHTENGER: PRIMARY WENT ALREADY.

11 MR. KLEIN: ARE YOU GOING TO TAKE QUESTIONS?

12 CHAIRMAN LICHTENGER: SURE. WE CAN HAVE
13 QUESTIONS BEFORE THE APPLICANT COMES UP. I THOUGHT THERE
14 WOULD PROBABLY BE A LOT MORE ANSWERS WHEN THE APPLICANT
15 WAS HERE. GO AHEAD.

16 MR. KLEIN: WELL, IN TERMS OF THIS PARTICULAR
17 APPLICATION, THE SAME PERSPECTIVE REALLY AS WITH SAN
18 DIEGO, WHICH IS THE OTHER LOW COST. I THINK STEVE CAN
19 EXPECT MY POSITION HERE IS THAT MY UNDERSTANDING IS THAT
20 ON VALUE, COULD YOU EXPLAIN WHY, AS THE LOWEST COST
21 PRODUCER, THEY WERE DOWNGRADED ON VALUE? THEN I'D LIKE
22 TO HAVE A DISCUSSION ABOUT THAT.

23 MR. COPENHAGEN: SIMILAR TO THE SAN DIEGO
24 CONSORTIUM, IT WAS THERE WERE SPACES IN THE BUILDING THAT
25 WERE NOT DIRECTLY RELATED TO THE LABORATORY. SUPPORT

BARRISTERS' REPORTING SERVICE

1 SIZE OF THE ENTIRE INSTITUTE, BUT LOOKING AT THE BUILDING
2 JUST SAYING IF THERE WAS SPACE IN THERE TO PUT IN A
3 FITNESS CENTER, WOULD IT HAVE BEEN GREATER VALUE TO PUT
4 IT IN AS MORE RESEARCH SPACE OR NOT BUILD IT. SO IT WAS
5 TOTALLY ON THAT AND WAS NOT LOOKING AT THE LOW DOLLAR PER
6 SQUARE FOOT THAT THE OVERALL PROJECT WAS BEING DELIVERED
7 AT.

8 MR. KLEIN: WAS YOUR OTHER COMMENT ON VALUE
9 RELATED TO THE TISSUE -- CELL AND TISSUE STORAGE?

10 MR. COPENHAGEN: YES. SIMILAR, IT'S A LARGE
11 VOLUME OF SPACE IN THE LOWER LEVEL OF THE BUILDING THAT
12 THE APPLICANT DIDN'T HAVE IMMEDIATE NEED FOR IT AND WERE
13 OFFERING IT AS A SHARED RESOURCE TO ALL OF CIRM OR MAYBE
14 EVEN THE STATE AS A DEPOSITORY OF CELL STORAGE.

15 MR. KLEIN: SO IN TERMS OF THOSE TWO ISSUES, AT
16 30 PERCENT LOWER COST THAN THE AVERAGE OF ALL THE OTHER
17 FACILITIES, IF THIS INSTITUTION FEELS THAT IN RECRUITING
18 SCIENTISTS TO A RURAL LOCATION, THEY NEED TO PUT A
19 FITNESS FACILITY IN, AND THAT CERTAINLY WE COULD
20 ELIMINATE THAT FOOTAGE TOTALLY AND GIVE IT NO VALUE AND
21 STILL BE SUBSTANTIALLY AHEAD IN TERMS OF HAVING STILL THE
22 LOWEST COST FACILITY OF ANY OF THESE IN TERMS OF VALUE,
23 WHAT WE'RE PURCHASING.

24 THE OTHER ISSUE ON CELL AND TISSUE STORAGE
25 FACILITY, WE'RE AWARE FROM THE APPLICATIONS THAT THEY

BARRISTERS' REPORTING SERVICE

1 HAVE A COLLABORATIVE EFFORT WITH UC DAVIS. I'D LIKE TO
2 SEE WHEN THE APPLICANT COMES UP IF THEY'LL COMMENT ABOUT
3 WHETHER THEY INTEND TO COLLABORATE WITH THEM IN TERMS OF
4 THE CELL AND TISSUE STORAGE FACILITY. IT IS SOMETHING
5 THAT WE NEED AS A STATE. IT SEEMS INAPPROPRIATE NOT TO
6 GIVE IT VALUE; BUT IF WE GAVE IT HALF THE VALUE, THEY,
7 AGAIN, WOULD STILL BE THE LOWEST COST PRODUCER OF SPACE.
8 SO WE'RE GETTING BONUSES THAT WE'RE NOT PAYING FOR
9 BECAUSE OF THEIR COST ECONOMIES IN THERE.

10 SO THAT'S WHY I HAVE A DIFFERENT PERSPECTIVE ON
11 VALUE BECAUSE WE'RE GETTING A GREAT PRICE ON WHAT WE'RE
12 PURCHASING, AND THESE ARE BONUSES. I DON'T VIEW THEM
13 NEGATIVELY. I VIEW THEM AS A POSITIVE.

14 IN TERMS OF THE APPROACH, RICK, IN THE LEVERAGE
15 THAT YOU'VE SHOWN ALREADY, YOU'VE ALREADY ELIMINATED THE
16 VIVARIUM.

17 MR. KELLER: NO.

18 MR. KLEIN: YOU HAVEN'T?

19 MR. KELLER: THE LEVERAGE THAT'S IN THE STAFF
20 ANALYSIS WAS --

21 MR. KLEIN: MY UNDERSTANDING IS THAT YOU HAD
22 ELIMINATED SOME OF THOSE ITEMS. IS THAT INCORRECT?

23 MR. KELLER: WELL, I THINK THERE WAS A --

24 MR. KLEIN: YOU'RE NOT SHOWING THEM AT A 175.
25 WE DON'T HAVE THE LEVERAGE CHART UP. MAYBE WE COULD PUT

BARRISTERS' REPORTING SERVICE

1 THAT BACK UP. SO --

2 CHAIRMAN LICHTENGER: HE IS SHOWING IT AT 175.

3 MR. KLEIN: SO THE QUESTION IS, RICK, THERE'S
4 SOME PRETTY CLEAR ISSUES, UNLESS THERE'S SOME SURPRISING
5 ANSWERS HERE.

6 CHAIRMAN LICHTENGER: WHY DON'T WE ASK THEM THE
7 QUESTIONS.

8 MR. KLEIN: MAYBE WE CAN HAVE THE APPLICANT --
9 AS DAVID SAYS, WHEN THE APPLICANT TAKES POSITION, THE
10 EXISTING -- THE VIVARIUM IS A SHARED RESOURCE, NOT
11 LEVERAGE, AS FAR AS I UNDERSTAND FROM OUR RULES. AND THE
12 UTILITIES WE'RE ELIMINATING FOR EVERYONE. THE EXISTING
13 AUDITORIUM IN ANOTHER BUILDING IS A SHARED RESOURCE, NOT
14 LEVERAGE. IT IS A SHARED RESOURCE. IT'S GOOD THAT IT'S
15 THERE, BUT IT'S NOT LEVERAGE. AND THE PRIOR EXPENDITURES
16 FOR RESEARCH, IF IT'S REALLY RESEARCH, IT'S CERTAINLY NOT
17 LEVERAGE AND NOT A COST OF THE BUILDING. BUT I'D LIKE
18 TO, WHEN THE APPLICANT SPEAKS, TO ADDRESS -- CERTAINLY
19 HAVE THEM ADDRESS THOSE ITEMS.

20 AS TO COST FOR ENTITLEMENTS, AS A COST FOR --
21 APPORTIONED COST OF LAND IMPROVEMENTS, AS LONG AS IT'S
22 NOT INFLATED, IT WOULD BE A COST. AND I'D LIKE TO
23 UNDERSTAND. IT'S MY UNDERSTANDING FROM THE APPLICATION
24 THAT THERE'S THREE EQUITY PARTNERS THEY HAVE IN
25 DEVELOPING THIS. AND SO THEY HAVE IDENTIFIED THREE.

BARRISTERS' REPORTING SERVICE

1 THEY' RE MERELY HAVING THEM COMPETE AGAINST EACH OTHER,
2 BUT I 'D LIKE TO UNDERSTAND HOW THE LAND VALUE IS
3 DETERMINED IN THAT. IS IT COST-BASED OR LIKE SAN DIEGO
4 OR IS IT NOT?

5 CHAIRMAN LICHTENGER: OKAY. IF IT'S OKAY, BOB,
6 I 'D LIKE TO HAVE THE APPLICANT COME UP NOW. SO IF YOU
7 COULD TRY TO ADDRESS, FIRST OF ALL, AFTER YOU INTRODUCE
8 YOURSELF, THIS LEVERAGE ISSUE IN SOME OF THESE
9 CATEGORIES, THAT'D BE GREAT.

10 MR. O' REAR: IT'S RALPH O' REAR, VICE PRESIDENT
11 OF FACILITIES AND PLANNING. I'M AFRAID TO SPEAK ANYMORE.
12 THE LEVERAGE IS DISAPPEARING.

13 LET ME GIVE A LITTLE BACKGROUND. THE BUCK
14 INSTITUTE PURCHASED ITS LAND IN 1988, AND IT WAS NOT
15 ZONED FOR ITS CURRENT PURPOSE. SO IN ORDER FOR THE
16 INSTITUTE TO EXIST, IT HAD TO GO THROUGH ALL THE STAGES
17 TO BECOME A ZONED, ENTITLED PROPERTY SO THAT THE
18 INSTITUTE COULD ACTUALLY BE BUILT.

19 THE DESIGN OF THE BUILDING IS FOR FIVE
20 BUILDINGS, AND THERE ARE FIVE LOTS ON THE PARCEL. SO
21 EACH OF THE LOTS ACT INDEPENDENTLY. THEY'RE THEIR OWN
22 SEPARATE FINANCIAL ENTITY. TWO OF -- THE TWO BUILDINGS
23 THAT EXIST ARE 185,000 SQUARE FEET. AND THE WAY THE
24 DESIGN RAN, I.M. PEI DESIGN RAN, WAS THAT ALL OF THE
25 MAJOR FACILITIES TO SERVICE THE FUTURE BUILDINGS ARE IN

BARRISTERS' REPORTING SERVICE

1 ONE BUILDING, THE CENTRAL PLANT, ALL THE ELECTRICAL
2 DISTRIBUTION, ALL THE PARKING, ALL THE THINGS THAT WILL
3 SUPPORT THE FUTURE BUILDINGS ARE INHERENT IN THAT FIRST
4 SET OF BUILDINGS.

5 SO IT'S NOT TOO DRAMATIC TO SAY THAT WITHOUT THE
6 EXISTING BUILDINGS, THE CURRENT DESIGN COULD NOT BE
7 ACCOMPLISHED. SO ALL OF THE SERVICES EXTEND ARE ONE OF
8 THE REASONS WHY THE COSTS ARE SO LOW.

9 WITH RESPECT TO THE PRICING OF THE LAND, AGAIN,
10 IT ISN'T THE LAND ITSELF THAT HAS THAT MUCH VALUE. IT'S
11 THE LAND IMPROVEMENTS THAT HAVE MADE IT USEFUL. SO THEN
12 THE COST OF THE ENTITLEMENTS ALSO MAKE THEM USEFUL.
13 CERTAINLY HAVE A FACTOR IN WHAT VALUE IS THERE.

14 CHAIRMAN LICHTENGER: SO WE'RE SHOWING YOU HAVE
15 4 MILLION 772 AS THE PRESENT VALUE OF THE LAND AND THE 8
16 MILLION 764 AS THE PRESENT VALUE OF THE APPORTIONED COST
17 OF THE LAND IMPROVEMENT. BUT WE DON'T ALLOW PRESENT
18 VALUE. IF YOU BOUGHT THAT LAND IN 1988, THE PRESENT
19 VALUE ISN'T SOMETHING WE REALLY WANT TO BE LOOKING AT.
20 WE WANT TO LOOK AT IF THERE'S LAND, ACTUALLY
21 OUT-OF-POCKET COST, CORRECT, RICK?

22 MR. KELLER: WE HAD DISCUSSED THAT IF THERE
23 NEEDED TO BE A LAND PURCHASE IN ORDER TO BUILD A CIRM
24 FACILITY.

25 CHAIRMAN LICHTENGER: AND THEN YOU'VE GOT 2

BARRISTERS' REPORTING SERVICE

1 MILLION 154 FOR ENTITLEMENTS. HOW IS THAT BROKEN OUT,
2 AND HOW DID YOU ARRIVE AT THAT NUMBER? WHAT PERCENTAGE
3 OF THE ENTITLEMENT COSTS ARE YOU ALLOCATING TO THE CIRM?

4 MR. KLEIN: DO YOU WANT HIM TO ANSWER ONE AT A
5 TIME?

6 MR. O'REAR: ON THE 4 MILLION LAND VALUATION, WE
7 HAVE THREE POTENTIAL EQUITY PARTNERS OR THREE DEAL
8 STRUCTURES THAT WE HAVE TERM SHEETS ON. THAT 4 MILLION
9 AND SOME ODD DOLLARS WAS DETERMINED. THAT'S THE VALUE
10 THAT THEY WILL ATTRIBUTE TO THE LAND WHEN THEY BUY INTO
11 THE PARTNERSHIP; OR IF THEY TAKE AN EQUITY POSITION, THEY
12 WILL MONETIZE THE SQUARE FOOTAGE UNDERNEATH THE BUILDING
13 AT THAT 4 MILLION AND SOME ODD DOLLARS. SO THAT REALLY
14 ISN'T THE PRESENT VALUE. THAT'S A COST THAT'S --

15 MR. KLEIN: IF THEY BUY INTO THE BUILDING, DO
16 YOU THEN HAVE TO LEASE IT BACK?

17 MR. O'REAR: THAT'S ONE OF THE STRUCTURES. SO
18 SALE/LEASE-BACK IS ONE OF THE COMPONENTS THAT COULD BE
19 DONE HERE. ANOTHER IS FOR US TO BE A PARTNER IN THE
20 BUILDING SO THAT OUR PARTNER WOULD COME IN AND MONETIZE
21 THE MATCHING FUNDS AND THE SHORTFALL IN CONSTRUCTION
22 COSTS AS PART OF THE PARTNERSHIP. SO THEY WOULD
23 PURCHASE.

24 MR. KLEIN: DO THEY GET A PREFERENCE ON WHAT
25 THEY PAY FOR THIS LAND? DO THEY GET A RETURN ON IT?

BARRISTERS' REPORTING SERVICE

1 MR. O' REAR: WE WOULD PAY RENT UNDER ONE OF THE
2 STRUCTURES. UNDER ANOTHER CONSTRUCT, IT'S SIMILAR TO THE
3 SAN DIEGO ONE WHERE AS AN EQUITY PARTNER IN IT, WE WOULD
4 TAKE OWNERSHIP AFTER 20 YEARS.

5 CHAIRMAN LICHTENGER: YOU CURRENTLY OWN THE
6 LAND, RIGHT?

7 MR. O' REAR: WE DO. WE OWN THE LAND FREE AND
8 CLEAR.

9 CHAIRMAN LICHTENGER: AND SO THERE'S NO
10 GUARANTEE THAT ONE OF THESE PARTNERS, THE SITUATIONS WILL
11 HAPPEN, CORRECT?

12 MR. O' REAR: WELL, I DON'T HAVE A SIGNED DEAL,
13 THERE'S NO WEDDING SIGNATURE WITH ANY OF THEM, BUT THEY
14 ALL ARE WAITING FOR THE RESULTS OF THESE MEETINGS AND THE
15 PROCEEDINGS TO DETERMINE AT WHAT LEVEL OF DEAL WE WOULD
16 BUY INTO. SO UNTIL WE KNOW IF WE'RE ELIGIBLE FOR FUNDING
17 AND WHAT THAT LEVEL OF FUNDING MIGHT BE, WE CAN'T
18 CONSUMMATE THESE DEALS.

19 MR. KLEIN: THE APPLICANTS THAT HAVE COME BEFORE
20 US TODAY HAVE CONTINGENT CONTRIBUTIONS, THAT UNLESS WE
21 MAKE THE CONTRIBUTION, THEY DON'T GET THE DONATION. SO
22 ALL OF THE APPLICANTS WE'RE LOOKING AT HAVE NOT -- MANY
23 OF THE APPLICANTS WE'RE LOOKING AT HAVE NOT COLLECTED A
24 SUBSTANTIAL SHARE OF THE CONTRIBUTIONS. IN THAT SENSE,
25 THEY ALL HAVE AGREED TERM SHEETS.

BARRISTERS' REPORTING SERVICE

1 CHAIRMAN LICHTENGER: TELL ME ABOUT THE 8
2 MILLION 764.

3 MR. O' REAR: OKAY. AS I EXPLAINED, THE
4 CONSTRUCTION OF THE FIRST TWO BUILDINGS HAD ALL THE
5 SERVICES THAT WERE REQUIRED. WE' RE ABOUT 4,000 FEET FROM
6 THE CLOSEST CONNECTION. SO THE LAND IMPROVEMENTS WERE
7 ALL OF THE THINGS, AGAIN, THAT WERE REQUIRED TO SERVICE
8 THIS BUILDING, FROM ROADS, SEWERS, DETENTION BASINS,
9 DRAINAGE, THE PARKING LOTS, THE ELECTRICAL DISTRIBUTION,
10 ALL OF THE THINGS THAT ARE ASSOCIATED WITH THE GREEN
11 FIELD DEVELOPMENT. SO WE WERE LOOKING AT IT AS IF THERE
12 WERE PRIOR EXPENDITURES THAT AVOIDED CIRM' S INVESTMENT IN
13 THOSE PARTICULAR THINGS, THEY WOULD BE ELIGIBLE FOR
14 CONSIDERATION.

15 CHAIRMAN LICHTENGER: WHAT YEAR WERE THOSE
16 IMPROVEMENTS DONE?

17 MR. O' REAR: 1995. AND WE TOOK AN IMPUTED
18 VALUE. WE KNOW WHAT THE REAL COSTS WERE, SO WE TOOK A
19 35-PERCENT SLICE BASED ON THE LEVEL OF OCCUPANCY. IF YOU
20 ADD THE 65,000 SQUARE FEET TO OUR EXISTING FACILITY, THE
21 CIRM-SPONSORED SPACE EQUATES TO ABOUT A 35-PERCENT
22 OCCUPANCY LOAD. SO WE TOOK 35 PERCENT OF THE TOTAL COST
23 OF ALL THOSE LAND IMPROVEMENTS AND ASSOCIATED THOSE WITH
24 THE CIRM PROJECT OR THE PROPOSED PROJECT.

25 CHAIRMAN LICHTENGER: HOW BIG IS YOUR TOTAL --

BARRISTERS' REPORTING SERVICE

1 HOW MUCH LAND DO YOU HAVE THERE?

2 MR. O' REAR: 417 ACRES.

3 CHAIRMAN LICHTENGER: SO CIRM IS GOING TO GET
4 ONE-THIRD OF THOSE ACRES?

5 MR. O' REAR: NO. THEY' LL GET 1.38 ACRES UNDER
6 THE BUILDING THAT' S BEING PROPOSED.

7 CHAIRMAN LICHTENGER: OKAY.

8 MR. O' REAR: AND THE VALUE THAT' S ASSOCIATED
9 WITH THAT IS AS DESCRIBED. IT IS IMPORTANT TO NOTE IN
10 TERMS OF THE FUNDING STRUCTURES, BECAUSE THEY' RE ALL ON
11 SEPARATE LOTS AND WE CAN DO WITH THEM AS WE SEE FIT, I' LL
12 GIVE YOU A LITTLE BIT OF ORDER OF MAGNITUDE. WITH A
13 355,000 SQUARE FOOT ENTITLED PROJECT, YOU ALREADY KNOW
14 THAT IN THE STATE OF CALIFORNIA THERE' S VALUE ON THE
15 ENTITLEMENTS. THE EXISTING BUILDINGS ARE VARIOUSLY
16 CONSIDERED TO BE WORTH ABOUT \$90 MILLION, AND OUR DEBT
17 SERVICE OR OUR DEBT COST ON THOSE ARE 55 MILLION. SO ONE
18 OF THE FUNDING MECHANISMS WOULD BE TO DO A
19 SALE/LEASE-BACK ON THE EXISTING BUILDINGS AND USE THE
20 FUNDS FROM THAT SALE/LEASE-BACK TO APPLY TO BUILDING
21 THREE, WHICH WOULD THEN BE DONE.

22 WE ALSO HAVE THE NEXT TWO LOTS, WHICH ARE ALSO
23 ELIGIBLE FOR A SEPARATE DEAL, AND THAT MONEY COULD BE
24 ALSO USED TO INVEST IN THE DEVELOPMENT OF THE INSTITUTE,
25 BUT MORE SPECIFICALLY TO COVER ANY MATCHING FUNDS OR

BARRISTERS' REPORTING SERVICE

1 SHORTFALL IN CONSTRUCTION BETWEEN THE INVESTMENT BY CIRM
2 AND THE TOTAL COSTS.

3 CHAIRMAN LICHTENGER: ON THE ENTITLEMENTS, TELL
4 ME HOW YOU ARRIVED AT THAT 2 MILLION 164 NUMBER.

5 MR. O' REAR: IT TOOK NINE YEARS TO GET PERMITS.
6 THERE WERE PUBLIC HEARINGS, THERE WERE PUBLIC HEARINGS,
7 THERE WERE TWO DIFFERENT BALLOT MEASURES, THERE WAS AN
8 INCREDIBLE AMOUNT OF ACTIVITY THAT TOOK PLACE. AND THE
9 \$8 MILLION IS 35 PERCENT OF THE COST THAT IT TOOK TO PUT
10 THE ENTITLEMENTS IN PLACE.

11 CHAIRMAN LICHTENGER: I 'M TALKING ABOUT THE
12 SEPARATE -- SO YOU HAVE 8 MILLION 764 AS THE PRESENT
13 VALUE OF THE APPORTIONED COST OF LAND IMPROVEMENTS, AND
14 THEN YOU HAVE A SEPARATE NUMBER, 2 MILLION 164, FOR
15 ENTITLEMENTS.

16 MR. O' REAR: THAT 'S FOR THE FINAL MAPS, FOR THE
17 LEGAL FEES THAT ARE ASSOCIATED WITH THAT, ALL THE
18 FILINGS, AND THE FINAL SIGN-OFF BY ALL THE LOCAL
19 OFFICIALS.

20 CHAIRMAN LICHTENGER: WHEN WAS THAT DONE? WHAT
21 YEAR?

22 MR. O' REAR: THAT WAS DONE IN 1994.

23 MR. KLEIN: IF I CAN UNDERSTAND, THAT 'S 35
24 PERCENT OF THE TOTAL COST. SO YOU APPORTIONED THE COST
25 FOR ENTITLEMENTS AND ASSIGNED 35 PERCENT TO THIS PAD

BARRISTERS' REPORTING SERVICE

1 BECAUSE THIS IS 35 PERCENT OF THE SPACE; IS THAT CORRECT?

2 MR. O' REAR: CORRECT.

3 MR. KASHIAN: I'D LIKE TO ASK A FEW QUESTIONS IF
4 I MAY. HOW MUCH OF THE 460 ACRES IS OPEN SPACE?

5 MR. O' REAR: 327 ACRES ARE OPEN SPACE. THEY'RE
6 NOT FORMAL OPEN SPACE, SO WE HAVE AGRICULTURAL USES THAT
7 CAN BE MADE OF THAT SPACE. SO THERE ARE OTHER WAYS THAT
8 WE CAN MONETIZE THAT PARTICULAR COMPONENT TO ASSURE THAT
9 WE WOULD BE ABLE TO FULFILL OUR OBLIGATIONS TO CIRM IF
10 WE'RE FORTUNATE ENOUGH TO GET A GRANT.

11 MR. KASHIAN: FOR ARGUMENT SAKE, PRESENT DAY
12 VALUE WITH THE ENTITLEMENTS IN PLACE, IF YOU WERE TO SELL
13 IT TO A PRIVATE PARTY, HOW MUCH WOULD THIS PROPERTY BE
14 WORTH?

15 MR. O' REAR: WELL, I CAN ONLY GIVE YOU AN
16 OPINION THAT'S BASED ON SOME DISCUSSIONS, BUT WE WOULD
17 BELIEVE THAT 125 TO \$150 MILLION WOULD BE THE SALE PRICE.

18 MR. KASHIAN: I PERSONALLY BELIEVE, ALTHOUGH IT
19 MAY NOT BE IN OUR RULES, THAT PROVIDING THIS OPEN SPACE
20 AND FITNESS CENTERS AND ANY AMENITY THAT WOULD BE
21 ATTRACTIVE, INCLUDING THE HOUSING, WOULD BE ATTRACTIVE TO
22 THE SCIENTISTS AS A MAJOR PLUS. AND I CAN TELL YOU
23 CATEGORICALLY HOW YOU GOT BY WITH THAT LITTLE MONEY FOR
24 THAT INFRASTRUCTURE IN TODAY'S FEE SCHEDULE IS
25 UNBELIEVABLE TO ME. I COMMEND YOU, AND YOU'RE GIVING US

BARRISTERS' REPORTING SERVICE

1 A MAJOR VALUE AS FAR AS I'M CONCERNED.

2 MR. O'REAR: THANK YOU. THE DISCUSSIONS ABOUT
3 ATTRACTING AND RETAINING STAFF ARE VERY RELEVANT TO THE
4 SITE THERE BECAUSE WE'RE KIND OF AN ISLAND OF RESEARCH,
5 AND OUR COLLEAGUES AND FRIENDLY COMPETITORS IN THIS
6 ENDEAVOR MARVEL AT THE MEANS THAT THEY HAVE. IN ORDER TO
7 ATTRACT THE PEOPLE THAT WE HAVE THAT ARE IMPORTANT TO OUR
8 RESEARCH IN AGING AND AGE-ASSOCIATED DISEASES, WE ALREADY
9 KNOW THAT THEY TRULY APPRECIATE THE GROUNDS AND THE
10 FACILITIES, AND THEY'RE VERY HAPPY THAT IF THIS COMES TO
11 FRUITION, THAT IT WILL ALSO ENABLE THE HOUSING PROJECT.
12 SO WE HAVE 128 UNITS OF HOUSING THAT WOULD PROVIDE
13 ON-SITE RESIDENCY ON AN AFFORDABLE BASIS TO PEOPLE THAT
14 WORK AT THE SITE.

15 CHAIRMAN LICHTENGER: HOW ARE YOU -- CAN YOU
16 TELL US A LITTLE BIT ABOUT ANY AGREEMENTS WITH OTHER
17 INSTITUTIONS FOR SHARING YOUR RESOURCES?

18 MR. O'REAR: IT WAS COVERED IN PART 1, BUT I'LL
19 TRY AND REMEMBER MOST OF THEM. WE CERTAINLY HAVE A
20 MEMORANDUM OF UNDERSTANDING WITH UC DAVIS. SO AS A
21 CENTER OF EXCELLENCE, WHEN WE GET TO THE POINT WHERE OUR
22 TRANSLATIONAL RESEARCH NEEDS TO BE HANDED OFF TO SOMEONE
23 WHO CAN TAKE IT TO THE NEXT APPROPRIATE LEVEL, THEN WE
24 HAVE THAT IN PLACE WITH UC DAVIS. WE HAVE AN MOU WITH
25 DOMINICAN UNIVERSITY, WHICH IS ANOTHER MARIN COUNTY

BARRISTERS' REPORTING SERVICE

1 BASED. IT'S FOR AN ADVANCED DEGREE PROGRAM, AND IT'S
2 BEGINNING A PH. D. PROGRAM IN WHAT WE'VE COINED
3 GEROSCIENCE. GEROSCIENCE IS AN INTERDISCIPLINARY
4 APPROACH FOR AGING RESEARCH WHERE YOU HAVE ALL OF THE
5 DIFFERENT ASPECTS OF AGING IN ONE LOCATION AND CAN TRAIN
6 PEOPLE IN THE MULTIPLE DISCIPLINES THAT ARE REQUIRED TO
7 BE AN EFFECTIVE RESEARCHER IN THE AGING FIELD.

8 WE HAVE THE GALLO INSTITUTE IN EMERYVILLE AND
9 SONOMA STATE, AND WE'RE ALWAYS WORKING ON OTHER ONES. WE
10 HAVE A COUPLE INTERNATIONAL ONES, WHICH I APOLOGIZE. I
11 DON'T REMEMBER WHO THEY'RE WITH, BUT OUR DR. BRETTISON
12 HAS TWO COLLABORATORS IN FRANCE THAT HAVE BEEN PRETTY
13 EFFECTIVE IN SOME ALZHEIMER'S WORK.

14 CHAIRMAN LICHTENGER: MARCY.

15 MS. FEIT: WAS THERE ANY CONSIDERATION GIVEN TO
16 THE AMENITIES, OUTSOURCING THEM, RATHER THAN USING MONEY
17 MARKED FOR SCIENTIFIC RESEARCH? WAS THERE ANY
18 CONSIDERATION TO OUTSOURCING TO OTHER VENDORS TO COME IN
19 AND PROVIDE A FITNESS CENTER OR A RESTAURANT OR FOOD
20 SERVICES RATHER THAN THE INSTITUTE DOING IT THEMSELVES?

21 MR. O'REAR: I THINK THERE'S TWO COMPONENTS TO
22 THAT. ONE IS THAT WE ARE AN ISLAND. WE'RE ISOLATED, SO
23 WE'RE NOT THAT CLOSE TO FOOD SERVICE LIKE MANY OF OUR
24 COLLEAGUES. SO HAVING IT ON SITE, NOT ONLY ENCOURAGES
25 COLLABORATION, IT ALSO SAVES THE TIME AND EFFORT TO GO TO

BARRISTERS' REPORTING SERVICE

1 OTHER PLACES. SO WHAT WE DO NOW, BECAUSE WE'VE CONVERTED
2 OUR KITCHEN AND CAFETERIA INTO SPACE, WE HAD A GRANT FROM
3 THE FEDERAL GOVERNMENT TO CONVERT WHAT WOULD HAVE BEEN
4 FUTURE KITCHEN AND CAFETERIA SPACE INTO MORE LAB SPACE.
5 SO WE LOST THAT OPPORTUNITY, AND THIS IS REPLACING THAT
6 OPPORTUNITY IN THE NEXT BUILDING.

7 WE DO HAVE OUTSIDE OPERATORS THAT WOULD BE
8 WILLING TO COME IN AND OPERATE A FACILITY; BUT IF WE
9 DON'T HAVE THE SPACE WITHIN WHICH TO DO THAT, THEN IT
10 KIND OF OBIVIATES THAT COMPONENT. WE CURRENTLY HAVE LOCAL
11 VENDORS WHO HAVE FAXES. WE SET UP FAXES. IN THE MORNING
12 YOU CAN GO DOWN TO THE RECEPTION AREA AND THERE'S MENUS
13 FROM WHOEVER IS BRINGING FOOD UP THAT DAY. YOU FILL OUT
14 YOUR MENU AND YOU PAY THE MONEY TO THE RECEPTIONIST, AND
15 THEN THOSE VENDORS BRING THE FOOD TO YOU. THEY DELIVER
16 IT, AND WE HAVE A LITTLE SMALL BREAK AREA RIGHT NOW.

17 IN TERMS OF EXERCISE, WE HAVE 417 ACRES OF
18 GROUNDS AND TRAILS THAT CONNECT TO POLY AND IT CONNECTS
19 MARIN COUNTY OPEN SPACE. SO THAT'S A VERY ATTRACTIVE
20 COMPONENT FOR THEM FROM THE EXERCISE STANDPOINT. WE
21 DON'T HAVE ENOUGH SHOWERS TO TAKE CARE OF ALL THE PEOPLE
22 THAT ARE TAKING ADVANTAGE OF THE SURROUNDINGS, AND THAT'S
23 ANOTHER REASON WHY WE HAVE PUT THE AMENITIES INTO THE
24 FUTURE BUILDING.

25 MS. SAMUELSON: COUPLE QUICK QUESTIONS. ONE IS

BARRISTERS' REPORTING SERVICE

1 THE ENVIRONMENTAL ANIMAL RIGHTS BATTLE DONE NOW, OR WILL
2 THIS RAISE ANOTHER OPPORTUNITY FOR THAT IN THE BOARD OF
3 SUPERVISORS OR WHEREVER?

4 MR. O'REAR: WE BELIEVE IT'S DONE. I'LL GIVE
5 A -- I'LL TRY NOT TO BURN UP TOO MUCH TIME, BUT A QUICK
6 ANECDOTE. WHEN WE FIRST MOVED IN, WE KNEW THAT THE
7 ANIMAL RIGHTS ACTIVISTS AND THE ANTI DEVELOPMENT PEOPLE
8 HAD GOTTEN TOGETHER TO TRY AND PREVENT THE INSTITUTE'S
9 ENTITLEMENT AND CONSTRUCTION. AND IN DEFENSE OF ANIMALS
10 HAS A PERSON, THEIR LEADER CAME TO ONE OF OUR SEMINARS
11 AND ASKED QUESTIONS ABOUT HOW WE'RE HANDLING OUR ANIMAL
12 RESEARCH. AND HE WAS SATISFIED ENOUGH WITH THE ANSWER TO
13 COMPLIMENT HOW WE WERE TAKING THAT APPROACH. AND WE'VE
14 HAD NO MORE TROUBLE. NEVER HAD ANY TROUBLE, BUT WE
15 ACTUALLY HAVE BEEN COMPLIMENTED ON HOW WE'RE MANAGING OUR
16 ANIMAL FACILITY.

17 MS. SAMUELSON: THAT'S EXTRAORDINARY CONSIDERING
18 WHAT A BATTLE THAT WAS.

19 I GUESS MY OTHER QUESTION IS ACTUALLY MORE A
20 COMMENT BECAUSE I'VE DRIVEN BY THERE A MILLION TIMES.
21 AND EVERYONE SHOULD UNDERSTAND HOW REMOTE IT IS. TO BE
22 ABLE TO WORK OUT OR EAT SOMEWHERE DECENT OFF CAMPUS,
23 THEY'D HAVE TO GO TO SAN RAFAEL TO THE SOUTH MORE OR LESS
24 UNLESS IT'S THE A & W OR TO PETALUMA TO THE NORTH. WE
25 DON'T WANT THEM GOING OFFSITE TO WORK OUT OR TAKE A

BARRISTERS' REPORTING SERVICE

1 SHOWER.

2 MR. O' REAR: I WILL SAY THAT THE GEROSCIENCE
3 INITIATIVE WAS HATCHED OVER A LUNCH THAT WAS BROUGHT UP
4 BY A LOCAL DELI. AND THAT INITIATIVE ENDED UP WITH US
5 BEING ONE OF EIGHT PILOT PROGRAMS IN THE UNITED STATES
6 FOR A CONSORTIUM GRANT. IT'S AN INTERDISCIPLINARY
7 APPROACH, AND THAT RESULTED IN THIS \$25 MILLION GRANT
8 OVER FIVE YEARS. AND THAT OCCURRED BECAUSE WE HAD
9 CAPTIVES. THEY COULDN'T GO OFFSITE TO LUNCH. SO THEY
10 WERE THERE. AND, AGAIN, THAT'S ONE TANGIBLE RESULT OF
11 THE -- IF ISOLATION IS A NEGATIVE, I'M SHOWING THAT IT
12 CAN ALSO BE A POSITIVE.

13 MS. SAMUELSON: I COMPLETELY AGREE. I THINK
14 THAT'S A REAL EXCITING COMPONENT, BUT THEN I WAS JUST
15 THINKING ABOUT THE FACT THAT YOU DON'T WANT FOLKS TO
16 LEAVE TO WORK OUT WHEN THERE AREN'T FACILITIES. IT'S NOT
17 LIKE A DOWNTOWN AREA. THANK YOU.

18 CHAIRMAN LICHTENGER: BOB, ONE. ON THE
19 EQUIPMENT WE HAD SOME CONCERNS ABOUT THERE MAY BE A
20 FUNDING GAP ON EQUIPMENT. CAN YOU GO INTO THAT A LITTLE
21 BIT?

22 MR. O' REAR: I THINK THE STAFF ANALYSIS READ
23 WHAT WAS WRITTEN CORRECTLY, BUT WE CHARACTERIZED IT
24 INCORRECTLY. I THINK YOU ARE REFERRING TO THE \$7.4
25 MILLION POTENTIAL SHORTFALL IN EQUIPMENT FOR THE 12 NEW

BARRISTERS' REPORTING SERVICE

1 LABS?

2 CHAIRMAN LICHTENGER: RIGHT.

3 MR. O' REAR: IT'S ABOUT \$500,000 FOR ALL 12
4 LABS, NOT \$500,000 PER LAB. AND THAT'S BASED ON THE
5 AVAILABILITY OF THE CORES AND SHARED RESOURCES MAKE ALL
6 THE EXPENSIVE EQUIPMENT IN THE SPECIALIZED ROOMS AND
7 FACILITIES AVAILABLE IN THE EXISTING BUILDING FOR THE
8 MOST PART. SO FOR THE STEM CELL ACTIVITIES, WE'D BE
9 EXTENDING THE CORES THERE THAT ARE MOST IMPORTANT, SO
10 CELL CULTURE AND IMAGERY ARE THOSE THAT WOULD BE
11 DISTRIBUTED WITHIN THE PROPOSED FACILITY.

12 CHAIRMAN LICHTENGER: ARE YOU SAYING THAT THE
13 AMOUNT YOU HAVE BUDGETED IS SUFFICIENT TO FULLY FURNISH
14 THOSE LABORATORIES?

15 MR. O' REAR: YES. WHEN OTHERS HAVE TALKED ABOUT
16 THE PACKAGES, WHEN PEOPLE COME IN WITH THE PACKAGES, MUCH
17 OF THEIR EQUIPMENT IS UNDER THE \$5,000 CAPITAL THRESHOLD.
18 AND THE THINGS THAT THEY NEED TO SUPPORT THEMSELVES, THE
19 MORE EXPENSIVE ITEMS, WOULD BE IN THEIR START-UP PACKAGES
20 OR PROVIDED FROM INSTITUTIONAL FUNDS.

21 MR. KLEIN: A COUPLE OF THINGS. ONE TO
22 UNDERSTAND THE LAST ANSWER. SO WHEN YOU HAVE A HIRING
23 PACKAGE LIKE OTHER INSTITUTIONS, YOU PUT THE EQUIPMENT IN
24 THOSE PACKAGES TO THE EXTENT THAT IT'S NOT COVERED IN THE
25 STANDARD EQUIPMENT; IS THAT A CORRECT STATEMENT?

BARRISTERS' REPORTING SERVICE

1 MR. O' REAR: THAT' S CORRECT.

2 MR. KLEIN: SO JUST LIKE THE COMMENT FROM USC
3 WHO HAS 50 MILLION AND PART OF THAT IS GOING INTO
4 EQUIPMENT PACKAGES, AS YOU RECRUIT PEOPLE, YOU HAVE
5 EQUIPMENT PACKAGES THAT GO WHEN THEY' RE HIRED. AND
6 YOU' RE NOT COUNTING THAT IN LEVERAGE, BUT THAT' S PART OF
7 YOUR HIRING PROCESS GIVEN THE EQUIPMENT, ANY SPECIALIZED
8 EQUIPMENT THEY NEED OUTSIDE THE CORES.

9 THE OTHER THING THAT I' D LIKE TO POINT OUT IS
10 THAT MY RECOLLECTION IN TERMS OF THE SCIENTIFIC POSITION
11 WAS THAT AS YOUR STRATEGIC POSITION, AS I REMEMBER IT,
12 WAS THAT AS A RURAL CAMPUS, YOU' VE CREATED THESE
13 CONFERENCE SPACES AND ABILITY TO SERVE FOOD FOR THEM AS
14 PART OF YOUR THEORY OF HAVING SYMPOSIA TO DRAW SOME OF
15 THE BEST PEOPLE FROM THE WORLD INTO YOUR SITE TO CREATE
16 THE INTERACTION THAT WOULD OTHERWISE BE AVAIL ABLE IN A
17 LOCAL URBAN SITE.

18 MR. O' REAR: CORRECT.

19 MR. KLEIN: ISN' T THAT A CORRECT STATEMENT?

20 MR. O' REAR: THAT' S CORRECT.

21 MR. KLEIN: SO THIS IS PART OF YOUR STRATEGIC
22 WAY TO PULL THE EXPERTISE IN FROM AROUND THE COUNTRY,
23 AROUND THE WORLD. I THINK MAHENDRA RAU IS THE ONE THAT' S
24 SPEARHEADING THAT PROGRAM?

25 MR. O' REAR: THAT' S CORRECT. AND WE ARE ABOUT

BARRISTERS' REPORTING SERVICE

1 TO COMPLETE OUR SHARED RESEARCH LABORATORY AND STEM CELL
2 TRAINING FACILITY. SO OUR FIRST COURSES WILL BE STARTING
3 UP IN JUNE, AND THAT WILL DRAW OUR FIRST STRINGS OF
4 STUDENTS. WE'VE HAD A COURSE ALREADY, BUT WE WILL BE
5 HAVING IT IN THE NEWLY DEDICATED CIRM SHARED RESEARCH LAB
6 AND STEM CELL TRAINING FACILITY IN JUNE. AND THAT WILL
7 KICK OFF A CONFERENCE PROGRAM. SO WE WISH TO DO EXACTLY
8 AS YOU DESCRIBED, TO USE THE GROUNDS, THE LOCATION, THE
9 FACILITY TO ATTRACT CONFERENCES AND SYMPOSIA ON A REGULAR
10 BASIS TO THE INSTITUTE. IN FACT, THAT'S ANOTHER
11 ENHANCEMENT FROM THOSE WHO ARE INTERESTED IN BECOMING
12 POTENTIAL DEVELOPMENT PARTNERS WITH US IS THEY SEE THAT
13 AS A VERY BIG THING FOR THEM AND THEIR ABILITIES TO
14 NEGOTIATE FOR FUTURE DEVELOPMENT RIGHTS FOR THE NEXT TWO
15 BUILDINGS.

16 CHAIRMAN LICHTENGER: GREAT. THANK YOU VERY
17 MUCH.

18 DR. TROUNSON: I WONDER IF YOU'D INDULGE ME A
19 QUESTION TO THE APPLICANT.

20 CHAIRMAN LICHTENGER: PLEASE.

21 DR. TROUNSON: I JUST THINK IT'S IMPORTANT IN
22 THIS SPACE. WHEN YOU'RE WORKING WITH AGING SYSTEMS, FOR
23 EXAMPLE, AGING ANIMALS, YOU NEED A VERY SPECIAL ANIMAL
24 FACILITY TO MAINTAIN. IT'S A VERY EXPENSIVE PROCESS.
25 I'M AWARE INTERNATIONALLY THIS IS VERY DIFFICULT AND

BARRISTERS' REPORTING SERVICE

1 COSTLY.

2 DO YOU ANTICIPATE MAINTAINING SOME OF THESE
3 AGING, SAY, RODENT POPULATIONS TO WORK ON? HAVE YOU GOT
4 SPECIAL FACILITIES IN PLACE TO DO THAT?

5 MR. O'REAR: YES, WE DO. SO ONE OF THE THINGS
6 THAT OUR SCIENTISTS HAVE SCHOOLED ME ON IS THAT
7 LONGITUDINAL STUDIES, JUST WHERE YOU WATCH ORGANISMS AND
8 ANIMALS AGE WITHOUT INTERFERENCE, JUST WATCH THEM THROUGH
9 THEIR NATURAL LIFE SPAN, IS VERY HELPFUL IN THE AGING
10 PROCESS. SO WHEN YOU CAN INDUCE PARTICULAR DISEASES OR
11 FIND GENETIC STRAINS THAT EXHIBIT PARTICULAR SYMPTOMS OR
12 PROPERTIES, THEN YOU CAN WATCH THEM THROUGHOUT SEVERAL
13 GENERATIONS. WE THINK THERE'S A SHORTAGE OF THAT
14 CAPACITY RIGHT NOW, AND THAT'S ONE OF THE THINGS THAT
15 WE'D LIKE TO INCORPORATE INTO THE USE OF OUR EXISTING
16 VIVARIUM.

17 ON THE STEM CELL COMPONENT, I JUST WANT TO TOUCH
18 ON THAT. THE STORAGE FACILITIES OF OUR REPOSITORY, ONE
19 OF THE REASONS THAT WE THINK THE BASEMENT IS GOING TO BE
20 IMPORTANT, THAT NOT ONLY IT HAS A PRACTICAL ASSOCIATION
21 BECAUSE IT LINKS THE BASEMENTS OF THE EXISTING BUILDING
22 AND DELIVERS ALL THE SERVICES TO THE PROPOSED FACILITY,
23 BUT IT ALSO LINKS TO TWO OTHER BASEMENTS. AND WE HAVE
24 SEPARATE AND APART FROM OUR POTENTIAL EQUITY PARTNERS A
25 GROUP WHO'S IN THE BUSINESS OF STORAGE AND REPOSITORIES.

BARRISTERS' REPORTING SERVICE

1 AND THEY' RE QUITE INTERESTED IN NOT ONLY THE BASEMENT IN
2 THE EXISTING BUILDING AND TRYING TO DO CATALOGING AND
3 INDEXING AND CREATE SOME STANDARDS THAT WOULD HELP WHEN
4 CELLS ARE DERIVED, TO IMMORTALIZE THOSE CELL LINES, HAVE
5 A PERMANENT LOCATION FOR THEM TO BE THAT ARE ON PRIVATE
6 PROPERTY, OFF THE BEATEN TRACK, THAT HAVE ALL THE
7 REDUNDANT SYSTEMS TO ASSURE THEIR IMMORTALITY AS MUCH AS
8 HUMANLY POSSIBLE. THAT' S A CONSIDERATION FOR THE
9 BASEMENT AND THE NEXT TWO BASEMENTS.

10 CHAIRMAN LICHTENGER: THANK YOU VERY MUCH.
11 THANK YOU FOR YOUR ANSWERS.

12 SO I WANT TO BRING UP AMONGST THE FACILITIES
13 WORKING GROUP THIS LEVERAGE ISSUE BECAUSE I HAVE SOME
14 CONCERNS HERE ABOUT. RICK, THE LEVERAGE CURRENTLY FOR
15 BUCK, WHAT ARE WE SHOWING THE TOTAL DOLLAR AMOUNT OF
16 LEVERAGE, PLEASE?

17 MR. KELLER: 48,610,000.

18 CHAIRMAN LICHTENGER: SO, YOU KNOW, THE WAY I' M
19 LOOKING AT THIS LEVERAGE, OUT OF 28,692,600, I' M HAVING A
20 PROBLEM WITH PRETTY MUCH EVERYTHING EXCEPT THE 4,772,600.
21 SO I DON' T KNOW HOW EXACTLY WE DEAL WITH THIS. BUT
22 BASICALLY THAT WOULD BE KNOCKING OUT ABOUT \$23 MILLION OF
23 LEVERAGE.

24 MR. KLEIN: MR. CHAIRMAN, I' D LIKE TO PRESENT,
25 SINCE YOU HAVEN' T PRESENTED A MOTION, A COUNTER MOTION

BARRISTERS' REPORTING SERVICE

1 WHICH WOULD ELIMINATE THE VIVARIUM BECAUSE IT'S SHARED
2 RESOURCES, ELIMINATE THE CENTRAL PLANT UTILITIES AND
3 EXISTING AUDITORIUM BECAUSE ALL SHARED UTILITIES WE'VE
4 ELIMINATED. AND THE AUDITORIUM IS REALLY A SHARED
5 FACILITY. AND ELIMINATE THE RESEARCH EXPENDITURES, BUT
6 ENTITLEMENTS, THE APPORTIONED COST OF LAND IMPROVEMENTS
7 AND THE LAND, WHETHER IT'S UNDER A RENT BASIS OR A
8 SALE/LEASE-BACK BASIS, IT'S A THIRD-PARTY VALUATION OF
9 THAT. AND THEY'RE GOING TO HAVE TO PAY FOR IT JUST LIKE
10 SAN DIEGO IS PAYING FOR IT.

11 SO FOR CONSISTENCY BASIS, I WOULD LIKE TO
12 PROPOSE TO SEE IF THERE'S A SECOND THAT WE EXCLUDE THE 6
13 MILLION 4, THE 2 MILLION 2, AND THE MILLION 950, AND
14 COUNT THE 2 MILLION 164 IN COST, 8 MILLION 764 IN COST,
15 AND THE 4 MILLION 772 THAT IS GOING TO END UP IN RENT OR
16 SALE/LEASE-BACK PAYMENTS OR THE EQUIVALENT.

17 CHAIRMAN LICHTENGER: BOB, CAN I -- I KNOW --

18 MR. KLEIN: I NEED TO SEE IF THERE'S A SECOND,
19 AND THEN WE CAN HAVE A DISCUSSION.

20 VICE CHAIRMAN SERRANO-SEWELL: LET ME SEE IF I
21 CAN MAKE AN AMENDMENT TO THAT, BOB. I THINK THERE MIGHT
22 BE UNANIMITY ON THE FIRST PART OF YOUR MOTION, AND THAT
23 IS WHAT TO TAKE OUT.

24 MR. KLEIN: OKAY.

25 VICE CHAIRMAN SERRANO-SEWELL: MAYBE WE COULD

BARRISTERS' REPORTING SERVICE

1 START WITH THAT BECAUSE YOU HAD, LIKE, TAKE OUT AND,
2 LIKE, COUNT.

3 MR. KLEIN: PREPARED TO DO IT INCREMENTALLY. IS
4 THAT A SECOND?

5 VICE CHAIRMAN SERRANO-SEWELL: YES.

6 MR. KLEIN: THE MOTION -- FIRST MOTION IS TO
7 ELIMINATE THE 6 MILLION 4, THE 2 MILLION 250, AND THE
8 MILLION NINE FIFTY-TWO.

9 CHAIRMAN LICHTENGER: SO AS FAR AS DISCUSSION,
10 I'D LIKE TO DISCUSS IT NOW. SO I THINK THAT'S A START.
11 BUT -- SO I THINK FOR CONSISTENCY WITH ALL THE OTHER
12 APPLICANTS HERE, THE ONLY CATEGORY HERE THAT I SEE OUT OF
13 THIS 28,692,600 THAT WOULD BE CONSISTENT WOULD BE THE
14 4,772,600 AS THIS, QUOTE, UNQUOTE, PRESENT VALUE OF THE
15 LAND AND THE POTENTIAL SALE/LEASE-BACK. BUT THE 8
16 MILLION 764, THE 2 MILLION 164, YOU KNOW, THE APPLICANT
17 HASN'T EVEN REPRESENTED TO US THAT THAT WOULD BE A
18 POTENTIAL COST IN TERMS OF THE SALE/LEASE-BACK.

19 MR. KLEIN: THESE ARE ACTUAL HISTORICAL COSTS.
20 THEY'VE TOLD YOU THAT THEY'VE SPENT THE MONEY. THESE ARE
21 HISTORICAL.

22 CHAIRMAN LICHTENGER: IN 1993.

23 MR. KLEIN: DOESN'T MATTER. THE OTHER
24 APPLICANTS HAVE SPENT MONEY FOR THESE.

25 CHAIRMAN LICHTENGER: BUT WE HAVEN'T GIVEN THEM

BARRISTERS' REPORTING SERVICE

1 A CREDIT FOR THEM, HAVE WE?

2 MR. KLEIN: ABSOLUTELY. THE LAND IMPROVEMENTS
3 FOR ALL THE OTHERS, WE'VE GIVEN THEM CREDIT.

4 CHAIRMAN LICHTENGER: IN LEVERAGE?

5 MR. KLEIN: YEAH.

6 MR. KASHIAN: YEAH.

7 CHAIRMAN LICHTENGER: RICK, CAN YOU HELP ME ON
8 THIS?

9 MR. KELLER: WE ONLY HAD ONE OTHER PROPOSAL WITH
10 LAND IN IT, WHICH WAS SAN DIEGO. ALL THE OTHERS --

11 CHAIRMAN LICHTENGER: WE DIDN'T GIVE ANY OF THE
12 OTHER APPLICANTS CREDIT FOR --

13 MR. KLEIN: NO. WAIT. THIS IS NOT CORRECT.
14 FOR SITE PREPARATION AND FOR DEMOLITION AND
15 DETOXIFICATION OF THE SITE --

16 CHAIRMAN LICHTENGER: FOR CURRENT DOLLARS.

17 MR. KLEIN: THIS IS -- MY UNDERSTANDING IS THAT
18 THE 2 MILLION 164 IS ACTUAL DOLLARS ALLOCATED. IT'S 35
19 PERCENT OF THE TOTAL COST.

20 CHAIRMAN LICHTENGER: YEAH. IN 1993. WE'RE
21 TALKING -- ALL THE OTHER APPLICANTS ARE TALKING ABOUT
22 DOLLARS THAT THEY'RE INCURRING NOW, BOB.

23 MR. KLEIN: WE DIDN'T PUT THAT REQUIREMENT ON
24 ANYONE. FOR EXAMPLE, THERE'S SOME OF THESE OTHER SITES
25 THAT PEOPLE HAVE BEEN -- THEY'VE TOLD YOU. THERE'S SOME

BARRISTERS' REPORTING SERVICE

1 OF THESE OTHER PROJECTS THAT PEOPLE HAVE BEEN WORKING ON
2 FOR FOUR OR FIVE YEARS. SO IF IT'S FIVE YEARS OLD, IT'S
3 OKAY, BUT NOT IF IT TAKES THEM 15 YEARS? IT TOOK THEM
4 NINE YEARS JUST TO --

5 MR. KASHIAN: HOW ABOUT THE PROPORTION OF SHARE
6 OF THE UTILITIES OR A POWER PLANT THAT WAS BUILT 20 YEARS
7 AGO?

8 CHAIRMAN LICHTENGER: WE ALREADY HAD A RULING ON
9 THAT ONE.

10 SO, BOB, TO MAKE THIS CONSISTENT WITH THE OTHER
11 APPLICANTS, THE ONLY ITEM OUT OF THIS 28 MILLION 192
12 WOULD BE THE 4,772,600. IF WE TAKE THAT --

13 MR. KLEIN: YOU'RE NOT SPEAKING ON THE MOTION.
14 SO I RESPECTFULLY REQUEST THAT WE VOTE ON THE FIRST
15 MOTION. AND THEN IF YOU'D LIKE TO MAKE A SECOND
16 MOTION --

17 CHAIRMAN LICHTENGER: FINE. I WILL. THAT'S
18 FINE. SO ANY OTHER DISCUSSION ABOUT THIS? SO WOULD YOU
19 LIKE TO CALL THE ROLL?

20 MS. PACHTER: I JUST WANT TO RESTATE THE MOTION
21 TO MAKE SURE I HAVE IT. THE MOTION IS TO EXCLUDE FROM
22 LEVERAGE 6.4 MILLION, THE 2.25 MILLION, AND THE 1.954 OR
23 IS THAT 2 MILLION FROM LEVERAGE AND INCLUDE --

24 MR. KLEIN: NO. NO. THAT IS THE MOTION.

25 MS. PACHTER: THAT IS THE MOTION.

BARRISTERS' REPORTING SERVICE

1 MR. KLEIN: JUST REMOVING THOSE THREE ITEMS.

2 MS. PACHTER: THE MOTION WAS BY MEMBER KLEIN AND
3 SECONDED BY THE VICE CHAIR. OKAY. TO CALL THE ROLL,
4 MARCY FEIT.

5 MS. FEIT: YES.

6 MS. PACHTER: DEBORAH HYSEN.

7 MS. HYSEN: YES.

8 MS. PACHTER: EDWARD KASHIAN.

9 MR. KASHIAN: YES.

10 MS. PACHTER: ROBERT KLEIN.

11 MR. KLEIN: YES.

12 MS. PACHTER: STUART LAFF.

13 MR. LAFF: YES.

14 MS. PACHTER: DAVID LICHTENGER.

15 CHAIRMAN LICHTENGER: ABSTAIN.

16 MS. PACHTER: JOAN SAMUELSON.

17 MS. SAMUELSON: YES.

18 MS. PACHTER: DAVID SERRANO-SEWELL.

19 VICE CHAIRMAN SERRANO-SEWELL: YES. AND,
20 CHAIRMAN, I DON'T KNOW WHAT TO DO WITH THESE OTHER THINGS
21 THAT BOB HAS IDENTIFIED. I HAVEN'T DECIDED WHERE I STAND
22 ON IT, THE OTHER THINGS YOU CITED AS WELL. I WANT TO GET
23 THIS OFF THE TABLE AND FOCUS THE DISCUSSION.

24 MS. PACHTER: AND JANET WRIGHT.

25 DR. WRIGHT: YES.

BARRISTERS' REPORTING SERVICE

1 MS. PACHTER: MOTION CARRIES.

2 CHAIRMAN LICHTENGER: I'D LIKE TO PROPOSE A NEW
3 MOTION, THAT WE EXCLUDE THE VALUE, THE PRESENT VALUE OF
4 THE APPORTIONED COST OF THE LAND IMPROVEMENTS FOR 8
5 MILLION 764 AND 2 MILLION 164 FOR ENTITLEMENTS. I'D LIKE
6 TO PROPOSE THAT AS A MOTION. DO I HAVE A SECOND?

7 MS. FEIT: SECOND.

8 CHAIRMAN LICHTENGER: OPEN UP FOR DISCUSSION.

9 MS. SAMUELSON: QUESTION. IS IT CLEAR THAT THIS
10 WOULD BE CONSISTENT WITH THE WAY OTHER APPLICANTS HAVE
11 BEEN TREATED OR NOT?

12 CHAIRMAN LICHTENGER: I THINK IT IS.

13 MS. SAMUELSON: SEEMS LIKE IT WOULD BE ONE WAY
14 OR THE OTHER.

15 CHAIRMAN LICHTENGER: SO MY PERSPECTIVE --

16 MR. KLEIN: MR. CHAIRMAN, COULD YOU ASK STAFF IF
17 WE HAVE REPRESENTATION FROM THE OTHER APPLICANTS THAT
18 THEY HAVE NOT INCLUDED ENTITLEMENT COSTS OR THEY HAVE NOT
19 INCLUDED LAND IMPROVEMENT COST?

20 MR. KELLER: WHAT WE ASKED THE APPLICANTS TO
21 DEFINE FOR IMPROVEMENT COSTS WERE ON-SITE IMPROVEMENTS
22 RELATED TO THE SPECIFIC PROJECT. SO IF THEY WERE GOING
23 TO DO EXCAVATION OR CONNECTING OF UTILITIES, THEN THOSE
24 LAND IMPROVEMENTS ARE ON-SITE IMPROVEMENTS RELATED TO THE
25 CIRM-FUNDED PROJECT. IT DID NOT INCLUDE PORTIONS OF

BARRISTERS' REPORTING SERVICE

1 ROADWAYS, SEWER LINES AT STANFORD OR USC, OR THE
2 APPORTIONMENT OF THE CAMP ANEELY (PHONETIC) AT BERKELEY,
3 OR ANYTHING RELATED TO INFRASTRUCTURE THAT WAS PUT IN AT
4 A PRIOR DATE AND THEN APPORTIONED TO THIS.

5 MR. KLEIN: SO, RICK, YOU ARE SHOWING ON THE
6 PLANS FOR STANFORD THAT THEY HAVE ABUTTING MAJOR
7 CORRIDORS THAT ARE OUTSIDE THE BUILDING ENVELOPE. YOU'RE
8 SHOWING IN SAN DIEGO THAT THE PARKING LOT IS INCLUDED AS
9 A SITE IMPROVEMENT COST; IS THAT CORRECT?

10 MR. KELLER: THE PARKING LOT IS A MITIGATION FOR
11 THE EIR, CORRECT.

12 CHAIRMAN LICHTENGER: THOSE ARE CURRENT
13 EXPENDITURES, BOB.

14 MR. KELLER: CURRENT. IN ORDER FOR THE PROJECT
15 TO HAPPEN, THEY NEED THE PARKING. THEY HAVE TO HAVE THE
16 PARKING.

17 MR. KLEIN: YOU CANNOT BUILD THIS BUILDING
18 WITHOUT AN APPORTIONMENT OF THE PARKING FOR THIS SITE.
19 THE LEGAL ENTITLEMENTS AS BASIC LAW IS THAT YOU CANNOT
20 BUILD THE BUILDING WITHOUT THE ENTITLEMENTS. IT IS NOT
21 POSSIBLE. SO --

22 CHAIRMAN LICHTENGER: IT'S NOT A CURRENT
23 EXPENDITURE, BOB.

24 MR. KLEIN: WHERE IS IT THAT WE SAID IT HAD TO
25 BE A CURRENT EXPENDITURE?

BARRISTERS' REPORTING SERVICE

1 CHAIRMAN LICHTENGER: I DON'T KNOW WHERE IT IS,
2 BUT ALL THE OTHER APPLICANTS WE -- RICK, WE HAVE BEEN
3 VERY CLEAR THAT --

4 MR. KELLER: WE COMMUNICATED THAT IT HAD TO BE A
5 CAPITALIZED PROJECT COST.

6 CHAIRMAN LICHTENGER: CAPITALIZED PROJECT COST.

7 MR. KELLER: IF IT HAD ALREADY BEEN CAPITALIZED
8 BY A PREVIOUS PROJECT --

9 CHAIRMAN LICHTENGER: BOB, LET ME. IF THEY WERE
10 INCLUDING THIS VALUE IN THE 4 MILLION 772 AND THE
11 SALE/LEASE-BACK, THAT WOULD BE DIFFERENT, BUT IT'S NOT
12 EVEN INCLUDED IN THE VALUE OF THE SALE/LEASE-BACK.

13 MR. KLEIN: YOU DON'T KNOW THAT.

14 CHAIRMAN LICHTENGER: LET'S ASK THE APPLICANT.

15 MR. O'REAR: THE VALUE OF THE SALE/LEASE-BACK IS
16 ABSOLUTELY ESSENTIALLY CONNECTED TO THE EXISTING.

17 CHAIRMAN LICHTENGER: WHAT IS THE -- WHAT IS THE
18 PROPOSED VALUE OF THE SALE/LEASE-BACK, 4 MILLION 772?

19 MR. O'REAR: NO. ACTUALLY THE PROPOSED VALUE OF
20 SOME OF THE SALE/LEASE-BACKS GO FAR BEYOND THAT. SOME OF
21 THE SALE/LEASE-BACKS WOULD GENERATE \$30 MILLION.

22 CHAIRMAN LICHTENGER: BUT WE'RE TALKING ABOUT
23 THE VALUE -- THE PROPOSED SALE/LEASE-BACK OPTION WITH THE
24 LAND THAT THE CIRM BUILDING WOULD BE BUILT ON.

25 MR. O'REAR: LET ME GO IN REVERSE. THERE WOULD

BARRISTERS' REPORTING SERVICE

1 BE NO VALUE IN THE SALE/LEASE-BACK WITHOUT THESE
2 ENTITLEMENTS.

3 MR. KLEIN: I THINK HE'S ASKING IS IT
4 APPORTIONMENT OF THE COST OF THE SITE IMPROVEMENTS, WOULD
5 THAT BE IN THE SALE/LEASE-BACK AS A PART OF THE TOTAL
6 COST?

7 MR. O' REAR: YES.

8 CHAIRMAN LICHTENGER: GREAT. THEN WHAT IS
9 THAT -- WHAT IS THAT AMOUNT CONTEMPLATED, THE 4 MILLION
10 772?

11 MR. O' REAR: NO. THE 12 MILLION WHATEVER THEY
12 ARE TOGETHER.

13 CHAIRMAN LICHTENGER: SO YOU'RE TELLING ME -- SO
14 YOU HAVE 4 MILLION 772 AND THEN YOU HAVE EIGHT SEVEN SIX
15 FOUR. SO YOU'RE TELLING ME THAT A POTENTIAL
16 SALE/LEASE-BACK OPTION WOULD BE ADDING THOSE TWO NUMBERS
17 TOGETHER?

18 MR. O' REAR: CORRECT. AND THEN WE WOULD
19 MONETIZE THOSE -- THE SALE/LEASE-BACK COMPONENT OR AN
20 EQUITY PARTNER WOULD PAY US FOR THOSE EXISTING
21 CONDITIONS. SO THOSE PRIOR EXPENDITURES ARE BENEFICIAL
22 TO THEIR INVESTMENT.

23 CHAIRMAN LICHTENGER: WHAT ABOUT THE 2 MILLION
24 164 ENTITLEMENTS? IS THAT INCLUDED IN THERE?

25 MR. O' REAR: IT WOULD BE, YES.

BARRISTERS' REPORTING SERVICE

1 CHAIRMAN LICHTENGER: DO YOU HAVE SOME TERM
2 SHEETS?

3 MR. O' REAR: I DO. I'VE BEEN TRYING TO MAINTAIN
4 THE CONFIDENTIALITY OF THOSE BECAUSE WE'RE ALSO IN A
5 NEGOTIATION UNDER THREE OR FOUR DIFFERENT POTENTIAL
6 SCENARIOS.

7 CHAIRMAN LICHTENGER: BUT -- OKAY. THANK YOU.

8 MR. KASHIAN: JUST BECAUSE YOU'RE THE CHAIRMAN,
9 DOESN'T MEAN YOU CAN DRAG THIS THING OUT.

10 CHAIRMAN LICHTENGER: WELL, I'M TRYING TO GET AT
11 A FAIR WAY OF TREATING ALL THE APPLICANTS THE SAME WAY.

12 MR. KASHIAN: SO ARE WE.

13 CHAIRMAN LICHTENGER: SO YOU WANT TO ASK A
14 QUESTION, ASK A QUESTION.

15 MR. KASHIAN: I'M NOT ASKING A QUESTION. I'M
16 ASKING FOR THE QUESTION ON YOUR MOTION.

17 CHAIRMAN LICHTENGER: ARE THERE ANY OTHER MORE
18 DISCUSSIONS ON MY MOTION BEFORE WE HAVE A ROLL CALL?

19 VICE CHAIRMAN SERRANO-SEWELL: I DO, AND I DON'T
20 WANT TO DRAG IT OUT, BELIEVE ME, ED. BUT I WANT TO BE
21 MINDFUL OF THE ISSUES THAT DAVID'S RAISING BECAUSE IT
22 DOES CAUSE ME SOME PAUSE. AND WHILE WE MAY NOT HAVE SAID
23 WITH SPECIFICITY WHAT'S GOING TO COUNT AND WHAT ISN'T, I
24 ALWAYS DID HAVE THE UNDERSTANDING, IN TERMS OF LEVERAGE,
25 THAT THE CIRM AWARD WOULD PROMPT NEW ADDITIONAL

BARRISTERS' REPORTING SERVICE

1 INVESTMENTS ON THEIR PART. IF THESE ARE INVESTMENTS THAT
2 HAVE ALREADY HAPPENED YEARS AGO, THAT SORT OF WIDENS THE
3 SCOPE IN MY MIND OF WHAT LEVERAGE -- WHAT IS DEFINED AS
4 LEVERAGE. AND THAT MIGHT BE VERY WELL OKAY. THAT'S
5 FINE. IT'S NOT HOW THE OTHER APPLICANTS RESPONDED IN
6 ANSWERING THIS QUESTION. I THINK THAT'S WHAT -- THAT'S
7 FOR ME WHAT THE ISSUE IS.

8 MR. KASHIAN: I TOTALLY DISAGREE. USC CAME UP
9 AND SAID THERE WAS TWO MILLION SOME ODD THOUSAND DOLLARS
10 SPENT FOR ENTITLEMENTS. WE ALLOWED THAT. WHETHER THE
11 ENTITLEMENTS WERE DONE NOW OR LATER IS NOT SIGNIFICANT.
12 WHAT IS SIGNIFICANT IS IF THEY'RE DONE NOW, THEY'LL COST
13 MORE THAN THEY WOULD LATER, SO WHAT WE HAVE IS WE HAVE A
14 REAL VALUE. THE REAL ESTATE IS THE ISSUE.

15 VICE CHAIRMAN SERRANO-SEWELL: I GUESS WHAT'S
16 UNIQUE ABOUT THE BUCK IS THEY DO, AS YOU KNOW, ED,
17 THEY'VE SECURED THEIR ENTITLEMENTS A LONG TIME AGO.

18 MR. KASHIAN: I HAVE TO ASSUME EVERYBODY IS
19 TELLING THE TRUTH.

20 VICE CHAIRMAN SERRANO-SEWELL: I'M NOT
21 SUGGESTING THEY SHOULD BE PENALIZED FOR THAT.

22 CHAIRMAN LICHTENGER: AND THEY'RE PRORATING A
23 THIRD OF ALL THEIR COST TO THIS PROJECT. AND WHEN I
24 ASKED THE QUESTION HOW MUCH LAND WILL BE GIVEN TO THE
25 CIRM PROJECT, WE'RE NOT GETTING A THIRD OF THE LAND.

BARRISTERS' REPORTING SERVICE

1 WE'RE PAYING FOR A THIRD OF THE ENTITLEMENT COST.

2 MR. KLEIN: NOW, DAVID, THAT IS COMPLETELY
3 UNFAIR. THEY SAID THAT THEY APPORTIONED 35 PERCENT
4 BECAUSE IT'S 35 PERCENT OF THE IMPROVEMENTS. SO 35
5 PERCENT OF THE SPACE, SO THEY GOT 35 PERCENT OF THE LAND
6 IMPROVEMENTS, WHICH IS THAT IS THE SQUARE FOOTAGE THAT
7 THE LAND IMPROVEMENT COVERS.

8 CHAIRMAN LICHTENGER: OKAY. YOU KNOW WHAT.
9 WE'RE HAVING A DISCUSSION ABOUT IT. THERE'S A MOTION.
10 ANY MORE DISCUSSION? MARCY.

11 MS. FEIT: I'M JUST CONCERNED AT THIS POINT
12 BECAUSE THERE'S JUST SO MUCH DISAGREEMENT ON THIS PANEL
13 ABOUT THIS ISSUE, AND IT'S AN IMPORTANT ISSUE. AND I
14 REMEMBER A MEETING THAT WE HAD WHEN WE WERE SETTING DOWN
15 THE RULES OF ENGAGEMENT HERE, AND WE HAD A GREAT DEAL OF
16 DISCUSSION ABOUT LEVERAGE. AND DAVID SERRANO-SEWELL IS
17 CORRECT. WE WERE VERY SPECIFIC THAT WE DIDN'T WANT TO BE
18 DIGGING BACK INTO THE PAST. WE WANTED PROJECT COSTS TO
19 BE RELATED TO OUR PROJECTS. AND IF YOU READ THE
20 DEFINITION OF LEVERAGE, WE SAID IT RIGHT IN THE
21 DEFINITION. AND I THINK THIS IS A WONDERFUL PROJECT.
22 I'M NOT -- IT'S NOT ABOUT WHAT THEY'RE TRYING TO DO.
23 IT'S ABOUT WHAT WE SAID WE WOULD BE DOING. AND I'M
24 CONCERNED NOW THAT WE HAVE TOTAL DISAGREEMENT ON THIS
25 PANEL, AND I DON'T WANT TO VOTE -- I DON'T WANT TO EVEN

BARRISTERS' REPORTING SERVICE

1 SCORE THIS UNTIL -- IF WE HAVE TO GO INTO A CLOSED
2 SESSION AND HASH THIS OUT AGAIN AND STICK TO THE POLICY
3 WE WROTE, FINE. BUT I'M CONCERNED AT THIS POINT.

4 CHAIRMAN LICHTENGER: THANK YOU, MARCY.

5 DR. TROUNSON: SORRY, MR. CHAIRMAN. LOOK, I
6 HAVE A LOT OF SYMPATHIES WITH YOU, IN FACT, WHERE YOU ARE
7 BECAUSE I THINK THAT'S WHAT THE STAFF HAVE INTERPRETED,
8 THAT IT WAS REALLY ESSENTIALLY COSTS THAT ARE GOING INTO
9 PREPARATION OF THE SITE BECAUSE IT'S ALREADY OWNED. SO
10 IT'S SORT OF -- IF IT'S A MORE COMPLICATED ISSUE ABOUT
11 PAYING FOR A SITE THAT IS ALREADY OWNED BY THAT
12 INSTITUTE, YOU KNOW, IT DEFINITELY WASN'T APPARENT TO US
13 IN MAKING THE ASSESSMENTS AND PROVIDING IT TO YOU.

14 I STRONGLY RECOMMEND THAT YOU TAKE THE
15 INFORMATION THAT YOU HAVE AT THE MOMENT. AND WHILE IT
16 WON'T BE PERFECT, I'M A BIT CONCERNED IF WE MAKE ANOTHER
17 SET OF DECISIONS, WE'LL HAVE TO GO BACK TO ALL THE OTHER
18 INSTITUTES AND GET THEM TO THINK IN THE SAME WAY AND PRO
19 RATA THEIR LAND COSTS GOING FORWARD. I THINK YOU OUGHT
20 TO MAKE A DECISION ON THE INFORMATION THAT YOU'VE GOT,
21 AND MAKE YOUR OWN JUDGMENTS ABOUT WHETHER THIS REPRESENTS
22 REASONABLE LEVERAGE OR NOT, AND ACCOMMODATE THAT WITHIN
23 THE SPECTRUM OF THE VARIABILITY OF ASKING THESE QUESTIONS
24 AND GETTING, I THINK, OFF ON QUITE COMPLEX RESPONSES.

25 CHAIRMAN LICHTENGER: THANK YOU.

BARRISTERS' REPORTING SERVICE

1 MR. KLEIN: CAN I ASK A QUESTION? ALAN, DOES
2 THAT MEAN THAT YOU ACCEPT EITHER APPROACH, OR DO YOU ONLY
3 ACCEPT ONE APPROACH? ARE YOU TAKING A POSITION ON WHICH
4 APPROACH WE TAKE ON THESE COSTS?

5 DR. TROUNSON: NO. BOB, I'M NOT TAKING A
6 POSITION. I'M SUGGESTING THAT THE PANEL CAN INDIVIDUALLY
7 MAKE THEIR OWN DECISIONS AND FACTOR INTO THE MARK THAT
8 THEY'RE PREPARING. SOME PEOPLE WILL BE VERY SUPPORTIVE
9 AND POSITIVE ABOUT THAT. SOME WILL BE A LITTLE LESS. I
10 ACTUALLY DON'T THINK IT WILL MAKE A LOT OF DIFFERENCE IN
11 THE END OF THE SCORE. I THINK IT'S A GOOD PROJECT.
12 EVERYBODY SAID THAT. I THINK YOU JUST HAVE TO FACTOR IN
13 WHAT YOU THINK IS A REASONABLE INTERPRETATION OF WHAT YOU
14 HEARD. AND IF YOU COULD DO THAT, I THINK WE CAN MOVE ON.
15 I THINK IF WE GO INTO SESSION WHICH REDEFINES THIS, WE
16 MAY HAVE TO GO BACK AND --

17 CHAIRMAN LICHTENGER: FAIR ENOUGH. I AGREE WITH
18 YOU ON THAT, DR. TROUNSON.

19 MR. LAFF: THAT REALLY ECHOES WHAT I WAS GOING
20 TO SAY. I WOULD LIKE TO POINT OUT ONE THING, THAT ALL OF
21 THE THOUGHT THAT WENT INTO THEIR CENTRAL PLANT AND THEIR
22 PARKING AND ALL OF THE SERVICES IS WHAT'S RESULTED IN A
23 SIGNIFICANTLY LOWER COST TO CIRM FOR THOSE FACILITIES.
24 AND THEY SHOULD BE GIVEN A LOT OF CREDIT FOR THAT.

25 CHAIRMAN LICHTENGER: THEY CAN CERTAINLY BE

BARRISTERS' REPORTING SERVICE

1 GIVEN CREDIT UNDER VALUE IN THOSE AREAS.

2 MR. KLEIN: I'D LIKE TO WITHDRAW MY MOTION AND
3 FOLLOW DR. TROUNSON'S DIRECTION.

4 CHAIRMAN LICHTENGER: I DON'T THINK THAT'S WHAT
5 HE WAS SUGGESTING, BOB.

6 MR. KLEIN: WELL, ALLOWING EVERYONE TO MAKE
7 THEIR INDIVIDUAL DECISION.

8 CHAIRMAN LICHTENGER: WELL, I'D LIKE TO KEEP MY
9 MOTION ON THE FLOOR. I DON'T THINK THAT'S WHAT HE WAS
10 SUGGESTING. WAS THAT WHAT YOU WERE SUGGESTING, DR.
11 TROUNSON?

12 DR. TROUNSON: YES. YES, MR. CHAIRMAN. I
13 THINK -- BECAUSE I THINK YOU'VE GOT SIGNIFICANT
14 DISAGREEMENT ABOUT THIS, BUT I THINK, YOU KNOW, THE
15 PROPOSITION THAT YOU PROPOSE IS REALLY FAIR ENOUGH IN THE
16 SENSE THAT YOU'VE ARGUED THE CASE, AND I THINK WE'VE
17 UNDERSTOOD -- WE WOULD HAVE UNDERSTOOD THAT WOULD
18 PROBABLY BE THE CASE, BUT THERE'S A MORE COMPLICATED
19 PROPOSAL ABOUT TAKING THESE COSTS FOR GENERATING THE
20 MONEY TO MAKE THIS PROJECT WORK. AND WHAT I THINK YOU
21 NEED TO DO NOW IS FACTOR THAT IN WITHOUT TAKING ANY
22 FURTHER AMENDMENTS TO IT.

23 CHAIRMAN LICHTENGER: SO I APPRECIATE YOUR
24 POSITION. I UNDERSTAND WHAT YOU'RE SAYING. I CAN'T IN
25 GOOD CONSCIENCE WITHDRAW MY MOTION BECAUSE I REALLY

BARRISTERS' REPORTING SERVICE

1 FEEL -- I HAVE A LOT OF CONCERNS WHEN I SAW THIS \$28
2 MILLION IN LEVERAGE THAT INCLUDED ITEMS THAT CLEARLY
3 COULDN'T EVEN BE CONSIDERED UNDER IT. AND SO I HAVE AN
4 ISSUE ON THIS. I REALLY DO. I DON'T SEE HOW -- VICE
5 CHAIR, CAN YOU GIVE ME SOME HELP ON THIS?

6 VICE CHAIRMAN SERRANO-SEWELL: LET ME HELP YOU
7 HERE. IF THIS -- DAVID, IF IT'S A MATTER OF CONSCIENCE
8 FOR YOU, WE'RE GOING TO VOTE ON IT. I DON'T KNOW WHAT
9 THE VOTE'S GOING TO BE, BUT WE'LL VOTE ON IT. WE'LL
10 SPEND FIVE MINUTES. WE'LL VOTE ON IT. LET ME ASSURE YOU
11 THAT THE ISSUES THAT YOU'VE RAISED WILL HAVE A PROFOUND
12 IMPACT ON THE DISCUSSION AT THE ICOC. AND I HATE TO
13 DISAGREE WITH ALAN, BUT I THINK IT WILL HAVE AN IMPACT ON
14 THE SCORING. AND THE DIFFERENCES BETWEEN ALL THE
15 APPLICANTS ARE GOING TO BE RAZOR THIN. SO ANY LITTLE
16 DEVIATION IN THE SCORE COULD HAVE MILLIONS OF DOLLARS IN
17 IMPACT FOR ANY GIVEN INSTITUTION. THAT HAS A CASCADING
18 EFFECT ON HOW WE'RE GOING TO FUND ALL THE OTHER PLACES.

19 SO I THINK IT WILL BE A BIG POINT, A BIG DATA
20 POINT WHEN WE TAKE THIS TO THE ICOC, SO -- BUT I DO AGREE
21 WITH ALAN, THAT I THINK AT THIS STAGE IN THE GAME, IT'S
22 BEST TO LET'S JUST VOTE ON IT. IF YOU AGREE WITH THE
23 SITUATION A, SCORE IT THAT WAY. IF YOU AGREE WITH
24 SITUATION B, SCORE IT THAT WAY AND JUST BE DONE WITH IT.
25 BUT THE ISSUES YOU RAISE ARE GOING TO CARRY ON BECAUSE

BARRISTERS' REPORTING SERVICE

1 THEY' RE GOING TO BE REFLECTED IN THE SCORES. I HAPPEN TO
2 AGREE WITH YOU, SO IT' S GOING TO BE REFLECTED IN MY
3 SCORE, WHICH I HEARD ALAN SAY I CAN DO. I THINK BOB' S
4 GOING TO DISAGREE WITH ME. IT WILL BE REFLECTED IN HIS
5 SCORE.

6 CHAIRMAN LICHTENGER: FAIR ENOUGH.

7 VICE CHAIRMAN SERRANO-SEWELL: BUT IF YOU WANT
8 TO DO THE VOTE, WE CAN DO THE VOTE.

9 CHAIRMAN LICHTENGER: I DO WANT TO DO THE VOTE,
10 AND PEOPLE ARE GOING TO SCORE HOW THEY WANT TO SCORE; BUT
11 I FEEL IN DOING MY JOB AS THE CHAIR OF THIS FACILITIES
12 WORKING GROUP AND LOOKING AT STAFF' S ANALYSIS, MY OWN
13 ANALYSIS, THIS IS WHAT I THINK IS BEST.

14 VICE CHAIRMAN SERRANO-SEWELL: I WILL SECOND
15 YOUR MOTION.

16 CHAIRMAN LICHTENGER: I THINK WE HAVE A SECOND,
17 SO CAN WE CALL THE ROLL ON THIS?

18 MS. PACHTER: I' LL REPEAT THE MOTION. THE
19 MOTION IS TO EXCLUDE THE 8.764 MILLION AND THE 2.164
20 MILLION FROM LEVERAGE.

21 CHAIRMAN LICHTENGER: NO. NOW WE HAVE TO AMEND
22 THE MOTION BECAUSE BOB WITHDREW HIS.

23 MR. KLEIN: NO. NO. WE' VE ALREADY VOTED ON
24 THAT.

25 CHAIRMAN LICHTENGER: WE' VE APPROVED THAT.

BARRISTERS' REPORTING SERVICE

1 SORRY. SORRY.

2 MS. PACHTER: IS THAT MOTION CORRECT, TO EXCLUDE
3 THE 8.764 MILLION AND THE 2.164 MILLION?

4 CHAIRMAN LICHTENGER: ASSUMING THAT WE'VE
5 ALREADY TAKEN OUT THE OTHER THREE LINE ITEMS, YES.

6 MS. PACHTER: IT'S THE LAST THREE WERE TAKEN
7 OUT. SO TO CALL THE ROLL, MARCY FEIT.

8 MS. FEIT: YES.

9 MS. PACHTER: DEBORAH HYSEN.

10 MS. HYSEN: ABSTAIN.

11 MS. PACHTER: EDWARD KASHIAN.

12 MR. KASHIAN: NO.

13 MS. PACHTER: ROBERT KLEIN.

14 MR. KLEIN: NO.

15 MS. PACHTER: STUART LAFF.

16 MR. LAFF: YES.

17 MS. PACHTER: DAVID LICHTENGER.

18 CHAIRMAN LICHTENGER: YES.

19 MS. PACHTER: DAVID SERRANO-SEWELL.

20 VICE CHAIRMAN SERRANO-SEWELL: I'LL VOTE YES ON
21 THE MOTION.

22 MS. PACHTER: JANET WRIGHT.

23 DR. WRIGHT: YES.

24 MS. PACHTER: THE MOTION CARRIES.

25 CHAIRMAN LICHTENGER: THANK YOU. SO NOW, UNLESS

BARRISTERS' REPORTING SERVICE

1 THERE' S ANY MORE FURTHER COMMENT ON THIS APPLI CATION, WE
2 CAN NOW RECORD OUR PRELI MI NARY SCORES.

3 (PAUSE I N PROCEEDINGS.)

4 CHAIRMAN LICHTENGER: RICK, WHAT WOULD THE NEW
5 LEVERAGE NUMBER BE, PLEASE, FOR CLARITY FOR EVERYONE?

6 MR. KELLER: AS I UNDERSTAND IT, WHAT WOULD
7 REMAIN WOULD BE --

8 CHAIRMAN LICHTENGER: ABOUT 11 MILLION 888 PLUS
9 4 MILLION 772?

10 MR. KELLER: 16,660 -- 16,660,000.

11 CHAIRMAN LICHTENGER: THANK YOU. SO CAN WE POLL
12 THE MEMBERS, ONE MORE OR CALL IT QUILTS?

13 MS. HYSEN: IT WOULD BE NICE TO GET THIS
14 CATEGORY DONE SINCE THERE' S ONLY ONE MORE.

15 CHAIRMAN LICHTENGER: SO WE CAN TAKE ROLL ON
16 THIS ONE.

17 MS. HYSEN: IF WE AGREE NOT TO BELABOR THE
18 POINT.

19 CHAIRMAN LICHTENGER: I 'D GO ONE MORE. I CAN GO
20 EITHER WAY. STUART, ONE MORE?

21 MR. LAFF: I WAS JUST LOOKING TO MAKE SURE IT
22 WASN' T ME. YES.

23 CHAIRMAN LICHTENGER: MARCY.

24 MS. FEIT: YES.

25 CHAIRMAN LICHTENGER: BOB.

BARRISTERS' REPORTING SERVICE

1 MR. KLEIN: IN DEFERENCE TO MY COLLEAGUE HERE, I
2 WILL BE VERY SHORT IN MY COMMENTS IF WE COULD DO ONE
3 MORE, BUT I'M GOING TO LEAVE IT UP TO MY COLLEAGUE.

4 VICE CHAIRMAN SERRANO-SEWELL: LOOK, IF YOU WANT
5 TO GO ONE MORE, FINE. I JUST THINK -- I WON'T BE AT A
6 HUNDRED PERCENT. I CAN RUN AT 85 PERCENT AND STILL MAKE
7 AN EDUCATED DECISION, BUT I'M ON A VERY SHORT FUSE. AND
8 I DON'T WANT TO IN ANY WAY DISADVANTAGE MERCED --
9 BERKELEY. I HAVE QUESTIONS WITH BERKELEY. I THINK THERE
10 ARE ISSUES THAT -- AND I DON'T WANT TO BELABOR ANYTHING.
11 I THINK IF I'M CRANKY AND TIRED, I'LL START DOING THAT.
12 IF YOU WANT TO GO ONE MORE, I'M NOT GOING TO BE THE
13 ONE -- I'M ALREADY STARTING TO BELABOR.

14 CHAIRMAN LICHTENGER: YOU KNOW WHAT. WE COULD
15 TRY, AND IF IT GETS CRANKY, WE'LL PICK IT UP IN THE
16 MORNING. THERE'S NO REASON WE CAN'T IF WE START TO
17 REALLY BURN OUT DURING IT.

18 PUBLIC COMMENTS ON BUCK? ANYBODY LEFT IN THE
19 AUDIENCE? OKAY.

20 IF IT'S ALL RIGHT WITH EVERYONE, I'D LIKE TO
21 MOVE ON TO THE NEXT ONE.

22 MR. KELLER: APPLICATION 610, UC BERKELEY, IT IS
23 CONSTRUCTION OF TWO FLOORS OF A SIX-STORY BUILDING THAT
24 WILL HOUSE PROGRAMS -- THE ENTIRE BUILDING WILL HOUSE
25 PROGRAMS IN BIOMEDICAL AND HEALTH SCIENCES, AND TWO

BARRISTERS' REPORTING SERVICE

1 FLOORS WOULD BE RELATED TO THE CIRM PROJECT. THERE'S
2 ALSO A VIVARIUM IN THE BASEMENT. TOTAL PROJECT COST IS
3 80.6 MILLION AND A CIRM REQUEST OF \$25 MILLION.

4 THE NON-CIRM PORTION OF THE BUILDING HOUSES
5 SEVERAL CORE FACILITIES THAT ARE CRITICAL TO STEM CELL
6 RESEARCH. AND I MENTIONED THE VIVARIUM, ANIMAL IMAGING
7 CORE, MOLECULAR, 12 PRINCIPAL INVESTIGATORS.

8 THE LEVERAGE IS APPROXIMATELY ONE TO TWO. THE
9 COMPLETION OF THE PROJECT IS JUNE OF 2010. I MENTIONED
10 IT ON OUR CHART OF REVISED -- NEW LEVERAGE WOULD BE A
11 MINOR ADJUSTMENT BECAUSE THEY HAD INCLUDED \$4.5 MILLION
12 FOR EQUIPMENT THAT THEY HAD RECEIVED IN DONATION FROM A
13 FOUNDATION FOR A CORE THAT WAS IN THE BASEMENT. WHEN WE
14 WERE DISCUSSING THAT INVESTMENT WITH THE CAMPUS, IT WAS
15 JUST THAT WE COULD THEN -- BECAUSE THAT WAS NONCONTIGUOUS
16 SPACE, BUT WAS SUPPORTING THE STEM CELL RESEARCH PROGRAM,
17 WE COULD INCLUDE THE COST OF THE SPACE. SO \$700,000 WAS
18 IDENTIFIED. IT'S STILL UNDER THE ANIMAL MANAGEMENT
19 COMPONENT OF THE CAMPUS, BUT SUPPORTS STEM CELL RESEARCH.

20 I THINK THE ONLY ISSUE THAT CAME UP FOR US WAS
21 THAT THERE'S A RELATIVELY SMALL AMOUNT OF CORES; BUT,
22 HERE AGAIN, BECAUSE IT'S PART OF A LARGER BUILDING THAT
23 HAS A LOT OF CORES IN IT, THEN THERE'S REALLY A GOOD
24 VALUE FOR THE CIRM IN TERMS OF THE FACT THAT YOU'RE NOT
25 PAYING FOR A LOT OF CORES THAT ARE BEING BUILT NEW.

BARRISTERS' REPORTING SERVICE

1 MR. COPENHAGEN' S REVIEW WAS FUNCTIONAL SCORE WAS
2 A, VALUE SCORE WAS B PLUS. GOOD PLANNING OF FACILITIES,
3 PROVIDED HIGHLY FUNCTIONAL GATHERING AND INTERACTIVE
4 SPACES, ACHIEVING HIGH NET TO GROSS EFFICIENCY, HIGH LAB
5 SPACE FOR PI , AND HIGH SUPPORT TO LAB RATIO WITHIN THIS
6 CATEGORY.

7 THE PRIMARY REVIEWER IS CHAIR LICHTENGER,
8 SECONDARY REVIEWER IS MEMBER HYSEN.

9 CHAIRMAN LICHTENGER: THANK YOU, RICK. UC
10 BERKELEY, SO I AGREED WITH OUR LABORATORY PLANNER ON
11 FUNCTIONALITY. I THOUGHT IT WAS EXCELLENT. NO
12 DISAGREEMENT THERE. I THOUGHT CERTAINLY IN THIS CATEGORY
13 AND OVERALL THEIR LEVERAGE WAS EXCELLENT. THEY WERE THE
14 HIGHEST IN THIS CATEGORY, AS WELL AS, RICK, WHERE WERE
15 THEY INCLUDING THE INSTITUTES, THEY SECOND?

16 MR. KELLER: FOR LEVERAGE?

17 CHAIRMAN LICHTENGER: YEAH.

18 MR. KELLER: YES, THEY' RE SECOND AT 1.97 WITH
19 THE ADJUSTMENT.

20 CHAIRMAN LICHTENGER: SO IN LEVERAGE I THOUGHT
21 THEY WERE EXCELLENT.

22 URGENCY, I PUT THEM VERY GOOD. SO IT WAS, I
23 THINK, A TYPICAL DESIGN-BID-BUILD MODEL WITH A VERY
24 EXPERIENCED TEAM. COMPLETION WAS ANTICIPATED TO BE JUNE
25 2010.

BARRISTERS' REPORTING SERVICE

1 ON SHARED RESOURCES, I THOUGHT IT WAS VERY GOOD
2 TO EXCELLENT. THEY HAD A TREMENDOUS AMOUNT OF SHARED
3 RESOURCES AND CORES AVAILABLE FOR THE CIRM SPACE. I'D
4 LIKE TO HEAR A LITTLE BIT FROM THE APPLICANT ABOUT WHAT
5 KIND OF SHARING THEY HAVE WITH OTHER INSTITUTIONS AND
6 ORGANIZATIONS. BUT, AGAIN, SOMEWHERE BETWEEN VERY GOOD
7 AND EXCELLENT.

8 YOU KNOW, IN TERMS OF -- I THINK I COVERED
9 EVERYTHING EXCEPT VALUE. YOU KNOW, THEIR COSTS WERE
10 HIGH. YOU KNOW, THAT WAS ONE OF THE NEGATIVES. SO THAT
11 WAS -- BUT THEIR LEVERAGE WAS VERY GOOD, SO THOSE KIND OF
12 OFFSET IN MY MIND. I DO THINK THEY WERE TRYING TO
13 ACHIEVE, WAS IT SILVER, RICK, THEY WERE TRYING TO
14 ACHIEVE?

15 MS. HYSEN: PLATINUM.

16 CHAIRMAN LICHTENGER: PLATINUM. ACTUALLY EVEN
17 BETTER. I THOUGHT THERE WERE A LOT OF GOOD ELEMENTS TO
18 THE PROPOSAL. I CHARACTERIZE THIS IN THE VALUE
19 PROPOSITION OF GOOD TO VERY GOOD.

20 MS. HYSEN: WELL, I THINK THIS IS THE ONLY
21 FACILITY THAT'S CLAIMING TO TRY TO ACHIEVE PLATINUM, AND
22 THAT'S A VERY ADMIRABLE GOAL, AND I HOPE THEY GET IT.

23 I THOUGHT THE ARCHITECTURAL FIRM DID A REALLY
24 GOOD JOB WITH THE DESIGN. THE SCIENTISTS NOTED AND BOB
25 MENTIONED SOMETHING EARLIER, AND I HAVEN'T OPINED ON IT

BARRISTERS' REPORTING SERVICE

1 IN ANY OF MY ANALYSES, BUT I REALLY LOOKED AND REALLY
2 TOOK INTO CONSIDERATION WHAT THE SCIENTISTS SAID ABOUT
3 THE DESIGN AND JUST, IN GENERAL, WHAT KIND OF SCIENCE WAS
4 GOING ON IN THE FACILITY. AND THEY NOTED WHAT WAS
5 HAPPENING HERE. THERE WAS AN OUTSTANDING FACULTY WITH A
6 LONG HISTORY OF TRANSLATING BENCH SCIENCE INTO INDUSTRY.
7 I THOUGHT THAT WAS QUITE IMPRESSIVE. IT'S ALWAYS GOOD TO
8 HAVE A BUILDING THAT FACILITATES GOOD SCIENCE.

9 THE COSTS WERE HIGH, 1228 PERCENT SQUARE FOOT.
10 IT WAS DOUBLE THE COST OF THE OTHER ONE IN THIS CATEGORY.
11 SO I THOUGHT THAT WAS SOMETHING THAT WASN'T REALLY
12 EXPLAINED, AT LEAST TO MY SATISFACTION. THE COST -- AND
13 AS A RESULT, THE COST PER PI WAS HIGHER THAN THE CENTER
14 OF EXCELLENCE OR THE OTHER UNIVERSITY IN THIS CATEGORY
15 AND ALSO HIGHER THAN THE OTHER CATEGORIES.

16 THEY DID -- UC BERKELEY DID INDICATE THAT PART
17 OF THAT HAS TO DO WITH THE FACT THAT THERE WAS AN
18 EXISTING FACILITY THAT NEEDED TO BE DEMOLISHED AND THAT
19 THERE WERE SOME SEISMIC ISSUES. I THINK THAT'S PROBABLY
20 VERY APPROPRIATE GIVEN ITS PROXIMITY TO ACTIVE SEISMIC
21 FAULTS. I THOUGHT THE VALUE WAS SOMEWHAT DIMINISHED
22 BECAUSE THE COSTS WERE SO HIGH.

23 THE LEVERAGE WAS VERY, VERY HIGH. AND SO I
24 RATED THAT VERY STRONGLY.

25 THE URGENCY, I FELT THAT THIS WAS A

BARRISTERS' REPORTING SERVICE

1 DESIGN-BUILD, BUT THEY WERE ABLE TO DESCRIBE HOW -- THE
2 WAY IN WHICH THEY SET UP THEIR CONSTRUCTION FIRM.

3 CHAIRMAN LICHTENGER: I THINK IT'S A TYPICAL
4 DESIGN-BID-BUILD.

5 MS. HYSEN: I MEANT TO SAY THAT. IT'S LATE.
6 THAT THEY ARE DOING DESIGN-BID-BUILD, BUT THEY WERE ABLE
7 TO DESCRIBE THE WAY IN WHICH THEY'RE STRUCTURING THEIR
8 FIRMS. THEY'RE SOMEWHAT MIMICKING DESIGN-BUILD.

9 THEY DID DESCRIBE THE RELATIONSHIP WITH OTHER
10 ORGANIZATIONS THAT THEY'D BE COLLABORATING WITH, SO I
11 FELT THEY DETAILED THAT QUITE NICELY. AND THEY DESCRIBED
12 HOW THERE WOULD BE EXISTING CORE FACILITIES THAT WOULD BE
13 AVAILABLE ON CAMPUS FOR OTHER CIRM-FUNDED RESEARCHERS.

14 I NOTICE THAT MR. COPENHAGEN DID PROVIDE THEM AN
15 A FOR FUNCTIONALITY, PARTICULARLY THE PERCENTAGE OF
16 ASSIGNABLE SQUARE FEET TO GROSS SQUARE FEET WAS GENERALLY
17 GOOD, AND HE NOTED THAT THERE WERE GOOD INTERACTIONS.
18 ONE OF THE CONCERNS HE DID RAISE, AND I'M HOPING THEY CAN
19 SPEAK TO IT, IS, AND I SORT OF SUMMARIZED HIS COMMENT,
20 THAT THE RATIO OF LAB SPACE TO SUPPORT SPACE MAY RESULT
21 IN BENCHES IN LABS BEING USED FOR COMMON INSTRUMENTATION
22 AND COMPETE FOR SURFACE AREA. AND I DON'T PRETEND TO
23 KNOW EXACTLY THE RAMIFICATIONS OF THAT, BUT
24 MR. COPENHAGEN WAS CONCERNED ABOUT THAT POINT. SO I'D
25 LIKE TO SEE IF THE INSTITUTION CAN SPEAK TO THAT.

BARRISTERS' REPORTING SERVICE

1 BUT, IN GENERAL, I FELT THAT THIS WAS A
2 WORLD-CLASS ARCHITECTURE, AND IT SEEMED LIKE WHAT WAS
3 HAPPENING WITHIN THE BUILDING WAS WORLD-CLASS SCIENCE. I
4 FOUND THIS TO BE A VERY STRONG PROPOSAL, AND THIS WAS AN
5 INCREDIBLY ATTRACTIVE AND BEAUTIFUL BOOK, AND I'M DYING
6 TO KNOW WHO HELPED YOU DO THIS BECAUSE I'M LOOKING FOR
7 SOMETHING LIKE THIS IN A PROPOSAL I'M WORKING ON, SO I
8 NEED TO TALK TO YOU GUYS. THANK YOU.

9 CHAIRMAN LICHTENGER: THANK YOU, DEBORAH. I'D
10 LIKE TO OPEN UP, BEFORE WE CALL THE APPLICANT, TO ANY
11 DISCUSSIONS OR QUESTIONS OF STEVE OR RICK. EVERYONE IS
12 JUST TOO BURNED OUT? MARCY. MARCY, YOU'RE OUR ACE IN
13 THE HOLE FOR THIS LAST ONE.

14 MS. FEIT: I WOULD LIKE TO HEAR FROM THE
15 APPLICANT A LITTLE MORE ABOUT THE COSTS BECAUSE THEY ARE
16 SO HIGH. I DO UNDERSTAND IF YOU'RE SITTING ON A FAULT,
17 THAT SEISMIC CONSIDERATIONS CAN BE VERY, VERY COSTLY.
18 BUT IS IT THE FINISHES BECAUSE YOU EXPECT IT TO BE A
19 GATEWAY-TYPE BUILDING ONTO THE CAMPUS, OR WHAT IS IT
20 THAT'S DRIVING? SO I'D LIKE TO HEAR A LITTLE MORE
21 DISCUSSION ABOUT THE COST.

22 CHAIRMAN LICHTENGER: OKAY. SO WHY DON'T WE
23 HAVE THE APPLICANT COME UP NOW IF THEY'RE STILL AWAKE.
24 THIS IS NOT A STRATEGY WE TYPICALLY EMPLOY.

25 MS. MELANO: GOOD EVENING. MY NAME IS PAULA

BARRISTERS' REPORTING SERVICE

1 MELANO. I'M THE ACTING DIRECTOR OF SPACE MANAGEMENT AND
2 CAPITAL PROGRAMS ON THE BERKELEY CAMPUS. AND WITH ME
3 TODAY IS BOB BLUHM, WHO'S THE ASSISTANT DIRECTOR OF
4 CAPITAL PROGRAMS. BOB'S PROBABLY GOING TO ADDRESS THE
5 COST ISSUES THAT ARE SO NEAR AND DEAR TO YOUR HEART, AND
6 MAYBE I CAN ADDRESS SOME OF THE COLLABORATIVE ISSUES.

7 CHAIRMAN LICHTENGER: SO CAN YOU, SINCE YOU'RE
8 UP THERE, CAN YOU TELL US ABOUT YOUR COLLABORATIONS WITH
9 OTHER INSTITUTIONS AND ORGANIZATIONS?

10 MS. MELANO: WELL, I'M NOT A SCIENTIST, SO I
11 CAN'T GET DOWN TO THE NITTY-GRITTY, BUT I CAN TELL YOU
12 WHAT I KNOW ABOUT THE TWO OR THREE OFFICIAL AGREEMENTS WE
13 HAVE. WE DO HAVE AN EXECUTED AGREEMENT WITH THE COREY
14 FOUNDATION IN OAKLAND A FEW MILES AWAY AND ONE WITH
15 STANFORD, WHICH WAS RECENTLY FUNDED AT THE \$9 MILLION
16 LEVEL TO ESTABLISH AN EXCHANGE OF VISITORS BETWEEN
17 STANFORD AND BERKELEY SO THEY CAN COME AND SIT IN OUR
18 SPACE NEXT TO OUR SCIENTISTS AND CONDUCT THIS RESEARCH
19 SIDE BY SIDE.

20 THE OTHER ASSOCIATION WE HAVE IS A LONG-TERM
21 ONE. LAWRENCE BERKELEY NATIONAL LABORATORY IS RIGHT UP
22 THE HILL FROM THE BERKELEY CAMPUS, AND MANY OF OUR
23 FACULTY HAVE JOINT APPOINTMENTS AT BOTH THE BERKELEY
24 CAMPUS AND AT THE LAB, SO THAT'S THE THIRD OFFICIAL
25 AFFILIATION THAT WE HAVE.

BARRISTERS' REPORTING SERVICE

1 CHAIRMAN LICHTENGER: THANK YOU.

2 MR. BLUHM: THE COST CHALLENGES IN BUILDING AT
3 BERKELEY ARE QUITE CHALLENGING. THE HAYWARD FAULT
4 PROXIMITY CLEARLY ADDS TO THE FOUNDATION COST AND
5 STRUCTURAL COSTS. WE DID A BRIEF STUDY OF THE -- TRYING
6 TO QUANTIFY THE ADDITIONAL COST BECAUSE OF THE NEAR FAULT
7 CONDITION FOR A PROJECT THAT WAS RECENTLY COMPLETED, AND
8 OUR ASSESSMENT WAS THAT IT ADDED APPROXIMATELY \$25
9 CONSTRUCTION COST PER SQUARE FOOT.

10 ANOTHER FACTOR IS THAT THE BUILDING HOUSES THREE
11 CATEGORIES OF VERY HIGH-COST SPACE. ONE, THE VIVARIUM;
12 TWO, THERE'S A BIOSAFETY LEVEL THREE SUITE ON THE TOP
13 FLOOR; AND OUR COSTLY IMAGING SPACE IN THE BASEMENT TO
14 HOUSE FOUR MAGNETS, FAIRLY SIZABLE.

15 THE LABOR COSTS AT BERKELEY ARE QUITE HIGH.
16 VARIOUS PROFESSIONAL COST ESTIMATORS HAVE DONE ANALYSES
17 OF REGIONAL COST DIFFERENTIALS MOSTLY DRIVEN BY LABOR.
18 AND I THINK THEY'RE CITED IN THE LETTER THAT WE WROTE,
19 BUT THEY CAN BE SIGNIFICANT. PARKING IS VERY LIMITED FOR
20 CONTRACTORS, STAGING IS EXTREMELY LIMITED, THE CAMPUS IS
21 OLD, VERY DENSE, CONGESTED. ALSO THE FACILITY
22 IMMEDIATELY ABUTS A FUNCTIONING FACILITY FOR ANIMAL
23 HANDLING, AND THE COST IMPACTS BECAUSE OF THAT ARE SEVERE
24 IN TERMS OF MITIGATING NOISE, VIBRATION, SECURITY
25 CONCERNS, AND SO FORTH.

BARRISTERS' REPORTING SERVICE

1 ALSO THE HIGH LEVEL OF LEED CERTIFICATION THAT
2 WE'RE STRIVING FOR DOES ADD TO THE INITIAL CAPITAL
3 INVESTMENT.

4 CHAIRMAN LICHTENGER: HOW MUCH WOULD YOU
5 ANTICIPATE THAT ADDS TO YOUR COST?

6 MR. BLUHM: WE'VE DONE A LITTLE BIT OF ANALYSIS,
7 AND NUMBERS HAVE -- WE'VE HEARD VARIOUS NUMBERS, BUT IF
8 WE HAD TO GUESS, WE WOULD SAY APPROXIMATELY 1 PERCENT,
9 POSSIBLY 2 PERCENT. IF THE QUESTION WERE ASKED A COUPLE
10 YEARS AGO, WE MIGHT SAY 3 OR 4 PERCENT.

11 CHAIRMAN LICHTENGER: MR. VICE CHAIR, DID YOU
12 HAVE SOME QUESTIONS? MARCY? OKAY. THANK YOU VERY MUCH.
13 THANK YOU FOR YOUR APPLICATION AND YOUR ANSWERS AND
14 COMING TODAY.

15 MR. KLEIN: I'D JUST LIKE TO SAY THAT I THOUGHT
16 THIS WAS AN EXCELLENT APPLICATION, TO ECHO WHAT DEBORAH
17 SAID. THERE'S SOME REALLY GREAT ASPECTS TO THIS.

18 MS. HYSEN: DON'T FORGET TO TELL ME WHO DID YOUR
19 BOOK BECAUSE I NEED TO KNOW THAT.

20 CHAIRMAN LICHTENGER: I'D LIKE TO ADD ALSO I
21 THOUGHT IT WAS AN EXCELLENT APPLICATION, BEING THE
22 PRIMARY REVIEWER, OTHER THAN YOUR HIGH COSTS.

23 SO AT THIS POINT, BEFORE WE DO OUR PRELIMINARY
24 AND FINAL SCORING FOR THIS CATEGORY, I'D LIKE TO ASK THE
25 PUBLIC IF THEY'D LIKE TO HAVE ANY PUBLIC COMMENTS OTHER

BARRISTERS' REPORTING SERVICE

1 THAN WHAT THE TIME IS. NOBODY IS OUT THERE. OKAY. SO
2 THEN WE'LL TAKE A FEW MINUTES TO DO OUR FINAL SCORING FOR
3 UC BERKELEY AND FINALIZE OUR SCORE FOR THE BUCK IN THIS
4 CATEGORY.

5 (PAUSE IN PROCEEDINGS.)

6 CHAIRMAN LICHTENGER: I'D JUST LIKE TO THANK ALL
7 CIRM STAFF FOR DOING AN UNBELIEVABLE JOB HERE TODAY,
8 ESPECIALLY RICK KELLER, ALTHOUGH THE JOB IS NOT DONE YET,
9 RICK. YOU MAY BE DONE, BUT THE JOB IS NOT DONE. AND SO
10 I'D LIKE TO THANK EVERYBODY. CAN I OFFICIALLY ADJOURN
11 TILL 9 A.M. TOMORROW? GOOD NIGHT.

12 (THE MEETING WAS THEN RECESSED AT 10:35 P.M.,
13 TO BE RECONVENED AT 9 A.M. ON APRIL 5, 2008.)

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BARRISTERS' REPORTING SERVICE

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REPORTER'S CERTIFICATE

I, BETH C. DRAIN, A CERTIFIED SHORTHAND REPORTER IN AND FOR THE STATE OF CALIFORNIA, HEREBY CERTIFY THAT THE FOREGOING TRANSCRIPT OF THE PROCEEDINGS BEFORE THE SCIENTIFIC AND MEDICAL FACILITIES WORKING GROUP TO THE INDEPENDENT CITIZEN'S OVERSIGHT COMMITTEE OF THE CALIFORNIA INSTITUTE FOR REGENERATIVE MEDICINE IN THE MATTER OF ITS REGULAR MEETING HELD AT THE LOCATION INDICATED BELOW

THE WESTIN SAN FRANCISCO AIRPORT
1 OLD BAYSHORE HIGHWAY
MILLBRAE, CALIFORNIA
ON
APRIL 4, 2008

WAS HELD AS HEREIN APPEARS AND THAT THIS IS THE ORIGINAL TRANSCRIPT THEREOF AND THAT THE STATEMENTS THAT APPEAR IN THIS TRANSCRIPT WERE REPORTED STENOGRAPHICALLY BY ME AND TRANSCRIBED BY ME. I ALSO CERTIFY THAT THIS TRANSCRIPT IS A TRUE AND ACCURATE RECORD OF THE PROCEEDING.



BETH C. DRAIN, CSR 7152
BARRISTER'S REPORTING SERVICE
1072 BRISTOL STREET
SUITE 100
COSTA MESA, CALIFORNIA
(714) 444-4100