

BEFORE THE
CALIFORNIA INSTITUTE FOR REGENERATIVE MEDICINE
SITE SEARCH COMMITTEE OF THE INDEPENDENT CITIZENS'
OVERSIGHT COMMITTEE

REGULAR MEETING

DATE: WEDNESDAY, APRIL 13, 2005
8 A.M.

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

BRS FILE NO.: 72138

LOCATIONS: UNIVERSITY OF CALIFORNIA, SAN FRANCISCO
745 PARNASSUS AVENUE
FACULTY & ALUMNI HOUSE, DINING ROOM
SAN FRANCISCO, CALIFORNIA

CITY OF HOPE
1500 E. DUARTE ROAD
NEEDLEMAN BUILDING
DUARTE, CALIFORNIA

LOCATIONS:
CONTINUED

UNIVERSITY OF CALIFORNIA, LOS ANGELES
10833 LE CONTE AVENUE
17-187 CHS
LOS ANGELES, CALIFORNIA

SACRAMENTO MEDICAL CENTER
4150 X STREET
CANCER BREAKOUT ROOM
SACRAMENTO, CALIFORNIA

CHILDREN'S HOSPITAL CENTRAL CALIFORNIA
9300 CHILDREN'S BOULEVARD
G-155, GARDEN LEVEL
MADERA, CALIFORNIA

BURNHAM INSTITUTE
10901 N. TORREY PINES ROAD
ADMINISTRATIVE CONFERENCE ROOM
BLDG. 4
LA JOLLA, CALIFORNIA

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1 LOS ANGELES, CALIFORNIA; WEDNESDAY, APRIL 13, 2005

2 8 A.M.

3
4 CHAIRMAN KLEIN: WE NEED TO PROCEED ON TIME,
5 AND WE WILL GIVE THIS ANOTHER MINUTE OR TWO AND THEN WE
6 WILL GO INTO OUR AGENDA AFTER A ROLL CALL. WHILE WE'RE
7 WAITING, IF I COULD JUST GET SOME INDICATION FROM THE
8 CITY OF HOPE SITE. DO WE HAVE ANY PUBLIC
9 REPRESENTATION AT THAT SITE?

10 DR. FRIEDMAN: WE DO HAVE ONE PERSON, I
11 THINK, AND HE'S SMILING AND NODDING, SO I BELIEVE
12 THAT'S CORRECT.

13 CHAIRMAN KLEIN: AND AT UCLA.

14 MS. KING: WE DO HAVE ONE MEMBER OF THE
15 PUBLIC PRESENT CURRENTLY.

16 CHAIRMAN KLEIN: OKAY. AT UC SAN FRANCISCO
17 WE HAVE A NUMBER OF PUBLIC REPRESENTATIVES.

18 WHO JUST CAME ON-LINE?

19 DR. PRECIADO: DR. PRECIADO.

20 CHAIRMAN KLEIN: GREAT, DR. PRECIADO. I
21 THINK WHAT WE WILL DO HERE IS START BY TAKING ROLL CALL
22 AND PROCEEDING INTO THE AGENDA. SO AMY LEWIS WILL TAKE
23 THE ROLL CALL.

24 MS. LEWIS: MICHAEL FRIEDMAN.

25 DR. FRIEDMAN: HERE.

1 MS. LEWIS: ROBERT KLEIN.
2 CHAIRMAN KLEIN: HERE.
3 MS. LEWIS: SHERRY LANSING. ED PENHOET.
4 DR. PENHOET: HERE.
5 MS. LEWIS: CLAIRE POMEROY.
6 DR. POMEROY: PRESENT.
7 MS. LEWIS: PHYLLIS PRECIADO.
8 DR. PRECIADO: PRESENT.
9 MS. LEWIS: JOHN REED.
10 DR. REED: HERE.
11 MS. LEWIS: THANK YOU. THERE'S A QUORUM.
12 CHAIRMAN KLEIN: THANK YOU. WE HAVE A
13 QUORUM, AS AMY LEWIS HAS SAID. AND I WOULD LIKE TO
14 OPEN THE SESSION TODAY BY --
15 MS. KING: SHERRY LANSING HAS ARRIVED AT
16 UCLA.
17 CHAIRMAN KLEIN: THANK YOU, SHERRY. WE NOW
18 HAVE ALL MEMBERS PRESENT, ALL THOSE WHO ARE ATTENDING.
19 AND THANK YOU, MEMBERS. SEVEN OF THE EIGHT MEMBERS OF
20 THE SUBCOMMITTEE ARE IN ATTENDANCE.
21 I'D LIKE TO BEGIN THE AGENDA TODAY BY
22 INDICATING THAT WE ARE EXTRAORDINARILY GRATIFIED THAT
23 THE GREAT CITIES OF CALIFORNIA HAVE MARSHALED THEIR
24 RESOURCES WITH PHILANTHROPY, MEDICINE, AND SCIENCE.
25 THIS IS THE BEGINNING OF A POTENTIAL RENAISSANCE FOR

1 MEDICINE AND SCIENCE IN CALIFORNIA. GOES BACK TO THE 3
2 OR 400 YEARS WHEN WE SAW THE GREAT CITY STATES OF
3 EUROPE WHO MARSHALED THEIR RESOURCES BEHIND THE
4 BEGINNINGS OF THE SCIENTIFIC AND MEDICAL RENAISSANCE IN
5 THE 1600S.

6 BUT TODAY IN CALIFORNIA WE HAVE THE
7 TREMENDOUS BENEFIT OF THESE MASSIVE CENTERS OF
8 EXCELLENCE, THESE TREMENDOUS RESEARCH CAPACITIES OF THE
9 UNIVERSITIES AND RESEARCH INSTITUTIONS IN SAN DIEGO AND
10 LOS ANGELES, IN THE BAY AREA, IN THE CENTRAL VALLEY
11 COMING TOGETHER WITH THE CITIES IN THEIR REGIONS TO PUT
12 TOGETHER A UNITED FRONT WITH THE GREAT PHILANTHROPISTS
13 OF THEIR REGIONS TO BACK MEDICINE AND SCIENCE. THAT'S
14 A TREMENDOUS HARBINGER OF PROMISE FOR THE FUTURE, AND
15 WE ARE TREMENDOUSLY APPRECIATIVE OF IT.

16 CERTAINLY THIS COMPETITION FOR THIS SITE
17 SELECTION IS JUST THE BEGINNING OF A PROCESS THAT WILL
18 BRING TREMENDOUS RESOURCES TO MEDICINE AND SCIENCE IN
19 EACH OF THESE REGIONS. AS EVERYONE KNOWS, THERE'S \$300
20 MILLION OF FACILITY DOLLARS THAT WILL BE COMPETITIVELY
21 ALLOCATED AMONG THESE GREAT REGIONS. AND THE CITIES
22 WILL BE VERY IMPORTANT PLAYERS IN THAT PROCESS BECAUSE
23 IT IS VITAL THAT THOSE FACILITIES BE BUILT QUICKLY TO
24 INSULATE THIS SCIENCE FROM FEDERAL POLICIES THAT MAY
25 CHANGE OVER TIME.

1 CALIFORNIA IS THE SAFE HARBOR FOR THE NATION.
2 CALIFORNIA IS TO PROVIDE FACILITIES THAT WILL PROTECT
3 THIS SCIENCE AND GIVE IT THE TYPE OF STABILITY NEEDED
4 SO THAT THE SCIENTISTS AND DOCTORS CAN DEDICATE THEIR
5 LIFE TO CURING PATIENTS, TO ADVANCING MEDICAL
6 THERAPIES. THAT IS OUR MISSION, AND WE ARE
7 TREMENDOUSLY PLEASED TO HAVE THIS SHOWING OF CITIES AT
8 THIS INITIAL STAGE BE SO BROAD AND DEEP.

9 THIS IS A TREMENDOUS POINT OF ENTRY, WHICH WE
10 WILL HOPEFULLY ALL LEARN FROM BECAUSE THE NEXT STAGE
11 WILL BE A MUCH GREATER LEVEL OF ECONOMIC AND FINANCIAL
12 DISTRIBUTIONS, WHICH WILL INVOLVE TREMENDOUS STIMULUS
13 TO THE REGIONS THAT ARE COMPETING.

14 WITH THAT, I'D LIKE TO MOVE ON TO AGENDA ITEM
15 3. AND WE NOTE THAT WE HAVE RECEIVED A VERY THOROUGH
16 LETTER FROM SAN DIEGO, WHICH HAS BEEN POSTED ON THE
17 WEBSITE AND SENT TO THE SUBCOMMITTEE MEMBERS. THIS
18 LETTER COMMENTS ON PROCEDURES TO MAKE CERTAIN THAT
19 WE'RE FOLLOWING PROCEDURES OF THE RFP, WHICH WE
20 CERTAINLY INTEND TO DO. WALTER BARNES, ON LOAN FROM
21 THE CONTROLLER'S OFFICE TO THE INSTITUTE, WHO'S BEEN
22 LEAD PERSON AT THE INSTITUTE INTERFACING WITH THE
23 DEPARTMENT OF GENERAL SERVICES, WILL RESPOND TO THE
24 POINTS IN THIS LETTER DURING THE PRESENTATION OF AGENDA
25 ITEM 3.

1 THE ITEMS THAT HE DOES NOT RESPOND TO THAT
2 DEAL WITH PROCESS ON THE SITE INTERVIEWS, HOPEFULLY WE
3 WILL RESPOND TO IN AGENDA ITEM NO. 4.

4 I'D LIKE TO SAY ON BEHALF OF THE INSTITUTE
5 FOR REGENERATIVE MEDICINE THAT THE LEVEL OF CREATIVITY,
6 COOPERATION, AND INGENUITY IN THE PROPOSALS RECEIVED
7 FROM CALIFORNIA'S GREAT CITIES IS UNPARALLELED. WE
8 MUST REALIZE THAT MANY OF THESE CITIES HAVE GROSS
9 DOMESTIC PRODUCTS, THEY HAVE GROSS ECONOMIC ACTIVITY
10 THAT'S EQUAL TO OR GREATER THAN MOST NATIONS IN THE
11 WORLD. IF YOU LOOK AT SAN DIEGO OR LOS ANGELES OR SAN
12 DIEGO OR SAN JOSE, THE BAY AREA, SAN FRANCISCO, YOU
13 HAVE TREMENDOUS POWER HERE AND IN SACRAMENTO AND THE
14 CENTRAL VALLEY. FRESNO DID NOT PUT IN A PROPOSAL, BUT
15 WE ARE EXTREMELY PLEASED TO HAVE A SITE IN FRESNO TODAY
16 FOR THIS TELECONFERENCE.

17 DR. PRECIADO: THANK YOU.

18 CHAIRMAN KLEIN: THE OVERWHELMING RESPONSE
19 FROM THE CITIES ASSURES US THAT WE WILL HAVE GAINED THE
20 OBJECTIVE OF THIS PROCESS, WHICH IS TO PROVIDE FOR THE
21 CALIFORNIA TAXPAYERS AND FOR THE PATIENT RESEARCH, FOR
22 THE THERAPY AND MEDICAL RESEARCH THAT IS THE GOAL OF
23 THIS PROCESS, 10 TO \$12 MILLION IN SUBSIDIES, IN FREE
24 OFFICE RENT, IN FREE TENANT IMPROVEMENTS, IN FREE
25 OPERATING COST, IN TREMENDOUS CONVENTION FACILITIES

1 THAT BRING THE BEST MINDS FROM ALL OVER THE WORLD AND
2 ALL OVER THE NATION TO CALIFORNIA TO BRING THEIR IDEAS
3 TO HELP CALIFORNIA SCIENCE AND THE WORLD MEDICINE TO
4 ADVANCE. THAT THE HOTEL ROOMS THEY'VE PROVIDED FOR
5 THOSE VISITING GUESTS WHO BRING THOSE GREAT RESOURCES
6 TO CALIFORNIA ARE A TREMENDOUS ASSET TO ACCOMPANY THE
7 CONVENTION SPACE. WE HAVE A TREMENDOUS PACKAGE HERE
8 THAT WILL HELP CALIFORNIA ASSERT A LEADERSHIP IN THE
9 WORLD IN STEM CELL RESEARCH.

10 IT WAS VITAL TO THE INSTITUTE THAT THIS
11 PROCESS FOR DETERMINING THE HEADQUARTERS BE FAIR AND
12 OBJECTIVE. WE HAVE LOOKED AT THESE INCREDIBLE
13 PROPOSALS HOPEFULLY IN A WAY THAT ASSURES A FAIRNESS.
14 AND I WOULD LIKE WALTER BARNES FROM THE STATE
15 CONTROLLER'S OFFICE, WHO IS ON LOAN TO US AS THE CHIEF
16 ADMINISTRATIVE OFFICE FOR THE INSTITUTE, TO START WITH
17 AGENDA ITEM 3.

18 WE'D ALSO LIKE TO ASK THAT MEMBERS, THE
19 SUBCOMMITTEE MEMBERS AND THE PUBLIC RESERVE THEIR
20 COMMENTS UNTIL THE END OF THE PRESENTATION BY WALTER
21 BARNES SO THAT WE SEE THE ENTIRE PRESENTATION. THEN
22 DURING THE COMMENT PERIOD, WE WILL START WITH MEMBERS
23 OF THE INSTITUTE BOARD. WE WILL THEN GO TO SPONSORING
24 CITIES. SPONSORING CITIES WILL BE PROVIDED TEN MINUTES
25 INSTEAD OF THE USUAL THREE MINUTES BECAUSE OF THE

1 COMPLEXITY OF THE SUBJECT MATTER THEY HAVE. AND IN
2 CERTAIN CASES, IF THEY ARE DETAILED PROBLEMS THAT NEED
3 TO BE WORKED THROUGH, THERE WILL BE ADDITIONAL TIME
4 PERMITTED TO ADDRESS THOSE PROBLEMS. WE WILL THEN HAVE
5 GENERAL COMMENTS FROM THE PUBLIC AT THREE MINUTES,
6 WHICH IS OUR NORMAL PROCESS.

7 WE WOULD LIKE TO MAKE CERTAIN HERE THAT WE
8 GET THROUGH THIS PROCESS AND CAN COMPLETE THE ENTIRE
9 PROGRAM BEFORE GOING INTO ANY FURTHER EXTENSION OF THE
10 COMMENTS WHICH WOULD BE UNDER CONSIDERATION AT THAT
11 TIME.

12 SO, MR. BARNES, WOULD YOU LIKE TO REVIEW THE
13 OVERALL PROCEDURE USED TO TRY AND GET TO THIS POINT, A
14 VERY IMPORTANT MILESTONE IN SETTING A NEW HOME FOR THE
15 INSTITUTE OF REGENERATIVE MEDICINE? AND, AGAIN, WE
16 THANK THE CITIES, WE THANK THE COUNTIES WHO
17 PARTICIPATED AS BEING SPONSORS, AND THE
18 PHILANTHROPISTS. TEN TO \$12 MILLION OF SUBSIDIES IN
19 THE MORE EXPENSIVE AREAS OF THE STATE, \$7 MILLION IN
20 THE CASE OF SACRAMENTO ARE TREMENDOUS CONTRIBUTIONS TO
21 SAVING THE TAXPAYERS MONEY AND FOCUSING OUR RESOURCES
22 ON RESEARCH FOR MEDICAL THERAPIES AND CURES FOR
23 PATIENTS. WALTER BARNES.

24 MR. BARNES: THANK YOU. AS A MEMBER OF THE
25 EVALUATION TEAM, I'VE BEEN ASKED TO PRESENT TO THE

1 COMMITTEE THE RECOMMENDATIONS WE HAVE BASED ON THE BIDS
2 THAT WERE SUBMITTED IN RESPONSE TO THE RFP REQUIREMENTS
3 THAT THE COMMITTEE PROVIDED US AT THEIR LAST MEETING ON
4 FEBRUARY 24TH. I WOULD SAY BEFORE GOING INTO THE
5 RECOMMENDATIONS, ON A PERSONAL BASIS, I'D LIKE TO LET
6 YOU ALL KNOW THAT I'VE WORKED FOR THE STATE OF
7 CALIFORNIA FOR OVER 40 YEARS.

8 (APPLAUSE.)

9 MR. BARNES: DURING THAT TIME I'VE
10 PARTICIPATED IN A NUMBER OF PROCUREMENTS AND REQUESTS
11 FOR PROPOSALS. IN ALL THAT TIME I HAVE TO SAY THAT I
12 HAVE NEVER SEEN SUCH AN ENTHUSIASTIC RESPONSE BY
13 BIDDERS. AS THE COMMITTEE MEMBERS CAN TELL FROM YOUR
14 OWN REVIEW OF THE PROPOSALS, THE CITIES AND BUILDING
15 OWNERS HAVE EXERCISED VERY HIGH LEVELS OF CREATIVITY IN
16 RESPONDING TO AN RFP DOCUMENT THAT WAS EXTREMELY
17 INNOVATIVE AND CREATIVE ITSELF.

18 IN ADDITION, I'D LIKE TO TAKE THIS
19 OPPORTUNITY TO THANK THE STAFF FROM THE DEPARTMENT OF
20 GENERAL SERVICES FOR THEIR SUPPORT AND GUIDANCE THROUGH
21 THIS PROCESS. AS A STATE AGENCY, THE INSTITUTE IS
22 REQUIRED TO FOLLOW CERTAIN PROCESSES AND PROCEDURES
23 WHEN PERFORMING A PROCUREMENT LIKE THIS. THEIR
24 PARTICIPATION WAS CRITICAL TO ENSURING THAT WE WERE IN
25 COMPLIANCE WITH THOSE REQUIREMENTS WHILE STILL

1 ASSISTING US IN DEVELOPING AND CONDUCTING THIS
2 INNOVATIVE RFP.

3 HAVING SAID THAT, I'LL BE USING AND
4 REFERENCING THE MATERIALS PROVIDED TO THE COMMITTEE TO
5 TAKE YOU THROUGH THE RFP AND THE EVALUATION PROCESS.
6 AS YOU DISCUSSED AT THE FEBRUARY 24TH MEETING, THE RFP
7 REQUIRES THAT A GOVERNMENTAL ENTITY, SUCH AS CITY, A
8 COUNTY, ETC., BE THE PRIMARY SUBMITTER IN A JOINT
9 GOVERNMENT/BUILDING OWNER BID. AND I SHOULD SAY WHILE
10 ANY GOVERNMENTAL ENTITY COULD QUALIFY, IN EFFECT, ALL
11 OF THE BIDS SUBMITTED WERE CITIES.

12 IN ADDITION, AS THE PRIMARY BIDDER, THE CITY
13 WAS REQUIRED TO CERTIFY THAT ALL INFORMATION CONTAINED
14 IN THE BID PACKAGE BY EITHER THE CITY ITSELF OR THE
15 BUILDING OWNER WAS ACCURATE AND CORRECT.

16 THE RFP INCLUDED IN THE MINIMUM
17 REQUIREMENTS -- EXCUSE ME -- INCLUDED BOTH MINIMUM
18 REQUIREMENTS FOR BOTH THE GOVERNMENTAL ENTITY AND THE
19 BUILDING OWNER THAT NEEDED TO BE MET. THESE ARE ALL
20 LAID OUT IN THE RFP DOCUMENT THAT IS LISTED AS
21 ATTACHMENT A.

22 IN DEVELOPING THE EVALUATION PLAN FOR USE BY
23 THE EVALUATION TEAM, A QUESTION WAS RAISED REGARDING
24 WHETHER TO ALLOW BIDS TO BE CONSIDERED IF THEY DID NOT
25 MEET ALL OF THE MINIMUM REQUIREMENTS. THE DEPARTMENT

1 OF GENERAL SERVICES POINTED OUT THAT THIS WAS NOT
2 ACCEPTABLE UNDER THE WORDING IN THE RFP AND POINTED OUT
3 THAT ON PAGE 3 AND 4 OF THE ALTERNATIVE -- EXCUSE ME --
4 OF THE RFP, IT CLEARLY STATED THAT ALL MINIMUM
5 REQUIREMENTS MUST BE MET IN ORDER FOR A PROPOSAL TO BE
6 CONSIDERED. THEREFORE, DGS CONCLUDED THAT ANY BID THAT
7 DID NOT MEET ALL MINIMUM REQUIREMENTS MUST BE REJECTED.

8 BIDS WERE TO BE SENT TO THE DEPARTMENT OF
9 GENERAL SERVICES BY MARCH 16TH, AND BY THAT DATE TEN
10 BIDS HAD BEEN RECEIVED. THE GOVERNMENT ENTITIES AND
11 THE BUILDING OWNERS ARE ALL LISTED IN ATTACHMENT B.
12 SHOULD NOTE THAT WE ACTUALLY COULDN'T MAKE THIS LIST
13 UNTIL AFTER THE EVALUATION STARTED BECAUSE ONCE THE
14 BIDS HAD BEEN RECEIVED BY DGS, THEY WERE PLACED IN A
15 CONFIDENTIAL LOCATION WHERE NO ONE COULD OPEN THEM OR
16 READ THEM. THIS WAS TO ENSURE THAT THE EVALUATION PLAN
17 COULD BE DEVELOPED INDEPENDENT OF THE CONTENT OF THE
18 BIDS.

19 JUST IF SOME OF YOU MAY RECALL, THERE WAS
20 ACTUALLY SOME SPECULATION AFTER THE BIDS HAD BEEN
21 RECEIVED THAT THERE WERE ELEVEN BIDS. THAT WAS BECAUSE
22 THERE WAS ELEVEN PACKAGES, AND IT TURNED OUT THAT ONE
23 OF THE PACKAGES WAS A SUPPLEMENT TO ANOTHER BID. SO
24 THAT'S WHY WE ENDED UP WITH TEN.

25 ONCE THE BID PERIOD WAS OVER, AN EVALUATION

1 TEAM CONSISTING OF SIX MEMBERS, THREE FROM THE
2 DEPARTMENT OF GENERAL SERVICES AND THREE FROM THE
3 INSTITUTE, WAS FORMED TO EVALUATE THE PROPOSALS AND TO
4 DEVELOP RECOMMENDATIONS TO BE PRESENTED. THE MEMBERS
5 OF THE EVALUATION TEAM WERE CHERYL GATES, THE ASSISTANT
6 CHIEF OF PROFESSIONAL SERVICES WITH THE DEPARTMENT OF
7 GENERAL SERVICES; REBECCA DONNACHIE, STAFF REAL ESTATE
8 OFFICER WITH THE DEPARTMENT OF GENERAL SERVICES; EDDIE
9 CHU, STAFF SPACE PLANNER WITH DGS; AMY DUROSS, WHO IS
10 STAFF TO THE ICOC; CHRISTINA OLSSON FROM THE
11 INSTITUTE'S LEGAL OFFICE, AND MYSELF.

12 FIRST ITEM OF BUSINESS FOR THE TEAM WAS TO
13 CONVERT THE RFP MINIMUM REQUIREMENTS AND PREFERENCES
14 INTO A SCORING DOCUMENT THAT COULD BE USED IN THE
15 EVALUATION. THE SCORING DOCUMENT THAT WE CAME UP WITH
16 IS GIVEN IN ATTACHMENT C. AND AS YOU CAN SEE, THE
17 GENERAL SERVICES DIRECTIVE THAT ALL MINIMUM
18 REQUIREMENTS MUST BE MET IS LISTED AT THE TOP OF THIS
19 DOCUMENT.

20 NOTE THAT AN EARLY DRAFT OF THE SCORING
21 DOCUMENT WAS SHARED WITH FOUR MEMBERS OF THIS COMMITTEE
22 TO ENSURE THERE WAS NO REGIONAL BIAS BUILT INTO THE
23 SCORING AND DECISION-MAKING. IT WAS ALSO DECIDED THAT
24 THE EVALUATION AND SCORING OF EACH BID WOULD BE DONE BY
25 TEAM CONSENSUS.

1 CHAIRMAN KLEIN: WALTER, IF I COULD
2 SUPPLEMENT THAT. THE FOUR MEMBERS OF THIS COMMITTEE,
3 IT WAS RESTRICTED TO FOUR MEMBERS BECAUSE OF
4 BAGLEY-KEENE RULES. ONE MEMBER WAS FROM EACH OF THE
5 REGIONS, FROM SAN DIEGO AND LOS ANGELES, BAY AREA, AND
6 SACRAMENTO. THIS IS BEFORE ANY BIDS WERE LOOKED AT.
7 IT WAS BEFORE BIDS WERE DELIVERED FROM DGS TO THE
8 INSTITUTE HEADQUARTERS.

9 MR. BARNES: THAT'S CORRECT.

10 FINALLY, THE TEAM ALSO DEVELOPED SCORES TO BE
11 AWARDED FOR EACH OF THE PREFERENCES AND FOR
12 SUBCATEGORIES BASED ON THE INFORMATION REQUIRED TO BE
13 SUBMITTED IN THE BID. IT WAS DETERMINED THAT SOME
14 PREFERENCES SHOULD BE ASSIGNED MORE POINTS THAN OTHERS.
15 AN EXPLANATION OF POINT VALUE ASSIGNED TO EACH
16 PREFERENCE IS GIVEN IN ATTACHMENT D. THE THREE HIGHEST
17 PREFERENCES WERE CONSIDERED TO BE PROFESSIONALS ENGAGED
18 IN THE FIELD OF BIOMEDICAL RESEARCH, 60 POINTS; LEASE
19 TERMS, INCLUDING THE COST OF ANY RENT AND OPERATING
20 COST, 50 POINTS; AND INCENTIVES OTHER THAN FREE RENT,
21 WHICH WERE 32 POINTS. TOTAL AVAILABLE POINTS FOR ALL
22 PREFERENCES WAS SET AT 200.

23 ONCE THE SCORING DOCUMENT WAS AGREED UPON,
24 THE BIDS WERE OPENED AND READ BY EACH OF THE TEAM
25 MEMBERS.

1 CHAIRMAN KLEIN: IF I CAN AGAIN SUPPLEMENT
2 WITH SOME DETAIL, WALTER. AT THE TIME THAT THE INITIAL
3 SCORING -- THE POINT DISTRIBUTION SCHEDULE WAS REVIEWED
4 TO AVOID ANY REGIONAL BIAS, THERE WERE A LOWER NUMBER
5 OF POINTS, AND THE DISTRIBUTION WAS SLIGHTLY DIFFERENT.
6 WHEN IT WAS SUBMITTED TO DGS, DGS, DEEMED THE
7 CONTROLLING STATE AGENCY WITH THE EXPERIENCE IN REAL
8 ESTATE DECISIONS, CHANGED THE POINT SCHEDULE BASED UPON
9 THEIR VIEW OF PURE OBJECTIVITY FROM THE STATE'S
10 VIEWPOINT; FOR EXAMPLE, INCREASING THE POINTS IN THE
11 FINANCIAL CATEGORY FROM 40 POINTS TO 50 POINTS. THIS
12 WAS INDEPENDENT OF THE INSTITUTE, AND BEING A STATE
13 AGENCY BELIEVED THAT IT WAS CORRECT PROCEDURE TO FOLLOW
14 DGS' RECOMMENDATIONS ON THE BEST OBJECTIVE SCORING
15 DISTRIBUTION.

16 MR. BARNES: CORRECT AGAIN. THANK YOU.

17 ONCE THE SCORING DOCUMENT WAS AGREED UPON,
18 THE BIDS WERE OPENED AND READ BY THE TEAM MEMBERS.
19 EVALUATION FIRST BEGAN BY DETERMINING WHETHER EACH BID
20 MET ALL THE MINIMUM REQUIREMENTS. OF THE TEN BIDS
21 RECEIVED, THE TEAM DETERMINED BY CONSENSUS THAT ONLY
22 FOUR HAD MET ALL OF THE MINIMUM REQUIREMENTS.

23 IN CASE THE EVALUATION TEAM HAD OVERLOOKED
24 INFORMATION THAT WOULD HAVE LED TO A CONCLUSION THAT
25 THE MINIMUM REQUIREMENTS HAD BEEN MET, THE DEPARTMENT

1 OF GENERAL SERVICES CONTACTED EACH OF THESE SIX BIDDERS
2 AND REQUESTED THAT THEY IDENTIFY AND REFERENCE WHERE IN
3 THE SUBMITTED PROPOSAL THOSE MINIMUM REQUIREMENTS HAD
4 BEEN MET. OF THE RESPONSES RECEIVED, NONE POINTED OUT
5 WHERE IN THE RFP THE REQUIRED INFORMATION WAS
6 CONTAINED. A LISTING OF THE MINIMUM REQUIREMENTS
7 DETERMINED NOT TO BE MET FOR THOSE SIX BIDDERS IS GIVEN
8 IN ATTACHMENT E.

9 NOW, SEVERAL OF THE SIX BIDDERS INDICATED
10 THAT THEY WOULD BE WILLING TO PROVIDE THE REQUIRED
11 INFORMATION, BUT THAT WAS NOT ALLOWED UNDER THE RFP.
12 THE BIDS WERE REQUIRED TO BE COMPLETE WHEN SUBMITTED,
13 AND NO ADDITIONAL INFORMATION COULD BE PROVIDED AFTER
14 THE CLOSING DATE OF THE RFP.

15 SINCE NO BIDDER COULD BE CONSIDERED FOR THE
16 WINNING BID IF IT COULD NOT MEET THE MINIMUM
17 QUALIFICATIONS, THE TEAM DID NOT EVALUATE THESE SIX
18 PROPOSALS AS FAR AS THEIR PREFERENCES GO.

19 AFTER THE CONSIDERATION OF THE MINIMUM
20 REQUIREMENTS, THE TEAMS THEN SCORED THE PREFERENCES FOR
21 THE REMAINING FOUR BIDS. SOME OF THE POINTS WERE
22 ASSIGNED BASED ON THE INFORMATION IN EACH BID, AND
23 OTHERS WERE ASSIGNED BASED ON A COMPARISON OF ONE BID
24 TO THE OTHER. THE RESULTS ARE LISTED IN ATTACHMENT F.

25 THERE'S AN EXAMPLE OF AN INDIVIDUAL BID

1 SCORING THAT'S GIVEN IN PREFERENCE 2(A), WHICH IS PAGE
2 1 OF ATTACHMENT F, REGARDING THE LOCATION OF THE
3 INTERNATIONAL AIRPORT. EACH BIDDER GOT SEVEN POINTS
4 FOR HAVING AN AIRPORT WITHIN 45 MINUTES. SO THAT WAS
5 BASED ON A LOOK AT THE INDIVIDUAL RESPONSE IN EACH BID.

6 AN EXAMPLE OF A COMPARISON SCORING IS IN
7 1(C), ALSO ON PAGE 1, REGARDING THE NUMBER OF QUALIFIED
8 PROFESSIONALS LOCATED IN AN AREA PROPOSED HOUSING.
9 POINTS WERE AWARDED BASED UPON THE NUMBER OF SUCH
10 PERSONS IN RELATIONSHIP TO EACH BID. LOOKING AT THE
11 CHART, I POINT OUT TWO AREAS THAT PROBABLY NEED SOME
12 EXPLANATION. THE FIRST HAS TO DO WITH 1(A) AND 1(B)
13 REGARDING THE NUMBER OF PROFESSIONALS RESIDING IN THE
14 AREA.

15 DR. PRECIADO: WALTER, I'M LOST.

16 CHAIRMAN KLEIN: MAYBE WE CAN WAIT FOR A
17 MINUTE WHILE PEOPLE IDENTIFY THE CHART. SO, AGAIN,
18 WOULD YOU TELL THEM THE CHART NUMBER?

19 MR. BARNES: IT'S ATTACHMENT F.

20 MS. KING: BOB, IF MAY BE OF HELP LIKE I AM
21 TRYING TO DO HERE IN L.A., IF YOU'RE LOOKING AT THE
22 DOCUMENT THAT'S ALL STAPLED TOGETHER, ATTACHMENT F IS
23 TOWARD THE BACK OF THAT DOCUMENT. IT'S ABOUT PAGE 20.

24 DR. FRIEDMAN: IT HAS FOUR VERTICAL COLUMNS,
25 EACH OF WHICH REPRESENTING THE FOUR FINALIST CITIES

1 ACROSS THE HORIZONTAL, AND THEN THE VERTICAL SCORES
2 OVER THE NEXT THREE PAGES.

3 MR. BARNES: THAT'S CORRECT. AS I SAID, IN
4 LOOKING AT THAT CHART, I SORT OF ANTICIPATE SOME
5 QUESTIONS COMING UP, SO I WANTED TO TRY TO ANSWER THEM
6 AHEAD OF TIME, PARTICULARLY ABOUT 1(A) AND (B)
7 REGARDING THE NUMBER OF PROFESSIONALS RESIDING IN THE
8 AREA NEAR THE BUILDING. WHILE ALL THE BIDDERS HAD
9 INFORMATION ABOUT THE NUMBER OF PROFESSIONALS EMPLOYED
10 IN THE AREA, ONLY THE SACRAMENTO BID CONTAINED
11 INFORMATION ABOUT PROFESSIONALS RESIDING IN THE AREA.
12 THAT'S WHY SO MANY OF THE BIDDERS WERE AWARDED NO
13 POINTS FOR THIS PARTICULAR SUBCATEGORY.

14 AND I SHOULD NOTE THAT IN ATTACHMENT A ON
15 PAGE 3 OF THE RFP, IT CLEARLY STATES THAT INFORMATION
16 ABOUT PERSONS RESIDING IN THE AREA IS EXPECTED TO BE
17 INCLUDED IN THE BID.

18 IN ADDITION, I'D ASK YOU TO TAKE A LOOK AT
19 8(A) AND (B). THIS IS ON PAGE 3 OF ATTACHMENT F,
20 REGARDING INCENTIVES OTHER THAN FREE RENT. THE RFP
21 INDICATES THAT SUCH INCENTIVES ARE A PREFERENCE LISTED
22 UNDER THE BUILDING OWNER PREFERENCES. THEREFORE, OUR
23 SCORES WERE AWARDED FOR INCENTIVES THAT RELATED TO THE
24 BUILDING ITSELF. SOME OF THE BIDS CONTAINED INCENTIVES
25 THAT WERE UNRELATED TO THE BUILDING. ATTACHMENT G,

1 WHICH IS RIGHT AFTER THIS PAGE HERE, CONTAINS A LISTING
2 OF THE BUILDING-RELATED AND NONBUILDING-RELATED
3 INCENTIVES. WE IDENTIFIED THE LATTER CATEGORY AS
4 COMMUNITY INCENTIVES. SINCE THESE WERE NOT CALLED FOR
5 IN THE RFP, EITHER AS A MINIMUM REQUIREMENT OR A
6 PREFERENCE, WE COULD NOT SCORE THEM, OR THEY COULD NOT
7 BE SCORED BY THE EVALUATION TEAM. HOWEVER, THEY HAVE
8 BEEN PROVIDED IN THIS DOCUMENT TO THE COMMITTEE BECAUSE
9 IT MAY BE THAT THE COMMITTEE WISHES TO EVALUATE THESE
10 AS PART OF ITS SITE VISIT.

11 DR. REED: WALTER, JOHN REED HERE. AT ONE OF
12 THE PREVIOUS MEETINGS OF THIS COMMITTEE, THERE WERE
13 STATEMENTS MADE ENCOURAGING THE CANDIDATES TO PROVIDE
14 ADDITIONAL -- TO BE CREATIVE IN PROVIDING ADDITIONAL
15 INCENTIVES. SO THAT MESSAGE WAS SENT OUT TO THE SITES
16 THAT SUBMITTED PROPOSALS VIA PREVIOUS MEETINGS OF THIS
17 COMMITTEE.

18 CHAIRMAN KLEIN: DR. REED, THIS IS ROBERT
19 KLEIN. YOU'RE QUITE CORRECT; AND, THEREFORE, WHEN WE
20 GET TO THE SITE VISIT SECTION, WALTER HAS PROVIDED A
21 FORM FOR CONSIDERATION WHERE THOSE INCENTIVES WOULD BE
22 CONSIDERED IN THE SITE VISITS BECAUSE WE HAVE
23 ENCOURAGED IT. WE DO THINK THAT IT REPRESENTS
24 EXTRAORDINARY CREATIVITY WHICH WE'D LIKE TO REALLY
25 BUILD ON FOR NOT ONLY THIS PROPOSAL, BUT, OF COURSE,

1 WHEN THE \$300 MILLION OF FACILITIES IS IN A
2 COMPETITION, WE'RE GOING TO WANT TO SEE THE SAME KINDS
3 OF CREATIVITY AND CONTRIBUTIONS AND SUPPORT FROM THE
4 LOCAL COMMUNITY.

5 SO THIS IS A GREAT EXAMPLE OF WHERE SAN DIEGO
6 AND OTHER CITIES REACHED OUT TO PROVIDE MORE
7 INCENTIVES, BUT THE COMMITTEE NEEDS TO ADOPT THAT AS A
8 PART OF ITEM 4 IN ITS SITE VISIT EVALUATION FORM.

9 MR. BARNES: IN CONCLUSION, THE BIDS -- THE
10 EVALUATION TEAM RECOMMENDS THAT THE SITE SELECTION
11 COMMITTEE TAKE THE FOLLOWING ACTIONS. FIRST, APPROVE
12 THE RECOMMENDATION TO ELIMINATE FROM CONSIDERATION THE
13 SIX BIDDERS LISTED IN ATTACHMENT G, AND TO APPROVE THE
14 SCORES ASSIGNED TO THE PREFERENCES FOR THE FOUR BIDDERS
15 AS LISTED IN ATTACHMENT F.

16 IN MAKING YOUR DECISION, YOU SHOULD BE AWARE
17 OF SOME OF THE OPTIONS YOU HAVE IN MAKING A DECISION
18 ABOUT THESE RECOMMENDATIONS. YOU MAY, BASED ON YOUR
19 OWN REVIEW OF THE BIDS, DETERMINE THAT ONE OF THE
20 MINIMUM -- ANY ONE OF THE MINIMUM REQUIREMENTS LISTED
21 IN ATTACHMENT E HAVE, IN FACT, BEEN MET. HOWEVER, I
22 THINK YOU WILL NEED TO ENSURE THAT YOU HAVE IDENTIFIED
23 A SPECIFIC REFERENCE IN THE BID THAT CAN SUPPORT THAT
24 CONCLUSION.

25 IF YOU WISH TO WAIVE OR ELIMINATE A MINIMUM

1 QUALIFICATION, WE HAVE BEEN INFORMED BY DGS THAT THEY
2 WILL LIKELY REQUIRE -- THAT WILL LIKELY REQUIRE THAT
3 THE RFP BE CANCELED AND RESTARTED. AT MINIMUM, I THINK
4 WE COULD ALL EXPECT A PROTEST FROM THE BIDDERS WHO
5 ACTUALLY MET ALL OF THE REQUIREMENTS.

6 IN ADDITION, YOU MAY DETERMINE, BASED ON YOUR
7 REVIEW OF THE BIDS, THAT THE SCORES ASSIGNED TO A
8 SPECIFIC PREFERENCE SHOULD BE CHANGED. AND THE RFP
9 MAKES IT VERY CLEAR THAT THE FINAL SCORES FOR
10 PREFERENCES ARE TO BE DETERMINED BY THIS COMMITTEE.
11 HOWEVER, AGAIN, IF YOU WISH TO CHANGE THE SCORES
12 AVAILABLE FOR EACH PREFERENCE, FOR INSTANCE, FROM 60 TO
13 50 OR 60 TO 70 FOR THE PROFESSIONALS IN THE AREA, THAT
14 WOULD ALSO LIKELY REQUIRE THAT THE RFP BE CANCELED AND
15 RESTARTED.

16 CHAIRMAN KLEIN: IF I COULD EXPAND ON THAT
17 POINT, WALTER. AS I UNDERSTAND THE DGS POSITION AND
18 THE STAFF TEAM POSITION, IT'S THAT THOSE POINT
19 ALLOCATIONS BY CATEGORY, INCLUDING THE FINAL ALLOCATION
20 OF POINTS SET BY DGS, WERE DETERMINED PRIOR TO OPENING
21 ANY BIDS. THEREFORE, IT IS INTENDED TO MAKE IT
22 OBJECTIVE. IF NOW THE POINT ALLOCATION WERE TO CHANGE
23 WITH EVERYONE'S KNOWLEDGE OF WHAT THE BIDS WERE, IT
24 WOULD POTENTIALLY BIAS THE EVALUATION PROCESS BECAUSE
25 WE KNOW WHAT IS IN EACH BID. SO THAT IS THE REASON

1 THAT DGS HAS TAKEN THAT POSITION, AND I BELIEVE YOU
2 CONCURRED WITH THAT POSITION.

3 MR. BARNES: THAT'S CORRECT. THANK YOU FOR
4 ADDING THAT ON.

5 ONCE YOU'VE MADE A DECISION ABOUT THESE THREE
6 RECOMMENDATIONS, YOU CAN PROCEED IN YOUR AGENDA ITEM 4
7 TO DETERMINE WHAT CRITERIA SHOULD BE ASSIGNED TO THE
8 SITE VISIT YOU PROPOSE TO MAKE BETWEEN TODAY AND THE
9 NEXT MEETING SCHEDULED FOR MAY 2D. AND YOU WILL SELECT
10 A WINNING BIDDER AND ONE RUNNER-UP TO BE SUBMITTED FOR
11 FINAL APPROVAL TO THE FULL ICOC AT THE MAY 6TH MEETING.

12 EVEN THOUGH WE'RE ON AGENDA ITEM 3, IF I
13 COULD TAKE JUST A MINUTE TO TALK A LITTLE BIT ABOUT THE
14 SITE VISITS. THE EVALUATION COMMITTEE PREPARED A
15 SUGGESTION FOR YOUR CONSIDERATION OF THE TYPES OF
16 THINGS THAT YOU MIGHT WANT TO CONSIDER LOOKING AT, AND
17 THAT'S GIVEN IN ATTACHMENT H. THIS SUGGESTION IS THAT
18 ADDITIONAL POINTS BE AWARDED BASED ON OTHER FACTORS,
19 INCLUDING THE COMMUNITY INCENTIVES WE MENTIONED BEFORE.
20 THIS IS MERELY A SUGGESTION.

21 ALTERNATIVELY, YOU COULD USE THE SITE VISIT
22 TO REFINE THE POINTS THAT HAVE ALREADY BEEN REWARDED
23 AND DETERMINE, BASED UPON PHYSICAL PRESENCE, THAT THE
24 POINTS AWARDED IN ATTACHMENT F SHOULD BE CHANGED.

25 IN ADDITION, YOU HAVE PREVIOUSLY TALKED ABOUT

1 HAVING TEAMS OF TWO MEMBERS CONDUCT SITE VISITS TO
2 ASSIST IN MAKING THE FINAL RECOMMENDATION.
3 ALTERNATIVELY, YOU COULD ALSO DECIDE TO MEET AS A
4 COMMITTEE AT EACH OF THE SITES WITH PROPER NOTICE IN
5 ORDER TO CONDUCT THIS EVALUATION. I SHOULD MENTION
6 THAT ACTUALLY BOTH OF THESE ALTERNATIVES ACTUALLY ARE
7 SUGGESTED IN THE LETTER THAT MR. KLEIN MENTIONED
8 EARLIER FROM SAN DIEGO.

9 AND THAT CONCLUDES MY PRESENTATION.

10 CHAIRMAN KLEIN: THANK YOU, WALTER. WHAT
11 WE'D LIKE TO DO --

12 MR. BARNES: I'VE JUST BEEN NOTIFIED THAT
13 ATTACHMENT B IS MISSING FROM THE PACKETS AT UCSF.
14 ATTACHMENT H WAS APPARENTLY ACCIDENTALLY INCLUDED IN
15 ITS PLACE. AND I WOULD SAY THAT ATTACHMENT B IS
16 AVAILABLE ON THE CIRM WEBSITE AT WWW.CIRM.CA.GOV, SO
17 HOPEFULLY YOU'D BE ABLE TO GET A COPY OF THAT.

18 DR. POMEROY: THAT SITUATION OCCURRED IN
19 SACRAMENTO.

20 CHAIRMAN KLEIN: OKAY.

21 DR. REED: JOHN REED HERE FROM SAN DIEGO. SO
22 IF I UNDERSTAND WALTER, THEN, HE WOULD LIKE TO KNOW
23 WHETHER WE HAVE A MOTION TO, AGAIN, TO APPROVE SOME OF
24 WHAT THE GROUP HAS DONE. SO IN THE INTEREST OF
25 EXPEDIENCY, I'D LIKE TO MOVE THAT WE APPROVE THE

1 RECOMMENDATION TO ELIMINATE THE SITES THAT DID NOT MEET
2 THE MINIMUM REQUIREMENTS FOR THE RFP.

3 CHAIRMAN KLEIN: WHAT OUR PROCESS HERE WILL
4 BE IS IF WE HAVE A SECOND, WE WILL THEN DISCUSS THE
5 MOTION. AND IN DISCUSSING THE MOTION, WE WILL GO TO
6 EACH AND EVERY CITY THAT DISAGREES WITH THAT MOTION SO
7 THEY HAVE A CHANCE TO PRESENT THEIR CASE.

8 DR. POMEROY: SECOND.

9 DR. PRECIADO: CAN I MAKE A COMMENT? THIS IS
10 DR. PRECIADO.

11 CHAIRMAN KLEIN: YES, DR. PRECIADO. THERE'S
12 A MOTION AND A SECOND, SO DISCUSSION IS IN ORDER.

13 DR. PRECIADO: ONE OF THE CONCERNS I HAVE IS
14 THAT THE SHORT PERIOD OF TIME FOR THE RFP. I KNOW WE
15 DISCUSSED THIS BEFORE, BUT I JUST NEED TO SAY THIS. IT
16 WAS SO QUICK, THAT ANY CHANGE TO THE DOCUMENT THAT
17 COULD HAVE BEEN MADE WASN'T ALLOWED TO BE MADE.

18 CHAIRMAN KLEIN: DR. PRECIADO, LET ME ADDRESS
19 THAT POINT. THE INSTITUTE STAFF, PRIOR TO OPENING ANY
20 BIDS, IN LOOKING AT THE PROCEDURES, HAD ACTUALLY
21 SUGGESTED TO DEPARTMENT OF GENERAL SERVICES THAT UNDER
22 MINIMUM REQUIREMENTS, IF THERE WERE NO MORE THAN THREE
23 PROBLEMS OF MINIMUM REQUIREMENTS, THAT THEY COULD
24 EXPLAIN MINIMUM REQUIREMENTS AND IF THAT EXPLANATION
25 WAS SATISFACTORY, THE MINIMUM REQUIREMENTS WOULD BE

1 DEEMED MET.

2 THE DEPARTMENT OF GENERAL SERVICES POINTED
3 OUT THAT THERE'S A LONG TRADITION WITH THE STATE WITH
4 RFP'S, AND THAT THE RFP WAS VERY CLEAR THAT THE MINIMUM
5 REQUIREMENTS HAD TO BE MET.

6 AND SECONDLY, I WOULD STATE THAT QUITE
7 INDEPENDENTLY THE CITY OF SAN DIEGO REGIONAL ECONOMIC
8 DEVELOPMENT CORPORATION SENT A LETTER IN POINTING OUT
9 THAT IS, IN FACT, THE CASE, THAT THAT IS A LONG
10 TRADITION WITH THE STATE AND, IN FACT, THE RFP LANGUAGE
11 IS CLEAR. GIVEN THAT WE ARE A STATE AGENCY, AND WHILE
12 WE ARE BEING CREATIVE WITH THE PROCESS, WE NEED TO STAY
13 WITHIN STATE RULES. WE ACCEDED TO THE DGS SUGGESTION
14 AS BEING ACCURATE HISTORICALLY. WE WANT TO MAINTAIN
15 STATE PROTOCOL PROCEDURES, AND THEY ADVISED THAT THIS
16 IS A METHOD THEY USE OVER MANY YEARS TO ENSURE
17 FAIRNESS, MAKE SURE THAT EVERYONE IS ON NOTICE THEY
18 MUST MEET MINIMUM REQUIREMENTS. AND THAT BACKGROUND IS
19 THE REASON THAT FLEXIBILITY IS NOT IN THIS DOCUMENT TO
20 ACCOMMODATE THE SHORTNESS IN TIME.

21 DR. PRECIADO: I UNDERSTAND WHAT YOU'RE
22 SAYING, BOB. BUT THE PROBLEM I HAVE IS THAT THERE
23 WAS -- IT WAS SUCH A SHORT TIME. AND I DON'T THINK
24 HISTORICALLY OTHER RFP'S ONLY HAD TWO WEEKS.

25 CHAIRMAN KLEIN: WELL, MANY STATE OFFICE

1 BUILDINGS CAN BE QUICK. AS, DR. PRECIADO, YOU KNOW, WE
2 CAN'T GET TO OUR PERMANENT STAFF IN THE SCIENTIFIC AREA
3 WITHOUT HAVING A HEADQUARTERS SITE. AND THAT'S DRIVING
4 OUR TIME LINE. OUR PRESIDENTIAL SELECTION, FOR
5 EXAMPLE, THE PRESIDENT NEEDS TO KNOW WHERE THE SITE IS.
6 AND CERTAINLY IT'S LESS THAN 90 DAYS SINCE WE FIRST GOT
7 STAFF AT THIS INSTITUTE. JANUARY 14TH WE HAD OUR FIRST
8 STAFF. AND WE ARE TRYING TO WORK VERY QUICKLY. WE
9 APPRECIATE THE LOCAL GOVERNMENTS AND THE SPONSORS OF
10 THESE BUILDINGS WORKING QUICKLY, BUT WE ARE DRIVEN BY
11 THE NEED TO GET RESEARCH DOLLARS OUT THERE TO DEAL WITH
12 ADVANCING MEDICAL CURES.

13 YOU ARE A PATIENT ADVOCATE. I KNOW YOU
14 EMPATHIZE WITH THAT DRIVE. AND IT'S ESSENTIAL THAT WE
15 GET OUR SCIENTIFIC STAFF ON BOARD. FOR THAT WE HAVE TO
16 MAKE A STAFF DECISION -- A SITE DECISION IN A SHORT
17 TIME PERIOD.

18 DR. POMEROY: I WOULD JUST LIKE TO ENDORSE
19 THE DGS RECOMMENDATION, THAT THE MINIMUM REQUIREMENTS
20 HAVE TO BE MET. I WILL REMIND EVERYBODY THAT WE MOVED
21 A NUMBER OF REQUIREMENTS FROM THE MINIMUM REQUIREMENT
22 CATEGORY TO PREFERENCES FOR EXACTLY THIS REASON. AND I
23 WOULD ALSO POINT OUT, JUST TO REINFORCE WHAT YOU SAID,
24 WHICH IS THE ABILITY TO BE RAPIDLY RESPONSIVE IS
25 ABSOLUTELY CRITICAL TO THE SUCCESS OF THIS ENDEAVOR.

1 AND I THINK THAT'S REFLECTED IN THE APPLICATIONS THAT
2 WE RECEIVED.

3 MS. LANSING: SHERRY LANSING. I JUST WANT TO
4 SAY, YOU KNOW, FOR THE RECORD, FIRST OF ALL, I READ ALL
5 OF THE BIDS, AND THEY'RE ALL EXCEPTIONAL. AND THAT TO
6 ME IS REALLY EXTRAORDINARY. AND AS YOU SAID, BOB, THE
7 OUTPOURING OF THE COMMUNITY SUPPORT FOR THE INSTITUTE
8 IS LIKE NOTHING THAT'S EVER HAPPENED IN THIS STATE OR
9 ANY OTHER STATE, I SUSPECT. AND I HAVE THE GREATEST
10 RESPECT FOR THE PROCESS. AND I APPRECIATE THE
11 INTEGRITY WITH WHICH IT WAS DONE.

12 BUT I JUST HAVE TO SAY THAT ALL I REALLY CARE
13 ABOUT IS DOING WHAT'S BEST FOR THE INSTITUTE. AND TO
14 ME THAT SIX OUT OF THE TEN BIDS FAILED IS REALLY A
15 TRAGEDY IN THE SENSE THAT THEY FAILED TO MEET THE
16 MINIMUM REQUIREMENTS. AND I SUSPECT THAT WHEN ASKED IN
17 PUBLIC COMMENT, AND I SUSPECT THAT ALL SIX OF THEM ARE
18 PROBABLY GOING TO SPEAK, WHEN ASKED IN PUBLIC COMMENT
19 IF WE WOULD MEET THE MINIMUM REQUIREMENTS, I SUSPECT
20 THEY WILL ALL SAY YES.

21 SO WHAT HAPPENED IS EITHER A STAFFING ERROR
22 OR A CLERICAL ERROR OF SOME SORT. NOW, I UNDERSTAND
23 THAT WE HAVE A PROCESS HERE, AND I'M NOT QUESTIONING
24 THE PROCESS. I'M JUST QUESTIONING WHETHER OR NOT WE
25 ARE DOING WHAT'S BEST FOR THE INSTITUTE. AND THAT'S

1 REALLY ALL I CARE ABOUT. THE QUESTION, AND I SUSPECT I
2 WILL NEVER KNOW IT, BUT WHAT WOULD THE POINT EVALUATION
3 HAVE BEEN ON SOME OF THE DISQUALIFIED BIDS? AND IF, IN
4 FACT, THEY WOULD HAVE BEEN CONSIDERABLY HIGHER, THEN WE
5 HAVE DONE -- WE HAVE A TRAGEDY. THAT'S ALL I CAN SAY,
6 AND IT'S A TRAGEDY OF A CLERICAL ERROR AND NOT
7 NECESSARILY A TRAGEDY OF INTENT.

8 THAT IS VERY PAINFUL TO ME BECAUSE ALL I WANT
9 IS WHAT'S BEST FOR THE INSTITUTE. AND NOT KNOWING THAT
10 ANY OF THESE WERE DISQUALIFIED, I SORT OF CHOSE MY
11 FOUR. AND SOME OF THEM WERE OF THE DISQUALIFIED ONES.

12 DR. PRECIADO: I ACTUALLY AGREE, SHERRY.
13 THANK YOU FOR THAT COMMENT.

14 MS. LANSING: I DON'T KNOW HOW WE CORRECT
15 THIS. I DO NOT WANT TO, AND I ASKED WALTER BARNES TO
16 HELP ME, I DO NOT WANT TO THROW OUT THE RFP. I DO NOT
17 WANT TO START OVER. I THINK THAT WOULD BE TRAGEDY ALSO
18 BECAUSE I WANT TO MOVE FORWARD. BUT IF YOU ASK PEOPLE
19 AND THEY SAY, OH, WE MEANT TO DO THIS, WE THOUGHT WE'D
20 DONE IT, AND SOME STAFFER MADE A MISTAKE. AND IF SOME
21 OF THESE POINTS -- MAYBE WE SHOULD FIND OUT WHAT SOME
22 OF THESE OTHER POINTS -- SOME OF THESE DISQUALIFIED
23 BIDS WOULD HAVE BEEN POINTWISE. I DON'T KNOW.

24 CHAIRMAN KLEIN: WELL, I IDENTIFY WITH YOUR
25 COMMENTS. AND AS I SAID, WE AT THE INSTITUTE HAD

1 THOUGHT WE WOULD CREATE FLEXIBILITY AT THE BEGINNING OF
2 THIS PROCESS, BUT IT BECAME CLEAR THAT FROM THE
3 DEPARTMENT OF GENERAL SERVICES HISTORY AND IN TERMS OF
4 MAKING CERTAIN THAT EVERYONE WAS ON THE SAME LEVEL
5 PLAYING FIELD, THAT WE HAD TO FOLLOW THE PROCESS
6 OUTLINED BY THE STATE.

7 FORTUNATELY, IT APPEARS FROM THOSE BIDS THAT
8 HAVE BEEN RECOMMENDED TO US, THAT THE MISSION OF THE
9 INSTITUTE AND THE GREATEST ECONOMIC SUBSIDIES FROM THE
10 CITIES, THE PHILANTHROPISTS, AND THE PROPERTY OWNERS
11 ARE IN THE BIDS THAT DID QUALIFY. FOR THE MISSION OF
12 THE INSTITUTE, THERE IS 10 TO \$12 MILLION PROVIDED IN
13 THE BIDS THAT DID QUALIFY IN THE HIGH COST AREAS AND
14 SEVEN MILLION IN THE LOWER COST AREAS OF THE STATE. SO
15 THE INSTITUTE HAS BEFORE IT IN THE QUALIFIED BIDS THE
16 GREATEST SUBSIDIES FOR THE TAXPAYERS, THE MOST FREE
17 RENT, THE DEEPEST SUBSIDIES, THE GREATEST CONTRIBUTION
18 OF CONFERENCE AND HOTEL FACILITIES OF ANY OF THE
19 PROPOSALS, INCLUDING THOSE THAT WERE DISQUALIFIED.

20 SO IN THIS CASE IT'S AN IMPORTANT LEARNING
21 EXPERIENCE, BUT THE TAXPAYERS AND THE PATIENTS AND
22 MEDICAL RESEARCH ARE THE WINNERS IN THAT THE QUALIFIED
23 BIDS DO HAVE THE GREATEST SUBSIDIES OF ALL THOSE BEING
24 CONSIDERED.

25 NOW, IT IS IMPORTANT, HOWEVER, TO RECOGNIZE

1 THAT THERE'S TREMENDOUS ASSETS, SHERRY, RESEARCH ASSETS
2 IN CITIES LIKE L.A., AND THE TREMENDOUS PHILANTHROPY OF
3 THE ELI BROAD, UNPARALLELED SCIENTIFIC CONCENTRATIONS
4 OF EXCELLENCE. AND CERTAINLY WE WILL FROM THIS
5 EXPERIENCE KNOW THAT WHEN WE GET TO THE \$300 MILLION OF
6 COMPETITION ON RESEARCH FACILITIES, THAT ALL OF THE
7 CITIES WILL HAVE GONE THROUGH THIS, BUT WE WILL ASK
8 DGS, WHEN WE GET TO THAT POINT, TO DO TRAINING SESSIONS
9 ALONG WITH INSTITUTE STAFF FOR THE CITIES AND THE
10 RESEARCH INSTITUTIONS AND UNIVERSITIES SO THAT WITH
11 MORE TIME AVAILABLE FOR THAT PROCESS, HOPEFULLY
12 EVERYONE WILL USE THIS EXPERIENCE TO BRING IN THE
13 GREATEST REFINED PROPOSALS POSSIBLE.

14 WITH THAT, I'D LIKE TO ASK OTHER MEMBERS FOR
15 COMMENTS. AND AFTER MEMBER COMMENTS, GO DIRECTLY TO
16 THE CITIES IN THE TIME WE HAVE AVAILABLE, AND THEN THE
17 PUBLIC.

18 DR. FRIEDMAN: MR. CHAIRMAN, THIS IS MIKE
19 FRIEDMAN FROM CITY OF HOPE.

20 CHAIRMAN KLEIN: YES, DR. FRIEDMAN.

21 DR. FRIEDMAN: I WOULD LIKE TO, BECAUSE WE'VE
22 GOT A LOT OF THINGS TO DISCUSS THIS MORNING, HAVE A
23 LIMITED DISCUSSION OF THIS TOPIC. I SHARE THE SADNESS,
24 IF YOU WILL, OF DR. PRECIADO AND MS. LANSING WITH
25 RESPECT TO PROPOSALS THAT HAD VERY ATTRACTIVE FEATURES,

1 BUT ULTIMATELY FAILED TO MEET ALL THE CRITERIA.
2 HOWEVER, I REALLY HAVE TO SAY THAT I WOULD SUPPORT THE
3 INTEGRITY OF THE PROCESS. THOSE OF US WHO HAVE APPLIED
4 FOR FOUNDATION GRANTS OR NIH GRANTS OR OTHER SORTS OF
5 COMPETITIVE PROPOSALS HAVE ALL SUFFERED THE ILL EFFECTS
6 OF HAVING LEFT SOMETHING OUT, NOT THAT THOSE ELEMENTS
7 COULDN'T HAVE BEEN SUPPLIED. THERE ARE A VARIETY OF
8 REASONS FOR THAT. SOMETIMES IT'S FAMILIARITY WITH THE
9 PROCESS. SOMETIMES IT'S SIMPLE CLERICAL ERRORS.
10 SOMETIMES IT'S JUST OVERSIGHT. THERE ARE A VARIETY OF
11 REALLY GOOD EXPLANATIONS FOR THOSE THINGS.

12 WHILE THAT IS REGRETTABLE, I REALLY BELIEVE
13 THAT WE ARE TRYING TO BUILD A CERTAIN MOMENTUM WITH THE
14 STEM CELL ACTIVITIES. AND IF THE CIRM AND THE ICOC ARE
15 OVERCOMING A TERRIFIC INERTIA TO GET THIS WHOLE PROCESS
16 STARTED, I AM NOT SAYING THAT WE DO THINGS SLOPPILY.
17 I'M NOT SAYING THAT WE DO THINGS THAT ARE OF
18 QUESTIONABLE INTEGRITY. I'M NOT SAYING THAT WE BE
19 HASTY, BUT I REALLY DO BELIEVE THAT IT IS IMPORTANT FOR
20 US TO MOVE FORWARD IN A SOLID, STEADY FASHION.

21 AND WHILE I, ALONG WITH MS. LANSING, LOOKED
22 AT SOME OF THOSE PROPOSALS, AND IN MY SECRET LIST OF
23 THINGS, HAD A COUPLE OF THE PROPOSALS FROM
24 INSTITUTIONS -- FROM CITIES THAT DIDN'T MEET ALL THE
25 CRITERIA, AND I NOW WENT BACK LAST NIGHT AND

1 RE-REVIEWED THOSE AND RECOGNIZED THAT, THAT MAKES ME
2 SAD, BUT I FEEL THAT WE HAVE AT LEAST FOUR VERY GOOD
3 PROPOSALS, THAT THESE ARE WELL WORTH OUR ATTENTION.

4 AND I WOULD SIMPLY URGE US, RATHER THAN
5 REVISITING THE PROCESS, WHICH WILL INEVITABLY SET US
6 BACK MONTHS AND MONTHS, I REALLY BELIEVE THAT THIS IS A
7 REASONABLE AND FAIR PROCESS AND WOULD LIKE TO URGE US
8 AS A COMMITTEE TO PROCEED IN THIS WAY. THANK YOU, SIR.

9 CHAIRMAN KLEIN: OKAY. AND I WOULD LIKE
10 TO -- ARE THERE ANY MORE MEMBER COMMENTS? HEARING NO
11 MORE MEMBER COMMENTS, I'D LIKE TO START AND GO THROUGH
12 BY SITE THE SPONSORING CITIES' COMMENTS, AND THEN GO TO
13 THE PUBLIC COMMENTS.

14 THE FIRST IS, STARTING WITH CITY OF HOPE, IS
15 THERE A SPONSORING CITY THERE?

16 DR. FRIEDMAN: THERE IS NO SPONSORING CITY
17 HERE, SIR.

18 CHAIRMAN KLEIN: OKAY. AND AT UNIVERSITY OF
19 CALIFORNIA SAN FRANCISCO, DO WE HAVE SPONSORING CITIES
20 PRESENT THAT WOULD LIKE TO COMMENT? YES, IN THE BACK.
21 CITY OF SAN JOSE, IF YOU COULD COME FORWARD. WE HAVE
22 SEATS RESERVED FOR YOU RIGHT IN FRONT OF THE
23 MICROPHONE. THANK YOU.

24 MS. CHAVEZ: MY NAME IS CINDY CHAVEZ. I'M
25 THE VICE MAYOR OF THE CITY OF SAN JOSE.

1 CHAIRMAN KLEIN: LET ME MAKE SURE THAT
2 EVERYONE CAN HEAR YOU.

3 DR. PRECIADO: I CANNOT HEAR HER.

4 MS. CHAVEZ: MY NAME IS CINDY CHAVEZ. I'M
5 THE VICE MAYOR OF THE CITY OF SAN JOSE. AND JOINING ME
6 IS MICHAEL SHAUPPENHAUER, WHO'S OUR CONSULTANT, WHO
7 HELPED US PREPARE OUR BID.

8 LET ME BEGIN BY SAYING THAT MAYOR GONZALES IS
9 NOT HERE THIS MORNING. HE IS FLYING BACK FROM
10 CAMBRIDGE WHERE HE JUST SIGNED AN AGREEMENT, AN
11 ECONOMIC PACKAGE WITH THEM TO FOCUS ON (UNINTELLIGIBLE)
12 INCLUDING BIOSCIENCE. SO HE'S, I'M SURE, VERY
13 DISAPPOINTED THAT HE DOESN'T GET THE OPPORTUNITY TO
14 ADDRESS YOU.

15 I WANTED TO START BY TALKING ABOUT HOW
16 IMPORTANT THIS ISSUE IS, NOT JUST FOR THE CITY OF SAN
17 JOSE, BUT I'M SURE TO ALL MEMBERS OF THE COMMUNITY AND
18 THE STATE OF THE CALIFORNIA, PARTICULARLY BECAUSE
19 BIOSCIENCE NOT ONLY IS AN IMPORTANT ECONOMIC
20 DEVELOPMENT ISSUE, BUT IT'S ALSO AN IMPORTANT
21 HUMANITARIAN ISSUE. AND I THINK, MR. KLEIN, YOU
22 STARTED OUT BY TALKING ABOUT --

23 DR. PRECIADO: I CANNOT HEAR HER.

24 MS. CHAVEZ: WHILE I HAVE A DISAGREEMENT
25 ABOUT THE PRACTICE, I DON'T WANT TO IN -- ANYWAY, WHAT

1 I WAS SAYING IS THAT AS -- TRYING TO THINK ABOUT THE
2 BIG PICTURE, I'M TRYING TO PUT MYSELF IN YOUR POSITION,
3 BUT I'M ALSO THINKING ABOUT THIS AS IT RELATES TO
4 ISSUES THAT COME BEFORE THE CITY OF SAN JOSE. AND I
5 WANT TO START OUT BY SAYING THAT FOR ME, AS A
6 COUNCILMEMBER, WHEN SOMEONE COMES BEFORE US AND SAYS
7 THAT THERE'S A PROBLEM WITH THE PROCESS, ALL THE ISSUES
8 THAT YOU RAISED ARE THE SAME CONCERNS WE HAVE. DOES IT
9 TAKE US OFF TRACK? IS THERE A PROBLEM WITH THE
10 PROCESS? SPEED AND TIME AND EFFICACY.

11 I WANT TO ENCOURAGE YOU TO THINK ABOUT THE
12 FACT THAT THERE MAY HAVE BEEN MISTAKES ON A NUMBER OF
13 SIDES, INCLUDING THOSE OF THE PROPOSERS, BUT IT MAY
14 ALSO BE THERE COULD BE CLERICAL ERRORS AND ERRORS OF
15 OMISSION THAT EVEN HAPPEN WITH THE STAFF.

16 IN ORDER FOR THE PROCESS TO BE STRONG, WE'VE
17 GOT TO BE ABLE TO BE INTELLECTUALLY HONEST ABOUT WHERE
18 THOSE MISTAKES WERE. AND IF THEY WERE ON THE PART OF
19 THE CITY, WE'RE PREPARED TO DO THAT. IN THIS CASE, I'M
20 FEELING A LITTLE BOLD BECAUSE I DON'T THINK WE'RE ON
21 THE CITY SAN JOSE, THAT I WANT TO TALK ABOUT THAT.

22 DO YOU HAVE ALL THE PROPOSALS IN FRONT OF
23 YOU?

24 CHAIRMAN KLEIN: YES.

25 DR. PRECIADO: YES, WE DO.

1 CHAIRMAN KLEIN: SHE'S ASKING THAT WE REFER
2 TO THE PROPOSAL.

3 MS. CHAVEZ: THERE WERE TWO ISSUES THAT WERE
4 RAISED IN YOUR -- AS PART OF YOUR REQUIREMENTS. AND IN
5 YOUR BINDER WHAT YOU WOULD CALL SECTION C -- I'M JUST
6 GOING TO REFER TO THE TWO THAT WERE THE CITY OF SAN
7 JOSE, AND THEN I'M GOING TO GET TO THE BOOK. SO YOU
8 KEEP OUR PROPOSAL. ONE OF THE SIGNED LETTERS
9 CERTIFYING THAT THE OWNER DOES NOT HAVE -- WILL NOT
10 HAVE ANY FUTURE OWNERSHIP IN INTEREST --

11 DR. PRECIADO: EXCUSE ME. WHERE ARE YOU,
12 CINDY?

13 MS. CHAVEZ: IF YOU GO TO PAGE 9 OF OUR
14 PROPOSAL, I'M JUST REFERRING BACK TO THE TWO AREAS THAT
15 YOU HAVE -- ATTACHMENT C IN YOUR BINDER. BUT I'D LIKE
16 YOU TO LOOK AT OUR PROPOSAL. I'M JUST ACKNOWLEDGING
17 THAT I SEE WHERE THERE'S A CONFLICT IN TERMS OF WHAT
18 THE EVALUATION MAY HAVE BEEN LOOKING AT. IF YOU GO TO
19 PAGE 9 UNDER THE SECTION IN OUR PROPOSAL THAT IS UNDER
20 THE SECTION OF THE SITE PROPOSAL, PAGE 9 OF THE SITE
21 PROPOSAL, THE FIRST AREA THAT YOU HAVE CONCERN IS
22 HAVING A SIGNED LETTER THAT SHOWS THAT THERE'S NO
23 OWNERSHIP BY THE PROPERTY OWNERS IN THE PROPOSAL.

24 YOUR RECOMMENDATIONS IN THE RFP, YOU ASKED
25 THAT THE GOVERNMENTAL ENTITIES BE THE PRIMARY PROPOSER.

1 AND WE TOOK THAT VERY SERIOUSLY. THE PRIMARY PROPOSER
2 IS US, AND WE DESCRIBE IN THIS PART OF THE DOCUMENT --
3 I'M GOING TO READ FROM THE SECOND PARAGRAPH -- THAT THE
4 CITY OF SAN JOSE PARTNERED WITH THE REDEVELOPMENT
5 AGENCY AND STRUCTURED A RELATIONSHIP BETWEEN THE
6 REDEVELOPMENT AGENCY AND THE STATE DIRECTLY. AND THE
7 REDEVELOPMENT AGENCY IN THE CITY OF SAN JOSE CANNOT BY
8 THE NATURE THAT WE'RE GOVERNMENT ENTITIES TAKE PART AND
9 BENEFIT IN ANY WAY FROM THIS PROPOSAL.

10 SO THIS FIRST SECTION HERE, TO ME, IS JUST
11 THAT WE'VE MANAGED TO DO -- TO GET ONE SPOT BEYOND WHAT
12 THIS WHOLE GOAL WAS AND TO ACTUALLY REMOVE KEY BUILDING
13 OWNER FROM ANY AGREEMENT OF ANY KIND AS IT RELATES TO
14 OUR PROPOSAL.

15 SO I FEEL VERY CONFIDENT THAT WE EXCEEDED
16 YOUR EXPECTATIONS IN THAT REGARD. ARE THERE QUESTIONS
17 ABOUT THIS SECTION BEFORE I GO TO THE SECOND ONE?

18 CHAIRMAN KLEIN: BEFORE GOING TO THE SECOND
19 ONE, LET ME ASK, WALTER OR CHERYL GATES, DO YOU WANT TO
20 REPLY TO THIS AS TO HOW THE EVALUATION TEAM REACHED
21 THEIR DECISION?

22 MR. BARNES: I CAN DO THAT. THEN CHERYL
23 GATES, WHO IS HERE, CAN HELP OUT. WE RECOGNIZED THE
24 SUBLEASE THAT THE CITY OF SAN JOSE HAD ENTERED INTO,
25 BUT ULTIMATELY, BASED ON THE INFORMATION THAT WAS IN

1 THE BID, THE BUILDING OWNER STILL OWNED THE BUILDING
2 AND STILL, YOU KNOW, WAS IN THE PROCESS. AND THE
3 SPECIFIC MINIMUM REQUIREMENTS ASSOCIATED WITH THE BID,
4 WE DID HAVE A REQUIREMENT THAT THE BUILDING OWNER
5 ACTUALLY CERTIFIED THAT HE OR SHE WOULD NOT BE EITHER A
6 BIDDER OR AN OWNER, HAVE AN OWNERSHIP INTEREST IN A
7 COMPANY THAT ASKED FOR FUNDING FROM THE INSTITUTE.

8 SO WHILE WE RECOGNIZE THE PROCESS THAT YOU
9 HAD GONE INTO THROUGH YOUR SUBLEASING PROCESS, WE FELT
10 THAT THE BUILDING OWNER WAS STILL IN PLAY HERE AND THAT
11 THE REQUIREMENT WOULD BE TO HAVE THEM PROPOSE THE --
12 THEY WOULD HAVE TO HAVE THE CERTIFICATION LETTER FROM
13 THE BUILDING OWNER THEMSELVES.

14 MS. CHAVEZ: I THINK THAT IS AN AREA THAT
15 SHOWS A VERY HONEST DISAGREEMENT ABOUT HOW TO GET TO
16 THE SAME POINT. AND I DON'T THINK THIS SHOULD
17 DISQUALIFY US FROM PARTICIPATING BECAUSE WE -- THE
18 AGREEMENT WOULD BE ENTERED WITH THE REDEVELOPMENT
19 AGENCY, WHICH IS A GOVERNMENTAL ENTITY. AND SO I THINK
20 THAT THIS IS AN AREA THAT -- YOU KNOW, JUST LOOK A
21 LITTLE BIT AT PROP 71 AND ITS INITIAL VISION AROUND
22 BEING CREATIVE, AND NOT ALLOWING -- I THINK DISTINCTLY,
23 AND YOU'RE THE AUTHOR AND THE BRAIN CHILD BEHIND THIS,
24 BUT YOU WANTED TO HAVE SOME FLEXIBILITY. I THINK THIS
25 IS A GREAT EXAMPLE OF HOW THE CREATIVE PROCESS CAN BE

1 STYMIED BY ACTUALLY BEING CREATIVE IN THE PROCESS.

2 LET ME GO TO OUR SECOND AREA.

3 MR. SHAUPPENHAUER: MICHAEL SHAUPPENHAUER
4 TALKING. I'M ASSISTING THE CITY OF SAN JOSE ON THIS
5 POINT HERE. WHILE IT IS CORRECT THAT THERE'S A
6 DISAGREEMENT HERE, THERE HAD BEEN DISCUSSION ACTUALLY
7 BETWEEN DGS AND THE CITY OF SAN JOSE WITH RESPECT TO
8 THE SOMEWHAT DIFFERENT CONTRACTING STRUCTURE THAT HAD
9 BEEN SUGGESTED AND PROPOSED TO DGS. THAT DISCUSSION
10 TOOK PLACE MARCH 8TH AND MARCH 9TH WITH REBECCA
11 DONNACHIE AT THAT POINT. AND THERE WAS NO OBJECTION TO
12 THE DIFFERENCE AND CHANGED CONTRACT STRUCTURE, ALTHOUGH
13 IT WAS NOT THE PREFERRED CONTRACT STRUCTURE.

14 ON THAT NOTE, ALSO, WHILE WE DO VALUE THAT
15 THERE MAY BE SOMEHOW AN UNDERSTANDING THAT THERE MIGHT
16 BE STILL A BUILDING OWNER IN THAT WHOLE PICTURE, THE
17 BUILDING OWNER ITSELF HAS ACTUALLY SUBMITTED A
18 CERTIFICATE OF NONCONFLICT OF INTEREST TO THE CITY OF
19 SAN JOSE, WHICH HAS ALSO BEEN SUBMITTED, I BELIEVE,
20 ABOUT A WEEK OR A COUPLE OF DAYS AGO TO THE DGS. IN
21 FACT, THEY ARE ON FILE WITH THE DGS.

22 MS. CHAVEZ: THE ONE OTHER THING I WANTED TO
23 ADD IS THAT WE ARE PAYING MARKET RATE FOR THIS SPACE.
24 SO THERE'S NO INCENTIVE FOR THEM TO DO ANYTHING BUT TO
25 BE HONORABLE IN THEIR CONTRACT WITH US, WHICH I THINK

1 FURTHER DEMONSTRATES THERE'S NOT A CONFLICT. AND WE
2 HAVE THE LETTERS THAT WERE REQUESTED BY YOUR STAFF FOR
3 YOU.

4 ON THE SECOND ISSUE OF WHETHER OR NOT THE
5 AGREEMENT TO PROVIDE OCCUPANCY WITHIN 30 TO 90 DAYS OF
6 LEASE EXECUTION, WE DO BELIEVE THAT THE LETTERS OF
7 INTENT THAT ARE INCORPORATED IN YOUR PACKET ACTUALLY
8 RESPOND TO THAT LOOK. SO IF YOU LOOK BEHIND TAB WEST
9 SAN FERNANDO, AND WE HAVE A ANOTHER TAB FOR TECHNOLOGY
10 DRIVE, BOTH OF THOSE HAVE AGREEMENTS FOR THE LETTERS OF
11 INTENT TO NEGOTIATE WITH US WITHIN THE APPROPRIATE TIME
12 FRAME. AND I THINK BOTH OF THEM OUTLINE 75 DAYS, WHICH
13 IS BETWEEN THE 30- AND 90-DAY REQUEST THAT YOU HAVE.
14 SO WE FELT LIKE THAT ALSO MET THE REQUIREMENT. AND
15 MIKE WANTED TO ADD SOMETHING.

16 MR. SHAUPPENHAUER: AND LET ME ANSWER THAT
17 ONE. WITHIN THE CHANGED CONFLICT STRUCTURE, THE
18 FACILITY IN SAN JOSE WOULD BE RENTED BY THE
19 REDEVELOPMENT AGENCY IN ORDER TO, NO. 1, AVOID THE
20 CONFLICT OF INTEREST AND BUILD AN ADDITIONAL BARRIER TO
21 PROTECT THE CONFLICT OF INTEREST TO AVOID CONFLICT OF
22 INTEREST HERE. IT ALSO DOES SOMETHING ELSE. IT
23 ACTUALLY MAKES THE BUILDING AVAILABLE AT ANY POINT IN
24 TIME FOR THE CIRM TO MOVE IN, WHICH IS TIME PERIOD FROM
25 30 TO 90 DAYS, BUT IT COULD ALSO BE A TIME PERIOD FROM

1 15 TO 125 OR 365 DAYS; OR IF THEY CHOOSE TO, FOR 3,650
2 DAYS FOR THAT MATTER. SO IT IS IMPLIED IN RENTING THAT
3 ONE ON BEHALF WHICH IS, IN EFFECT, WHAT WE RELIED ON ON
4 PAGE 9 OF THE PROPOSAL.

5 MS. CHAVEZ: AND OUR GOAL WAS TO BE FLEXIBLE,
6 RECOGNIZING THAT YOU WOULD NEED FLEXIBILITY. SO I
7 THINK WE MET THE MINIMUM REQUIREMENTS AND ADDED IN
8 FLEXIBILITY FOR THE BENEFIT OF THE INSTITUTE. SO YOU
9 KNOW, I DON'T KNOW. ARE THERE ANY QUESTIONS ABOUT THAT
10 SECTION?

11 IF NOT, I KNOW YOU HAVE OTHER CITIES TO SPEAK
12 TO, AND I JUST WANTED TO MAKE THIS CLOSING COMMENT.
13 YOU KNOW, THE CITY OF SAN JOSE IS A VERY SPECIAL PLACE,
14 AND EVERYBODY UP AND DOWN THE STATE WILL TELL YOU
15 WHAT'S SO SPECIAL ABOUT THEIR COMMUNITY. BUT WE HAVE
16 THE FIRST BIOSCIENCE INCUBATOR IN THE STATE IS IN
17 CALIFORNIA -- IN CALIFORNIA IS IN SAN JOSE. WE PRODUCE
18 MORE PATENTS THAN ANY OTHER CITY, I THINK, IN THE
19 COUNTRY. WE ARE A CITY THAT HAS REALLY ROLLED OUT THE
20 RED CARPET, AND I DESPERATELY WANT OUR PROPOSAL TO BE
21 EVALUATED BECAUSE I THINK WE HAVE HIGHER NUMBERS THAN
22 ANY OTHER PLACE.

23 AND I WANT TO JUST TALK ABOUT TWO THINGS THAT
24 YOU WERE ALL DISCUSSING AS EXAMPLES, THE AIRPORT. OUR
25 AIRPORT ISN'T 45 MINUTES AWAY FROM THIS BUILDING. IT'S

1 FIVE. IT'S FIVE MINUTES.

2 WE HAVE A SOFTWARE CLUSTER IN SOME OF THE
3 HIGHEST CONCENTRATION OF HIGH TECH FACILITIES DOWN OUR
4 LIGHT RAIL LINE TEN MINUTES AWAY, TEN MINUTES ON LIGHT
5 RAIL. WHEN YOU LOOK AT WHAT KIND OF OPPORTUNITIES WE
6 HAVE, THEY'RE BRILLIANT IN SAN JOSE. THESE ISSUES ARE
7 NOT ISSUES THAT SHOULD DISQUALIFY US. THEY'RE ISSUES
8 THAT SHOULD BE REEVALUATED, AND WE SHOULD BE
9 INCORPORATED INTO THIS PROCESS.

10 AND THE LAST THING I WANT TO SAY IS THIS.
11 OUR STAFF, NO DISRESPECT TO STAFF IN THE ROOM, BUT OUR
12 STAFF WHENEVER WE HAVE A TOUGH DECISION LIKE THIS TELLS
13 US HERE ARE THE OPTIONS. YOU CAN GO DOWN PATH A, WHICH
14 IS SUNSHINE AND ROSES, AND WE MIGHT GET SOME PROTESTS,
15 BUT WE'RE DOING THE RIGHT THING. WE CAN GO DOWN PATH
16 B, AND THEN WE HAVE TO STOP THE PROCESS AND START OVER.
17 I THINK THOSE TWO ARE NOT REAL IN THIS INSTANCE. I
18 THINK YOU HAVE THE FLEXIBILITY TO DO AS A BOARD AND A
19 BODY WHAT YOU THINK YOU NEED TO DO TO HAVE THE BEST
20 PROPOSALS BE EVALUATED FOR YOUR BENEFIT SO THAT WE CAN
21 BEGIN THIS PROCESS IN A CREATIVE, THOUGHTFUL WAY.

22 AND I REALLY IMPLORE YOU TO CONSIDER SAN JOSE
23 AND GIVE IT EVERY CONSIDERATION. AND I REALLY DO
24 APPRECIATE YOUR STAFF HAS REACHED OUT TO OUR STAFF IN
25 TRYING TO TALK TO THESE ISSUES, BUT PLEASE DON'T MISS

1 AN OPPORTUNITY TO EVALUATE OUR CITY.

2 CHAIRMAN KLEIN: THANK YOU VERY MUCH. VICE
3 MAYOR, YOU'RE AN ELOQUENT SPOKESPERSON FOR THE CITY. I
4 WOULD ALSO STATE THAT THIS IS AN OUTSTANDING PROPOSAL,
5 AND MAYOR GONZALES AND THE CITY OF SAN JOSE HAVE BEEN
6 REAL LEADERS, AS YOU POINT OUT, IN THE BIOTECHNICAL
7 FIELD. THEY REALLY ARE SETTING AN EXAMPLE FOR THE
8 STATE OF WHAT A CITY CAN DO TO ADVANCE ECONOMIC
9 DEVELOPMENT IN THE BIOTECH AREA.

10 I PERSONALLY HAVE LOOKED AT THE MATERIALS
11 THAT HAVE BEEN SUBMITTED. AND FROM AN INDIVIDUAL POINT
12 OF VIEW, I WOULD HAVE COME OUT WITH THE OPINION THAT
13 THE MINIMUM REQUIREMENTS WERE MET. THE PROBLEM IS THAT
14 I TOOK MYSELF OUT OF THIS PROCESS OF EVALUATION IN
15 ORDER TO ASSURE THERE WOULDN'T BE A REGIONAL BIAS IN
16 THE PROCESS. AND I WAS NOT A PARTY INDIVIDUALLY WITH
17 THE CITY OF SAN JOSE IN ITS DISCUSSIONS WITH THE
18 DEPARTMENT OF GENERAL SERVICES.

19 WHILE WE DON'T HAVE THE FLEXIBILITY OF BEING
20 A CITY, THAT YOU HAVE, WHICH I ADMIRE, THE STATE DOES
21 BRING TREMENDOUS ASSETS. ONE OF THE ASSETS THEY BRING
22 IS THE DEPARTMENT OF GENERAL SERVICES WHO HAS A
23 TREMENDOUS RECORD IN REAL ESTATE EVALUATIONS. AND I
24 FIND MYSELF IN PROTECTING THE PROCESS AND BEING IN A
25 POSITION TO HAVING TO RELY ON A CONVERSATION AND THEIR

1 INTERPRETATION OF THE CONVERSATION EARLY ON WHEN, IN
2 FACT, THE CITY OF SAN JOSE DID CONFER WITH DGS ON THE
3 INTERPRETATION OF HOW TO SUBMIT THE PROPOSAL.

4 BECAUSE NEITHER I NOR ANY OTHER MEMBER OF THE
5 COMMITTEE WAS ON THAT CONVERSATION, WE HAVE TO LOOK TO
6 THE STATE BODY, DGS, TO INTERPRET THAT CONVERSATION.
7 AND THEY HAVE COME BACK TO US WITH A VERY DEFINITIVE
8 DETERMINATION THAT THEY BELIEVE THE MINIMUM REQUIREMENT
9 WAS NOT MET.

10 SO THE ISSUE IS THAT WHILE SAN JOSE PROVIDED
11 AN OUTSTANDING PROPOSAL, TO RESPECT THE INTEGRITY OF
12 THE PROCESS AND THE INTEGRITY OF THE PRINCIPALS IN THE
13 PROCESS, WE NEED TO REALLY, FROM MY PERSPECTIVE, FOLLOW
14 DGS' DECISION ON THIS. AND THEIR STAFF HAS WORKED
15 UNTIL TEN OR ELEVEN AT NIGHT. THEY ARE EXTRAORDINARILY
16 COMMITTED. THEY HAVE REALLY PUT THEIR HEART AND SOUL
17 IN THE PROCESS, EVEN THOUGH IN THE BEGINNING THEY SAID
18 HOW IS IT YOU ARE POSSIBLY GOING TO GET PEOPLE TO
19 PROVIDE FREE RENT FOR A STATE AGENCY? IT'S NEVER
20 HAPPENED IN THE HISTORY OF THE STATE. AND I SAID WOULD
21 YOU TRY IT? AND THEY DID. AND THEY PUT THEIR HEARTS
22 AND SOULS IN IT, AND WE'RE GREATLY APPRECIATIVE OF
23 THAT.

24 SO THAT'S A PERSONAL PERSPECTIVE, BUT I'D
25 LIKE TO SEE IF THERE'S -- IF THERE'S OTHER BOARD

1 COMMENTS ON YOUR PRESENTATION, THEN I'LL GO TO PUBLIC
2 COMMENT ON SAN JOSE, AND THEN GO TO THE NEXT CITY.

3 DR. PRECIADO: I FEEL VERY, VERY SAD AND
4 TROUBLED BY WHAT HAS HAPPENED WITH SAN JOSE. IT
5 BOTHERS ME THAT WHAT APPEARS TO BE A TECHNICALITY,
6 MAYBE I'M MISUNDERSTANDING IT, THAT SAN JOSE CANNOT BE
7 PART OF THE -- ONE OF THE SITES THAT WE LOOK AT.

8 CHAIRMAN KLEIN: OKAY. DR. REED.

9 DR. REED: I WAS JUST TRYING TO CLARIFY, IN
10 FACT, THOSE TWO POINTS THAT THE MAYOR'S OFFICE
11 ADDRESSED. THOSE ARE THE ONLY TWO REASONS WHY THE
12 PROPOSAL WAS EXCLUDED? THERE ARE NO OTHER DEFICIENCIES
13 IN THE APPLICATION; IS THAT CORRECT?

14 CHAIRMAN KLEIN: I'D LIKE TO REFER TO WALTER
15 BARNES AND CHERYL GATES, BECAUSE I WAS NOT PART OF THAT
16 EVALUATION TEAM, TO ASK THEM.

17 MR. BARNES: PART OF THE PROCESS WAS THAT
18 ONCE WE HAD DETERMINED THAT A FEW OF THE MINIMUM
19 QUALIFICATIONS OR REQUIREMENTS WERE NOT MET, BASED UPON
20 OUR SUBSEQUENT DISCUSSION WITH THE CITIES THEMSELVES,
21 WE BASICALLY STOPPED LOOKING AT THE PACKAGE. SO WHILE
22 THESE ARE THE TWO THAT WE IDENTIFIED AND COMPLETED,
23 THERE MAY, IN FACT, BE OTHER MINIMUM QUALIFICATIONS
24 WERE NOT MET EITHER. BUT WE JUST BASICALLY STOPPED AT
25 THIS POINT.

1 DR. REED: THANK YOU FOR THAT CLARIFICATION,
2 WALTER.

3 CHAIRMAN KLEIN: WHAT WE NEED TO DO IS
4 ADDRESS IT RIGHT NOW AS IF THERE ARE TWO BECAUSE THOSE
5 ARE THE ONES THAT ARE IDENTIFIED.

6 MS. CHAVEZ: I THINK THAT IS ENORMOUSLY
7 IMPORTANT BECAUSE IF THERE WERE OTHERS, I WOULD WANT TO
8 KNOW. AND THE OTHER THING IS, AS YOU LOOK AT THE OTHER
9 PROPOSALS, YOU IDENTIFIED MORE THAN ONE OR TWO
10 DEFICIENCIES IN THEIR EVALUATIONS. SO MY EXPECTATION
11 WOULD HAVE BEEN THAT WE WOULD HAVE BEEN TREATED THE
12 SAME WAY AS IT RELATED TO OTHER CITIES.

13 MR. SHAUPPENHAUER: ONE POINT ON THAT ONE.
14 IF THE DGS AND CIRM STOPPED EVALUATING THE PROPOSAL FOR
15 THAT ONE AND PARTICULARLY GOING INTO THE RANKING, I'D
16 LIKE TO TALK TO SHERRY LANSING'S POINT ABOUT HOW WOULD
17 OTHER CITIES HAVE FARED. AND WE HAVE DONE A
18 COMPARATIVE EVALUATION BASED UPON THE PUBLICLY
19 AVAILABLE DOCUMENTS AND PROPOSALS FROM THE OTHER
20 CITIES. AND, IN FACT, WE CALCULATED FOR THE CITY OF
21 SAN JOSE A POINT RATING OF SOMEWHERE BETWEEN OR
22 CERTAINLY ABOVE 170 POINTS. TAKING THAT AS A
23 CONSIDERATION, AND I'M LOOKING AT WHERE THE OTHER
24 CITIES ARE RANKING, AND I CERTAINLY WOULD WANT TO ASK
25 THE COMMITTEE TO CONSIDER THAT THERE MAY BE SOME ROOM

1 HERE TO RECONSIDER WHAT THEY HAVE DECIDED SO FAR
2 BECAUSE YOU MAY, IN FACT, HAVE NOT SELECTED THE MOST
3 APPROPRIATE.

4 WE HAVE NOT DONE THE FULL EVALUATION OF THE
5 OTHER CITIES WHERE WE HAD NOT THE PROPOSALS, BUT WE
6 CERTAINLY HAVE DONE IT IN THIS CASE.

7 CHAIRMAN KLEIN: OTHER BOARD COMMENTS?

8 DR. POMEROY: CAN I ASK WALTER BARNES A POINT
9 OF CLARIFICATION?

10 CHAIRMAN KLEIN: CERTAINLY.

11 DR. POMEROY: THERE ARE TWO ISSUES HERE. AM
12 I CORRECT IN UNDERSTANDING THAT THERE IS AN AGREEMENT
13 TO PROVIDE OCCUPANCY WITHIN 75 DAYS FOR THE SECOND
14 ISSUE THERE? IN OTHER WORDS, IT SEEMS TO ME 75 IS
15 BETWEEN 30 AND 90, AND THAT THAT COULD BE A LEGITIMATE
16 MISUNDERSTANDING. SO IF I HEARD THAT RIGHT, BUT THERE
17 IS NOT A SIGNED LETTER CERTIFYING THAT THE OWNER
18 DOESN'T HAVE AN INTEREST. I'M JUST TRYING TO SUMMARIZE
19 IN MY OWN MIND.

20 MR. BARNES: BASICALLY THE LETTER THAT HAS
21 BEEN ALREADY REFERRED TO WHICH -- AND THERE ARE TWO OF
22 THEM -- THEY'RE AT THE BEGINNING OF THE BUILDING
23 EXHIBITS, ONE FOR WEST SAN FERNANDO AND THE OTHER ONE
24 FOR TECHNOLOGY DRIVE. THESE LETTERS ACTUALLY DO NOT
25 TALK ABOUT OCCUPANCY. THEY ACTUALLY TALK ABOUT KEEPING

1 THE BID OPEN FOR 75 DAYS FROM THE DATE OF THE
2 SUBMITTAL, WHICH WAS A SEPARATE REQUIREMENT, MINIMUM
3 REQUIREMENT. SO IT INDICATES THAT THE OFFER IS
4 AVAILABLE AND ON THE TABLE.

5 THE 30- TO 90-DAY REQUIREMENT HAD TO DO WITH
6 ONCE A BIDDER HAD BEEN AWARDED, THERE WOULD BE A 30- TO
7 90-DAY PROCESS AFTER THE LEASE WAS NEGOTIATED TO HAVE
8 OCCUPANCY. SO --

9 DR. POMEROY: THANK YOU. THAT'S GREAT.

10 MR. BARNES: -- THESE WERE TWO DIFFERENT
11 LETTERS.

12 DR. POMEROY: GOT IT. THANK YOU VERY MUCH.

13 MS. LANSING: I ALSO FEEL, AS I THINK OTHER
14 SPEAKERS HAVE, THAT SAN JOSE'S PROPOSAL WAS QUITE
15 EXCEPTIONAL. IF WE WERE TO SAY THAT -- THIS IS A POINT
16 OF CLARIFICATION BECAUSE I WAS VERY IMPRESSED WITH
17 THEIR BID AND VERY IMPRESSED WITH THE PRESENTATION. IF
18 WE WERE TO SAY THAT THIS WAS A TECHNICALITY, WOULD WE
19 HAVE TO THROW OUT THE WHOLE RFP?

20 CHAIRMAN KLEIN: THIS ISSUE HERE IS THAT THE
21 PARTIES, THE DEPARTMENT OF GENERAL SERVICES AND THE
22 TEAM MEMBERS, WALTER BARNES AND THE TEAM MEMBERS AT THE
23 INSTITUTE THAT REVIEWED THIS, IF WE WERE TO OVERRULE
24 THEIR DECISION THAT THIS MET THE MINIMUM REQUIREMENTS,
25 WITHOUT A PROOF OF THE FACT THAT THESE MINIMUM

1 REQUIREMENTS WE'RE SAYING NEEDED TO BE IN THE PACKAGE
2 WERE IN THE PACKAGE, THEN WE'D HAVE TO THROW THE
3 PROCESS OUT. THAT'S THE POSITION DGS HAS TAKEN.

4 ESSENTIALLY WE HAVE TO -- EVERY BIDDER IN THE
5 STATE OF CALIFORNIA IS REQUIRED TO HAVE PROOF OF WHAT
6 IS IN THE PACKAGE. WE SPECIFICALLY COMMITTED THAT NO
7 ADDITIONAL SUBMISSIONS WOULD BE PERMITTED IN THE
8 PROCESS.

9 IN A FUTURE PROCESS WE CAN CHANGE THOSE
10 REQUIREMENTS SPECIFICALLY AND MAKE AN EXCEPTION TO THAT
11 STANDARD IN A PUBLIC HEARING; BUT IN A PUBLIC HEARING
12 PROCESS AND IN THE RFP, WE SPECIFICALLY SAID NO
13 ADDITIONAL SUBMISSIONS WOULD BE ALLOWED. AND WE
14 SPECIFICALLY COMMITTED TO A PROCESS THAT DGS HAS
15 EVALUATED AND SAID THAT IF THE MATERIALS ARE NOT THERE,
16 FOR EXAMPLE, IF THEY DO NOT HAVE MATERIALS THERE THAT
17 SAY THEY WILL PROVIDE OCCUPANCY WITHIN 90 DAYS, THEY
18 HAVE NOT MET THE REQUIREMENT, AND WE CANNOT NOW ALLOW
19 THEM TO AMEND IT.

20 DR. PRECIADO: IF WE DETERMINE THAT WE WANT
21 TO LOOK AT SAN JOSE AND WE STOP THE PROCESS AND
22 RESTART, WHAT IS THE TIME FRAME THAT WE'RE LOOKING AT?

23 CHAIRMAN KLEIN: WELL, THERE'S TWO THINGS.
24 ONE IS THE BUILDING OWNERS AND THE CITIES HAVE HELD
25 THESE PROPERTIES OFF THE MARKET FOR A SUBSTANTIAL

1 LENGTH OF TIME. AND THE QUESTION IS WOULD THEY AGAIN
2 GO THROUGH THE PROCESS AND HOLD THE BUILDINGS OFF THE
3 MARKET. THE OTHER PROBLEM IS WE'VE NOW PREJUDICED THE
4 WHOLE PROCESS BECAUSE EVERYONE KNOWS WHAT THE TERMS
5 ARE. SO EVERYONE KNOWS WHAT THEY'RE COMPETING AGAINST.

6 BUT IT WOULD BE ANOTHER 90 DAYS TO GET
7 THROUGH THIS WHOLE PROCESS, TO BE RESPONSIVE TO YOUR
8 POINT.

9 MS. LANSING: I ASSUME THAT WHAT WAS SAID DID
10 NOT CHANGE THE STATE'S VIEW. WALTER BARNES, CAN YOU
11 RESPOND TO THAT?

12 CHAIRMAN KLEIN: LET ME ASK CHERYL GATES. IS
13 WHAT WAS SAID, CHERYL, CHANGE YOUR VIEW?

14 MS. GATES: NO, IT DID NOT.

15 CHAIRMAN KLEIN: HER STATEMENT IS, NO, IT DID
16 NOT.

17 MS. LANSING: THANK YOU.

18 MS. CHAVEZ: MAY I FOLLOW UP? THIS IS CINDY
19 CHAVEZ AGAIN. WHEN I READ THIS, BECAUSE THE TERM --
20 THE LEASE WOULD BE WITH US AND WE'RE SAYING THAT WE
21 WOULD HAVE IT CONVEYED TO US BY THE 75 DAYS, THAT IN MY
22 MIND WAS HOW WE WOULD BE CONVEYING IT TO YOU BECAUSE WE
23 WERE ONLY GOING TO BE TAKING OVER THE LEASE IN ORDER TO
24 MAKE YOU BE -- FOR YOUR FACILITY TO BE ABLE TO GET INTO
25 THE BUILDING, WHICH IS WHY THE LETTER OF INTENT AND 75

1 DAYS, IN OUR MINDS, MEET THE CRITERIA BECAUSE YOU WOULD
2 BE ABLE TO MOVE IN IN THAT TIME FRAME. SO THAT'S
3 WHY -- I UNDERSTAND THE DISAGREEMENT, AND I THINK IT'S
4 VERY LEGITIMATE. I JUST WANTED TO EXPLAIN THAT.

5 CHAIRMAN KLEIN: I THINK YOUR POINT IS RIGHT.
6 IT IS A LEGITIMATE DISAGREEMENT. THE ISSUE HERE IS
7 THAT DGS IS THE EXPERT FOR THE STATE. WE AS A STATE
8 AGENCY ARE RELYING ON THEM AND THEIR ROLE AS A TEAM
9 LEADER HERE.

10 THE PROCESS, WHEN WE GO FORWARD, WE'VE
11 LEARNED THAT WE WILL PROVIDE A PROVISION THAT, WITH
12 DOCUMENTATION, THE COMMITTEE IN THE FUTURE AND THE
13 FACILITIES COMMITTEE SPECIFICALLY COULD PROVIDE THAT
14 WITH DOCUMENTATION THAT IF THE MINIMUM NUMBER OF
15 MINIMUM REQUIREMENTS ARE NOT MET, THAT THE
16 DOCUMENTATION COULD BE CONSIDERED WITHIN A FAIRLY
17 NARROW WINDOW. DGS SAYS THAT'S DIFFICULT TO DO, AND
18 I'M SURE THAT IT IS DIFFICULT TO DO. THEY'VE GOT LOTS
19 OF EXPERIENCE. BUT CERTAINLY ON THE MAJOR COMPETITIONS
20 THAT GO FORWARD, WE KNOW THAT SAN JOSE WILL BE A
21 FABULOUS PLACE FOR FACILITIES, AND WE'LL LOOK FORWARD
22 TO A PROCESS WHERE WE CAN MAKE CERTAIN THAT YOU HAVE
23 THAT DISCRETION IN THE DOCUMENT.

24 RIGHT NOW IN THIS DOCUMENT UNDER THIS RFP, WE
25 DO NOT HAVE THAT DISCRETION BASED UPON DGS' POSITION.

1 IS THERE OTHER PUBLIC COMMENT ON SAN JOSE?
2 DR. FRIEDMAN: NOTHING FROM DUARTE.
3 CHAIRMAN KLEIN: ALL RIGHT. SEEING NO OTHER
4 PUBLIC COMMENT, I WANT TO MAKE IT CLEAR WHAT I WAS JUST
5 STATING IS MY PERSONAL POSITION. I NEED TO ASK AND
6 WILL ASK THE BOARD, THE ENTIRE SUBCOMMITTEE OF THE
7 BOARD, THEIR POSITION BECAUSE THAT'S WHAT REALLY
8 MATTERS HERE.

9 SAN JOSE REQUESTS ONE ADDITIONAL COMMENT.

10 MR. SHAUPPENHAUER: I THINK THE RFP PROCESS,
11 IN MY UNDERSTANDING AND MY EXPERIENCE, ARE NEVER
12 PERFECT. THERE ARE ALWAYS POINTS WHERE CLARIFICATIONS
13 ARE NECESSARY. MY UNDERSTANDING IS THE TRADITIONAL RFP
14 PROCESSES WOULD GIVE AN OPPORTUNITY TO CONSIDER
15 ADDITIONAL MATERIAL IF THERE IS A LIMITED POINT OF
16 QUESTIONS WHICH WERE RAISED. DGS AND CIRM HAVE POINTED
17 OUT A LIST OF ALL CITIES THAT HAVE SUBMITTED PROPOSALS
18 AND GOT DISQUALIFIED WHERE THEY MAKE SPECIFIC POINTS.
19 I BELIEVE IT IS POSSIBLE IN THE SAME WAY OF HOW THE
20 SITE SUBCOMMITTEE HAS TO APPROVE OR DISAPPROVE THE
21 RECOMMENDATIONS IN FRONT OF THEM, THEY MAY ALSO TAKE
22 THE DECISION TO POSSIBLY REQUEST FROM ALL THESE CITIES
23 OR SPECIFICALLY A SELECT NUMBER OF CITIES A
24 CLARIFICATION ON THOSE POINTS BE SUBMITTED IN A VERY
25 SHORT PERIOD OF TIME FRAME FOR ADDITIONAL

1 CONSIDERATION, WHICH IS A MUCH, MUCH MORE NARROW WAY OF
2 MOVING FORWARD THAN REOPENING THE WHOLE BID FOR ALL
3 POINTS.

4 I BELIEVE THAT DGS HAS LOOKED AT THE
5 PROPOSALS AND IDENTIFIED THESE POINTS. IT WOULD BE
6 KIND OF SAD IF SALK WOULD NOT BE ABLE TO DEVELOP THE
7 POLIO VACCINE JUST BECAUSE HE DID NOT SUBMIT AN
8 APPROPRIATE COVER LETTER FOR HIS RESEARCH PROPOSAL.

9 MS. CHAVEZ: THANK YOU FOR YOUR
10 CONSIDERATION.

11 CHAIRMAN KLEIN: THANK YOU. SAN JOSE HAS
12 MADE A TREMENDOUS PROPOSAL. WE GREATLY APPRECIATE SAN
13 JOSE'S LEADERSHIP AND MAYOR GONZALES' AND COUNCIL'S
14 LEADERSHIP AND YOUR PRESENTATION. THANK YOU.

15 WHAT IS THE PLEASURE OR DESIRE OF THE
16 COMMITTEE? WOULD WE LIKE TO RULE ON THIS ITEM SINCE
17 WE'VE HAD BOTH PUBLIC PRESENTATION AND MEMBERS'
18 COMMENTS ON THIS ITEM BEFORE GOING ON TO THE NEXT ITEM,
19 OR WOULD WE LIKE TO DO IT AS A WHOLE?

20 DR. REED: JOHN REED, SAN DIEGO. I WOULD
21 SUGGEST WE HEAR ALL THE MUNICIPALITIES THAT MAY WISH TO
22 OFFER CHALLENGES TO THE EXCLUSION MOTION SO THAT WE
23 HAVE THE FULL PICTURE OF WHAT WE MIGHT BE DEALING WITH.

24 MS. LANSING: I AGREE.

25 CHAIRMAN KLEIN: AND I WAS -- I THINK THAT

1 COUNSEL AGREES AS WELL. THE MOTION THAT IS PENDING
2 ADDRESSES ALL OF THESE ITEMS, SO WE WILL GO TO THE NEXT
3 SITE. IS THERE A CITY AT UCLA THAT WOULD LIKE TO MAKE
4 A PRESENTATION?

5 MR. MARIN: YES. GOOD MORNING. MY NAME IS
6 MARIO MARIN, REPRESENTING THE MAYOR'S OFFICE, MAYOR JIM
7 HAHN'S OFFICE FOR THE CITY OF LOS ANGELES.

8 I'D LIKE TO RESPOND TO WALTER BARNES'
9 PRESENTATION AS WELL TO THE STAFF REPORT. BOTH IN HIS
10 PRESENTATION AND HIS STAFF REPORT, IT SAID OR HE SAID
11 THAT CITIES WERE GIVEN AN OPPORTUNITY TO RESPOND FOR
12 CLARIFYING INFORMATION, AND NONE OF THE CITIES DID
13 RESPOND. ON PAGE 2 OF STAFF REPORT, IT ALSO SAYS THAT
14 OF THE E-MAIL RESPONSES WE RECEIVED, NONE POINTED WHERE
15 IN THE RFP THE INFORMATION WAS REFERENCED.

16 WE TAKE ISSUE WITH THAT. OUR CITY WAS
17 CONTACTED BY REBECCA DONNACHIE ON MARCH THE 30TH
18 THROUGH AN E-MAIL SENT TO OUR PARTNER IN OUR PROPOSAL,
19 THOMAS PROPERTIES GROUP, AS WELL AS TO THE CITY OF LOS
20 ANGELES. ON APRIL THE 1ST WE SUBMITTED A MEMORANDUM TO
21 MS. DONNACHIE SPECIFICALLY CITING WHERE THE TWO POINTS
22 THAT THE CITY OF LOS ANGELES WAS DISQUALIFIED, ACTUALLY
23 POINTING OUT THE PAGE NUMBER AND SECTION.

24 FOR THE RECORD, WE'D LIKE TO ASK THAT THE
25 COMMITTEE ACCEPT THIS AS PROOF THAT THE CITY OF LOS

1 ANGELES DID PROVIDE CLARIFICATION, AND THAT THE STAFF
2 REPORT RECOGNIZED THAT.

3 SECONDLY, WE, LIKE THE CITY OF SAN JOSE, ARE
4 DISAPPOINTED THAT THE INTERPRETATION BY THE STAFF LED
5 TO OUR DISQUALIFICATION. AGAIN, REFERRING BACK TO THE
6 MEMORANDUM WE SENT TO DGS, WE SPECIFICALLY -- OUR
7 INTENT WAS TO PROVIDE AN IRREVOCABLE OFFER AS WELL AS
8 ENSURING THAT THE SITE WOULD HAVE EITHER ONE OR TWO
9 FLOORS. THOSE WERE THE TWO ITEMS THAT THE CITY OF LOS
10 ANGELES WAS DISQUALIFIED FOR.

11 WE STAND BY OUR PROPOSAL, AND WE ALSO ECHO
12 THE SENTIMENTS OF MS. LANSING AND MR. KLEIN. LOS
13 ANGELES DOES, IN FACT, HAVE AN UNPARALLELED
14 CONCENTRATION OF SCIENTIFIC EXCELLENCE IN LOS ANGELES,
15 BUT WE REALLY TRULY BELIEVE THAT OUR PROPOSAL ON ITS
16 MERITS MEETS ALL THE MINIMUM REQUIREMENTS, AND WE ASK
17 FOR THE RECONSIDERATION OF YOUR STAFF RECOMMENDATION.

18 CHAIRMAN KLEIN: THANK YOU VERY MUCH FOR YOUR
19 PRESENTATION. I'D LIKE WALTER BARNES TO HAVE A CHANCE
20 TO RESPOND AND CHERYL GATES FROM DEPARTMENT OF GENERAL
21 SERVICES IF SHE WISHES TO HAVE A CHANCE TO RESPOND.

22 MR. BARNES: I APOLOGIZE. IT DOES SAY E-MAIL
23 RESPONSES. I BELIEVE THAT THERE WERE WRITTEN
24 RESPONSES, IN SOME CASES WERE EITHER A SUPPLEMENT TO OR
25 IN PLACE OF RESPONSE. WHAT WE INTENDED TO SAY WAS NOT

1 THAT NOBODY RESPONDED, BUT THE RESPONSES THEMSELVES
2 GENERALLY DID NOT INDICATE SPECIFICALLY IN THE BID
3 WHERE THE MINIMUM REQUIREMENT HAD BEEN MET.

4 THERE WERE A NUMBER OF CITIES THAT INDICATED
5 THAT THEY WOULD BE PREPARED TO MEET THEM AND WOULD BE
6 PREPARED TO SUBMIT MATERIALS, BUT THOSE WERE NOT
7 ALLOWED BECAUSE THE BID HAD TO BE COMPLETE ON ITS FACE.

8 YOU INDICATE IN THERE THAT YOU POINTED OUT
9 SPECIFICALLY WHERE THEY ARE MENTIONED. IF YOU WANT TO
10 MENTION SPECIFICALLY IN THE BID, WE CAN TAKE A LOOK AT
11 IT RIGHT NOW.

12 MS. LANSING: CAN I ASK -- THIS IS SHERRY
13 LANSING IN LOS ANGELES. CAN I ASK THE CITY OF LOS
14 ANGELES, THE MAYOR'S REPRESENTATIVE, TO EXPLAIN HOW
15 THEY FEEL THEY FULFILLED THE TWO DOCUMENTS THAT -- THE
16 TWO QUALIFICATIONS THAT GOT US ELIMINATED? GOT L.A.
17 ELIMINATED. IT WAS A GOOD FREUDIAN SLIP, BUT I
18 ACTUALLY HAD SAN JOSE ALSO ON MY SHORT LIST.

19 MR. MARIN: I'D BE HAPPY TO. THE FIRST POINT
20 WE WANT TO MAKE REGARDING THE DISQUALIFICATION,
21 ACCORDING TO THE STATE DEPARTMENT OF GENERAL SERVICES,
22 IT SAYS OFFICE SPACE MUST BE LOCATED ON A MAXIMUM OF
23 TWO OR LESS FLOORS WITH ADDITIONAL STAIRWAY CONNECTING
24 THE TWO FLOORS AND MEETING ALL ADDITIONAL ADA
25 REQUIREMENTS. ON PAGE 12 OF OUR REPORT, WE

1 SPECIFICALLY CITE WHETHER THE DESIRES FOR A FULL OR
2 MULTITENANT FLOOR, ARCO'S, EFFICIENT DESIGN CONFIGURES
3 TO A MULTITUDE OF UNIQUE ARRANGEMENTS. THAT IS, THE
4 CITY NATIONAL PLAZA WHERE WE'RE OFFERING FOUR YEARS OF
5 FREE SPACE. WE BELIEVE THAT IN AND OF ITSELF DESCRIBES
6 WHAT GENERAL SERVICES IS LOOKING FOR, ONE FLOOR OR TWO
7 FLOORS.

8 IN ADDITION, WE INCLUDE UNDER THE LEGAL
9 ISSUES SECTION OF OUR REPORT OUR COMPLIANCE WITH THE
10 ADA REQUIREMENTS.

11 REGARDING THE SECOND ISSUE, GOVERNMENTAL
12 ENTITY MUST SUBMIT AN IRREVOCABLE OFFER, WE INCLUDE A
13 COUNCIL RESOLUTION WHICH WAS UNANIMOUSLY SUPPORTED BY
14 OUR CITY COUNCIL AND SIGNED BY THE MAYOR AUTHORIZING
15 THE CITY OF LOS ANGELES, IN THIS CASE THE MAYOR, TO
16 SUBMIT REQUIRED APPLICATIONS AND DOCUMENTS TO PROMOTE
17 THE CITY'S BID TO BE SELECTED AS THE FUTURE SITE OF
18 CIRM. AND UPON SELECTION, TO PRESENT TO COUNCIL THE
19 RECOMMENDATIONS NECESSARY TO ACCEPT THE AWARD. THAT'S
20 INCLUDED IN THE DOCUMENT. WE BELIEVE THAT THIS IS A
21 PUBLIC RECORD ESTABLISHING THE -- LEGALLY BINDING THE
22 CITY OF LOS ANGELES TO ALL REQUIREMENTS OUTLINED IN THE
23 STATE RFP.

24 WE'VE CONSULTED OUR CITY ATTORNEY'S OFFICE,
25 AND THEY BASICALLY CONCUR WITH THIS ASSESSMENT. NOW,

1 AGAIN, WE STAND BY OUR PROPOSAL AND BELIEVE THAT WE
2 FULFILLED THE REQUIREMENTS AS OUTLINED IN THE RFP.

3 CHAIRMAN KLEIN: WALTER BARNES OR CHERYL
4 GATES, WOULD YOU REPLY?

5 MR. BARNES: I GUESS FIRST OFF YOU
6 MENTIONED --

7 DR. REED: WALTER, CAN YOU STAND CLOSER TO
8 THE MICROPHONE?

9 MR. BARNES: SURE CAN. I'M SORRY. DID YOU
10 INCLUDE A COPY OF THE DOCUMENT THAT YOU REFERRED TO IN
11 YOUR BID?

12 MR. MARIN: YES, WE DID. YES, WE DID.
13 FORGIVE ME.

14 MR. BARNES: CAN YOU TELL US WHERE IT IS?

15 MR. MARIN: IT IS UNDER -- IT'S AFTER -- IT'S
16 SECTION 7, LETTERS OF SUPPORT. RIGHT BEHIND IT'S A
17 COUNCIL FILE AND BEHIND THAT IS THE ACTUAL COUNCIL
18 RESOLUTION.

19 MR. BARNES: I'VE GOT TO FIND THAT. SECTION
20 7?

21 MR. MARIN: IT'S SECTION 7, SHOULD BE BEHIND
22 THE TITLE PAGE WHERE IT SAYS -- THAT'S IT. FORGIVE ME.
23 SO UNDER SECTION 7, LETTERS OF SUPPORT, THERE IS A
24 LETTER TO REBECCA DONNACHIE FROM MR. ELI BROAD, AND
25 THEN BEHIND THAT IS THE COUNCIL FILE APPROVED ON MARCH

1 THE 10TH, AND THEN THE ACTUAL COUNCIL RESOLUTION. IT'S
2 ABOUT 30 PAGES INTO THE DOCUMENT.

3 CHAIRMAN KLEIN: WHERE IN THE RESOLUTION IS
4 THE LANGUAGE YOU WERE CITING?

5 MR. MARIN: IT'S THE LAST PARAGRAPH. SAYS BE
6 IT FURTHER RESOLVED. BEGINS WITH BE IT FURTHER
7 RESOLVED.

8 CHAIRMAN KLEIN: WHAT IS THIS SUPPOSED TO
9 DEMONSTRATE?

10 MR. MARIN: THIS IS SUPPOSED TO DEMONSTRATE
11 OUR INTENT OR OUR OFFER AS AN IRREVOCABLE OFFER TO THE
12 STATE OF CALIFORNIA TO SELECT THE CITY OF LOS ANGELES
13 AS THE POSSIBLE SITE OF THE CIRM. WE BELIEVE THAT'S,
14 BASED OUR CONVERSATION WITH OUR CITY ATTORNEY'S OFFICE,
15 ADOPTING THIS RESOLUTION IS A PUBLIC RECORD, BASICALLY
16 LEGALLY BINDING THE CITY TO ENTER INTO AN AGREEMENT
17 WITH THE STATE. I ASK FOR JUST SOME CLARIFICATION FROM
18 DGS TO EXPLAIN WHY THIS DOES NOT MEET THEIR STANDARD AS
19 AN IRREVOCABLE OFFER.

20 DR. PENHOET: THIS IS ED PENHOET SPEAKING.

21 CHAIRMAN KLEIN: ED PENHOET WOULD LIKE TO
22 ADDRESS THIS ITEM. HE HAS A QUESTION FOR YOU.

23 DR. PENHOET: IT SAYS HERE THAT THEY WILL
24 PRESENT TO THE CITY COUNCIL THE RECOMMENDATIONS
25 NECESSARY. IT DOESN'T SAY THAT IT BINDS THE CITY

1 COUNCIL TO ACT UPON THOSE RECOMMENDATIONS.

2 MR. MARIN: UNDER OUR CITY PROCUREMENT
3 POLICY, WE WOULD HAVE TO GO BACK TO THE CITY COUNCIL TO
4 APPROVE AN AGREEMENT. THAT'S JUST BASICALLY MUNICIPAL
5 PROCESS. I'M SURE THE CITY OF SAN JOSE HAS A SIMILAR
6 PROCESS.

7 CHAIRMAN KLEIN: WELL, WHAT YOU ARE SAYING IS
8 THAT IF THE CITY HASN'T APPROVED IT, HOW IS IT BINDING
9 LEGALLY?

10 MR. MARIN: WE GO TO THE CITY COUNCIL
11 AUTHORIZING THE MAYOR TO ENTER INTO NEGOTIATIONS IF THE
12 CITY OF LOS ANGELES IS SELECTED. THIS AUTHORIZES THE
13 MAYOR TO BEGIN THIS PROCESS TO SUBMIT THE RFP AND ACTS
14 AS A LEGALLY BINDING PROPOSAL.

15 CHAIRMAN KLEIN: SO NO MATTER WHAT THE MAYOR
16 NEGOTIATED, THE CITY COUNCIL WOULD HAVE TO APPROVE IT?

17 MR. MARIN: AT SOME POINT, YES, DEPENDING
18 UPON WHAT TYPE OF FINANCIAL COMMITMENTS THE CITY OF LOS
19 ANGELES WOULD MAKE.

20 CHAIRMAN KLEIN: IN OTHER WORDS, THE CITY
21 COUNCIL HAS NO RIGHT IN THAT PROCESS TO DISAGREE WITH
22 THE MAYOR'S NEGOTIATION?

23 MR. MARIN: UPON CONSULTATION WITH THE CITY
24 COUNCIL, THEY WOULD HAVE AN OPPORTUNITY TO COMMENT.

25 CHAIRMAN KLEIN: THE PROCESS IN -- THE CITY

1 OF LOS ANGELES PARTICIPATES IN HOUSING COMPETITIONS AS
2 WELL FOR BOND ALLOCATION. AND IT'S REQUIRED TO SHOW
3 THAT IF THERE IS COMPLETE SITE CONTROL FOR SUCH A
4 PROCESS. SO IF A SITE IS NOT IRREVOCABLY COMMITTED,
5 THEY CANNOT COMPETE FOR THE BOND ALLOCATION. IN OTHER
6 AREAS WHERE THE CITY IS COMPETING FOR STATE FUNDS OR
7 ALLOCATIONS OF FUNDS, IT IS IMPORTANT THAT THE CITY
8 COUNCIL ACTION HAS BEEN TAKEN BEFORE THE ITEM IS
9 SUBMITTED SO THAT THEY KNOW THAT THERE IS A COMMITMENT
10 IN PLACE, NOT AN AGREEMENT TO NEGOTIATE.

11 DR. REED: JOHN REED FROM SAN DIEGO. MY
12 READING OF THIS IS THAT IT ONLY AUTHORIZES THE MAYOR TO
13 SUBMIT AN APPLICATION, BUT THAT, INDEED, IT WOULD
14 REQUIRE, THEN, THAT THE -- TO FINALLY SOLIDIFY A DEAL,
15 THAT IT WOULD BE TAKEN BACK TO CITY COUNCIL. AND
16 CERTAINLY, I WOULD NOT WANT TO GO ALL THE WAY DOWN THE
17 GARDEN PATH WITH EVALUATING A SITE ONLY TO THEN BE HELD
18 AT WHATEVER THE DECISION THE CITY COUNCIL MADE AS TO
19 WHETHER OR NOT WE COULD FOLLOW THROUGH ON OUR INTENT TO
20 SELECT A SITE.

21 CHAIRMAN KLEIN: WHAT'S IMPORTANT HERE IS
22 THAT ALL OF THE DIFFERENT CITIES AND PROPOSALS WERE
23 HELD TO A STANDARD OF PROVIDING AN IRREVOCABLE
24 COMMITMENT TO PERFORM. AND THAT'S WHAT'S AT ISSUE.
25 THE ISSUE IS DOES THIS RESOLUTION CONSTITUTE AN

1 IRREVOCABLE COMMITMENT TO PERFORM WITHOUT DISCRETION.

2 THOSE ARE THE ARGUMENTS.

3 IS THERE PUBLIC COMMENT ON THIS ITEM?

4 DR. FRIEDMAN: MR. CHAIRMAN, THIS IS MIKE
5 FRIEDMAN. MAY I JUST ASK A CLARIFICATION QUESTION,
6 PLEASE? IT'S BEEN REQUESTED OF ME BY THE CITIZENS HERE
7 AT MY SITE. ARE THEY ALLOWED TO LOOK AT THE PROPOSALS
8 OF THE NONAPPROVED SITES?

9 CHAIRMAN KLEIN: YES.

10 DR. FRIEDMAN: I'M HAPPY TO SHARE IT WITH
11 THEM, BUT I WANTED TO MAKE SURE THAT WE DIDN'T VIOLATE
12 ANY PROCESSES. THANK YOU. I'M SORRY. PLEASE GO RIGHT
13 AHEAD.

14 MS. LANSING: I JUST WANT TO ASK MR. BARNES
15 OR CHERYL. I ASSUME THAT THIS ARGUMENT ALSO DOES NOT
16 CHANGE YOUR OPINION ON ANYTHING?

17 MR. BARNES: NO. FOR EXACTLY THE SAME REASON
18 THAT BOB MENTIONED HERE.

19 CHAIRMAN KLEIN: I'D LIKE TO ASK CHERYL GATES
20 WITH DGS. DOES THIS ARGUMENT CHANGE YOUR POSITION?
21 HER POSITION IS, NO, IT DOES NOT.

22 IS THERE ADDITIONAL PUBLIC COMMENT? HEARING
23 NO ADDITIONAL PUBLIC COMMENT, WOULD THE BOARD LIKE TO
24 MOVE TO THE NEXT ITEM?

25 AT SACRAMENTO MEDICAL CENTER IS THERE ANY

1 CITY SPONSOR THAT WOULD LIKE TO MAKE A COMMENT?

2 DR. POMEROY: THERE IS. THIS IS CLAIRE
3 POMEROY. BY THE WAY, I JUST WANT TO CLARIFY THAT THIS
4 IS THE UC DAVIS MEDICAL CENTER, NOT THE SACRAMENTO
5 MEDICAL CENTER.

6 TOM ZEIDNER FROM THE CITY OF SACRAMENTO WOULD
7 LIKE TO COMMENT.

8 CHAIRMAN KLEIN: THEN WE'RE GOING TO RETURN
9 TO SAN FRANCISCO. WE HAVE AN ADDITIONAL CITY
10 PRESENTATION.

11 MR. STEINBERG: IF I MAY, I'M DARRELL
12 STEINBERG, ALSO REPRESENTING THE CITY OF SACRAMENTO.
13 MR. ZEIDNER AND I ARE WORKING TOGETHER.

14 CHAIRMAN KLEIN: WE BEGIN WITH THE SAME
15 REPRESENTATION TO -- WE BEGIN WITH THE HONORABLE
16 DARRELL STEINBERG, FORMER MEMBER OF THE STATE
17 LEGISLATURE. ED PENHOET PROPERLY POINTS OUT THAT WE
18 SHOULD TAKE FIRST ANY COMMENTS FROM CITIES WHO WERE
19 ELIMINATED BEFORE BEFORE WE -- VERY APPROPRIATE
20 COMMENT. THE MOTION PENDING ONLY ADDRESSES THE CITIES
21 BEING ELIMINATED.

22 SO IN SACRAMENTO IS THERE ANY CITY BEING
23 ELIMINATED WHO WOULD LIKE TO MAKE A COMMENT?

24 DR. POMEROY: I THINK THERE'S ONE PUBLIC
25 COMMENT ABOUT THE FACT THAT CITIES ARE BEING

1 ELIMINATED. CAN WE PROCEED WITH THAT?

2 CHAIRMAN KLEIN: ABSOLUTELY.

3 MR. KLEIN: HELLO. MY NAME IS ERIC KLEIN,
4 VICE CHANCELLOR FOR RESEARCH AT UC DAVIS. AND MY
5 OFFICE ADMINISTERS WELL OVER \$400 MILLION IN GRANTS
6 EVERY YEAR, BOTH FEDERAL AND STATE. AND IT'S VERY
7 IMPORTANT TO MAINTAIN THE INTEGRITY OF THE AWARD
8 PROCESS. AND EVEN THOUGH SOME THINGS MAY SEEM LIKE
9 TECHNICALITIES, WE'LL BE DEALING WITH \$3 BILLION OF
10 AWARDS FOR VARIOUS ENTITIES IN THE STATE, MANY OF WHOM,
11 MOST OF WHOM WILL COMPLY WITH THE RFP'S THAT GO OUT AND
12 SOME WILL NOT. AND MAINTAINING THE INTEGRITY OF THE
13 PROCESS AT THE EARLY STAGE THAT WE ARE NOW WOULD BE
14 SURE THAT THE PROCESS WILL LEAD TO THE GOALS OF THE
15 INITIATIVE, THAT WE HAVE PROMPT AND EFFICIENT AWARDING
16 OF GRANTS SO THE THERAPIES CAN BE DEVELOPED AND APPLIED
17 TO PEOPLE IN CALIFORNIA AND THE COUNTRY.

18 SO I THINK IT'S VERY IMPORTANT TO MAINTAIN
19 THE INTEGRITY OF THE PROCESS AT THIS EARLY STAGE.

20 CHAIRMAN KLEIN: THANK YOU VERY MUCH FOR YOUR
21 COMMENT.

22 AND CHILDREN'S HOSPITAL IN FRESNO, DO WE HAVE
23 ANY CITIES THAT ARE BEING ELIMINATED WHO WANT TO
24 COMMENT?

25 DR. PRECIADO: IN FRESNO?

1 CHAIRMAN KLEIN: FRESNO IS SUCH AN IMPORTANT
2 PLACE.

3 DR. PRECIADO: ABSOLUTELY. THERE ARE NO
4 PUBLIC -- NOBODY IS HERE EXCEPT FOR TONA AND MYSELF.

5 CHAIRMAN KLEIN: HAVING LIVED IN FRESNO FOR
6 MANY YEARS WHERE MY FATHER WAS CITY MANAGER, I HAVE
7 GREAT AND FOND MEMORIES OF THE PEOPLE IN FRESNO. SO I
8 WANT TO MAKE CERTAIN THEY HAVE A CHANCE TO SPEAK IF
9 THEY WOULD LIKE TO.

10 ED PENHOET POINTS OUT THAT OUR NEXT ICOC
11 MEETING IS IN FRESNO.

12 DR. PRECIADO: THANK YOU. THANK YOU. THANK
13 YOU.

14 CHAIRMAN KLEIN: OKAY. AT BURNHAM ARE THERE
15 ANY COMMENTS FROM CITIES THAT WOULD BE ELIMINATED BY
16 THIS MOTION?

17 ARE THERE ANY COMMENTS FROM THE PUBLIC AS TO
18 THIS MOTION?

19 DR. REED, DOES THAT MEAN -- THE SILENCE MEANS
20 THERE ARE NO COMMENTS?

21 DR. REED: NO COMMENTS FROM SAN DIEGO ON THIS
22 MOTION ON THE TABLE.

23 CHAIRMAN KLEIN: ALL RIGHT. THE MOTION ON
24 THE TABLE, ARE THERE ANY CITIES AT ANY OF THE LOCATIONS
25 THAT WOULD BE ELIMINATED BY THIS MOTION THAT WOULD LIKE

1 TO MAKE COMMENTS THAT WE HAVE SOMEHOW MISSED?

2 MS. LANSING: CAN I JUST SAY SOMETHING? THIS
3 IS SHERRY LANSING. I JUST WANT TO SAY, AS YOU KNOW, I
4 WAS ONE OF THE ONES THAT WAS VOCALLY VERY CONCERNED
5 WITH SOME OF THE CITIES THAT WERE ELIMINATED, IN
6 PARTICULAR SAN JOSE AND LOS ANGELES. BECAUSE WHEN I
7 READ ALL THE BIDS, I WAS VERY IMPRESSED BY THEM. BUT I
8 HAVE TO SAY THAT I FEEL THAT GOING THROUGH THIS
9 PROCESS, AS PAINFUL AS IT IS WHEN THERE IS A CLERICAL
10 ERROR, THAT I FEEL VERY COMFORTED NOW BY THE INTEGRITY
11 OF THE PROCESS, BY THE THOROUGHNESS OF THE PROCESS, AND
12 I FEEL THAT WE HAVE DONE IT IN THE MOST HONEST AND OPEN
13 WAY. AND I ACTUALLY AM VERY COMFORTABLE NOW TO CALL
14 FOR THE QUESTION.

15 DR. PRECIADO: I WOULD LIKE TO MAKE A
16 COMMENT. I CONTINUE TO FEEL UNCOMFORTABLE WITH THE
17 PROCESS. I BELIEVE THAT WE ARE MAKING THE BEST EFFORT
18 POSSIBLE IN THIS SHORT AMOUNT OF TIME. I UNDERSTAND
19 THAT THERE NEEDS -- THAT WE HAVE TO HAVE THE HIGHEST
20 INTEGRITY WHEN WE MOVE FORWARD. I FEEL VERY
21 UNCOMFORTABLE THAT SAN JOSE AND LOS ANGELES, BECAUSE OF
22 THE TECHNICALITIES, ARE NOT ALLOWED TO COMPETE AND BE A
23 PART OF THE SITES THAT WE'RE GOING TO BE VISITING.

24 CHAIRMAN KLEIN: ANY OTHER BOARD COMMENTS ON
25 THE MOTION?

1 WE WILL NEED A ROLL CALL VOTE. THE QUESTION
2 HAS BEEN CALLED. I WILL ASK AMY LEWIS TO CONDUCT THE
3 ROLL CALL VOTE.

4 MS. LEWIS: MICHAEL FRIEDMAN.

5 DR. FRIEDMAN: YES.

6 MS. LEWIS: ROBERT KLEIN.

7 CHAIRMAN KLEIN: YES.

8 MS. LEWIS: SHERRY LANSING.

9 MS. LANSING: YES.

10 MS. LEWIS: ED PENHOET.

11 DR. PENHOET: YES.

12 MS. LEWIS: CLAIRE POMEROY.

13 DR. POMEROY: YES.

14 MS. LEWIS: PHYLLIS PRECIADO.

15 DR. PRECIADO: NO.

16 MS. LEWIS: JOHN REED.

17 DR. REED: YES.

18 CHAIRMAN KLEIN: THE MOTION PASSES.

19 ALL RIGHT. WE WILL NOW GO TO THE CITIES THAT
20 ARE INCLUDED ON THE SHORT LIST TO GET THEIR COMMENTS.
21 ACTUALLY LET ME SEE WHERE -- IF IT APPROPRIATELY FITS
22 AT THIS POINT OR AT THE NEXT STEP. WE ARE GOING TO GO
23 INTO APPROVING THE SCORES ASSIGNED TO THE PREFERENCES
24 FOR THE FOUR BIDDERS AS LISTED IN ATTACHMENT F. AND
25 WALTER BARNES, WOULD YOU LIKE TO COMMENT ON THAT PART

1 OF THE PROCESS BEFORE WE DO THAT DISCUSSION?

2 MR. BARNES: AS YOU RECALL, I WENT THROUGH A
3 DISCUSSION OF THE CALCULATIONS OF THE -- OR THE
4 DETERMINATION OF THE SCORES THAT COULD BE ACHIEVED ON
5 THE PREFERENCES, AND ATTACHMENT F GIVES YOU THE
6 INFORMATION ABOUT WHAT THE CONSENSUS VOTE WAS BY THE
7 EVALUATION COMMITTEE AND THE EVENTUAL TOTAL SCORES FOR
8 THOSE CITIES.

9 I ALSO POINTED OUT TWO AREAS THAT I ASSUMED
10 THERE WOULD BE QUESTIONS AND TRIED TO CLARIFY THAT TO
11 YOU. SO AT THIS POINT I THINK THAT'S ALL I NEED TO
12 SAY.

13 CHAIRMAN KLEIN: ALL RIGHT. I'D LIKE TO
14 JUST --

15 DR. PENHOET: MAY I ASK FOR CLARIFICATION?
16 ARE WE VOTING TO APPROVE THE ALLOCATION OF THE POINT
17 SCORES TO THE VARIOUS CATEGORIES, OR ARE WE ACTUALLY
18 APPROVING THE ASSIGNED POINTS TO EACH OF THE FOUR
19 FINALISTS? WHAT ARE WE ASKING FOR APPROVAL ON?

20 MR. BARNES: OUR RECOMMENDATION IS THAT YOU
21 APPROVE BOTH THE INDIVIDUAL SCORES AS WELL AS THE TOTAL
22 AS LAID OUT IN ATTACHMENT F.

23 CHAIRMAN KLEIN: MAY I REMIND THE COMMITTEE
24 THAT IN THE PRESENTATION WALTER BARNES MADE, HE POINTED
25 OUT THAT THE POINTS IN EACH CATEGORY WERE DETERMINED

1 BEFORE ANY BIDS WERE OPENED. AND THAT DGS' POSITION
2 HAS BEEN THAT THAT POINT ALLOCATION WHERE THEY SET
3 THOSE FINAL POINT DISTRIBUTIONS CANNOT NOW BE CHANGED
4 BECAUSE EVERYONE KNOWS WHAT'S IN EACH BID. HOWEVER,
5 THAT THE COMMITTEE VERY CLEARLY IN THE RFP HAS THE
6 OVERSIGHT ROLE AND THE ABILITY TO CHANGE THE NUMBER OF
7 POINTS AWARDED TO ANY CITY UNDER EACH CATEGORY.

8 IS THAT YOUR POSITION?

9 MR. BARNES: THAT'S CORRECT.

10 DR. PENHOET: CAN WE DO THIS IN TWO STAGES?
11 CAN WE APPROVE FIRST OF ALL THE GROSS ALLOCATION OF
12 POINTS TO VARIOUS DIFFERENT PREFERENCES, AND THEN IN A
13 SUBSEQUENT DISCUSSION MOVE TO AWARD IT?

14 MR. HARRISON: YOU COULD BREAK IT INTO TWO
15 SEPARATE MOTIONS IF THAT'S THE BOARD'S PLEASURE.

16 CHAIRMAN KLEIN: COUNSEL HAS INDICATED WE
17 COULD BREAK IT INTO TWO SEPARATE MOTIONS, OR WE COULD
18 DO IT IN ONE MOTION. SO WHAT IS THE PREFERENCE OF THE
19 BOARD?

20 DR. REED: JOHN REED HERE IN SAN DIEGO. I
21 SUGGEST BREAKING INTO TWO MOTIONS. I FEEL THE
22 PROCEDURE WILL BE WE'LL GET THE MOTION, SOMEBODY WILL
23 SECOND, AND THEN WE'LL START THE DISCUSSION. AND I
24 THINK THERE IS A NEED FOR DISCUSSION ON BOTH POINTS. I
25 WOULD SUGGEST WE BREAK IT INTO TWO MOTIONS.

1 CHAIRMAN KLEIN: ALL RIGHT. WOULD YOU LIKE
2 TO MAKE THE FIRST MOTION?

3 DR. REED: NO, BECAUSE I WANT TO DISCUSS IT.

4 DR. PENHOET: I MOVE THAT WE ACCEPT THE GROSS
5 POINT ALLOCATIONS DETERMINED BY THE COMMITTEE OF BOTH
6 DGS AND CIRM MEMBERS WHO EVALUATED THESE PROPOSALS.

7 CHAIRMAN KLEIN: WELL, ALL RIGHT. SO
8 SEQUENTIALLY IT WOULD SEEM THAT IT WOULD BE APPROPRIATE
9 TO DEAL WITH APPROVING THE POINT ALLOCATIONS TO
10 CATEGORIES BEFORE --

11 DR. PENHOET: THAT'S WHAT I MEAN.

12 CHAIRMAN KLEIN: ALL RIGHT. SO AS CLARIFIED,
13 THE MOTION IS TO APPROVE THE POINT ALLOCATIONS TO
14 CATEGORIES, AND THEN WE WILL GO TO THE ISSUE OF WHETHER
15 TWO DIFFERENT CITIES SHOULD HAVE GOTTEN DIFFERENT
16 AMOUNTS OF POINTS UNDER EACH CATEGORY.

17 IS THERE A SECOND TO THE FIRST MOTION?

18 DR. POMEROY: SECOND.

19 CHAIRMAN KLEIN: SECOND BY DR. POMEROY.
20 BOARD DISCUSSION ON THE MOTION.

21 DR. REED: YES, JOHN REED, SAN DIEGO. CAN WE
22 JUST HAVE CLARIFICATION WHETHER THIS SCORING MATRIX WAS
23 PART OF THE RFP? I THINK THIS WAS SOMETHING THAT WAS
24 DEvised AFTER THE RFP, CORRECT?

25 CHAIRMAN KLEIN: THE SCORING MATRIX WAS

1 DEvised AFTER THE RFP. THE PROCESS WAS THAT ONE MEMBER
2 OF EACH REGION WAS CONTACTED TO REVIEW A POTENTIAL
3 SCORING MATRIX. THAT WAS SENT TO DGS. DGS THEN, BASED
4 UPON THE PUBLIC HEARINGS THEY HAD PARTICIPATED IN IN
5 THEIR HISTORICAL EXPERIENCE, MADE A FINAL DETERMINATION
6 OF WHAT THOSE POINTS WOULD BE. AND AS I PROVIDED AN
7 EXAMPLE EARLIER, THEY CHANGED THE NUMBER OF POINTS FOR
8 THE FINANCIAL CATEGORY FROM 40 TO 50 BECAUSE THEY FELT
9 THAT THE FINANCIAL INTERESTS OF THE STATE WERE MORE
10 IMPORTANT THAN HAD PREVIOUSLY BEEN CONSIDERED IN THE
11 PRELIMINARY ROUNDS COMMENT.

12 SO IT WAS NOT -- IT WAS SPECIFIED -- IT WAS
13 FINALLY APPROVED BY DGS ONLY AFTER DGS APPROVED THE
14 POINTS PER CATEGORY WOULD THEY ACTUALLY RELEASE TO
15 ANYONE THE PROPOSALS WHICH THEY HAD EMBARGOED. SO THAT
16 WAS THE PROCESS.

17 DR. PENHOET: THAT IS CORRECT.

18 DR. REED: THANK YOU FOR THAT CLARIFICATION.

19 CHAIRMAN KLEIN: OKAY. ADDITIONAL COMMENTS
20 FROM THE BOARD ON THIS MOTION?

21 DR. POMEROY: BOB, THIS IS CLAIRE POMEROY. I
22 JUST WANT TO BRING UP AN ISSUE THAT PEOPLE MAY WANT TO
23 THINK ABOUT RELATED TO THIS, WHICH IS THAT WHEN WE
24 TALKED ABOUT THIS AT OUR LAST PUBLIC MEETING, WE TALKED
25 ABOUT ASSIGNING POINTS TO THE VARIOUS CATEGORIES AND

1 COMING UP WITH A SCORE SPECIFICALLY TO DETERMINE THE
2 SHORT LIST. I DON'T THINK WE TALKED ABOUT WHETHER
3 THIS -- THESE POINTS AS ALLOCATED HERE WOULD CARRY OVER
4 INTO THE DIFFERENTIATION AMONG THE FINALISTS.

5 AND WHILE IT'S NOT DIRECTLY TO THE MOTION, I
6 THINK IT MAY IMPACT PEOPLE'S FEELINGS ABOUT THE POINT
7 DISTRIBUTION. AND WONDER IF YOU OR DGS WOULD LIKE TO
8 COMMENT UPON THE USE OF THESE SCORES BECAUSE THAT WILL
9 IMPACT ON FEELINGS ABOUT THE DISTRIBUTION.

10 CHAIRMAN KLEIN: ALL RIGHT. WOULD CHERYL
11 GATES FROM DGS, WOULD YOU LIKE TO COMMENT ABOUT WHETHER
12 THESE SCORES SHOULD BE USED ONCE THE SHORT LIST IS
13 DETERMINED? AND I DO NOT BELIEVE THE SPEAKER IS
14 ADDRESSING THE OTHER SUBJECT, WHICH IS THAT IT HAS
15 ALREADY BEEN IDENTIFIED THAT THERE ARE ADDITIONAL
16 POINTS THAT WILL BE CONSIDERED UNDER ITEM H THAT WERE
17 DISCUSSED IN PUBLIC HEARINGS THAT ARE PART OF THE SITE
18 REVIEW PROCESS. BUT SHE IS ASKING WHAT YOUR ADVICE IS
19 AS TO WHETHER THE POINTS USED IN GETTING TO THE SHORT
20 LIST WOULD BE CONSIDERED IN THE DETERMINATION OF HOW TO
21 MAKE A RECOMMENDATION FROM THE SHORT LIST.

22 CAN YOU COME FORWARD, AND, CHERYL, YOU CAN
23 SIT RIGHT IN FRONT OF THE MICROPHONE.

24 MS. GATES: HI. THIS IS CHERYL GATES FROM
25 THE DEPARTMENT OF GENERAL SERVICES. AND IT WAS OUR

1 CONTENTION THAT THE FIRST SCORING MATRIX BE A PART OF
2 THE TOTAL EVALUATION PROCESS. SO I WOULD RECOMMEND
3 THAT YOU USE IT FOR YOUR FINAL DETERMINATION IN CONCERT
4 WITH THE SECOND SCORING EVALUATION.

5 CHAIRMAN KLEIN: MY UNDERSTANDING FROM YOUR
6 PRIOR DISCUSSION WAS THAT THE ISSUE AT HAND IS THAT
7 SINCE NOW EVERYONE KNOWS WHAT'S IN THE APPLICATION,
8 IT'S DIFFICULT TO HAVE AN OBJECTIVE SCALE TO CREATE FOR
9 THE DIFFERENCE IN THE SCALE THAT WAS DETERMINED PRIOR
10 TO KNOWING WHAT WAS IN THE APPLICATION.

11 MS. GATES: CORRECT.

12 CHAIRMAN KLEIN: IS THAT A CORRECT STATEMENT?

13 MS. GATES: YES, IT IS.

14 DR. POMEROY: JUST A FOLLOW-UP QUESTION.

15 (PHONE INTERFERENCE) APPROVED THAT FOR THE FINAL
16 DETERMINATION, RIGHT? IT WAS NOT PREVIOUSLY DISCUSSED
17 IN AN OPEN MEETING?

18 MR. BARNES: I'M SORRY. YOU BROKE UP JUST A
19 LITTLE BIT. COULD YOU REPEAT THAT QUESTION?

20 DR. POMEROY: I JUST WANTED TO CLARIFY MY
21 RECOLLECTION THAT WE NEVER DISCUSSED WHETHER THESE
22 POINT TOTALS WOULD BE USED IN THE DETERMINATION OF THE
23 FINALIST IN AN OPEN MEETING. YOU ARE MAKING A
24 RECOMMENDATION NOW, BUT WE HAD NOT PREVIOUSLY ADDRESSED
25 THAT?

1 MR. BARNES: I'D HAVE TO SAY THAT I'M NOT
2 SURE THAT WE DID OR NOT. I THINK THAT, AGAIN, WHAT
3 GENERAL SERVICES IS TALKING ABOUT -- BY THE WAY, THIS
4 IS WALTER BARNES, IN CASE YOU'RE NOT SURE. WHAT
5 GENERAL SERVICES IS SAYING IS THAT, YOU KNOW, WITHIN
6 THE CONTEXT OF THE RFP, IT SEEMS TO IMPLY THAT THE
7 POINT TOTALS ON THE PREFERENCES WOULD BE USED AS, AT
8 LEAST, PART OF THE BASIS ASSOCIATED WITH MAKING A FINAL
9 DECISION. AND THAT IS WHY IT CLEARLY INDICATES THAT
10 YOU AS MEMBERS OF THIS COMMITTEE SHOULD MAKE THE FINAL
11 DECISION ABOUT WHETHER THE POINT TOTALS THEMSELVES
12 ALLOCATED TO THE INDIVIDUAL CITIES OR THE INDIVIDUAL
13 PREFERENCES ARE CORRECT OR NOT.

14 DR. POMEROY: CLAIRE POMEROY. JUST TO FINISH
15 UP MY COMMENT. I SPECIFICALLY RECALL AT THE LAST OPEN
16 MEETING SAYING THAT I UNDERSTOOD THAT THESE WOULD BE
17 USED TO GET TO THE SHORT LIST, BUT THAT THERE WERE A
18 SIGNIFICANT NUMBER OF QUALITATIVE THINGS WHICH WOULD
19 HELP US PRIORITIZE AMONG THE SEMIFINALISTS. AND HOW WE
20 DID THAT, I.E., ADDING TO THE SCORE OR STARTING FRESH,
21 WAS NOT SPECIFIED. THAT'S JUST MY RECOLLECTION OF OUR
22 MEETING.

23 CHAIRMAN KLEIN: OKAY. WE WILL -- SOMEONE'S
24 GOT AN ELECTRONIC DEVICE CLOSE TO THE MICROPHONE, I
25 THINK. IT'S CREATING A LITTLE BIT OF A PROBLEM.

1 DR. PENHOET: MAY I ASK FOR A CLARIFICATION
2 ON THIS? THE PROCESS THAT YOU USED TO GET THE
3 ALLOCATION OF POINTS ACROSS CATEGORIES, THERE WAS
4 CONSULTATION WITH MEMBERS OF THE SUBCOMMITTEE FROM EACH
5 OF THE REGIONS. TAKING THAT INTO ACCOUNT, YOU MADE
6 SOME MINOR MODIFICATIONS BY INCREASING THE WEIGHT OF
7 THE CATEGORIES THAT WAS FINANCIAL INCENTIVES.

8 CHAIRMAN KLEIN: WALTER DID NOT DO THAT. DGS
9 DID THAT. HE HAS MODIFIED THE CATEGORIES.

10 DR. PENHOET: I'M ASKING BOTH OF THEM. THERE
11 WERE NOT GROSS CHANGES IN THE ALLOCATION FROM THE
12 ORIGINAL CONSULTATION. WERE THERE OTHER -- THE CHANGE
13 FROM 40 TO 50 POINTS FOR THE FINANCIAL PORTION WAS THE
14 LARGEST CHANGE THAT YOU MADE? I'M TRYING TO
15 UNDERSTAND. OUT OF THE TOTAL OF 200, YOU MOVED 10 OR
16 15 POINTS AROUND SOME WAY OR ANOTHER, 5 TO 7 PERCENT OF
17 THE TOTAL. YOU DIDN'T MAKE GROSS ALTERATIONS FOLLOWING
18 THE RECOMMENDATION AND CONSULTATION WITH SUBCOMMITTEE
19 MEMBERS EARLIER; IS THAT CORRECT?

20 MS. GATES: THAT'S CORRECT.

21 CHAIRMAN KLEIN: WHAT I'D LIKE TO POINT
22 OUT -- THIS IS BOB KLEIN -- IS THAT WE'RE HAVING A
23 SUBSEQUENT MEETING. AND IN TERMS OF DR. POMEROY'S
24 COMMENT, IN THE SITE VISITS IT IS POSSIBLE THAT THE
25 COMMITTEE MEMBERS FIND INFORMATION THAT WOULD ADJUST

1 THEIR VIEW OF THE POINTS TO BE AWARDED BECAUSE OF
2 INFORMATION THAT'S NOT IN THE PROPOSAL. SO THAT IN
3 LINE WITH WHAT THE STATEMENT IS THAT SHE JUST MADE, I
4 THINK THAT WHEN THE COMMITTEE RECONVENES AFTER THE SITE
5 VISIT, IT WOULD BE APPROPRIATE AT THAT TIME, SEPARATE
6 FROM THIS MEETING, BASED UPON NEW INFORMATION FROM THE
7 SITE VISITS, TO REVISIT POINTS WITHIN A CATEGORY
8 AWARDED TO A SPECIFIC SITE BASED ON THAT INFORMATION.

9 THAT'S AN INDIVIDUAL OBSERVATION, BUT I DO
10 RECALL THE ITEM THAT DR. POMEROY IS REFERENCING
11 INDICATING THAT, IN FACT, WE EXPECT TO GET INFORMATION
12 FROM THE SITE VISITS THAT COULD ALTER OUR VIEW OF THE
13 WEIGHT TO GIVE TO THE PARTICULAR APPLICATION OR THE
14 EVALUATION TO BE GIVEN TO ANY INDIVIDUAL APPLICATION ON
15 A PARTICULAR CRITERIA.

16 MS. LANSING: SO THEN CAN I JUST CLARIFY
17 THIS? WHAT WE'RE SAYING IS THAT WE'RE GOING TO ACCEPT
18 THE POINTS, THE OVERALL POINT ALLOCATIONS; BUT WHEN WE
19 GO TO VISIT EACH INDIVIDUAL SITE, WE MAY ADJUST THE
20 POINTS GIVEN TO EACH INDIVIDUAL SITE WHEN WE SEE IT
21 WITH OUR OWN EYES?

22 CHAIRMAN KLEIN: WELL, WE WOULD INDIVIDUALLY
23 FORM OPINIONS AND BRING THEM BACK TO THE NEXT MEETING.

24 MS. LANSING: EXACTLY. YES.

25 CHAIRMAN KLEIN: THE MOTION THAT'S ON THE

1 TABLE ADDRESSES THE SUBJECT OF WHETHER THE POINTS PER
2 CATEGORY ACCEPTED PURSUANT TO DGS' RECOMMENDATION. IS
3 THERE PUBLIC COMMENT ON THIS FROM CITY OF HOPE?

4 DR. FRIEDMAN: THERE ARE NO PUBLIC COMMENTS
5 HERE. THANK YOU.

6 CHAIRMAN KLEIN: ARE THERE PUBLIC COMMENTS
7 FROM UC SAN FRANCISCO? ARE THERE PUBLIC COMMENTS FROM
8 UCLA?

9 MS. LANSING: NO.

10 CHAIRMAN KLEIN: ARE THERE PUBLIC COMMENTS
11 FROM THE GREAT UC DAVIS MEDICAL CENTER IN THE GREAT
12 CITY OF SACRAMENTO?

13 DR. POMEROY: LET ME CHECK. PUBLIC COMMENT
14 ON THIS MOTION? I DON'T THINK SO.

15 CHAIRMAN KLEIN: ARE THERE COMMENTS FROM
16 CHILDREN'S HOSPITAL IN THE GREAT CITY OF FRESNO?

17 DR. PRECIADO: YOU BETTER HAVE SAID GREAT.
18 NO.

19 CHAIRMAN KLEIN: ARE THERE PUBLIC COMMENTS
20 FROM SAN DIEGO, THE GREAT CITY OF SAN DIEGO, AS TO
21 BURNHAM INSTITUTE?

22 DR. REED: YES, WE DO HAVE ONE, AT LEAST ONE
23 HERE.

24 MS. COX: THIS IS JANE SIGANGO-COX WITH THE
25 ECONOMIC DEVELOPMENT CORPORATION. COULD YOU PLEASE

1 TELL WHO THE FOUR SITE SEARCH COMMITTEE MEMBERS WERE
2 THAT GAVE APPROVAL FOR THE EVALUATION FORM?

3 CHAIRMAN KLEIN: THEY DIDN'T GIVE APPROVAL
4 FOR THE EVALUATION FORM. THEY WERE JUST CONSULTED.
5 THEY WERE CONSULTED ON THE POINTS DISTRIBUTION BY
6 CATEGORY.

7 MS. COX: AND WHO WERE THEY?

8 CHAIRMAN KLEIN: THE FOUR MEMBERS WERE
9 DR. RICHARD MURPHY FROM SAN DIEGO, SHERRY LANSING FROM
10 LOS ANGELES, ROBERT KLEIN FROM THE BAY AREA, AND DR.
11 POMEROY FROM SACRAMENTO.

12 DR. REED: ANY OTHER QUESTIONS HERE IN SAN
13 DIEGO? THERE'S NO OTHER PUBLIC COMMENTS FROM SAN
14 DIEGO.

15 CHAIRMAN KLEIN: OKAY. ANY -- WITH THE
16 PUBLIC COMMENTS BEING ENDED, WOULD YOU LIKE TO MOVE THE
17 MOTION? I'M GOING TO HAVE A CALL FOR THE QUESTION, AND
18 I'D LIKE TO HAVE A ROLL CALL VOTE.

19 DR. FRIEDMAN: MR. CHAIRMAN, THIS IS MIKE
20 FRIEDMAN. IF I COULD JUST CLARIFY SOMETHING. THIS
21 MOTION IS TO ACCEPT THE SCORING SYSTEM OR THE POINT
22 TOTALS?

23 CHAIRMAN KLEIN: NOT THE POINT TOTALS, JUST
24 THE SCORING SYSTEM, THE POINTS DISTRIBUTED PER
25 CATEGORY.

1 DR. FRIEDMAN: I UNDERSTAND. THANK YOU, SIR.
2 I WANTED TO JUST BE ABSOLUTELY CLEAR ON THAT.
3 CHAIRMAN KLEIN: OKAY. THE -- AMY LEWIS WILL
4 CALL THE ROLL.
5 MS. LEWIS: MICHAEL FRIEDMAN.
6 DR. FRIEDMAN: I'M IN FAVOR.
7 MS. LEWIS: ROBERT KLEIN.
8 CHAIRMAN KLEIN: YES.
9 MS. LEWIS: SHERRY LANSING.
10 MS. LANSING: YES.
11 MS. LEWIS: ED PENHOET.
12 DR. PENHOET: YES.
13 MS. LEWIS: CLAIRE POMEROY.
14 DR. POMEROY: YES.
15 MS. LEWIS: PHYLLIS PRECIADO.
16 DR. PRECIADO: YES.
17 MS. LEWIS: JOHN REED.
18 DR. REED: NO.
19 CHAIRMAN KLEIN: OKAY. THE MOTION PASSES.
20 THE -- WOULD SOMEONE LIKE TO MAKE THE SECOND
21 MOTION?
22 DR. PENHOET: I'LL MOVE THAT WE ACCEPT THE
23 POINT TOTAL AS ASSIGNED TO THE FOUR FINALISTS ACCORDING
24 TO THE SCHEME OUTLINED IN ATTACHMENT F.
25 CHAIRMAN KLEIN: IS THERE A SECOND?

1 MS. LANSING: AGAIN, I WANT CLARIFICATION
2 BECAUSE I CAN TELL THIS IS A CONTROVERSIAL ISSUE.
3 WE'RE SAYING THAT WE WANT TO ACCEPT THE POINT TOTAL
4 WITH THE UNDERSTANDING, MAYBE WE SHOULD MAKE IT CLEAR,
5 WITH THE UNDERSTANDING THAT WHEN THE INDIVIDUAL
6 SUBCOMMITTEE MEMBERS VISIT EACH SITE, THEY CAN COME
7 BACK TO US WITH POSSIBLE ADJUSTMENTS TO THE POINT
8 TOTAL.

9 CHAIRMAN KLEIN: LET ME ASK THE -- MR. ED
10 PENHOET, WOULD YOU AMEND YOUR MOTION SO THAT WE
11 SPECIFICALLY AGREE THAT AT OUR NEXT MEETING AFTER THE
12 SITE VISIT, THAT IF THERE'S ADDITIONAL INFORMATION FROM
13 THE SITE VISITS, THAT WE CAN, UNDER YOUR MOTION,
14 REVISIT THE POINTS ASSIGNED TO ANY CITY?

15 DR. PENHOET: I WOULD NEVER ATTEMPT TO
16 PARAPHRASE WHAT YOU JUST SAID, SO ADD YOUR COMMENT TO
17 MY MOTION.

18 CHAIRMAN KLEIN: THE MOTION WOULD BE THAT WE
19 ACCEPT THE POINT TOTALS FOR EACH CITY WITH -- FROM THE
20 DGS AND INSTITUTE TEAM WITH THE UNDERSTANDING THAT,
21 BASED UPON THE SITE VISIT, AS DR. POMEROY HAS STATED,
22 WE MAY GAIN SIGNIFICANT NEW INFORMATION, AND THAT IT
23 WILL SPECIFICALLY BE AGENDIZED FOR THE NEXT MEETING
24 THAT WE WILL CONSIDER, BASED UPON THOSE SITE VISITS,
25 ADJUSTMENTS THAT MAY BE NECESSARY TO THE POINTS FOR

1 EACH CITY BASED ON THE INFORMATION GAINED.

2 DR. REED: MR. CHAIRMAN, JOHN REED, SAN
3 DIEGO. BEFORE WE --

4 CHAIRMAN KLEIN: COULD I ASK IF, SHERRY
5 LANSING, DOES THAT CLARIFY?

6 MS. LANSING: YES, TOTALLY.

7 CHAIRMAN KLEIN: WITH THAT, ARE YOU MAKING A
8 SECOND --

9 MS. LANSING: YES.

10 CHAIRMAN KLEIN: -- TO THE AMENDMENT? SO THE
11 MOTION IS IN ORDER. THERE'S A FIRST AND SECOND. AND,
12 DR. REED, I THINK IT'S IN ORDER FOR YOUR COMMENT.

13 DR. REED: BY PARLIAMENTARY PROCEDURE, WE'LL
14 HAVE TO DISCUSS THAT MOTION. I WAS GOING TO
15 ENTERTAIN -- I WAS GOING TO PROPOSE AN ALTERNATIVE
16 MOTION, BUT WE'LL HAVE TO DEAL WITH THIS ONE FIRST. SO
17 IF WE'VE MOVED INTO THE DISCUSSION PHASE, THEN THE
18 COMMENT I WOULD LIKE TO MAKE IS THAT I THINK EACH OF
19 THE CITIES THAT HAVE SUBMITTED PROPOSALS ARE LIKELY TO
20 TAKE ISSUE WITH SPECIFIC PARTS OF THIS SCORING METRIC.
21 I THINK ALL OF THEM WILL FIND SOME THINGS THEY'RE HAPPY
22 ABOUT, AND ALL OF THEM ARE LIKELY TO FIND SOME THINGS
23 THAT THEY FEEL PERHAPS ARE NOT REFLECTIVE OF THE SCORES
24 THEY FELT THEY OUGHT TO HAVE.

25 SO I WAS GOING TO -- SO I THINK IT'S

1 IMPORTANT THAT WE EITHER NOW OR AT A FUTURE MEETING
2 ALLOW THE CITIES WHO HAVE SUBMITTED PROPOSALS TO TAKE A
3 FEW MINUTES TO TALK ABOUT SOME OF THE SCORES THAT
4 THEY'VE RECEIVED AND TO OFFER ARGUMENTS AS TO WHETHER
5 THEY FEEL THAT THOSE WERE FAIR OR WHETHER THERE ARE
6 OTHER ISSUES THAT OUGHT TO BE TAKEN INTO CONSIDERATION.

7 CHAIRMAN KLEIN: I THINK THAT'S VERY MUCH IN
8 ORDER NOW. AND JUST AFTER MEMBERS' COMMENTS, DR. REED,
9 IT'S THE INTENTION TO GO THROUGH THE SPONSORING CITIES
10 ON THE SHORT LIST FOR THEIR COMMENTS.

11 DR. POMEROY: BOB, CLAIRE POMEROY. AGAIN, I
12 APOLOGIZE FOR (UNINTELLIGIBLE) ON THIS POINT.
13 ADJUSTING THE SCORES IS ONLY PERTINENT IF WE USE THESE
14 SCORES AS A BASIS FOR THE FINAL DETERMINATION. AND SO
15 AN ALTERNATIVE APPROACH WOULD BE TO DEVELOP A NEW
16 MATRIX AS PROBABLY SOMEWHAT ACTUALLY AKIN TO ATTACHMENT
17 H, WHICH SORT OF STARTED OVER AGAIN INSTEAD OF
18 MICROMANAGING THE SPECIFIC POINTS THAT WERE USED TO GET
19 TO THE SEMIFINALIST LIST. I JUST PUT THAT OUT AS A
20 FACT THAT THERE ARE SEVERAL APPROACHES THAT WE COULD
21 USE.

22 CHAIRMAN KLEIN: OKAY. BUT I THINK THAT AT
23 THE MOMENT WHAT WE'RE DISCUSSING IS THESE SCORES IN
24 DETERMINING THE SHORT LIST.

25 DR. POMEROY: WE'RE ALSO TALKING ABOUT

1 RESCORING IT AT A SUBSEQUENT MEETING AFTER THE SITE
2 VISIT, SO THE AMENDED MOTION CONTAINS A WHOLE NEW
3 PIECE.

4 CHAIRMAN KLEIN: PROPERLY STATED.

5 DR. REED: BOB, JOHN REED, SAN DIEGO. ALSO,
6 I WOULD NOTE THAT WALTER POINTED OUT ATTACHMENT G,
7 WHICH HAS THESE VARIOUS INCENTIVES WAS SOMETHING THAT
8 NEEDED TO BE THOUGHT ABOUT SOME MORE WITH RESPECT TO
9 THE SCORING MATRIX, I BELIEVE. IF I COULD CONTINUE
10 THAT THOUGHT, THEN I THINK WHAT CLAIRE POMEROY IS
11 SUGGESTING, AND I DON'T KNOW THAT THIS REQUIRES A
12 MOTION OR JUST DISCUSSION, BUT I THINK THE IDEA OF
13 USING A SCORING SYSTEM TO STRUCTURE OUR THINKING IS
14 VERY USEFUL, BUT WHETHER WE DECIDE TO USE A
15 QUANTIFICATION OF THAT SITE TO MAKE THE ULTIMATE
16 DETERMINATION IS SOMETHING I THINK REQUIRES DISCUSSION.

17 AND I THINK IT WOULD BE HELPFUL GOING INTO
18 THIS WHETHER THE COMMITTEE HAD AN UNDERSTANDING THAT WE
19 WERE GOING TO -- ARE WE GOING TO USE THIS IN A STRICT
20 SENSE TO ARRIVE AT A QUANTITATIVE SCORE AND THEN SELECT
21 THE SITE AND THE RUNNER-UP ACCORDINGLY? OR ARE WE
22 GOING TO USE THIS MORE TO PROVIDE GUIDANCE IN A WAY TO
23 STRUCTURE OUR THINKING AS WE THEN HAVE A DISCUSSION
24 ABOUT THE RELATIVE MERITS OF THE FOUR SITES?

25 CHAIRMAN KLEIN: WHAT IS THE COMMITTEE'S

1 VIEW?

2 DR. POMEROY: I THINK YOU KNOW MY FEELING.

3 CHAIRMAN KLEIN: OKAY. DR. FRIEDMAN, DO YOU
4 HAVE A PERSPECTIVE ON THIS? HAVE WE LOST DR. FRIEDMAN
5 FOR A MOMENT?

6 DR. PRECIADO: MR. KLEIN, THIS IS DR.
7 PRECIADO. I AM GETTING A LITTLE CONCERNED. I HAVE
8 PATIENTS THAT I HAVE TO GO SEE. AND I'M WONDERING
9 ABOUT THE TIME FACTOR HERE.

10 CHAIRMAN KLEIN: WELL, WE WILL TRY AND MOVE
11 ON HERE QUICKLY, DR. PRECIADO. PATIENTS ARE OUR NO. 1
12 PRIORITY. LET ME SEE. THE ISSUE HERE HAS BEEN
13 ADDRESSED AS TO WHETHER WE WILL CONTINUE THIS SCORE OR
14 WHETHER WE ARE OBLIGATED TO USE THIS SCORE MERELY AS A
15 GUIDELINE IN OUR FINAL RECOMMENDATIONS OR WHETHER IT
16 WILL BE DETERMINATIVE IN OUR FINAL RECOMMENDATIONS.
17 AND MR. PENHOET.

18 DR. PENHOET: ONE COMMENT. I'M A LITTLE BIT
19 CONCERNED ABOUT ABANDONING A QUANTITATIVE ANALYSIS
20 TOTALLY AT THE END BECAUSE THEN IT BECOMES MUCH MORE
21 SUBJECTIVE. AND I THINK WE, GIVEN THE IMPORTANCE OF
22 THIS DECISION, WE HAVE TO DEFINABLE, QUANTIFIABLE
23 CHARACTERISTICS TO MEASURE SUCH. IF WE DISCARD ALL THE
24 QUANTITATIVE WORK THAT'S BEEN DONE, THEN AT THE END OF
25 THE DAY, OUR CHOICE WILL END UP BEING A SUBJECTIVE

1 CHOICE, NOT A QUANTITATIVE CHOICE.

2 AND SO I UNDERSTAND THE DESIRE TO TAKE MANY
3 OTHER FACTORS INTO ACCOUNT, BUT HOPEFULLY WE WON'T
4 ABANDON THIS QUANTITATIVE APPROACH BECAUSE I DO THINK
5 IN THE END IT SHOULD BE THE MOST SUBJECTIVE.

6 MS. LANSING: SHERRY LANSING. I AGREE WITH
7 WHAT ED IS SAYING. I THINK THAT WE'VE REALLY GOT IT
8 PRETTY WELL SET UP. WE HAVE DONE A BLIND, AS FAR AS
9 WE'RE CONCERNED. BEFORE ANY OF US SAW THE RFP, THERE
10 WAS A BLIND ANALYSIS AND POINT SYSTEM THAT WE DID. SO
11 WE DID THAT IN THE FAIREST POSSIBLE WAY. NONE OF US
12 KNEW WHAT THE PROPOSALS WERE. AND SO WE CAME TO THIS
13 POINT SYSTEM IN AN HONEST AND WITH GREAT INTEGRITY.

14 I THINK THAT WE SHOULD USE THIS. WE ALSO
15 HAVE THE SUPPLEMENT WITH WHAT ARE THE COMMUNITY
16 INCENTIVES, THE OTHER THINGS WE CAN EVALUATE AND ADD TO
17 THE POINTS. AND THEN WE ALSO HAVE THE ABILITY WHEN WE
18 GO TO THE SITE TO ADJUST THE POINTS. SO I THINK WE
19 SHOULD STAY WITH THIS. I THINK IF WE DO SOMETHING
20 ELSE, IT WOULD BE A MISTAKE.

21 DR. POMEROY: THIS IS CLAIRE POMEROY. I
22 MIGHT JUST ADD THAT I REALLY LIKE THE QUANTITATIVE
23 POINT SYSTEM THAT'S SUGGESTED IN ATTACHMENT H. AND I
24 AGREE COMPLETELY, THAT WE NEED A QUANTITATIVE SYSTEM.
25 ABSOLUTELY. QUESTION IS REALLY JUST WHETHER TO CARRY

1 OVER THESE POINTS PRECISELY OR WHETHER SOMETHING LIKE
2 ATTACHMENT H AS A FRESH START WOULD BE MORE
3 ENCOMPASSING, NOT TO ABANDON THE IDEA OF A QUANTITATIVE
4 APPROACH.

5 CHAIRMAN KLEIN: THE ISSUE WITH H, FOR
6 EXAMPLE, IS IF ONE OF OUR GOALS IS TO BRING THE BEST
7 AND BRIGHTEST MINDS FROM AROUND THE WORLD FOR
8 INTERNATIONAL CONFERENCES AND NATIONAL CONFERENCES, WE
9 HAVE TWO DIFFERENT CATEGORIES FOR HOTELS AND CONFERENCE
10 FACILITIES UNDER THE RATING TO DATE. AND THERE ARE
11 SUBSTANTIAL DIFFERENCES. IF YOU HAVE \$500,000 OF
12 SUBSIDY IN HOTEL ROOMS THAT ARE BEING OFFERED UNDER ONE
13 APPLICATION AND A HUNDRED THOUSAND UNDER ANOTHER
14 APPLICATION THAT ARE BEING OFFERED, THAT'S A
15 SUBSTANTIAL FINANCIAL DIFFERENCE FOR THE INSTITUTE.

16 IF YOU HAVE CONFERENCE FACILITIES THAT MIGHT
17 COST YOU A MILLION DOLLARS UNDER ONE -- IT MIGHT SAVE
18 YOU A MILLION DOLLARS UNDER ONE AND THERE ARE MULTIPLE
19 FACILITIES WITH MULTIPLE DATES AVAILABLE SO THAT YOU
20 ARE NOT CONSTRAINED AND EXCLUDED FROM SCHEDULING
21 BECAUSE YOU'RE ONLY LIMITED TO ONE FACILITY OR TWO,
22 THAT'S A CONSIDERATION.

23 THE QUESTION IS IF YOU DON'T PICK UP ALL THE
24 CRITERIA THAT ARE DISCUSSED IN THE INITIAL, IF YOU
25 SACRIFICE SO MUCH OF THE QUANTITATIVE SYSTEM, THAT YOU

1 INTRODUCE A HEAVY SUBJECTIVE COMPONENT. SO I WOULD BE
2 IN FAVOR OF CARRYING OVER THE POINTS, BUT SUPPLEMENTING
3 THEM BY H AND, IN FACT, MAKING CERTAIN THAT FROM THE
4 SITE VISITS WE HAVE THE ABILITY TO QUALITATIVELY ADJUST
5 THE POINTS AT THE NEXT MEETING WITHIN THE CATEGORIES
6 THAT EXIST.

7 DR. REED: BOB, JOHN REED HERE. I FEEL THE
8 SAME WAY INASMUCH AS I THINK, AT LEAST AT THIS EARLY
9 STAGE OF EVALUATION, THAT A POINT SYSTEM FOR
10 STRUCTURING OUR THINKING AND GUIDANCE IS USEFUL, BUT
11 I'M UNCOMFORTABLE AT THIS POINT IN -- AT THIS JUNCTURE,
12 WITHOUT HAVING GOTTEN INTO FURTHER INTO THE EVALUATION
13 PROCESS, OF FEELING THAT WE HAVE ESTABLISHED A METRIC
14 THAT WE THINK WILL REALLY END UP GIVING US A NUMBER
15 SCORE THAT WILL IDENTIFY THE VERY BEST SITE. AND I
16 THINK THERE ARE KINDS OF ISSUES THAT WE STILL NEED TO
17 DISCUSS WITH RESPECT TO RELATIVE WEIGHTING.

18 JUST, FOR EXAMPLE, BOB, THE EXAMPLE YOU GAVE
19 ABOUT SUBSIDIES FOR CONFERENCES, I THINK A BIG ISSUE
20 THERE IS NOT SO MUCH WHAT -- WHETHER A MUNICIPALITY
21 WILL SUBSIDIZE A CONFERENCE, BUT WHAT THE COST TO THE
22 STATE WOULD BE TO ORGANIZE SUCH A CONFERENCE. ALL OF
23 OUR MAJOR CITIES, OF COURSE, HOST MEDICAL CONFERENCES
24 ALL THE TIME AT NO COST TO THE CITY AND, IN FACT, AT A
25 GAIN TO THE CITY IN TERMS OF THE REVENUES THAT THEY

1 DERIVE FROM THOSE.

2 SO I THINK WHEN WE THINK ABOUT ISSUES LIKE
3 THAT, WE HAVE TO HAVE DEBATE ABOUT WHAT ARE RELATIVE
4 WEIGHTS TO PUT ON INCENTIVES SUCH AS THAT. HOW
5 IMPORTANT IS THAT IN THE OVERALL PICTURE? I'M NOT YET
6 COMFORTABLE THAT WE'VE BEEN THROUGH THIS ENOUGH TO
7 REALLY DECIDE HOW MANY POINTS OUGHT TO BE ASSIGNED TO
8 EACH CATEGORY.

9 CHAIRMAN KLEIN: ALL RIGHT. THE -- YOU ARE
10 TALKING ABOUT H? LET'S GO FORWARD HERE, IF WE CAN, DR.
11 REED, AND SEE. THERE ARE CITIES PRESENT, AND THE CITY
12 OF SACRAMENTO WOULD LIKE TO MAKE COMMENTS. FIRST THE
13 HONORABLE FORMER ASSEMBLYMAN DARRELL STEINBERG.

14 MR. STEINBERG: FORMERLY HONORABLE. THANK
15 YOU VERY MUCH, MR. CHAIRMAN AND MEMBERS OF THE
16 SUBCOMMITTEE. I'M JOINED ON THE TELEPHONE BY TOM
17 ZEIDNER FROM THE CITY'S ECONOMIC DEVELOPMENT
18 DEPARTMENT. TELL YOU JUST A LITTLE BIT ABOUT WHO I AM
19 FIRST. I LIVED IN SACRAMENTO 20 YEARS. I'VE BEEN A
20 COMMUNITY ADVOCATE, A MEMBER OF THE CITY COUNCIL, AND,
21 AS YOU STATED, A MEMBER OF THE STATE ASSEMBLY FOR SIX
22 YEARS. JUST TERMED OUT OF OFFICE AND NOW IN MY PRIVATE
23 ROLE, TEMPORARILY I HOPE, REPRESENTING THE CITY OF
24 SACRAMENTO TO TRY AND LOCATE THE CENTER FOR
25 REGENERATIVE MEDICINE HEADQUARTERS IN THE CAPITAL CITY.

1 FIRST OF ALL, LET ME -- I WAS ALSO THE AUTHOR
2 OF THE OTHER MAJOR HEALTH-RELATED INITIATIVE ON LAST
3 NOVEMBER'S BALLOT, PROPOSITION 63.

4 CHAIRMAN KLEIN: WHICH IS EXTRAORDINARILY
5 IMPORTANT IN THE MENTAL HEALTH AREA, AND WE CERTAINLY
6 HAVE GREAT APPRECIATION FOR THAT CONTRIBUTION OF STATE
7 RESOURCES TO THAT CRITICAL AREA OF MENTAL HEALTH.

8 MR. STEINBERG: THANK YOU. I KNOW WHAT YOU
9 WENT THROUGH IN TRYING TO GET THE INITIATIVE PASSED,
10 YOUR INITIATIVE PASSED.

11 WE ARE VERY PLEASED, SACRAMENTO IS VERY
12 PLEASED TO BE AT OR NEAR THE TOP OF THIS PRELIMINARY
13 SCORING MATRIX. LET ME JUST SAY IN THE 20 YEARS THAT
14 I'VE LIVED IN SACRAMENTO, I HAVE SEEN A REGION BOOM
15 WHILE MAINTAINING ITS EASE OF ACCESS TO GET AROUND, ITS
16 AFFORDABILITY, AND ITS FRIENDLY, WELCOMING ATMOSPHERE.

17 I AM, OF COURSE, HERE TO URGE THE SITE
18 SELECTION SUBCOMMITTEE AND THE FULL COMMISSION TO
19 ULTIMATELY CHOOSE SACRAMENTO AS THE ADMINISTRATIVE
20 HEADQUARTERS FOR THE INSTITUTE FOR REGENERATIVE
21 MEDICINE.

22 WHY SACRAMENTO? FINE CITIES THROUGHOUT
23 CALIFORNIA ARE HERE AND ARE GOING TO COME UP HERE TO
24 TALK ABOUT WHAT TANGIBLE BENEFITS THEY WILL OFFER,
25 THEIR CONNECTIONS TO THE BIOTECHNOLOGY INDUSTRY, AND

1 THEIR AFFILIATIONS WITH THE TOP INSTITUTIONS, RESEARCH
2 INSTITUTIONS, OF THE UNIVERSITY OF CALIFORNIA.
3 SACRAMENTO COMPETES ON ALL LEVELS.

4 WE LOOK FORWARD DURING THE SITE VISIT PHASE
5 OF THIS PROCESS TO SHOWING YOU OUR ONGOING PARTNERSHIP
6 WITH UC DAVIS, BOTH ITS MAIN CAMPUS AND ITS MEDICAL
7 CENTER. THE FACT THAT UC DAVIS GRADUATES THE SINGLE
8 LARGEST NUMBER OF LIFE SCIENCE GRADUATES OF ANY
9 UNIVERSITY IN THE COUNTRY, ITS ONE-OF-KIND PRIMATE
10 CENTER, THE MIND INSTITUTE, THE LEADING
11 NEUROPSYCHOLOGICAL RESEARCH INSTITUTE IN THE AREA, THE
12 CENTER FOR COMPARATIVE MEDICINE, A COLLABORATION
13 BETWEEN THE MEDICAL SCHOOL AND THE SCHOOL OF VETERINARY
14 MEDICINE, ITS GRADUATE SCHOOL OF MANAGEMENT, WHICH, BY
15 THE WAY, IS LOCATED IN THE SAME ONE CAPITOL MALL
16 BUILDING THAT IS PROPOSED TO BE THE CENTER FOR YOUR
17 ADMINISTRATIVE HEADQUARTERS WHERE THEY ARE MORE THAN
18 WILLING TO OFFER INTERNS AND OTHER STAFF AND PROFESSORS
19 TO HELP WITH ANY OF THE ADMINISTRATIVE ISSUES RELATING
20 TO THE SETUP OF THE INSTITUTE.

21 SACRAMENTO STANDS OUT FOR ONE CLEAR REASON.
22 IT IS THE PLACE WHERE PEOPLE COME TO BE HEARD. CAPITOL
23 CITY IS WHERE ELECTED AND APPOINTED REPRESENTATIVES
24 CONDUCT THE PUBLIC'S BUSINESS. HEALTHCARE ADVOCATES
25 FROM THROUGHOUT CALIFORNIA AND THE NATION TRAVEL TO

1 SACRAMENTO TO TESTIFY AT LEGISLATIVE HEARINGS, MEET
2 WITH EXECUTIVE BRANCH OFFICIALS, AND ORGANIZE TO
3 IMPROVE THE HEALTHCARE OF CALIFORNIA.

4 IN OUR VIEW THE PUBLIC SHOULD HAVE ONE
5 CONSISTENT VENUE IN WHICH TO BE HEARD. PUBLIC ACCESS
6 IS IN THE PUBLIC INTEREST. MR. CHAIRMAN AND MEMBERS,
7 THERE'S BEEN A GREAT DEAL OF DISCUSSION ABOUT THE
8 RELATIONSHIP BETWEEN THE LEGISLATURE AND THE INSTITUTE
9 FOR REGENERATIVE MEDICINE. AND THE POINT THAT I WANT
10 TO MAKE TO YOU HERE TODAY IS THAT OVERSIGHT AND ACCESS
11 CUT BOTH WAYS. IF THE LEGISLATURE DECIDES WITH A DAY'S
12 NOTICE OR LESS THAN A DAY'S NOTICE TO HOLD A HEARING OR
13 DEBATE A BILL OR HOLD AN INFORMAL MEETING AT 8 O'CLOCK
14 IN THE MORNING OR LATE AT NIGHT, WHICH OFTEN HAPPENS,
15 IS IT IN THE COMMISSION'S INTEREST TO HAVE TO TRAVEL A
16 HUNDRED OR HUNDREDS OF MILES, TAKE A HALF-DAY OR A FULL
17 DAY TO PARTICIPATE IN THAT PROCESS? WHAT IF, BECAUSE
18 OF THE TIME LINE, YOUR ATTENDANCE IS INFEASIBLE?

19 SACRAMENTO ALLOWS THE COMMISSION TO LITERALLY
20 WALK DOWN THE BLOCK TO PARTICIPATE FORCEFULLY IN ANY
21 DECISION OF THE LEGISLATURE AND EXECUTIVE BRANCHES OF
22 STATE GOVERNMENT. THE COMMISSION'S EASY ACCESS TO
23 STATE GOVERNMENT IS IN YOURS AND THE PUBLIC'S INTEREST.

24 LET ME GIVE AN ANALOGY, IF I CAN. THOUGH
25 SACRAMENTO DOES NOT OFFER BEAUTIFUL SKI SLOPES,

1 ALTHOUGH SKIING IS ONLY TWO HOURS AWAY --

2 DR. REED: POINT OF ORDER, MR. CHAIRMAN. I
3 THOUGHT THE PURPOSE OF THE PUBLIC COMMENTARY WAS TO
4 ADDRESS THE SCORING MATRIX. ARE WE INVITING EACH OF
5 THE SITES TO MAKE A PRESENTATION ABOUT WHY WE SHOULD
6 SELECT THEIR SITE?

7 CHAIRMAN KLEIN: I THINK YOUR POINT IS WELL
8 TAKEN. MR. STEINBERG, WE WILL GIVE YOU AN OPPORTUNITY
9 SEPARATELY TO DISCUSS WHY SACRAMENTO IS A GREAT PLACE.
10 BUT IF YOU WOULD LIMIT THE CURRENT COMMENT TO THE
11 SCORING MATRIX AND WHETHER YOU HAVE ANY DIFFERENCES
12 WITH THAT POSITION WITH YOUR REMAINING TIME.

13 MR. STEINBERG: THAT'S FAIR. LET ME TURN IT
14 OVER TO MR. ZEIDNER FROM THE CITY'S ECONOMIC
15 DEVELOPMENT DEPARTMENT TO RESPOND SPECIFICALLY TO THE
16 SCORING MATRIX.

17 MR. ZEIDNER: MORNING. THIS IS TOM ZEIDNER
18 WITH THE CITY OF SACRAMENTO ECONOMIC DEVELOPMENT
19 DEPARTMENT. I CERTAINLY APPLAUD THE EFFORT OF STAFF
20 AND THE COMMITTEE IN RANKING THE PROPOSALS IN THE
21 MANNER THEY HAVE. I DO HOPE THAT THE SCORING SYSTEM
22 AND METRIC CAN REMAIN FLEXIBLE AND CAN TAKE INTO
23 ACCOUNT ADDITIONAL INFORMATION THAT WILL COME KNOWN TO
24 THE COMMITTEE IN THE COURSE OF THE SITE VISIT. THANK
25 YOU.

1 MR. STEINBERG: WE DON'T HAVE ANY OBJECTION
2 TO THE WAY STAFF HAS DONE ITS PRELIMINARY EVALUATION.
3 AGAIN, I GUESS WE WOULD ADD SUBSTANTIVELY GOING FORWARD
4 THAT WE BELIEVE THE SITE VISITS ARE IMPORTANT, AND THAT
5 CONTINUED DISCUSSIONS SPECIFICALLY AROUND EXHIBIT H IS
6 IMPORTANT BECAUSE THE SITE VISIT MAY GIVE, YOU KNOW, A
7 NEW FLAVOR TO WHAT IT IS THAT ALREADY HAS BEEN LOOKED
8 AT.

9 IN TERMS OF MY COMMENTS, I APOLOGIZE IF I WAS
10 NOT DIRECTLY RESPONSIVE TO --

11 CHAIRMAN KLEIN: I DON'T THINK THAT'S AN
12 ISSUE. WE JUST ARE VERY PRIVILEGED TO HAVE YOU HERE.
13 DR. PRECIADO HAS SOME TIME PROBLEMS.

14 MR. STEINBERG: I UNDERSTAND.

15 CHAIRMAN KLEIN: AND WE JUST APPRECIATE
16 MOVING VERY QUICKLY THROUGH THIS SECTION.

17 THE -- ARE THERE OTHER CITIES WHO WANT TO
18 ADDRESS SPECIFICALLY THIS ITEM? YES, EMERYVILLE. NOW,
19 ARE YOU GOING TO SPEAK ON BEHALF OF THE CITY?

20 MR. SEARS: MR. CHAIRMAN, MEMBERS OF THE
21 SUBCOMMITTEE. I'M JEFF SEARS WITH WAREHAM DEVELOPMENT,
22 ONE OF THE PARTNERS IN THE CITY OF EMERYVILLE PROPOSAL,
23 AND I'M HERE SPEAKING ON THEIR BEHALF.

24 EMERYVILLE IS PLEASED AND PROUD TO BE YOUR
25 TEMPORARY HOME, AND WE'RE CONFIDENT THAT WE WOULD BE AN

1 EXCELLENT AND APPROPRIATE PERMANENT HOME. WE'RE VERY
2 PLEASED TO SEE THAT, NOT ONLY THE CITY OF EMERYVILLE,
3 BUT OTHER CITIES IN THE STATE HAVE FOLLOWED THE STATE'S
4 LEAD TO BRING REAL ECONOMIC BENEFITS TO THIS IMPORTANT
5 MISSION. AND THAT'S REALLY AN IMPORTANT POINT I WANTED
6 TO MAKE.

7 WE DID WANT TO MAKE ONE CLARIFICATION
8 REGARDING THE SCORING OF THE CATEGORY OF FREE RENT
9 WHICH YOU IDENTIFY AS BUILDING OWNER PREFERENCES, ITEM
10 6. IT APPEARS THAT YOU SCORED OUR PROPOSAL AS IF THERE
11 ARE ONLY FOUR YEARS OF FREE RENT AND EXPENSES OFFERED.
12 AND WE WANTED TO MAKE CLEAR, WHICH WE THINK WAS CLEAR
13 IN THE PROPOSAL, SPECIFICALLY OUR TAB 3, SECTION A(4)
14 REGARDING GROSS RENT, THAT WE HAVE DEFINITELY OFFERED
15 TEN YEARS OF FREE RENT AND EXPENSES AND PARKING TO THE
16 INSTITUTE. WE MADE THAT COMMITMENT LOOKING ONLY FOR
17 THE COMMITMENT THAT YOU WILL USE THEM AND OCCUPY THE
18 SPACE, DO YOUR BUSINESS THERE.

19 NOW, IF YOU ARE NOT IN EXISTENCE FOR SOME
20 HORRIBLE, UNEXPLAINABLE REASON, WE UNDERSTAND THAT, BUT
21 WE'VE MADE THAT COMMITMENT FOR TEN YEARS. AND THE
22 SCORING DOESN'T SEEM TO REFLECT THAT, AND WE'D LIKE
23 THAT RECONSIDERED AND LOOKED AT.

24 CHAIRMAN KLEIN: OKAY. THANK YOU. I'D LIKE
25 TO SAY THAT EMERY STATION AND THE CITY OF EMERYVILLE

1 HAVE BEEN TREMENDOUS TEMPORARY HOSTS. IT'S A FABULOUS
2 OFFICE SITE THAT WE ARE CURRENTLY IN, THANKS TO YOUR
3 GENEROSITY, WHICH WE'RE VERY APPRECIATIVE.

4 WALTER BARNES, COULD YOU COMMENT ON WHY THE
5 SCORING DECISION WAS MADE?

6 MR. BARNES: YES. THE -- HE IS CORRECT THAT
7 IT DOES MENTION THE TEN YEARS FULL TERM WOULD BE
8 AVAILABLE. HOWEVER, THE BID CONTAINED SOME INFORMATION
9 THAT SEEMED TO INDICATE THAT WE HAD TO -- THAT IN ORDER
10 TO AVOID HAVING TO PAY FOR OPERATING COSTS AND TAXES
11 AFTER THE FOURTH YEAR, THAT WE WOULD HAVE TO AGREE UP
12 FRONT TO A FULL-TERM 10-YEAR LEASE. THAT WAS NOT
13 SOMETHING THAT WAS LISTED IN THE RFP. IT CONSTITUTED,
14 FROM OUR PERSPECTIVE, SORT OF A COUNTEROFFER WHICH WE
15 COULD NOT CONSIDER. AND SO WE HAD TO ASSUME THAT -- BY
16 THE WAY, THAT OPERATIONS AND TAXES WOULD TAKE PLACE
17 SHOULD WE LEAVE BEFORE THE TENTH YEAR, AND WE HAD TO
18 MAKE SOME ASSUMPTION THAT SINCE WE WERE NOT AUTHORIZED
19 TO ENTER INTO A FIRM-TERM LEASE FOR ANYTHING MORE THAN
20 FOUR YEARS, THAT WE WERE POTENTIALLY AT RISK TO HAVE
21 COSTS ASSOCIATED WITH THIS. AND SO THAT IS THE REASON
22 WHY THEY ENDED UP WITH LOWER POINTS THAN THE OTHER
23 TWO -- OTHER THREE, I SHOULD SAY.

24 CHAIRMAN KLEIN: LET ME TRY AND EXPAND ON
25 THAT ITEM. I THINK THAT THE PROBLEM ARISES IN THE LAST

1 PUBLIC MEETING, IT WAS EXPLAINED BY DGS THAT WE COULD
2 NOT COMMIT FIRM FOR MORE THAN FOUR YEARS; AND,
3 THEREFORE, THE RFP ASKED FOR A FIRM COMMITMENT FOR FOUR
4 YEARS AND A FIRM COMMITMENT FOR THE OVER FOUR YEARS FOR
5 THE FREE RENT PERIOD. AND I BELIEVE THAT IT'S MY
6 UNDERSTANDING IN THE SUMMARY I SAW THAT THE PROPOSALS
7 SAID THAT YOU WOULD PROVIDE FOUR YEARS OF FREE RENT;
8 AND IF THE INSTITUTE WOULD COMMIT FIRM FOR TEN YEARS,
9 YOU WOULD PROVIDE TEN YEARS OF FREE RENT.

10 THE PROBLEM IS THAT, BASED UPON DGS' POSITION
11 OF YOU CAN'T COMMIT FIRM FOR MORE THAN FOUR YEARS, THE
12 RFP WAS ISSUED STATING THAT WE CAN'T COMMIT FIRM FOR
13 MORE THAN FOUR YEARS. SO IT PROVIDED A PROPOSAL THAT
14 WE COULDN'T ACCEPT BASED ON DGS' POSITION THAT HAD BEEN
15 MADE IN A PUBLIC MEETING. AND THAT WAS THE IMPEDIMENT
16 TO ACCEPTING THE COUNTEROFFER, THAT IF WE COULD COMMIT
17 FIRM FOR TEN YEARS, YOU WOULD PROVIDE TEN YEARS OF FREE
18 RENT. IS THAT A CORRECT STATEMENT?

19 MR. BARNES: IT'S ALMOST CORRECT. THE
20 CLARIFICATION IS THAT THEY DID INDICATE THAT THEY WOULD
21 PROVIDE TEN YEARS OF FREE RENT, BUT THEY ALSO INDICATED
22 THAT THEY WOULD PROVIDE FREE OPERATING COSTS AND TAXES
23 ASSOCIATED WITH THE BUILDING ITSELF, BUT THAT THEY
24 WOULD ONLY PROVIDE THAT FOR FOUR YEARS, THAT THEY WOULD
25 ONLY PROVIDE IT IF WE AGREED UP FRONT TO A FIRM TERM OF

1 TEN YEARS AND IF WE STAYED IN THE BUILDING FOR TEN
2 YEARS. AND SINCE WE WERE NOT REQUIRED, WE COULD NOT GO
3 BEYOND A FIRM TERM OF FOUR YEARS, WE HAD TO MAKE SOME
4 ASSUMPTIONS THAT WE WERE AT RISK TO HAVE TO PAY FOR
5 OPERATING COSTS AND TAXES AFTER THE FOURTH YEAR. AND
6 SO THAT'S WHY WE CAME TO THAT CONCLUSION.

7 CHAIRMAN KLEIN: ALL RIGHT.

8 MR. SEARS: MAY I COMMENT ON THAT?

9 CHAIRMAN KLEIN: YES.

10 MR. SEARS: IF I'M NOT MISTAKEN, I DON'T
11 THINK THE RFP STATED THAT YOU WERE PREVENTED FROM
12 COMMITTING FOR MORE THAN FOUR YEARS. I DO ADMIT THAT
13 IT SAID YOU WISHED TO COMMIT FIRM FOR FOUR YEARS, BUT
14 IT DIDN'T INDICATE YOUR INABILITY TO DO SO. SO WE WERE
15 NOT AWARE OF THAT. AND WE WOULD HAVE APPRECIATED
16 HAVING THE OPPORTUNITY FOR A CLARIFYING CONVERSATION,
17 WHICH SOUNDS LIKE AT LEAST OCCURRED WITH SOME OF THE
18 CITIES THAT HAVE BEEN UNFORTUNATELY DISQUALIFIED
19 BECAUSE IT WAS CERTAINLY OUR INTENT, AND I THINK WE
20 CERTAINLY BELIEVED THE LANGUAGE IN OUR PROPOSAL IS
21 CLEAR, THAT YOU HAVE TEN YEARS OF FREE RENT AND
22 OPERATING EXPENSES AND TAXES IF YOU COMMITTED TO STAY
23 THERE.

24 OBVIOUSLY, IF YOU DON'T EXIST, YOU CAN'T STAY
25 THERE. THERE ARE OPERATIONS OF LAW THAT WOULD COME

1 INTO PLAY THAT WE DON'T EVEN ADDRESS AND CAN'T STOP.

2 CHAIRMAN KLEIN: THE CITIES THAT -- IN SAN
3 JOSE'S CASE, THEY INITIATED A DISCUSSION WITH DGS FOR
4 CLARIFICATION OF A POINT. THE INSTITUTE WAS NOT
5 INVOLVED IN INITIATING THAT DISCUSSION, BUT --

6 MR. SEARS: IT'S A VERY HIGH VALUE ISSUE.
7 AND MOST IMPORTANTLY, IT IS TO THE CORE OF THE
8 DISCUSSION A PRIMARY ECONOMIC BENEFIT WITH A TREMENDOUS
9 AMOUNT OF VALUE TO THE INSTITUTE. AND WE JUST WANT TO
10 BE SURE IT'S CONSIDERED APPROPRIATELY. AND I'M
11 SPEAKING ON BEHALF OF THE CITY MANAGER AND THE CITY OF
12 EMERYVILLE WHO HAVE SAID THAT.

13 CHAIRMAN KLEIN: OKAY.

14 DR. REED: MR. CHAIRMAN, JOHN REED. SO AS A
15 POINT OF CLARIFICATION, NOW THAT WE HAVE NARROWED DOWN
16 THE SITES FOR CONSIDERATION TO FOUR THAT MET THE RFP
17 CRITERIA, I WOULD ASSUME THAT THIS IS -- REALLY WHAT
18 I'M ASKING IS, AS WE GATHER MORE INFORMATION NOW ABOUT
19 THESE SITES, THAT WE CAN ADJUST THE -- OUR
20 UNDERSTANDING OF THE TERMS AND CONDITIONS OF THE
21 INDIVIDUAL SITES AS WE GO FORWARD.

22 CHAIRMAN KLEIN: WE CAN. AFTER THE SITE
23 VISITS READJUST THE DISTRIBUTION OF POINTS WITHIN THE
24 CATEGORIES THAT HAVE ALREADY BEEN APPROVED. SO ARE YOU
25 SUGGESTING THAT THIS IS AN ITEM THAT CAN BE ADDRESSED

1 AT THE NEXT MEETING AS A PART OF THAT PROCESS?

2 DR. REED: SACRAMENTO SITE OR THE EMERYVILLE
3 SITE'S FOUR-YEAR ISSUE, THAT IF, IN FACT, THEY ARE ABLE
4 TO PROVIDE THE FACILITY FOR TEN YEARS, IS THAT
5 INFORMATION NOW THAT WE'RE ALLOWED TO ENTER INTO OUR
6 CONSIDERATION? OR BECAUSE IT WASN'T SPECIFIED IN THEIR
7 WRITTEN PROPOSAL, DO WE HAVE TO PRETEND WE NEVER HEARD
8 THAT AS IF WE WERE IN A COURT OF LAW, SO TO SPEAK, AND
9 IGNORE THAT EVIDENCE?

10 CHAIRMAN KLEIN: WELL, THE VERY SPECIFIC
11 POINTS IN THE RFP THAT ARE, IN FACT, REITERATED IN THE
12 LETTER FROM THE REGIONAL ECONOMIC DEVELOPMENT
13 COMMISSION OR COUNCIL OF SAN DIEGO REFLECTS THAT
14 ADDITIONAL INFORMATION CANNOT BE SUBMITTED IN TERMS OF
15 THE ORIGINAL EVALUATION CRITERIA. BECAUSE THEN EVERY
16 CITY ON THE SHORT LIST COULD SUBMIT ADDITIONAL
17 INFORMATION.

18 SO IN ANSWER TO YOUR QUESTION, THIS ITEM
19 SHOULD BE SCORED BASED UPON THE INFORMATION WE
20 PHYSICALLY HAVE. AND THE QUESTION IS IS IT SUFFICIENT
21 TO MAKE THE DECISION?

22 MR. BARNES: AND I WOULD SAY THAT THIS IS ONE
23 OF THOSE QUESTIONS WHERE THE SITE COMMITTEE, BASED UPON
24 THE INFORMATION THAT'S IN THE BID, COULD DECIDE THAT,
25 WHILE OUR COMMENTS AND OUR RATIONALE FOR WHY WE GAVE

1 THEM LESS POINTS IS VALID, THAT PERHAPS MORE POINTS
2 THAN THE POINTS THAT WE GAVE WERE APPROPRIATE. SO I
3 THINK THOSE ARE THE KINDS OF THINGS THAT THE COMMITTEE
4 COULD TAKE INTO ACCOUNT IN MAKING AN ADJUSTMENT ON
5 POINTS.

6 DR. PRECIADO: BOB, DR. PRECIADO. I MUST
7 LEAVE. I'M GOING TO BE LATE. I'M ALREADY LATE. SO I
8 JUST WANT TO MAKE SURE THAT I WANT TO BE -- SEE ONE OF
9 THE SITES. AND I KNOW THAT THERE WAS GOING TO BE SOME
10 STUFF THAT'S CALENDARED. IF YOU COULD JUST HAVE ONE OF
11 THE STAFF PEOPLE CONTACT ME, OR I'LL HAVE TONA CONTACT
12 THEM.

13 CHAIRMAN KLEIN: WE ABSOLUTELY WILL. AND
14 THERE WILL BE A PROPOSAL TO HAVE A PUBLIC NOTICE ON
15 EACH SITE SO THAT, IN FACT, ALL THE COMMITTEE MEMBERS
16 WOULD BE ABLE TO SEE THEM INSTEAD OF JUST TWO, SO THAT
17 WOULD ALLOW YOU TO SEE ALL FOUR SITES IF YOU SO CHOSE,
18 DR. PRECIADO.

19 DR. PRECIADO: THANK YOU. I NEED TO GO.

20 MS. LANSING: CAN I JUST SAY I'M GOING TO
21 HAVE TO LEAVE VERY SHORTLY ALSO. ARE WE GOING TO LOSE
22 A QUORUM?

23 CHAIRMAN KLEIN: WE WILL LOSE A QUORUM. SO
24 THE ISSUE HERE IS DO WE HAVE ADDITIONAL PUBLIC COMMENTS
25 ON THIS MOTION?

1 DR. REED: YES, THERE'S COMMENTS HERE IN SAN
2 DIEGO.

3 CHAIRMAN KLEIN: ALL RIGHT. IF IT'S A PUBLIC
4 COMMENT, THAT WOULD BE THREE MINUTES. IF IT'S A CITY
5 COMMENT, IT WOULD BE TEN MINUTES.

6 MS. WRIGHT: THIS IS JULIE MEYER WRIGHT FROM
7 THE SAN DIEGO REGIONAL ECONOMIC DEVELOPMENT CORPORATION
8 SPEAKING ON BEHALF OF THE CITY OF SAN DIEGO. AND WE
9 ARE VERY PLEASED TO BE SELECTED AS A FINALIST SITE. WE
10 DO -- ARE QUITE MYSTIFIED AT SOME OF THE RANKINGS OF US
11 AND IN SOME CASE OTHERS. AND I HAD SENT A LETTER TO
12 THE CIRM ON MARCH 30TH, REQUESTING ANSWERS TO A SERIES
13 OF QUESTIONS. I UNDERSTOOD THAT THEY WOULD BE POSTED
14 ON THE CIRM WEBSITE WITH ANSWERS. AND TO MY KNOWLEDGE
15 THEY HAVEN'T YET.

16 AND SO YESTERDAY, WITH LESS THAN 24 HOURS TO
17 REVIEW THESE RANKINGS AND OTHER MATERIALS SUPPLIED BY
18 THE DEPARTMENT OF GENERAL SERVICES, I SENT A SECOND
19 LETTER TO CHAIRMAN KLEIN AND REQUESTED THAT WE
20 REEVALUATE THESE SCORES. AND WHAT I WOULD LIKE TO
21 SUGGEST THIS MORNING IS THAT THE COMMITTEE DELAY VOTING
22 ON ACCEPTING THE SCORES FROM THE STAFF REVIEW BECAUSE
23 THERE SEEMS TO BE SOME CONSIDERABLE QUESTION ABOUT HOW
24 THE SCORES WILL BE ADDRESSED AND ALLOCATED BETWEEN
25 ATTACHMENTS F AND H IN THE SITE VISITS AND THEREON.

1 IN ADDITION, WE HAVE BEEN CAREFULLY REVIEWING
2 NOT ONLY OUR OWN SUBMITTAL, BUT THOSE OF OTHER CITIES,
3 AND WE'RE WORKING ON A MATRIX TO TRULY UNDERSTAND THE
4 COMPLIANCE. AND WHAT WE WOULD LIKE THE OPPORTUNITY TO
5 DO IS TO PROVIDE A VERY THOUGHTFUL AND DETAILED
6 RESPONSE, CROSS-REFERENCED BACK TO SPECIFIC LANGUAGE IN
7 OUR PROPOSAL. AND THERE SIMPLY WAS NOT TIME TO DO IT.
8 AND WE HAVE SOME CONCERN THAT THE CRITERIA AREN'T
9 COMPLETELY CONSISTENT WITH THE RFP AND THAT WE WOULD
10 LIKE TO ADDRESS THIS AS WELL SINCE THE RFP INCLUDES
11 THOSE REQUIREMENTS AND PREFERENCES.

12 AND IT STRIKES ME THAT OTHER FINALIST CITIES
13 MIGHT WANT TO HAVE THE OPPORTUNITY TO DO THE SAME THING
14 SO THAT, IN FACT, THE SITES SUBCOMMITTEE IS MAKING
15 APPLES-TO-APPLES COMPARISONS OF THE VARIOUS REGIONS AND
16 WE HAVE A COMMENT -- OPPORTUNITY TO COMMENT ON NOT ONLY
17 OUR OWN SUBMITTAL, BUT PERHAPS OTHERS.

18 I CAN GIVE YOU SPECIFIC EXAMPLES, BUT I
19 THINK, IN THE INTEREST OF TIME, SINCE THIS MEETING IS
20 NOTICED TO END AT 10 A.M., I WILL NOT DO SO. BUT WE DO
21 PLAN TO SUBMIT A WRITTEN RESPONSE. AND, THEREFORE, I
22 WOULD LIKE TO ASK THAT THE COMMITTEE DEFER A VOTE ON
23 ACCEPTING THESE SCORES UNTIL THEY HAVE RECEIVED
24 RESPONSES FROM THE FINALIST CITIES.

25 CHAIRMAN KLEIN: I THINK THAT ACTUALLY THAT'S

1 A VERY CONSTRUCTIVE SUGGESTION. FRANKLY, THE CITY --
2 SAN DIEGO REGIONAL ECONOMIC DEVELOPMENT CORPORATION,
3 JULIE WRIGHT, WHICH IS SPEAKING, WROTE A VERY
4 THOUGHTFUL LETTER THAT ON APRIL 1ST I ASKED DGS TO
5 RESPOND TO. THEIR RESPONSE HAS NOT BEEN POSTED
6 ALTHOUGH WE'VE COVERED THE ANSWERS TO MOST OF IT IN OUR
7 DISCUSSION.

8 WHAT I WOULD LIKE TO DO IS SUGGEST THAT
9 PERHAPS, SINCE WE CAN ADJUST THESE SCORE DISTRIBUTIONS
10 BASED ON NEW INFORMATION ON THE SITE VISITS, THAT WE
11 PERHAPS POSTPONE THIS ITEM UNTIL THE NEXT MEETING.

12 NOW, WHAT IS THE COMMITTEE'S THOUGHTS ON
13 THAT?

14 DR. FRIEDMAN: THIS IS MIKE FRIEDMAN, AND I
15 WOULD SUPPORT THAT.

16 MS. LANSING: I WOULD TOO.

17 CHAIRMAN KLEIN: THEN WHAT IS, COUNSEL, THE
18 PROPER PROCEDURE HERE? DO WE HAVE TO VOTE DOWN THE
19 MOTION OR CAN WE JUST WITHDRAW THE MOTION?

20 MR. HARRISON: YOU CAN AGREE TO TABLE THE
21 MOTION.

22 CHAIRMAN KLEIN: BUT I WANT TO KNOW IF
23 THERE'S CONSENSUS AMONG THE COMMITTEE TO TABLE THE
24 MOTION. DR. POMEROY, WOULD THAT BE ACCEPTABLE TO YOU?

25 DR. POMEROY: YES.

1 CHAIRMAN KLEIN: OKAY. AND DR. PRECIADO IS
2 NOT HERE, BUT I THINK SHE WOULD GENERALLY SUPPORT MORE
3 TIME. AND WE'VE HEARD FROM DR. FRIEDMAN. IS -- DR.
4 REED, I BELIEVE YOU SUPPORT THAT?

5 DR. REED: TABLING OR VOTING IT DOWN, EITHER
6 ONE.

7 CHAIRMAN KLEIN: TABLING IS WHAT WE'RE
8 TALKING ABOUT. OKAY.

9 AND SO WE WILL -- THE CHAIR WILL TABLE THIS
10 MOTION TO PROVIDE THAT TIME AND ADDITIONAL
11 PRESENTATIONS BY THE CITY OF THEIR ANALYSIS. AND
12 HOPEFULLY THE DGS WITH TIME CAN RESPOND TO THAT LETTER
13 QUICKLY. THEY, I SHOULD TELL YOU, HAVE PUT OUT A
14 TREMENDOUS AMOUNT OF STAFF EFFORT. THEY'RE REALLY
15 COMMITTED TO THIS PROCESS. THERE'S BEEN FABULOUS
16 COMMITMENT TO THIS, AND THEY DON'T HAVE THE STAFF
17 COMPONENT DUE TO THE DEPTH AND COMPLEXITY OF THIS,
18 ADDING CITY INCENTIVES TO THE NORMAL BUILDING PROCESS
19 AND LOOKING AT THINGS, SUCH AS THE DEPTH OF BIOMEDICAL
20 PROFESSIONS IN THE FIELD.

21 WE NEED TO MOVE TO ITEM 4 VERY QUICKLY. AND
22 ITEM 4 CONSIDERS THE POINT SYSTEM FOR THE SUPPLEMENTAL
23 ANALYSIS. WHAT IS THE COMMITTEE'S PLEASURE ON DEALING
24 WITH ITEM 4? AND, WALTER BARNES, COULD YOU SUMMARIZE
25 ITEM 4 FOR US?

1 MR. BARNES: SURE. ITEM 4 BASICALLY TALKS
2 ABOUT THE PROCESS THAT YOU WOULD USE DURING YOUR SITE
3 VISIT TO REFINE THE DECISION WITH REGARD TO THE
4 FINALIST AND RUNNER-UP AT YOUR MAY 2D MEETING.

5 YOU'VE KIND OF ALREADY TALKED ABOUT PART OF
6 THE PROCESS, AND MY IMPRESSION IS THAT YOU'RE
7 CONSIDERING THE IDEA THAT AT LEAST PART OF THAT PROCESS
8 WOULD BE TO REFINE THE SCORES THAT ARE LISTED IN
9 ATTACHMENT F BASED UPON INPUT THAT YOU WOULD GET
10 THROUGH THOSE SITE VISITS.

11 AND THEN I THINK THE ONLY OTHER THING THAT
12 YOU HAVE TO DECIDE IS ARE THERE ADDITIONAL FACTORS,
13 SUCH AS THE ONES IN ATTACHMENT H, THAT YOU WANT TO
14 CONSIDER DURING YOUR SITE VISITS. AND IF SO, IN
15 KEEPING WITH THE COMMENT THAT'S EMBODIED IN THE TABLED
16 RESOLUTION, HOW YOU WOULD SCORE THOSE IN RELATIONSHIP
17 TO THE POINTS ALREADY AWARDED IN ORDER TO OBTAIN AN
18 OBJECTIVE DECISION.

19 CHAIRMAN KLEIN: IF WE COULD SPLIT ITEM 4
20 INTO TWO PARTS BECAUSE ONE OF THEM IS WHAT ARE THE
21 POINTS TO BE AWARDED. THE OTHER IS HOW ARE WE GOING TO
22 DO THE SITE VISITS. I THINK PERHAPS WE COULD DECIDE
23 QUICKLY ON THE SITE VISIT PROTOCOL. BECAUSE OF THE
24 HIGH LEVEL OF INTEREST FROM THE PUBLIC SURROUNDING OUR
25 SITE VISITS, THE ABILITY OF EACH SUBCOMMITTEE MEMBER,

1 YOUR OPTION TO VISIT A SITE CAN ONLY BE PROVIDED BY
2 DOING A PUBLIC NOTICE OF THE SITE ITSELF. THERE ARE
3 FOUR DATES THAT WOULD BE AVAILABLE IF WE WERE TO
4 PUBLICLY NOTICE THOSE SITE VISITS: APRIL 25TH, 27TH,
5 28TH, AND 29TH.

6 IF THERE ARE FOUR CITIES, WE WOULD ASK THAT
7 SAN FRANCISCO AND EMERYVILLE BE ON THE SAME DATE; BUT
8 IF WE WERE TO APPROVE A MOTION FOR PUBLICLY NOTICING
9 SITE VISITS, WE WOULD WORK WITH -- THE CIRM STAFF WOULD
10 WORK WITH THE CITIES IMMEDIATELY AFTER THIS TO SCHEDULE
11 THEM WITHIN THOSE FOUR DATES. AND THEN THE COMMITTEE
12 MEMBERS COULD -- WE WOULD ALSO POLL COMMITTEE MEMBERS
13 ON THE DATES THEY WERE AVAILABLE. IF THEY WERE ONLY
14 AVAILABLE, FOR EXAMPLE, ON TWO OF THE DATES, WE WOULD
15 TRY AND FIND A WAY TO SCHEDULE ALL THE SITE VISITS IN
16 THE TWO DATES.

17 IS THERE A MOTION THAT WOULD SUPPORT PUBLICLY
18 NOTICING THE SITE VISITS SO ALL COMMITTEE MEMBERS, IF
19 THEY WISH TO, COULD GO TO THE SITE VISITS?

20 DR. PENHOET: SO MOVED.

21 CHAIRMAN KLEIN: MOVED BY MR. PENHOET. IS
22 THERE A SECOND?

23 DR. FRIEDMAN: SECOND.

24 CHAIRMAN KLEIN: THERE IS A SECOND.

25 DISCUSSION BY THE MEMBERS?

1 MS. LANSING: SO, BOB, JUST FOR
2 CLARIFICATION, SO IN OTHER WORDS, WE'LL HAVE THESE FOUR
3 DATES. THEN ALL OF US CAN GO AND VISIT EACH SITE IF WE
4 SO CHOSE TO DO.

5 CHAIRMAN KLEIN: YES, WE CAN.

6 MS. LANSING: SO WE'RE NOT BREAKING UP INTO
7 TEAMS OF TWO?

8 CHAIRMAN KLEIN: THE ONLY WAY WE CAN ALLOW
9 ALL OF THE COMMITTEE MEMBERS TO VISIT SITES IS TO HAVE
10 A PUBLICLY NOTICED DATE.

11 MS. LANSING: I THINK THAT'S GREAT. THANK
12 YOU.

13 DR. POMEROY: BOB, THIS IS CLAIRE POMEROY.
14 AS WE ALL KNOW, WE'RE ALL VERY BUSY. I'M SURE MOST OF
15 THE MEMBERS' CALENDARS ARE COMPLETELY FULL ON THOSE
16 DAYS. AND THE ORIGINAL PLAN WAS THAT WE WOULD HAVE
17 FLEXIBILITY TO GO IN TEAMS OF TWO. I WONDER IF WE
18 COULD DO A HYBRID OF THIS. HAVE A PUBLICLY NOTICED
19 DATE, BUT FOR THOSE COMMITTEE MEMBERS WHO WEREN'T ABLE
20 TO MAKE IT THAT DAY, HAVE THE OPTION OF AN ADDITIONAL
21 DATE.

22 CHAIRMAN KLEIN: LET ME ASK COUNSEL. AS LONG
23 AS -- IF THE MEMBERS ARE NOT ABLE TO MAKE IT ON THE
24 PUBLIC NOTICED DAY, COULD THOSE MEMBERS VISIT THE SITE
25 ON ANOTHER DATE AS LONG AS THERE WERE NOT MORE THAN TWO

1 OF THOSE MEMBERS?

2 MR. HARRISON: I'D LIKE TO GIVE THAT A LITTLE
3 BIT OF THOUGHT, AND I'LL RESPOND. I'D LIKE TO DO A
4 LITTLE BIT OF RESEARCH.

5 CHAIRMAN KLEIN: THE CHAIR WOULD ASK IF
6 THERE'S A WAY TO ACCOMMODATE THIS, WE'D LIKE TO
7 ACCOMMODATE THIS TO BE THE MAXIMUM FLEXIBILITY FOR
8 BOARD MEMBERS. BUT COUNSEL HAS ASKED THAT THEY BE ABLE
9 TO CHECK INTO THAT WITH THE DIRECTION TO TRY AND MAKE
10 IT WORK.

11 DR. REED: JOHN REED HERE IN SAN DIEGO. I
12 WOULD VERY MUCH APPRECIATE THAT PERSONALLY, WHICH IS
13 I'M IN WASHINGTON FOR SEVERAL OF THOSE DATES, AND I
14 REALLY CAN'T CHANGE THAT OBLIGATION. SO I'M GOING TO
15 HAVE A PROBLEM PERSONALLY AND EXPECT OTHER COMMITTEE
16 MEMBERS, AS CLAIRE POMEROY POINTED OUT, WILL AS WELL.

17 MS. LANSING: I WOULD LIKE TO AGREE WITH THAT
18 AS WELL BECAUSE THOSE DATES ARE PROBLEMATIC. I JUST
19 DON'T UNDERSTAND WHAT WOULD BE A PROBLEM EVEN IF WE
20 JUST WENT BY OURSELVES AND ASKED FOR A TOUR OF THE
21 SITE. WHY THAT WOULD BE --

22 CHAIRMAN KLEIN: SHERRY LANSING, I
23 SPECIFICALLY ASKED THAT QUESTION, RAN IT UP THE
24 FLAGPOLE. AND THERE IS A CASE ON POINT IN THE STATE
25 WHERE THE PROCESS WAS INVALIDATED BECAUSE THE COMMITTEE

1 MEMBERS WERE ALLOWED TO GO INDIVIDUALLY, AND THERE WERE
2 MORE THAN TWO COMMITTEES MEMBERS THAT WENT TO A
3 SPECIFIC SITE.

4 DR. FRIEDMAN: MR. CHAIRMAN, THIS IS MIKE
5 FRIEDMAN. UNFORTUNATELY I'M GOING TO BE OUT OF THE
6 COUNTRY FOR ALL FOUR OF THOSE DATES AND REGRET NOT
7 BEING ABLE TO PARTICIPATE. I DO THINK THAT THIS HAS TO
8 BE DONE IN A FORMAL, ORDERLY WAY. AND I THINK IT MAY
9 REQUIRE SOME ADDITIONAL PHONE CALLS AND DISCUSSIONS
10 AFTER THIS MEETING TO ARRANGE A SUITABLE SCHEDULE FOR
11 EVERYBODY. I TAKE CLAIRE'S POINT AND JOHN'S POINT,
12 THAT SCHEDULES ARE REALLY, REALLY FULL AT THIS TIME.

13 IF WE ARE GOING TO DO THIS, WE WANT TO DO IT
14 EXACTLY RIGHT.

15 CHAIRMAN KLEIN: AND LET'S DO THIS. WE COULD
16 ALSO -- I THINK THAT'S A VERY GOOD SUGGESTION FROM DR.
17 FRIEDMAN. WE COULD, FOR EXAMPLE, CONSIDER DOING A
18 NOTICED MEETING ON SATURDAY, APRIL 30TH. WE DON'T HAVE
19 TO STICK NECESSARILY TO BUSINESS DAYS OF THE WEEK AS
20 LONG AS THE CITIES WILL COOPERATE.

21 DR. REED: BOB, AS PART OF THE MOTION, I
22 WOULD MOVE THAT WE GIVE PUBLIC NOTICE OF THESE SITE
23 VISITS AFTER CIRM STAFF HAS CHECKED THE CALENDARS OF
24 THE SUBCOMMITTEE MEMBERS AND HAS IDENTIFIED DATES THAT
25 WOULD BE APPROPRIATE FOR A QUORUM OF THE MEMBERS.

1 CHAIRMAN KLEIN: OKAY. AND WOULD YOU INCLUDE
2 IN THAT MOTION AND THAT COUNSEL IS TO SEE IF THEY CAN
3 HAVE SUPPLEMENTAL VISITS OF NO MORE THAN TWO MEMBERS TO
4 EACH SITE IF LEGALLY THAT'S PERMISSIBLE?

5 DR. REED: I WOULD.

6 CHAIRMAN KLEIN: IS THERE A SECOND TO THAT?

7 MS. LANSING: SECOND.

8 CHAIRMAN KLEIN: OKAY. IS THERE FURTHER
9 BOARD DISCUSSION ON THAT MOTION? IS THERE PUBLIC
10 DISCUSSION ON THAT MOTION? IN SAN FRANCISCO, THERE IS
11 PUBLIC DISCUSSION ON THAT MOTION, AND WE WILL GO TO THE
12 OTHER CITIES IMMEDIATELY.

13 MR. BLOUT: JESSE BLOUT, MAYOR'S OFFICE OF
14 ECONOMIC AND WORKFORCE DEVELOPMENT. I WON'T GO TOO
15 LONG ON THIS MATTER. JUST ONE POINT OF CLARIFICATION.
16 ONE OF THE FEATURES OF OUR PROPOSAL, AND I ASSUME IT
17 WILL BE EVALUATED IN SORT OF THE COMMUNITY INCENTIVE
18 ASPECT OF THE EVALUATION, IS THE PROVISION OF ROUGHLY
19 45,000 SQUARE FEET OF LAB/OFFICE.

20 CHAIRMAN KLEIN: IT'S A SEPARATE ITEM. WE
21 WILL ALLOW YOU TO ADDRESS IT.

22 MR. BLOUT: AS A CLARIFICATION, COULD THAT BE
23 INCLUDED ON THE TOUR?

24 CHAIRMAN KLEIN: OUR SITE VISITS WOULD
25 INCLUDE EVERYTHING YOU'RE OFFERING.

1 MR. BLOUT: THANK YOU.

2 CHAIRMAN KLEIN: ALL RIGHT. ANY ADDITIONAL

3 PUBLIC COMMENT FROM CITY OF HOPE? ANY ADDITIONAL --

4 DR. FRIEDMAN: NO COMMENT HERE. THANK YOU.

5 CHAIRMAN KLEIN: OKAY. FROM UCLA?

6 MS. LANSING: NONE.

7 CHAIRMAN KLEIN: THE GREAT UC DAVIS MEDICAL

8 CENTER.

9 MS. LANSING: YOU HAVE TO SAY THE GREAT UCLA

10 TOO. COME ON. I WANT TO HEAR THOSE WORDS, BOB.

11 DR. FRIEDMAN: MR. CHAIRMAN, THIS IS MIKE

12 FRIEDMAN. I JUST HAVE TO POINT OUT TO THE COMMITTEE

13 THAT WHILE WE'RE TALKING ABOUT ALL THE OTHER

14 MUNICIPALITIES HERE, SACRAMENTO AND SAN FRANCISCO AND

15 FRESNO AND ALL THESE OTHER GREAT CITIES, THERE'S

16 ANOTHER CITY PARTICIPATING IN THE CALL, AND THAT'S THE

17 CITY OF HOPE. OKAY?

18 MS. LANSING: A GREAT CITY OF HOPE.

19 CHAIRMAN KLEIN: AND A GREAT CITY IT IS.

20 TREMENDOUS INNOVATOR IN DIABETES RESEARCH, CANCER, AND

21 MANY OTHER AREAS.

22 ANY ADDITIONAL COMMENT, PUBLIC COMMENTS FROM

23 BURNHAM?

24 DR. REED: SAN DIEGO HAS NO COMMENTS.

25 CHAIRMAN KLEIN: AND FRESNO?

1 UNIDENTIFIED SPEAKER: NO COMMENTS IN FRESNO.
2 CHAIRMAN KLEIN: OKAY. NO ADDITIONAL
3 COMMENTS. CALL THE QUESTION ON THIS. WOULD AMY LEWIS
4 PLEASE CALL THE ROLL.
5 MS. LEWIS: MICHAEL FRIEDMAN.
6 DR. FRIEDMAN: YES.
7 MS. LEWIS: ROBERT KLEIN.
8 CHAIRMAN KLEIN: YES.
9 MS. LEWIS: SHERRY LANSING.
10 MS. LANSING: YES.
11 MS. LEWIS: ED PENHOET.
12 DR. PENHOET: YES.
13 MS. LEWIS: CLAIRE POMEROY.
14 DR. POMEROY: YES.
15 MS. LEWIS: JOHN REED.
16 DR. REED: YES.
17 CHAIRMAN KLEIN: OKAY. THE MOTION PASSES.
18 THE SECOND PART OF THIS IS EXHIBIT H. THE
19 QUESTION IS, WITHOUT DECIDING WHAT THE ROLE OF THE
20 FIRST SCORING PORTION WILL BE ON MAY 2D AT THE NEXT
21 MEETING, WOULD THE COMMITTEE MEMBERS LIKE TO SEPARATELY
22 COMMENT ON EXHIBIT H AS PROPOSED AS TO WHETHER THEY
23 THINK THAT COVERS THE ADDITIONAL SITE INSPECTION ITEMS
24 OR HOW THEY WOULD LIKE TO MODIFY EXHIBIT H?
25 DR. POMEROY: BOB, THIS IS CLAIRE POMEROY.

1 I'LL START. WE HAVEN'T HAD VERY MUCH TIME TO LOOK AT
2 THIS, AND I DO HAVE A LITTLE BIT OF CONCERN ABOUT
3 RUSHING INTO ENDORSING AN ABSOLUTELY CRITICAL SCORING
4 SYSTEM. I'LL JUST GIVE SOME PRELIMINARY THOUGHTS.

5 I THINK THAT IT MAY BE APPROPRIATE TO
6 SPECIFICALLY GIVE MORE ATTENTION TO THE COMMUNITY
7 INCENTIVES. I UNDERSTAND THAT THEY'RE EMBRACED IN NO.
8 3 AND NO. 5, BUT OBVIOUSLY SOME OF THE PROPOSALS WENT
9 INTO A LOT OF EFFORT TO PROVIDE COMMUNITY INCENTIVES.
10 AND I'D LIKE TO SEE SOME EMPHASIS SPECIFYING THAT.

11 THE OTHER IS ONE THAT I THINK IT CAME THROUGH
12 IN BOTH THE SAN DIEGO AND SACRAMENTO PROPOSALS, WHICH
13 WERE ISSUES ABOUT COST OF LIVING. I THINK THE MOST --
14 THE MAJOR EXPENSE IN RUNNING AN ADMINISTRATIVE
15 INSTITUTE IS THE PERSONNEL. AND WE HAVE PUT A LOT OF
16 ATTENTION TO OUR ABILITY TO RECRUIT THE VERY BEST
17 PERSONNEL TO THIS INSTITUTE, AND COST OF LIVING SEEMS
18 TO ME TO BE A MAJOR CONSIDERATION. WE SPENT A LOT OF
19 TIME TRYING TO SAVE TAXPAYER MONEY SO THAT IT WILL GO
20 TO SCIENCE. AND I WOULD LIKE TO SAVE TAXPAYER MONEY IN
21 TERMS OF THE SALARIES THAT WOULD HAVE TO BE OFFERED.
22 AGAIN, THAT DID COME THROUGH IN TWO OF THE
23 APPLICATIONS.

24 FINALLY, I THINK WE NEED TO DISCUSS THE TOTAL
25 NUMBER OF POINTS THAT ARE IN THIS SECTION. IF THIS IS

1 SUPPLEMENTAL, I WOULD POINT OUT THAT THE DISTRIBUTION
2 OF 60 POINTS ON TOP OF A SPREAD WHERE THE TOP CANDIDATE
3 HAS, WHAT, 47 MORE POINTS ALREADY THAN THE LOWER
4 QUALIFYING CANDIDATES WOULD ALMOST MAKE THESE SITE
5 VISITS PERHAPS FEEL MOOT TO SOME OF THE CANDIDATES.

6 SO ONE OPTION WOULD BE, FOR EXAMPLE, I'LL
7 JUST THROW IT OUT AS A THOUGHT, WE COULD DOUBLE THE
8 NUMBER OF POINTS IN THE SUPPLEMENTAL SECTION TO 120 SO
9 THAT THESE QUALITATIVE FACTORS CAN ACTUALLY HAVE SOME
10 IMPACT ON THE FINAL DECISION.

11 AGAIN, THESE ARE PRELIMINARY THOUGHTS, AND
12 THIS IS A HUGELY IMPORTANT DECISION OF OUR SCORING
13 SYSTEM.

14 CHAIRMAN KLEIN: ONE POSSIBILITY IS FOR US TO
15 SEE THE SITES, UNDERSTAND SPECIFICALLY WHAT'S OUT
16 THERE, AND FOR THE STAFF TO COME TO -- TO ATTEND THE
17 PUBLICLY NOTICED SITE VISITS AND TO TAKE INTO
18 CONSIDERATION THE COMMENTS OF THE BOARD MEMBERS AT
19 THOSE SITE VISITS AND TO TRY AND COME TO THE MAY 2D
20 MEETING WITH A SCORING MATRIX THAT WOULD BE DETERMINED
21 AT THE MAY 2D MEETING ON THESE SUPPLEMENTAL CATEGORIES.

22 NOW, CHERYL GATES HAS A COMMENT ON THAT.

23 MS. GATES: THIS IS CHERYL GATES WITH THE
24 DEPARTMENT OF GENERAL SERVICES. AND THE ONE THING THAT
25 DGS WANTED TO ENSURE WAS THAT THE POINTS FOR EXHIBIT H

1 WERE IN PLACE PRIOR TO THE SITE VISITS FOR THE SAME
2 REASONS THAT WE WANTED TO HAVE THIS CRITERIA
3 ESTABLISHED BEFORE WE REVIEWED THE PROPOSALS.

4 CHAIRMAN KLEIN: OKAY. WE APPRECIATE THAT
5 INFORMATION.

6 DR. FRIEDMAN: MR. CHAIRMAN, IT'S MIKE
7 FRIEDMAN. I WOULD STRONGLY RECOMMEND THAT WE ESTABLISH
8 THE CRITERIA BEFORE THE SITE VISITS. I THINK POST HOC
9 THE CHANCE OF AN UNCONSCIOUS BIAS OR IMPRECISION
10 GREATLY GOES UP IF WE WAIT TILL LATER. SO I WILL
11 SUPPORT CLAIRE'S RECOMMENDATION, THAT WE TAKE SOME TIME
12 TO THINK ABOUT THESE THINGS, BUT I REALLY WOULD LIKE TO
13 HAVE THEM ESTABLISHED BEFORE WE ACTUALLY GO ON THE SITE
14 VISIT. THAT'S MY RECOMMENDATION.

15 CHAIRMAN KLEIN: ALL RIGHT. SO THE ISSUE
16 HERE IS THAT IN ORDER TO -- WE CAN ONLY TAKE COMMENTS
17 IN PUBLIC HEARINGS FROM THE FULL COMMITTEE. SO THAT
18 MEANS WE NEED TO DECIDE TODAY.

19 DR. POMEROY: BOB, WE HAVE TO NOTICE THE
20 MEETING BY TEN DAYS. COULD WE HAVE A MEETING ON THE
21 23D? WE'RE ALREADY LOSING OUR QUORUM.

22 CHAIRMAN KLEIN: LET'S ASK THAT QUESTION.
23 IT'S AN EXCELLENT SUGGESTION.

24 CHAIRMAN KLEIN: THAT'S A SATURDAY.

25 DR. POMEROY: GOOD. MY CALENDAR ISN'T FULL.

1 CHAIRMAN KLEIN: I'M ALWAYS PREPARED TO WORK
2 ON SATURDAYS. WHAT DOES THE COMMITTEE FEEL ABOUT THE
3 SUGGESTION?

4 DR. REED: I THINK IT'S A GOOD IDEA BECAUSE I
5 FEEL THAT WE'RE ALREADY 45 MINUTES PAST SCHEDULE AND
6 MANY OF US ARE 45 MINUTES LATE TO OUR NEXT APPOINTMENT.
7 AND THIS DOES REQUIRE A THOUGHTFUL DISCUSSION. SO I
8 WOULD SUGGEST THAT THAT SEEMS LIKE A DATE WE OUGHT TO
9 TRY TO WORK FOR AND HAVE CIRM STAFF OFF LINE FIGURE OUT
10 THE BEST TIME OF DAY FOR OUR SCHEDULES TO DO THAT AND
11 POST THE NOTICE.

12 CHAIRMAN KLEIN: ALL RIGHT. MY SUGGESTION IS
13 WE POST IT INITIALLY FOR THE WHOLE DAY AND THEN WE
14 NARROW IT DOWN BASED UPON THE ACTUAL TIME BECAUSE MY
15 UNDERSTANDING IS WE CAN -- IF WE POST FOR A LONGER TIME
16 PERIOD, COUNSEL, WE CAN THEN NARROW DOWN THE TIME
17 PERIOD?

18 MR. HARRISON: YES.

19 CHAIRMAN KLEIN: OKAY. NOW, THE OTHER
20 CONCEPT IS ARE ALL OF THE SITES REPRESENTED, CAN THEY
21 MAKE THOSE SITES AVAILABLE SO WE CAN POST THOSE SITES
22 FOR THE 23D? I REALIZE THERE'S SOME --

23 DR. POMEROY: YES, FROM UC DAVIS.

24 CHAIRMAN KLEIN: YES. IN FRESNO? SHE IS
25 OUT. IN UC SAN FRANCISCO'S POSITION? THIS IS THE

1 ALUMNI HOUSE. WE WILL HOPE THAT THAT'S THE CASE.

2 UCLA?

3 MS. LANSING: I THINK IT SHOULD BE AVAILABLE.

4 I UNFORTUNATELY AM OUT OF THE COUNTRY THAT DAY. I

5 THINK THE SITE IS AVAILABLE.

6 CHAIRMAN KLEIN: AND CITY OF HOPE?

7 DR. FRIEDMAN: BOB, LET ME JUST CHECK. THIS

8 IS -- WE'RE LOOKING AT --

9 CHAIRMAN KLEIN: THE 23D, SATURDAY.

10 DR. FRIEDMAN: SATURDAY, THE 23D. I'M JUST

11 LOOKING. I WILL BE OUT OF THE COUNTRY AS WELL.

12 DR. REED: BOB, JOHN REED HERE. I ALSO JUST

13 NOTE ON MY CALENDAR IT SAYS THAT THAT IS PASSOVER. AND

14 OUT OF SENSITIVITY TO FOLKS OF THE JEWISH FAITH, IT

15 MIGHT NOT BE THE BEST DAY TO DO OUR MEETING.

16 CHAIRMAN KLEIN: THAT SOUNDS LIKE A GOOD

17 IDEA. TEN DAYS IS --

18 MS. LANSING: WHY DON'T WE TAKE CLAIRE'S AND

19 TRY AND FIND A DAY THAT -- WITH STAFF TRYING TO FIND A

20 DAY BECAUSE THERE'S ALSO MONDAY THE 25TH.

21 CHAIRMAN KLEIN: I THINK THAT'S EXCELLENT.

22 WE COULD USE MONDAY, THE 25TH, IF THAT WERE ACCEPTABLE

23 TO PEOPLE. AND WE COULD SET UP THIS MEETING TO START

24 AT 5 O'CLOCK TO TRY AND AVOID PEOPLE'S CALENDARS.

25 DR. REED: BOB, JOHN REED HERE. THAT OR VERY

1 EARLY.

2 CHAIRMAN KLEIN: OKAY.

3 DR. FRIEDMAN: BOB, WE CAN COMMIT CITY OF
4 HOPE FACILITIES ON THAT DAY EVEN IF I'M NOT HERE.

5 CHAIRMAN KLEIN: ALL RIGHT. SO IF -- WE
6 APPRECIATE THE EDUCATION. AND REFERRING TO CALENDARS
7 IS ALSO HELPFUL. IF WE COULD MODIFY THIS MOTION TO BE
8 ON THE 25TH. AND IS IT BETTER FOR PEOPLE TO DO IT AT 7
9 A.M. OR 5 P.M.?

10 DR. POMEROY: 5 P.M.

11 DR. REED: 7 A.M.

12 MS. LANSING: 7 A.M.

13 CHAIRMAN KLEIN: OKAY. SO IT SOUNDS LIKE A
14 VERY SCIENTIFIC VOTE FOR 7 A.M. SO THE MOTION WOULD BE
15 FROM SEVEN TO NINE?

16 DR. REED: CORRECT.

17 CHAIRMAN KLEIN: OKAY. ALL RIGHT. IS THERE
18 ADDITIONAL BOARD COMMENT ON THE MOTION? IS THERE
19 PUBLIC COMMENT ON THE MOTION? HEARING NO PUBLIC
20 COMMENT ON THE MOTION, AMY LEWIS WILL CALL THE ROLL.

21 MS. LEWIS: MICHAEL FRIEDMAN.

22 DR. FRIEDMAN: YES.

23 MS. LEWIS: ROBERT KLEIN.

24 CHAIRMAN KLEIN: YES.

25 MS. LEWIS: SHERRY LANSING.

1 MS. LANSING: YES.

2 MS. LEWIS: ED PENHOET.

3 DR. PENHOET: YES.

4 MS. LEWIS: CLAIRE POMEROY.

5 DR. POMEROY: YES.

6 MS. LEWIS: JOHN REED.

7 DR. REED: YES.

8 CHAIRMAN KLEIN: OKAY. KNOWING TIME IS
9 SENSITIVE HERE, WE GREATLY APPRECIATE EVERYONE'S
10 PARTICIPATION, THE FABULOUS CITIES' PARTICIPATION. WE
11 WILL ASK FOR JUST ANY PUBLIC COMMENT VERY QUICKLY. IS
12 THERE ANY FINAL PUBLIC COMMENT? YES, DON REED.

13 MR. REED: AS A FATHER OF A PARALYZED SON, WE
14 TEND TO ALWAYS THINK ABOUT THIS STRUGGLE IN TERMS OF
15 PERSONAL. WHEN A PARALYZED PERSON HAS TO GET OUT OF
16 BED IN THE MORNING, IT'S VERY DIFFICULT. IT'S AWKWARD,
17 IN SOME WAYS ALMOST PAINFUL, AND A BIG HASSLE, BUT THEN
18 SUDDENLY THE DAY BEGINS.

19 THIS IS WHAT'S HAPPENING RIGHT NOW. YOU
20 PEOPLE ARE WORKING EXTREMELY HARD. YOU'RE STRUGGLING,
21 YOU'RE GOING THROUGH ALL THE HASSLES, AND SOMETHING
22 BEAUTIFUL IS COMING, AND I'M VERY PROUD TO BE A
23 CALIFORNIAN TODAY. THANK YOU SO MUCH.

24 CHAIRMAN KLEIN: ANY OTHER PUBLIC COMMENT?
25 THE MEETING STANDS ADJOURNED. THANK YOU FOR YOUR

1 TREMENDOUS PARTICIPATION.

2 (THE MEETING WAS THEN ADJOURNED AT 10:53 A.M.)

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