

MEMBERS PRESENT:

MICHAEL FRIEDMAN
BOB KLEIN
RICHARD MURPHY
ED PENHOET
CLAIRE POMEROY
PHYLLIS PRECIADO
JOHN REED

I N D E X

| ITEM | DESCRIPTION | PAGE NO. |
|---|-------------|----------|
| CALL TO ORDER | | 03 |
| ROLL CALL | | 03 |
| CONSIDERATION OF REQUEST FOR PROPOSAL FOR PERMANENT SITE LOCATION FOR CIRM TIMELINE SITE SEARCH BRIEFING | | 04 |
| ADJOURNMENT | | 101 |

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2

3

CHAIRMAN KLEIN: LET ME GO THROUGH A ROLL

4

CALL HERE. IF WE DO HAVE A QUORUM, WE WILL BEGIN. THE

5

MATERIALS THAT WE HAVE HERE ARE GOING TO BE IN WRITING.

6

WE ARE DOING THIS MEETING FOR THE PURPOSE OF

7

CONSIDERING THE PROPOSALS AND MODIFICATIONS WHICH WILL

8 ALL BE DONE IN WRITING. SO I THINK THAT WE WILL NOT
9 PREJUDICE OUR SAN DIEGO CONTINGENT IF WE PROCEED.
10 IF AMY DUROSS COULD START WITH THE ROLL CALL.
11 MS. DU ROSS: MICHAEL FRIEDMAN.
12 DR. FRIEDMAN: I'M HERE.
13 MS. DU ROSS: BOB KLEIN.
14 CHAIRMAN KLEIN: HERE.
15 MS. DU ROSS: SHERRY LANSING. RICHARD
16 MURPHY. ED PENHOET.
17 DR. PENHOET: HERE.
18 MS. DU ROSS: CLAIRE POMEROY.
19 DR. POMEROY: HERE.
20 MS. DU ROSS: PHYLLIS PRECIADO.
21 DR. PRECIADO: HERE.
22 MS. DU ROSS: JOHN REED.
23 CHAIRMAN KLEIN: SO WE DO HAVE A QUORUM. WE
24 WILL PROCEED. IN THE MEETING WE WILL PROVIDE
25 OPPORTUNITIES FOR PUBLIC COMMENT. PLEASE LIMIT YOUR

3

2 CAN WORK WITHIN THE TIME FRAME ALLOWED AND TIME TO
3 SPEAK APPROPRIATELY. YOU'RE PERMITTED, OF COURSE, TO
4 PROVIDE ADDITIONAL WRITTEN COMMENTS TO EXPAND ON YOUR
5 ORAL COMMENTS, AND THOSE WRITTEN COMMENTS WILL BE
6 CONSIDERED.

7 I'D LIKE TO START BY ASKING IF THERE ARE ANY
8 FORMAL REQUESTS BY THE PUBLIC TO SPEAK TO THE BOARD AT
9 ANY OF THE SITES. IN SAN DIEGO IS THERE ANY PUBLIC

10 REQUEST TO SPEAK?

11 SAN DIEGO: NO.

12 CHAIRMAN KLEIN: AND IN SACRAMENTO?

13 DR. POMEROY: YES. I THINK LATER ON THERE
14 WILL BE A REQUEST.

15 CHAIRMAN KLEIN: ALL RIGHT. AND USC?

16 MS. KING: NONE AS OF YET, BUT I'M SURE WE'LL
17 HAVE SOME LATER DURING THE MEETING.

18 CHAIRMAN KLEIN: ALL RIGHT. WITH THAT, I
19 WOULD LIKE TO FOCUS ON THE REQUEST FOR PROPOSALS FOR
20 THE PERMANENT SITE SELECTION FOR THE CALIFORNIA
21 INSTITUTE OF REGENERATIVE MEDICINE. WE'RE GOING TO
22 FIRST LOOK AT THE BASIC DRAFT MATERIALS AND THEN
23 ADDRESS THE TIME LINE.

24 OUR TASK IS TO FINALIZE THE DRAFT RFP TODAY
25 AND THE TIME LINE WE'VE SUBMITTED. I HAVE THANKED THE

4

2 THANK THE CONTROLLER'S OFFICE STAFF WHICH PARTICIPATED
3 AND HELPED LEAD THESE DISCUSSIONS. AND I'D LIKE TO
4 THANK WALTER BARNES, WHO HAD A LEADING ROLE IN
5 COORDINATING THIS WITH CONTROLLER'S OFFICE AND THE
6 DEPARTMENT OF GENERAL SERVICES.

7 THE REQUEST FOR PROPOSAL DOCUMENT THAT IS
8 AVAILABLE HERE IN FRONT OF THE ROOM HAS TWO SEPARATE
9 PARTS WE'RE GOING TO ADDRESS. ONE PART DEALS WITH WHAT
10 THE PUBLIC SPONSORING ENTITY IN EACH JURISDICTION WILL
11 TAKE AS THEIR SCOPE OF RESPONSIBILITY, AND THE OTHER

12 PART DEALS WITH THE PROPERTY OWNER'S SCOPE OF
13 RESPONSIBILITY. AND WITHIN EACH OF THOSE TWO MAJOR
14 PARTS, THERE ARE TWO SUBPARTS, MINIMUM REQUIREMENTS AND
15 PREFERENCES.

16 I'D LIKE TO WALK THROUGH THESE SECTIONS AFTER
17 MAKING A BASIC COMMENT THAT WHILE WE WILL END UP HAVING
18 ALL OF THESE AND THE TECHNICAL EXHIBITS POSTED ON THE
19 DGS WEBSITE WITH OUR LINK FROM OUR WEBSITE TO THE DGS
20 WEBSITE, THAT IF THERE ARE SUBSEQUENT QUESTIONS THAT
21 COME IN AND CLARIFICATIONS, WE'LL POST THOSE QUESTIONS
22 AND CLARIFICATIONS ON THE WEBSITE AS WELL SO THAT
23 EVERYONE CAN BENEFIT FROM THE INFORMATION.

24 FURTHERMORE, WHILE THERE ARE A NUMBER OF
25 STATE LAW REQUIREMENTS THAT HAVE TO BE MET, YOU WILL

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2 WHICH WE WILL NOT GO THROUGH TODAY, THERE'S A SECTION
3 THAT SPECIFICALLY REFERS TO THE FACT THAT EQUIVALENT
4 MATERIALS WILL BE ACCEPTED, ALTERNATIVE MATERIALS WILL
5 BE ACCEPTED AS LONG AS THEY MEET STATE REQUIREMENTS.

6 MS. ROSAIA: BOB, THIS IS JENNIFER IN SAN
7 DIEGO. DR. MURPHY AND DR. REED HAVE ARRIVED.

8 CHAIRMAN KLEIN: DR. MURPHY AND DR. REED, WE
9 ARE EXCITED BY YOUR PRESENCE BECAUSE WE'RE ABOUT TO
10 HOLD A VOTE ON THE SITE.

11 DR. REED: BOB, GET A LIFE.

12 CHAIRMAN KLEIN: I WAS EXPLAINING THAT IN THE
13 TECHNICAL EXHIBIT A, WHICH WE'RE NOT GOING TO GO OVER

14 AT THE MEETING TODAY, AT THE BEGINNING OF THAT THERE IS
15 WHAT I WOULD CALL A PERFORMANCE PARAGRAPH THAT EXPLAINS
16 THAT WE'RE NOT OUT TO REBUILD AN EXISTING BUILDING OR A
17 NEW BUILDING. WE'RE OUT TO MAKE SURE THAT THE STATE
18 REQUIREMENTS ARE MET AND THE NEEDS OF THE INSTITUTE ARE
19 MET. THERE ARE SPECIFIC REFERENCES, IN FACT, THAT IF
20 THERE'S DIFFERENT MATERIALS OR EQUIPMENT THAT'S
21 SPECIFIED, YOU CAN SUBMIT THAT TO DGS. THEY CAN REVIEW
22 IT. THEY WOULD HAVE TO GIVE YOU A WRITTEN APPROVAL OF
23 THE EQUIVALENCY, BUT THAT'S A DOWNSTREAM ISSUE. WHAT
24 YOU'RE TRYING TO DO IS MAKE SURE YOU'RE SUBMITTING A
25 SITE THAT BASICALLY MEETS THE STATE REQUIREMENTS. IF

6

2 REQUIREMENTS, THAT'S A VERY GOOD INDICATOR.

3 AND IT IS VERY IMPORTANT TO FOCUS
4 PRELIMINARILY, AS LONG AS YOU BELIEVE THE BUILDING WILL
5 MEET STATE REQUIREMENTS, ON THE MUNICIPALITIES OR THE
6 SPONSORING JURISDICTIONS' RESPONSIBILITIES AND THE
7 PROPERTY'S RESPONSIBILITIES, WHICH WE WILL GO INTO.

8 IT IS ALSO VERY IMPORTANT TO NOTE FOR US WHEN
9 WILL THE FACILITY BE AVAILABLE. THERE ARE FACILITIES
10 THAT MAY REQUIRE 30 DAYS OF TENANT IMPROVEMENTS. THERE
11 ARE FACILITIES THAT MAY REQUIRE 120 DAYS OF TENANT
12 IMPROVEMENTS. YOU NEED TO MAKE THAT VERY CLEAR IN THIS
13 PROPOSAL SO THAT WE CAN ANTICIPATE PROPERLY THE MOVE-IN
14 DATE AND THE EFFECT THIS HAS ON THE CONSIDERATION OF
15 COMPETITIVE SITES.

16 GOING TO THE REQUEST FOR PROPOSALS ITSELF,
17 STARTING WITH PAGE 2 AFTER THE GENERAL INTRODUCTION,
18 THERE IS A PAGE HEADNOTE "GOVERNMENTAL ENTITY
19 RESPONSIBILITY." AND IT OUTLINES THE PROCESS I
20 PREVIOUSLY ALLUDED TO WHEREBY THE GOVERNMENT ENTITY
21 WILL BE RESPONSIBLE FOR CERTAIN DELIVERABLES FROM THIRD
22 PARTIES, LIKE CONFERENCE FACILITIES, AND THE BUILDING
23 OWNER WILL BE SEPARATELY RESPONSIBLE FOR THE BUILDING
24 LEASE. WE'RE NOT EXECUTING THE BUILDING LEASE THROUGH
25 THE GOVERNMENT ENTITY. IT WILL BE DIRECTLY EXECUTED

7

2 THIRD-PARTY AGREEMENTS, WHICH THE GOVERNMENT ENTITY IS
3 RESPONSIBLE FOR MAKING SURE IT CAN BE DELIVERED WITH
4 THOSE THIRD PARTIES AND NOT THROUGH THE BUILDING
5 OWNERS. SO CONFERENCE FACILITY AGREEMENTS WOULD BE
6 EXECUTED WITH THE ENTITY CONTROLLING THE CONFERENCE
7 FACILITY SEPARATELY. BUT BEFORE WE EXECUTE THAT LEASE,
8 WE NEED TO KNOW ALL THE THIRD-PARTY DELIVERABLES ARE IN
9 PLACE.

10 IN THE SECOND PARAGRAPH I WANT TO CALL TO
11 YOUR ATTENTION THAT IT SAYS THE RESPONSIBLE PARTIES
12 SHALL BE GE, GOVERNMENT ENTITY, REPRESENTATIVES
13 AUTHORIZED TO OFFER SUCH SERVICES, DEVELOPER,
14 ARCHITECT/ENGINEER LICENSED TO PRACTICE IN THE STATE OF
15 CALIFORNIA, OR IMPROVED BY A LICENSED DESIGN
16 PROFESSIONAL. THOSE ARE FOUR DIFFERENT RESPONSIBLE
17 PARTIES. THAT SENTENCE DID NOT READ RESPONSIBLE

18 PARTIES SHALL BE GOVERNMENT ENTITY REPRESENTATIVES, AND
19 THEN LISTING THOSE DEVELOPERS AND OTHERS AS GOVERNMENT
20 ENTITY REPRESENTATIVES. THOSE ARE FOUR DIFFERENT
21 RESPONSIBLE PARTIES.

22 IN THE REQUIREMENTS FOR THE JOINT PROPOSAL,
23 YOU FIRST START WITH THE GOVERNMENT ENTITY AND ITS
24 MINIMUM REQUIREMENTS. YOU WILL NOTICE THAT
25 INTERNATIONAL AIRPORT AT A CERTAIN TIME DISTANCE AND

8

2 THOSE ARE MAXIMUM DIFFERENCES OR RADIUSSES FROM THE
3 SITE.

4 YOU WILL SEE IN THE PREFERENCE SECTION THAT,
5 IN FACT, PREFERENCE WILL BE GIVEN TO SITES THAT ARE
6 CLOSER THAN 45 MINUTES, CONFERENCE FACILITIES THAT ARE
7 CLOSER THAN 45 MINUTES, AND THE CONCEPT FOLLOWS THROUGH
8 THE OTHER POINTS.

9 UNDER PREFERENCES THERE'S A VERY IMPORTANT
10 POINT HERE, WHICH IS THE EMPLOYMENT POOL OF AT LEAST
11 25,000 PROFESSIONALS, AND THE MAJORITY OF THESE
12 PROFESSIONALS MUST NOT BE ENGAGED IN RESEARCH INVOLVING
13 OR PRODUCTION OF MEDICAL DEVICES. THAT DOES NOT SAY WE
14 CAN'T SELECT A SITE THAT DOESN'T MEET THOSE
15 REQUIREMENTS. BUT THE REASON FOR THIS PREFERENCE IS
16 THAT IT'S PREFERABLE IN TALKING TO SPENCER STUART,
17 WHO'S DOING THE PRESIDENTIAL SEARCH, IN TERMS OF THE
18 PRESIDENT'S OFFICE AND OTHER IMPORTANT KEY
19 PROFESSIONALS, TO HAVE THE BEST AND BRIGHTEST STAFF TO

20 REALLY PUSH THIS FRONTIER OF SCIENCE FORWARD, THAT IF
21 YOU LOCATE IN AN AREA THAT HAS A DEEP PROFESSIONAL
22 BIOMEDICAL RESEARCH MARKET, YOU HAVE A MUCH BETTER
23 OPPORTUNITY TO ATTRACT THE BEST STAFF. IF THE STAFF
24 FEELS THEY'RE GOING TO A LOCATION WHERE IF IT DOESN'T
25 WORK OUT, THEY'RE GOING TO HAVE TO MAKE ANOTHER MOVE,

9

2 IMPORTANT TO RECOGNIZE THAT THAT'S INCLUDED IN THESE
3 MATERIALS.

4 IT ALSO SAYS THERE'S A PREFERENCE FOR FOUR OR
5 MORE LEADING UNIVERSITIES, RESEARCH HOSPITALS, OR
6 PRIVATE RESEARCH INSTITUTIONS. DOES THAT MEAN IF YOU
7 HAVE THREE, THAT YOU ARE DISQUALIFIED? NO. IT MEANS
8 IT IS A PREFERENCE; AND IF YOU HAVE FOUR OR MORE, YOU
9 ARE GOING TO GET ADDITIONAL CONSIDERATION.

10 ON THE MINIMUM REQUIREMENTS I WOULD LIKE TO
11 PROVIDE A CLARIFICATION. YOU WILL NOTICE THE FIRST
12 ITEM SAYS TENANT SPACE SHOULD HAVE AT LEAST 17,000 NET
13 USABLE SQUARE FEET OF OFFICE SPACE. IF YOU LOOK AT THE
14 OTHER MATERIALS IN THE PACKET, YOU WILL SEE THAT WE
15 USED THE WORD APPROXIMATELY 17,000, AND I'D LIKE TO
16 RECONCILE THE TERM "APPROXIMATELY" HERE SO THAT IN BOTH
17 CASES THEY USE THAT REFERENCE.

18 IF SOMEONE HAS 15,500 SQUARE FEET AND IT
19 MEETS THE FUNCTIONAL REQUIREMENTS AND HAS CIRCULATION
20 SPACES, THAT'S -- OUR GOAL HAS BEEN MET. IF IT TAKES
21 17,800 FEET, INCLUDING CIRCULATION SPACE, THAT'S WHAT

22 WE'LL NEED. AND THERE IS A BREAKDOWN OF THE SPACE USE
23 OBJECTIVE THAT IS PART OF THE PACKAGE OF MATERIALS
24 SHOWING YOU THE SIZE OF CONFERENCE ROOM, NUMBER OF
25 CONFERENCE ROOMS, AND THE USES OF THEM.

10

2 BULLET POINTS, YOU WILL SEE IT SAYS A FIRM TERM FOR THE
3 FIRST FOUR YEARS AT NO OR LOW COST. WE HOPE THAT MEANS
4 NO COST. BUT UNDER THE STATE STATUTES, THE FIRST FOUR
5 YEARS IS THE LONGEST TERM WE CAN AGREE TO A FIRM
6 PROPOSAL. WE THEN WANT TO BE ABLE TO EXTEND FOR AN
7 ADDITIONAL PERIOD. NOW, THE ADDITIONAL PERIOD IS
8 BROKEN UP, THOUGH, INTO TWO SUBPARTS.

9 THE NEXT BULLET POINT ADDRESSES THE FIRST OF
10 THOSE SUBPARTS. IT SAYS THE NEXT FIVE YEARS TO SEVEN
11 YEARS AT NO OR LOW COST. YOU SHOULD DELETE THE WORD
12 "NEXT." IT WAS REALLY INTENDED TO MEAN THAT WE'RE
13 LOOKING FOR PROPOSALS THAT HAVE FIVE TO SEVEN YEARS AT
14 NO OR LOW COST. SO THE PRIOR POINT IS FOUR YEARS WOULD
15 BE FIRM, AND THEN WE'D HAVE AN OPTION FOR AN ADDITIONAL
16 YEAR TO THREE YEARS AT NO OR LOW COST. AND THAT'S WHAT
17 IS INTENDED TO BE REPRESENTED IN THE FOLLOWING BULLET
18 POINT.

19 THE THIRD BULLET POINT IN THAT SEQUENCE SAYS
20 THE BALANCE OF THE LEASE TERM SHALL BE LESS THAN 90
21 PERCENT OF THE CURRENT MARKET RATE FOR A SIMILAR
22 FACILITY IN THE SAME AREA. CURRENT MARKET RATE MEANS
23 AT THE TIME. AT THAT TIME, NOT NOW. AND, THEREFORE,

24 YOU WOULD HAVE THOSE THREE DIFFERENT TIME PERIODS,
25 FIRST FOUR YEARS, AN ADDITIONAL ONE TO THREE YEARS, AND

11

2 THROUGH FIFTEEN. THE PERIODS BEYOND THE FIRST FOUR
3 YEARS ARE ALL OPTIONAL PERIODS.

4 ALL RIGHT. ON PREFERENCES FOR THE BUILDING
5 ITSELF, I'D LIKE TO CALL TO YOUR ATTENTION AT THE
6 BOTTOM OF PAGE 6 PREFERENCE LANGUAGE THAT ALSO APPLIES
7 TO THE PREFERENCES THAT ARE ADDRESSED UNDER THE
8 GOVERNMENTAL ENTITY SECTION. AND UNDER THE HEADNOTE
9 "PREFERENCES" AT THE END OF THE THIRD SENTENCE, IT SAYS
10 ALSO EACH OF THE PREFERENCES WILL BE SCORED BASED ON
11 THE IMPORTANCE AS DETERMINED BY THE SITE COMMITTEE.

12 SO CALLING YOUR ATTENTION THAT THE SITE
13 COMMITTEE CAN PLACE DIFFERENT WEIGHTS ON THESE
14 PREFERENCES UNDER THIS CATEGORY AS WELL AS UNDER THE
15 OTHER CATEGORIES. AND THE PREFERENCES THAT ARE LISTED
16 HERE ARE NOT NECESSARILY EXHAUSTIVE. WE CANNOT WITH
17 OUR GREAT IMAGINATIONS ANTICIPATE EVERYTHING THAT WILL
18 BE PROPOSED. AND IF THERE ARE POINTS OF HIGH VALUE
19 THAT ARE PROPOSED THAT WE HAVEN'T THOUGHT OF, THE SITE
20 COMMITTEE BELIEVES ARE IMPORTANCE AND PROVIDE
21 ADDITIONAL VALUE, THEY WILL BE GIVEN WEIGHT. SO WE
22 ENCOURAGE CREATIVITY OF THE GREAT CITIES OF CALIFORNIA.

23 UNDER THE BUSINESS TERM PROVISIONS, I'D LIKE
24 TO DRAW YOUR ATTENTION TO PAGE 9 UNDER ADMINISTRATIVE
25 ISSUES, B, AS IN BOY, SUBPOINT 3, HVAC SERVICES. I

2 BUILDING OWNER'S EXPENSE SHALL FURNISH HEATING,
3 VENTILATION, AIR CONDITIONING SEVEN DAYS A WEEK, 24
4 HOURS A DAY. WELL, WE DON'T WANT TO LIMIT DOWN THE
5 AMOUNT OF FREE RENT BECAUSE THE BUILDING OWNER
6 CONCLUDES WE'RE GOING TO RUN THAT AIR CONDITIONING 24
7 HOURS A DAY. WE DO WANT TO HAVE THOSE SERVICES
8 AVAILABLE 24 HOURS A DAY, BUT YOU NEED TO STATE
9 SPECIFICALLY THE TERMS ON WHICH THEY ARE AVAILABLE
10 AFTER HOURS. WE DON'T WANT A PROCEDURE WHERE YOU HAVE
11 TO CALL NEW YORK TO GET IT TURNED ON ON THE WEEKEND.
12 IT NEEDS TO BE AVAILABLE, BUT WE ARE NOT ASKING THAT IT
13 BE RUN 24 HOURS A DAY. SO USE REASON AND COMMON
14 PRACTICE IN THE INDUSTRY, BUT BE VERY SPECIFIC ABOUT
15 YOUR ASSUMPTIONS. LET'S MAKE YOUR ASSUMPTIONS
16 EXPLICIT. WHEN YOU ADDRESS AN ISSUE LIKE THIS, TELL US
17 EXPLICITLY WHAT YOUR WORKING RULES ARE.

18 THE PACKAGE HAS AT THE BACK AND IS AVAILABLE
19 IN THE FRONT OF EACH OF THESE ROOMS WE'RE HOLDING THIS
20 HEARING THIS PROGRAM DATA SHEET THAT I REFERENCED
21 EARLIER. AND AS YOU WILL SEE HERE, I WANT TO AGAIN
22 CALL YOUR ATTENTION TO THE FACT THAT UNDER EACH
23 CATEGORY OF USE, SUBTOTAL, FOR EXAMPLE, OFFICE
24 REQUIREMENTS, 8,050 SQUARE FEET, THEN IT SAYS
25 CIRCULATION 35 PERCENT. IF YOU HAVE AN EXTRAORDINARILY

2 PERCENT. IF YOU HAVE AN INEFFICIENT BUILDING WITH A
3 NUMBER OF ANGLES IN IT, YOUR CIRCULATION REQUIREMENT
4 COULD BE 45 PERCENT.

5 WE'RE LOOKING FOR DELIVERY OF THE FUNCTIONAL
6 NEEDS HERE AS LISTED. YOU'VE GOT TO TAKE INTO ACCOUNT
7 THE CHARACTERISTICS OF YOUR BUILDING AND ADJUST THE
8 SPACE REQUIREMENTS YOU'RE PROPOSING TO FUNCTIONALLY GET
9 TO THIS RESULT. THAT'S THE PURPOSE OF GIVING YOU THIS
10 VERY DETAILED BACKGROUND ON MATERIALS THAT WE HAVE
11 PRESENTED.

12 NOW, WITH THAT PRELIMINARY SURVEY OF THE
13 MATERIALS, I WOULD LIKE TO ASK COMMITTEE MEMBERS FIRST
14 IF THEY HAVE COMMENTS, AND THEN WE'RE GOING TO GO TO
15 THE PUBLIC COMMENTS. AND THEN BASED UPON THOSE
16 ANSWERS, I CAN ASK IF DGS OR THE CONTROLLER'S OFFICE
17 HAVE ANY ADDITIONAL COMMENTS OR CLARIFICATIONS THAT CAN
18 BE PROVIDED.

19 MS. KING: BOB, I WOULD JUST LIKE TO ASK, AND
20 THEY'RE ALL USUALLY VERY GOOD ABOUT THIS, BUT THAT THE
21 COMMITTEE MEMBERS STATE THEIR NAME WHEN THEY'RE
22 SPEAKING.

23 CHAIRMAN KLEIN: THAT WOULD BE VERY HELPFUL.
24 FOR MEMBERS OF THE PUBLIC, YOU'RE NOT REQUIRED TO STATE
25 YOUR NAME WHEN SPEAKING, BUT IT'S HELPFUL IF YOU CAN OR

2 HAVE A QUESTION, IF WE CAN FURTHER RESEARCH OR GET BACK
3 TO YOU WITH AN AMPLIFIED ANSWER, WE'D BE HAPPY TO AS
4 LONG AS WE HAVE CONTACT INFORMATION THAT'S AVAILABLE.

5 I'D LIKE TO START WITH THE GREAT CITY STATE
6 OF SAN DIEGO AND ENVIRONS. ARE THERE COMMENTS FROM THE
7 BOARD MEMBERS THERE?

8 DR. REED: JOHN REED HERE. I HAD A QUESTION,
9 AND I APOLOGIZE IN ADVANCE IF THIS WAS COVERED BEFORE I
10 CAME IN, BUT THE REASON FOR THE 15-YEAR LEASE AS
11 OPPOSED TO A 10-YEAR.

12 CHAIRMAN KLEIN: WELL, THE REASON IS THAT THE
13 STATE HAS AS A GENERAL PRACTICE BEEN TRYING TO GET
14 CONTROL OF SPACE FOR 15 YEARS. LET ME ASK DGS IF ONE
15 OF THE DGS MEMBERS WOULD LIKE TO COMMENT ON THAT. AND
16 SPECIFICALLY THAT I'D ASK THE COMMITTEE MEMBERS IF THEY
17 THINK THAT IS A LIMITING CONDITION ON OUR PROPOSALS,
18 WHETHER WE WANT TO CHANGE THAT AND MAKE IT A PREFERENCE
19 VERSUS A MINIMUM CONDITION.

20 DGS COULD COMMENT ON WHY IT'S 15 YEARS.

21 MR. STUMP: THIS IS MICHAEL STUMP, AND I'M
22 THE NORTHERN CALIFORNIA LEASING MANAGER. AND PURELY
23 IT'S PROGRAMMATIC IN MY MIND. I MEAN, AS A GENERAL
24 BUSINESS POINT, THE STATE WOULD TRY TO GET AS LONG OF A
25 LEASE AS POSSIBLE, TAKING INTO CONSIDERATION THE

15

2 CHAIRMAN KLEIN: AND REALIZING, OF COURSE,
3 THAT AFTER SEVEN -- WELL, AFTER FOUR YEARS, THESE ARE

4 ALL OPTIONS. BUT, JOHN REED, DO YOU FEEL THAT MIGHT
5 CREATE A LIMITING CONDITION ON THE PROPOSALS WE MIGHT
6 RECEIVE?

7 DR. REED: THAT'S RIGHT, BOB. JOHN REED HERE
8 AGAIN. I WAS WORRIED THAT THAT MIGHT BE A LIMITATION,
9 PARTICULARLY SINCE WE'RE ASKING THE OWNERS OF THESE
10 FACILITIES TO PROVIDE THEM AT LOW OR NO COST FOR A GOOD
11 PORTION OF THE FIRST PART OF THE LEASE. I JUST DIDN'T
12 KNOW IF THAT MIGHT BE AN IMPEDIMENT TO THEM BEING
13 WILLING TO OFFER THE BUILDING IN THE SUBSEQUENT YEARS
14 AT A CONTINUED LOW COST, WAS FEARFUL THAT IF THEY WERE
15 TALKING ABOUT A 15 AS OPPOSED TO A 10-YEAR PROPOSITION,
16 THAT IT JUST MIGHT CAUSE A VARIETY OF OWNERS TO BACK
17 OUT OF CONSIDERATION.

18 CHAIRMAN KLEIN: I THINK THAT THAT IS A
19 REASONABLE STATEMENT. ARE THERE ANY OTHER COMMITTEE
20 MEMBERS THAT WOULD LIKE TO ADDRESS THAT SPECIFIC POINT
21 BEFORE WE GO TO ANOTHER POINT? ALL RIGHT.

22 DR. POMEROY: BOB, CLAIRE POMEROY. I GUESS I
23 WOULD HAVE TO WEIGH IN ON THE SIDE OF THE 10-YEAR
24 LEASE. GIVEN THAT WE HAVE TEN YEARS OF FUNDING, WE ALL
25 HOPE THAT THIS PROGRAM WILL GO ON BEYOND THAT, BUT

16

2 A REASONABLE LIMIT.

3 CHAIRMAN KLEIN: YEAH. I PERSONALLY WOULD
4 THINK THAT JOHN'S COMMENT IS VERY ACCURATE, THAT GIVEN
5 A DESIRE NOT TO LIMIT THE NUMBER OF HIGH QUALITY

6 PROPOSALS WE HAVE, THAT IF WE TOOK THIS TO WHERE WE HAD
7 A LEASE TERM OF AT LEAST SEVEN YEARS AND UP TO 15, THAT
8 WOULD PROVIDE US WITH THE ABILITY TO POTENTIALLY GET
9 THE BENEFIT OF VERY HIGH QUALITY 7- OR 10-YEAR LEASES
10 THAT WOULD OTHERWISE NOT BE AVAILABLE TO US.

11 MY UNDERSTANDING IS THAT WOULD BE ACCEPTABLE
12 WITH DGS; IS THAT RIGHT? THERE'S NOT A HARD RULE. DGS
13 INDICATES THAT WOULD BE ACCEPTABLE TO THEM. LET'S
14 CARRY THAT AS ONE OF THE ITEMS WE'RE GOING TO CONSIDER
15 IN THIS APPROVAL. OKAY.

16 ADDITIONAL COMMENTS FROM THE BOARD MEMBERS?

17 DR. MURPHY: BOB, RICH MURPHY IN SAN DIEGO.
18 I RECEIVED A NOTE FROM JULIE MEYER WRIGHT JUST ABOUT A
19 HALF AN HOUR AGO, WHO'S THE HEAD OF THE ECONOMIC
20 DEVELOPMENT CORPORATION IN SAN DIEGO. AND SHE HAS
21 LISTED A NUMBER OF QUESTIONS WHICH I PROBABLY SHOULD
22 ENTER THIS DOCUMENT INTO THE RECORD, BUT ARE YOU
23 COMFORTABLE WITH ME READING A COUPLE OF THE QUESTIONS
24 THAT SHE HAS POSED BECAUSE I THINK THEY'RE SIMILAR
25 QUESTIONS THAT I WOULD HAVE ABOUT THE PROPOSAL AS WELL?

17

2 WOULD THEN OTHERWISE BE RECEIVING THEM. IF THEY
3 REFLECT COMMENTS THAT YOU WOULD OTHERWISE MAKE, I WILL
4 ACCEPT THEM AS MEMBERS' COMMENTS. AND THEN WE CAN
5 ACCEPT THE WRITTEN PORTION UNDER THE PUBLIC TESTIMONY.

6 DR. MURPHY: OKAY. THAT WOULD BE FINE. THE
7 FIRST QUESTION IS WHY IS THE REQUIREMENT TO ACCOMMODATE

8 150 PEOPLE THREE TIMES A YEAR, HOW IS THAT ARRIVED AT?

9 CHAIRMAN KLEIN: IN TERMS OF THE MINIMUM
10 REQUIREMENTS?

11 DR. MURPHY: THAT'S RIGHT. I'LL READ THE
12 SENTENCE. IT SAYS THE CONFERENCE FACILITY MUST BE ABLE
13 TO ACCOMMODATE UP TO 150 PERSONS FOR THREE TIMES A YEAR
14 AND AT LEAST TWO FULL DAYS PER YEAR FOR EACH TIME IN
15 THE YEAR.

16 CHAIRMAN KLEIN: THERE WERE A NUMBER OF
17 DIFFERENT OPTIONS CONSIDERED, INCLUDING SOME REQUEST
18 THAT WE CONSIDER HAVING THE POTENTIAL TO ACCOMMODATE AN
19 INTERNATIONAL CONFERENCE, TO BRING THE RESOURCES FROM
20 THROUGHOUT THE WORLD TO CALIFORNIA WITH POTENTIALLY A
21 THOUSAND PEOPLE. BUT THE INTENT WAS TRYING TO HAVE A
22 REASONABLE FIGURE WHERE WE COULD PULL TOGETHER AT LEAST
23 THE LEADERSHIP IN CALIFORNIA OR A SIGNIFICANT PORTION
24 OF THEM. IF, IN FACT, WE HAD A CALIFORNIA CONFERENCE
25 WHERE WE NEEDED 300, WE'D GET HALF OF THE FACILITIES

18

2 NEVERTHELESS, THERE IS NO OBJECTIVE STANDARD FOR THIS.

3 WE HAD TO HAVE A STARTING POINT. IS THERE AN
4 ALTERNATIVE STANDARD THAT YOU WOULD RECOMMEND?

5 DR. MURPHY: I THINK THE IDEA OF HOSTING
6 INTERNATIONAL MEETINGS IS OR NATIONAL MEETINGS IS A
7 VERY APPROPRIATE ONE. I'M NOT SURE THAT IT WOULD HAVE
8 TO BE DONE AT THE ADMINISTRATIVE HEADQUARTERS OF THE
9 CIRM, HOWEVER. THERE ARE OTHER FACILITIES IN THE STATE

10 THAT I'M SURE WOULD BE AVAILABLE FOR THAT, AND I WONDER
11 WHETHER IT'S A GOOD REQUIREMENT FOR THE HEADQUARTERS TO
12 SEE ITSELF AS THE PLACE WHERE INTERNATIONAL MEETINGS
13 WOULD ACTUALLY BE HELD. I DON'T SEE A STRONG TIE
14 BETWEEN THE ADMINISTRATIVE HEADQUARTERS AND THE
15 ACADEMIC HEADQUARTERS FOR SUCH A MEETING.

16 CHAIRMAN KLEIN: YOU NOTICE THAT WE DIDN'T
17 INCLUDE THE THOUSAND-PERSON FACILITY REQUEST, ALTHOUGH
18 IT IS IMPORTANT TO NOTE THIS IS OUR ONLY OPPORTUNITY TO
19 GET FREE FACILITIES. EVERY PLACE ELSE IN THE STATE WE
20 WOULD HAVE TO PAY FOR THE FACILITIES. HOWEVER, THE
21 LEVEL AT 150 PERSONS IS MORE APPROPRIATELY RELATED TO
22 WORKING GROUP-TYPE ACTIVITIES OR EXTENSIONS OF WORKING
23 GROUP AND ALTERNATIVES OF WORKING GROUPS, CONSIDERATION
24 OF STANDARDS MODIFICATIONS, AND THINGS THAT ARE IN THE
25 NORMAL COURSE OF BUSINESS OF THE HEADQUARTERS

19

2 BUT IF THERE IS -- NEVERTHELESS, IF YOU THINK
3 THAT THE NUMBER OF PERSONS OR THE FREQUENCY THAT IS IN
4 THE MINIMUM REQUIREMENTS IS NOT APPROPRIATE, ARE YOU
5 SUGGESTING THAT IT BE MOVED TO THE PREFERENCE CATEGORY?

6 DR. MURPHY: I WOULD. I THINK THAT -- I
7 THINK THE NUMBERS SEEM FAIRLY SUBJECTIVE TO ME. AND I
8 THINK IF WE'RE GOING TO PUT IT EITHER AS A REQUIREMENT
9 OR A PREFERENCE, WE SHOULD REALLY JUSTIFY HOW THAT
10 NUMBER WAS REACHED SO THAT THE COMMITTEE CAN HAVE A
11 BETTER FEELING AS TO WHETHER IT'S A REAL NUMBER OR NOT.

12 CHAIRMAN KLEIN: WELL, IN BALANCING TIME AND
13 GIVEN THAT WE'RE ASKING FOR FREE FACILITIES, WE REALLY
14 HAVE A NEED BECAUSE, AS YOU SAY, IT IS SUBJECTIVE, TO
15 HAVE THIS COMMITTEE MAKE AN IMMEDIATE DECISION. AND IF
16 THE COMMITTEE IS ONLY COMFORTABLE WITH THAT POSITION
17 BEING TO PUT IT IN THE PREFERENCE CATEGORY, THAT WOULD
18 BE APPROPRIATE. WHAT'S THE WILL OF THE OTHER COMMITTEE
19 MEMBERS? WHAT ARE THEIR THOUGHTS?

20 DR. FRIEDMAN: I'M VERY COMFORTABLE SEEING IT
21 IN THE PREFERENCE CATEGORY. I CAN SEE ADVANTAGES IN
22 150, WHILE IT'S ARBITRARILY CHOSEN, IS NONETHELESS A
23 REASONABLE NUMBER FOR A GATHERING THAT MIGHT OCCUR FOR
24 ADMINISTRATIVE PURPOSES, BRINGING MEMBERS OF
25 ADMINISTRATIVE STAFF TOGETHER FOR SOME SORT OF

20

2 HAVING IT IN THE PREVIOUS CATEGORY.

3 DR. PRECIADO: BOB, THIS IS PHYLLIS PRECIADO.
4 I ALSO AGREE WITH MOVING IT TO THE PREFERENCE CATEGORY.

5 CHAIRMAN KLEIN: OKAY.

6 DR. POMEROY: THIS IS CLAIRE POMEROY. I
7 AGREE WITH MOVING IT TO THE PREFERENCE CATEGORY AS
8 WELL, BUT IT DOES RAISE SORT OF THE LARGER ISSUE ABOUT
9 ALL OF THESE THINGS IN THE PREFERENCE CATEGORY. AS WAS
10 POINTED OUT, IT DOES SEEM LIKE THERE ARE SOME ARBITRARY
11 NUMBERS THAT MIGHT BE PERCEIVED AS TRYING TO DEFINE A
12 SPECIFIC LOCALE. YOU KNOW, IT'S NOT CLEAR TO ME THAT
13 THESE THRESHOLDS THAT ARE LISTED ARE SIGNIFICANT.

14 WHAT ABOUT JUST SAYING, YOU KNOW, HIGH
15 QUALITY CONFERENCE FACILITIES AND LETTING THE
16 RESPONDENTS DESCRIBE WHAT THEY HAVE? YOU KNOW, YOU
17 MIGHT GET MORE THAT WAY. AND I GUESS I WOULD LIKE TO
18 KNOW THAT THE CONFERENCE FACILITIES ARE AVAILABLE THAT
19 COULD ACCOMMODATE 150 TO A THOUSAND PEOPLE AND, YOU
20 KNOW, AND LET PEOPLE PROPOSE WHAT THEY MIGHT GIVE FOR
21 FREE OR LOW COST.

22 CHAIRMAN KLEIN: RIGHT. UNDER THE
23 PREFERENCES, WE DO TALK ABOUT A MINIMUM LEVEL OR
24 GREATER. SO WE DON'T WANT TO HOLD ANYONE BACK THAT'S
25 PREPARED TO PRESENT TO US A FACILITY FOR A THOUSAND

21

2 WOULD LIKE IN OUR CONSIDERATION TO MOVE THIS TO THE
3 PREFERENCE CATEGORY. AND I WOULD SUGGEST THAT -- WE
4 WILL HAVE SOME MEETINGS EVERY YEAR. I WOULD SUGGEST
5 THAT WE WOULD LIKE UNDER THE PREFERENCE AT LEAST, BUT
6 WILL CONSIDER ANY PROPOSAL IN ANY AMOUNT UNDER THAT
7 PREFERENCE. SO TO THE EXTENT THAT SOMEONE PROPOSES
8 MORE, THAT'S BETTER, BUT AT LEAST I'D LIKE TO GIVE
9 GUIDANCE THAT WE DO WANT TO HAVE THE ABILITY TO
10 ACCOMMODATE A SIGNIFICANT NUMBER OF PEOPLE SEVERAL
11 TIMES A YEAR.

12 ED, WHAT IS YOUR THOUGHT?

13 DR. PENHOET: I AGREE. QUESTION IS WHETHER
14 THERE ARE TWO COMPONENTS TO THIS, THREE TIMES A YEAR
15 AND SIX TOTAL DAYS. DO WE NEED TO SPECIFY THE NUMBER

16 OF TIMES PER YEAR, OR WOULD IT BE ADEQUATE JUST TO SAY
17 SIX TOTAL DAYS?

18 CHAIRMAN KLEIN: WE CAN SAY SIX TOTAL DAYS
19 DURING THE YEAR FOR 150 PEOPLE, BUT WE'D ASK FOR IT TO
20 BE AT LEAST THAT OR GREATER, BUT WE'RE NOT
21 DISQUALIFYING ANYONE IF THEY PROPOSE A SMALL NUMBER OF
22 DAYS. IT WOULD JUST GET LESS PREFERENCE.

23 DR. MURPHY: BOB, RICH MURPHY AGAIN. WHAT IS
24 THE FINAL DECISION?

25 CHAIRMAN KLEIN: THIS WILL BE MOVED TO THE

22

2 CONSIDER -- THAT THEY PROVIDE AT LEAST SIX TOTAL DAYS
3 FOR 150 PERSONS PER YEAR; BUT IF THEY PROPOSED LESS
4 THAN THE SIX DAYS OR FOR LESS THAN 150 PERSONS, THEY
5 WOULD NOT BE DISQUALIFIED SINCE IT'S A PREFERENCE
6 CATEGORY. THEY WOULD JUST GET LESS CONSIDERATION.

7 DR. PRECIADO: BOB, PHYLLIS PRECIADO. I'M
8 NOT SURE I UNDERSTAND WHY WE NEED TO BE SO VERY
9 SPECIFIC. I THINK MOVING IT TO THE PREFERENCE SIDE AND
10 STATING THAT THE CONFERENCE FACILITY MUST BE ABLE TO
11 ACCOMMODATE UP TO OR GREATER THAN 150 PERSONS IS
12 ENOUGH. I DON'T -- I'M FEARFUL THAT PEOPLE WHO ARE
13 GOING TO BE LOOKING AT THESE RFP'S, THEIR OWN
14 CREATIVITY ABOUT WHAT THEY HAVE TO OFFER MIGHT BE
15 DIMINISHED.

16 CHAIRMAN KLEIN: OKAY. SO WHAT WE COULD DO
17 IS STATE IT TO ACCOMMODATE AT LEAST 150 PERSONS, AND

18 PEOPLE WILL BE GIVEN MORE PREFERENCE FOR MORE ACCESS.
19 SO WE WILL TAKE THE NUMBER OF DAYS OUT, BUT JUST
20 INDICATE THAT THIS IS ESSENTIALLY A SLIDING SCALE.

21 DR. MURPHY: RICH MURPHY AGAIN. PERHAPS I'M
22 MISUNDERSTANDING. BUT IF YOU NEED 150 PEOPLE SIX DAYS
23 DURING THE YEAR, WHAT HAPPENS TO THAT CONFERENCE
24 CAPABILITY THE REST OF THE YEAR?

25 CHAIRMAN KLEIN: WELL, FOR EXAMPLE, SAN DIEGO

23

2 SO THEY WOULD ASK YOU DURING THE YEAR WHAT DATES YOU
3 WANT TO BOOK FOR THE YEAR, AND THE REST OF THE YEAR IT
4 WILL BE BOOKED FOR SOMEBODY ELSE JUST AS IT NORMALLY
5 WOULD IN THE NORMAL COURSE OF BUSINESS.

6 DR. REED: JOHN REED HERE IN SAN DIEGO. THE
7 OTHER THING TOO I WANTED TO HAVE SOME CLARIFICATION
8 AROUND IS WHAT IS MEANT BY THE TERM "CONFERENCE
9 FACILITY." CERTAINLY MANY REGIONS THAT MIGHT BE
10 CANDIDATES FOR THIS SITE HAVE THE ABILITY TO HOST
11 CONFERENCES WITHIN THE UNIVERSITIES AND RESEARCH
12 INSTITUTES THAT ARE WITHIN A 45-MINUTE DRIVE OF WHERE
13 THE BUILDING MIGHT BE LOCATED, AND THOSE CONFERENCE
14 FACILITIES ON THE CAMPUSES OF UNIVERSITIES, RESEARCH
15 INSTITUTES CAN OFTEN BE MADE AVAILABLE TO ACCOMMODATE
16 THE NUMBER OF PEOPLE YOU'RE TALKING ABOUT AND THE
17 NUMBER OF -- THE AMOUNT OF TIME, NUMBER OF DAYS PER
18 YEAR YOU'RE TALKING ABOUT.

19 I JUST WANT A CLARIFICATION THAT WOULD SUCH

20 CONFERENCE FACILITIES ALSO QUALIFY FOR THIS RFP?

21 CHAIRMAN KLEIN: CERTAINLY. AND THE
22 MATERIALS SHOULD INDICATE THAT YOU NEED TO SPECIFY WHAT
23 THE FACILITIES ARE. SO WHETHER THEY'RE AT A RESEARCH
24 INSTITUTION OR A UNIVERSITY OR AT A MUNICIPALLY OWNED
25 CONFERENCE FACILITY, JUST NEED TO SPECIFY WHAT THEY

24

2 THEY WILL ACCOMMODATE, WHAT SERVICES THEY HAVE THERE.

3 THERE'S NO INTENTION TO CONSTRAIN
4 FLEXIBILITY, JUST THEY NEED TO BE SPECIFIC.

5 DR. MURPHY: BUT IT'S CLEAR THAT THIS DOES
6 NOT HAVE TO BE PART OF THE HEADQUARTERS BUILDING
7 ITSELF?

8 CHAIRMAN KLEIN: NO. NO, DEFINITELY NOT.

9 DR. MURPHY: OKAY. IF I COULD ASK ANOTHER
10 QUESTION. THIS STATEMENT ABOUT THE MAJORITY OF THESE
11 PROFESSIONALS, WE'RE TALKING ABOUT THE 25,000
12 PROFESSIONALS IN THE BIOMEDICAL RESEARCH, THE MAJORITY
13 MUST NOT BE ENGAGED IN RESEARCH INVOLVING OR PRODUCTION
14 OF MEDICAL DEVICES. THIS SEEMS A LITTLE BIT ARBITRARY
15 FOR ME. I THINK WE MIGHT BE GETTING OURSELVES INTO
16 SOME DIFFICULTY BY TRYING TO PREDICT THE FUTURE AND
17 WHAT KIND OF SCIENCES ARE GOING TO BE RELEVANT TO THE
18 OBJECTIVES OF CIRM. I WONDER IF THAT STATEMENT IS
19 REALLY NECESSARY AT ALL?

20 CHAIRMAN KLEIN: AS TO WHETHER THE MAJORITY
21 ARE INVOLVED WITH MEDICAL DEVICES?

22 DR. MURPHY: I'M NOT EVEN SURE ABOUT THE
23 25,000 PROFESSIONALS IN THE FIELD OF BIOMEDICAL
24 RESEARCH.

25 CHAIRMAN KLEIN: I PERSONALLY WOULD HAVE A

25

2 TO SPENCER STUART AND OTHER RECRUITING FIRMS, THE DEPTH
3 OF THE BIOMEDICAL TALENT MARKET IS EXTREMELY IMPORTANT
4 TO THE QUALITY OF THE PEOPLE AND THE CHOICES THAT WE
5 HAVE IN GETTING THE BEST AND BRIGHTEST TALENT FOR THIS
6 INSTITUTE, INCLUDING THE PRESIDENT OF THE INSTITUTE.
7 BUT AS TO -- YOU KNOW, I DON'T HAVE ANY PARTICULAR
8 OPINION, AND I'D LIKE TO HEAR OTHER PEOPLE'S OPINIONS
9 ON BOTH POINTS OBVIOUSLY AS TO THE ISSUE OF THE SIZE OF
10 THE BIOMEDICAL RESEARCH JOB MARKET AND THE REFERENCE TO
11 BIOMEDICAL DEVICES.

12 DR. PENHOET: ED PENHOET. I ACTUALLY THINK
13 THAT SOME OF THE FIRST APPLICATIONS FOR STEM CELLS MAY
14 BE IN DEVICES, AT LEAST CATEGORIZED BY THE FDA. THAT
15 WHOLE CATEGORY COULD EVENTUALLY BE IN THE DEVICE
16 SECTION OF THE FDA, SO I DON'T THINK THERE'S A
17 SCIENTIFIC RATIONALE ACTUALLY FOR EXCLUDING DEVICE
18 MANUFACTURERS IN THAT SENSE.

19 CHAIRMAN KLEIN: WOULD YOU LIKE TO COMMENT ON
20 THE OTHER POINT?

21 DR. PENHOET: BUT I DO THINK IT'S VERY
22 IMPORTANT THAT THE HEADQUARTERS BE NEAR A VIGOROUS
23 COMMUNITY OF BIOMEDICAL SCIENCE GENERALLY, DEVICES OR

24 OTHERWISE. I'M TOTALLY IN AGREEMENT.

25 CHAIRMAN KLEIN: OKAY. OTHER COMMENTS FROM

26

2 DR. POMEROY: THIS IS CLAIRE POMEROY. I
3 REALLY LIKE ED'S PHRASE. I WOULD BE MORE COMFORTABLE
4 NOT SPECIFYING ANY CERTAIN AMOUNT, BUT SAYING THAT
5 PREFERENCE WOULD BE GIVEN TO PLACES THAT WERE NEAR
6 STRONG BIOMEDICAL EMPLOYMENT OPPORTUNITIES. AND THEN
7 LET PEOPLE DESCRIBE WHAT THEY HAVE.

8 CHAIRMAN KLEIN: YEAH. ED, YOU WANT TO
9 CLARIFY WHAT YOU SAID?

10 DR. PENHOET: I THINK IT'S USEFUL TO AT LEAST
11 DESCRIBE A MINIMUM LEVEL. I THINK AN ANALYSIS BY
12 COUNTY-BY-COUNTY BASIS ON TOP OF THE EMPLOYMENT
13 NUMBERS. SO THE TOTAL IN THE STATE IS ABOUT, TO
14 INCLUDE DEVICES, I THINK THERE ARE 250,000 PEOPLE NOW
15 EMPLOYED IN THIS SECTOR.

16 DR. PRECIADO: PHYLLIS PRECIADO HERE. I
17 REALLY BELIEVE THAT WHEN WE START PUTTING IN THE
18 DETAILS THAT WE'RE PUTTING IN, IT APPEARS, AND I'M
19 GOING TO SAY THAT I KNOW FRESNO IS NOT IN THE RUNNING,
20 BUT IT APPEARS AS THOUGH WE'RE BEING EXCLUDED. NOW, I
21 KNOW WE'RE NOT IN THE RUNNING, BUT PLEASE DON'T PUT IT
22 IN OUR FACE.

23 CHAIRMAN KLEIN: OKAY. THIS IS VERY
24 SPECIFICALLY STATED AS A PREFERENCE. LET ME DO THIS,
25 IF I CAN. I UNDERSTAND YOUR POINT, PHYLLIS. MAYBE IN

2 ABOUT THE FACT THAT A GREATER DEPTH IN THE BIOMEDICAL
3 JOB MARKET WILL BE GIVEN STRONG PREFERENCE WITHOUT
4 USING A NUMERICAL NUMBER.

5 DR. POMEROY: THAT SOUNDS REALLY GOOD TO ME.

6 DR. FRIEDMAN: MIKE FRIEDMAN. I'M
7 COMFORTABLE WITH THAT DECISION AS WELL. BUT COULD WE,
8 RATHER THAN LEAVING IT TO EACH APPLICANT TO GUESS WHAT
9 SORTS OF QUANTITATIVE INFORMATION MIGHT BE REASONABLE,
10 TO SAY UNDER PREFERENCES THAT HAVING A VIGOROUS
11 COMMUNITY, AS ED JUST MENTIONED, IS A PREFERENCE?
12 PLEASE ESTIMATE FOR US THE NUMBER OF SUCH PEOPLE SO AT
13 LEAST THE REVIEW COMMITTEE WILL THEN HAVE THE
14 OPPORTUNITY TO QUANTIFY THAT. JUST AS YOU SAY WITH THE
15 CONFERENCE FACILITY, WE SAY THAT YOU SHOULD HAVE
16 SOMETHING LIKE THIS, AND THE MORE AND THE FREER, THE
17 BETTER. PLEASE QUANTIFY FOR US WHAT THE SEATING
18 CAPACITY WOULD BE AND WHAT THE AVAILABILITY WOULD BE.
19 IN OTHER WORDS, NOT LIMIT IT. I AGREE WITH WHAT OTHER
20 MEMBERS ARE SAYING, I SUPPORT THAT, BUT JUST ASK FOR
21 SPECIFICS SO THAT THE REVIEW COMMITTEES WILL HAVE THE
22 BEST INFORMATION TO MAKE VERY CLEAR DECISIONS.

23 CHAIRMAN KLEIN: OKAY. I THINK THAT THAT'S A
24 VERY GOOD POINT. BUT SPECIFICALLY WE SHOULD PROBABLY
25 STATE -- ASK THEM TO QUANTIFY IT AND AS WELL TO TELL US

2 RECOGNIZING ED PENHOET'S POSITION, AT THE EXTREME WE
3 WOULDN'T WANT ALL THE JOBS TO BE IN BIOMEDICAL DEVICES.

4 DR. PENHOET: ABSOLUTELY.

5 DR. POMEROY: THIS IS CLAIRE POMEROY. YOU
6 KNOW, I GUESS I'M A LITTLE CONFUSED HERE. THIS IS AN
7 ADMINISTRATIVE FACILITY. AND SO THE PEOPLE WORKING
8 HERE -- I THINK SOMEONE DOING ADMINISTRATIVE PLANNING
9 AT A MEDICAL DEVICE COMPANY VERSUS OTHER KIND OF
10 RESEARCH FACILITY VERSUS A UNIVERSITY VERSUS, YOU KNOW,
11 A WHOLE LOT OF OTHER THINGS, WE'RE NOT HIRING THE
12 TECHNICIANS.

13 CHAIRMAN KLEIN: HOPEFULLY WE'RE HIRING SOME
14 BRILLIANT PEOPLE IN SCIENCE TO WORK WITH THE STANDARDS
15 COMMITTEE, TO WORK WITH THE GRANTS COMMITTEE, TO WORK
16 WITH THE FACILITIES COMMITTEE, TO WORK ON THE CHIEF
17 SCIENCE OFFICER, TO WORK WITH THE PRESIDENT. I MEAN
18 WE'RE -- AND THE STAFFS ON THE GRANTS COMMITTEE. WE'RE
19 LOOKING FOR SOME BRILLIANT PEOPLE THAT CAN HELP US SORT
20 OUT AND INTERFACE WITH SOME OF THE BRIGHTEST SCIENTISTS
21 AND PHYSICIAN SCIENTISTS IN THE COUNTRY ON THE BEST
22 PROPOSALS AND GRANTS.

23 ED, IS THAT AN APPROPRIATE STATEMENT?

24 DR. PENHOET: YEAH. I TAKE YOUR POINT,
25 CLAIRE. I DO THINK THAT PEOPLE WHO WE WANT TO ATTRACT

2 COMMUNITY.

3 DR. POMEROY: I AGREE.

4 DR. PENHOET: THAT'S THE KIND OF WORK THEY'RE
5 DOING PRECISELY. AND THE REASON WHY THE COMMUNITIES
6 HAVE BUILT UP AS THEY HAVE, INCLUDING SILICON VALLEY,
7 IN THE TECHNOLOGY AREA IS THIS CRITICAL MASS OF
8 LIKE-MINDED PEOPLE WHO, YOU KNOW, WANT TO SPEND THEIR
9 TIME WITH EACH OTHER, CARRYING OUT VARIOUS DIFFERENT
10 ASPECTS OF THEIR LIVES. THEY'RE NOT ALL JUST RELATED
11 TO THEIR PRECISE WORKDAY. AND IT'S AN INTANGIBLE.
12 THERE'S LOTS OF EVIDENCE THAT IT'S A VERY IMPORTANT
13 INTANGIBLE.

14 DR. POMEROY: BUT CERTAINLY YOU CAN BE
15 BRILLIANT IN SCIENCE AND WORK FOR A MEDICAL DEVICE
16 COMPANY.

17 DR. PENHOET: THAT'S TRUE.

18 CHAIRMAN KLEIN: BETWEEN YOU AND ED, YOU WON
19 THAT POINT. I DO UNDERSTAND THE POINT ON MEDICAL
20 DEVICES; AND AS I SAID, I'M NOT PARTICULARLY ATTACHED
21 TO THE POINT, BUT IT IS IMPORTANT AT LEAST THAT, IF
22 WE'RE GOING TO QUANTIFY BIOMEDICAL RESEARCH WORKERS, ON
23 A GROSS SCALE HAVE AT LEAST THAT DETAIL OF WHAT PORTION
24 OF THOSE JOBS RELATE TO THAT SUBFIELD.

25 DR. PENHOET: I MEAN YOU COULD -- YOU DON'T

2 APPLICANT TO DESCRIBE BOTH NUMERICALLY AND
3 QUALITATIVELY THE BIOMEDICAL WORKFORCE IN THE COMMUNITY

4 THEY REPRESENT.

5 CHAIRMAN KLEIN: I THINK THAT'S VERY HELPFUL.
6 TO THE EXTENT OF AVAILABLE INFORMATION, THEY SHOULD
7 CITE THEIR SOURCES OF INFORMATION AND DESCRIBE THE
8 COMPOSITION OF THE WORKFORCE IN THE BIOMEDICAL RESEARCH
9 FIELD AND QUANTIFY IT.

10 SO, CLAIRE --

11 DR. PRECIADO: PHYLLIS PRECIADO. IS IT
12 POSSIBLE TO SPLIT THAT BULLET INTO TWO BULLETS?

13 CHAIRMAN KLEIN: AND WHAT WOULD THE TWO
14 POINTS BE?

15 DR. PRECIADO: WHAT ARE WE GOING TO DO WITH
16 THE MAJORITY OF THESE PROFESSIONALS MUST NOT BE
17 ENGAGED? ARE THEY GONE?

18 DR. PENHOET: YES, IT IS.

19 DR. PRECIADO: NEVER MIND.

20 CHAIRMAN KLEIN: OKAY. LET ME STOP AT THIS
21 POINT. WE HAVEN'T TAKEN ANY ACTION, BUT WE'VE COVERED
22 A NUMBER OF INFORMATIVE ITEMS, AND I'D LIKE TO SEE IF
23 THERE ARE PUBLIC COMMENTS ON THE ITEMS THAT WE HAVE
24 COVERED. WE'RE GOING TO START HERE IN SAN FRANCISCO,
25 THEN WE'RE GOING TO GO TO SACRAMENTO, FOLLOWING THAT TO

31

2 MR. REED: DON REED. I HAVE SOME EXPERIENCE
3 IN THESE MATTERS. THE ROMAN REED SPINAL CORD INJURY
4 RESEARCH ACT, WHICH I WAS A SPONSOR OF, NAMED AFTER MY
5 SON, HAS FUNDED SPINAL CORD INJURY RESEARCH, INCLUDING

6 STEM CELL RESEARCH. IF YOU READ YESTERDAY'S NEW YORK
7 TIMES, OUR SCIENTIST, DR. HANS KIERSTEAD WAS THERE, AND
8 I HELD IN MY HAND THE RATS THAT WALKED AGAIN ON THE
9 BASIS OF THAT RESEARCH.

10 NOW, I WOULD STRONGLY URGE THAT YOU HAVE A
11 REQUIREMENT, THAT YOU HAVE AT MINIMUM 150 PEOPLE
12 AVAILABILITY TO TAKE CARE OF THEM. THIS IS GOING TO BE
13 A SHINING THING ON THE HILL. IT'S GOING TO BE
14 BEAUTIFUL, AND THE WORLD IS GOING TO WANT TO COME AND
15 SEE IT. PUBLIC RELATIONS IS GOING TO BE HUGE.

16 MARCH 9TH, MY LITTLE BILL, SMALL THING, I'M
17 GOING DOWN AND THE PATIENTS AND THE SCIENTISTS ARE
18 GOING TO INTERACT. THE PRESS IS THERE. IT'S VERY
19 IMPORTANT THAT THERE BE A PLACE AND A WAY FOR THE
20 PUBLIC TO GET INVOLVED WITH THIS.

21 SECONDLY, IF POSSIBLE, I WOULD VOTE FOR A
22 LONG-TERM, THE 15-YEAR LEASE BECAUSE IF YOU HAVE ANY
23 SCIENCE DONE ON THE PREMISES, THE SCIENTISTS ARE GOING
24 TO WANT AS MUCH STABILITY AS POSSIBLE. AND A LONG-TERM
25 LEASE GIVES THEM A PLACE THEY KNOW THEY'RE GOING TO

32

2 BACK FOR IT LATER. THANK YOU.

3 CHAIRMAN KLEIN: JUST AS A POINT OF
4 INFORMATION, THERE WILL NOT BE ANY SCIENCE DONE ON
5 THESE PREMISES. THERE'S A LOT -- A TREMENDOUS AMOUNT
6 OF SCIENTIFIC EVALUATION DONE AND DISCUSSION OF
7 PROPOSALS, BUT THERE WILL NOT BE SCIENTIFIC RESEARCH.

8 MS. ANDERSON: MY NAME IS DEB ANDERSON, AND
9 I'M SIGNING IN. I'M WITH DALY CITY AND WE MANAGE THE
10 PACIFIC PLAZA BUILDING. AND MY QUESTION, ON YOUR HOTEL
11 REQUIREMENT, YOU SAID 25 PEOPLE. IS IT PER -- HOW
12 OFTEN WOULD THAT OCCUR?

13 CHAIRMAN KLEIN: WELL, THE INTENT IS TO LEAVE
14 THAT AVAILABLE TO THE PROPONENT, SO THAT THE PROPONENTS
15 PROPOSE WHAT THEY CAN DO. DID WE PUT GUIDANCE IN THERE
16 ON THAT POINT? I DON'T REMEMBER. IT'S JUST WHATEVER
17 YOU PROPOSE SO THAT -- IT'S A WAY OF DRAWING TO YOUR
18 ATTENTION THAT WE'RE TRYING TO CONTROL AND MINIMIZE OUR
19 HOTEL COST TO BRING SCIENTISTS AND OTHERS FOR WORKING
20 GROUP SESSIONS TO THIS SITE.

21 MS. ANDERSON: SO BLOCKING OUT 25 ROOMS OVER
22 THE COURSE OF THE YEAR POTENTIALLY.

23 CHAIRMAN KLEIN: WELL, HOPEFULLY SEVERAL
24 TIMES A YEAR OR MORE. WE THINK THERE ARE SOME
25 JURISDICTIONS THAT MIGHT MAKE MUCH STRONGER PROPOSALS

33

2 MS. ANDERSON: AND MY OTHER QUESTION IS YOU
3 WANT LOW COST OR NO COST. WE'RE OWNED BY DEUTSCHE
4 BANK, WHICH THEY'RE KIND IN THE BUSINESS TO MAKE MONEY.
5 IS THERE ANY PROPOSAL AT ALL FOR ANY KIND OF TAX
6 INCENTIVES THROUGH THE STATE IN DOING THIS PROPOSAL?

7 CHAIRMAN KLEIN: THERE ARE NO PROPOSALS FOR
8 TAX INCENTIVES IN BETWEEN LOW COST AND NO COST. THIS
9 IS THE LAND OF THE FREE. WE DO WANT NO COST.

10 MS. ANDERSON: THANK YOU VERY MUCH.

11 CHAIRMAN KLEIN: THANK YOU. ADDITIONAL
12 COMMENTS?

13 MR. SHOPPENHAUER: MIKE SHOPPENHAUER. TWO
14 QUESTIONS TO MAYBE CLARIFY. WHEN YOU'RE TALKING ABOUT
15 25,000 PROFESSIONALS, YOU MAY WANT TO CONSIDER
16 CLARIFYING WHAT LEVEL OF PROFESSIONALS, IF YOU REQUIRE
17 CERTAIN DEGREE LEVEL. ALSO ACCORDING TO WHICH SPACES.
18 WHEN YOU'RE LOOKING AT, FOR INSTANCE, THE RECENT
19 STATISTICS ON VARIOUS BIOTECH JOBS, THERE ARE IN THE
20 BAY AREA WHERE THERE ARE IN CALIFORNIA THOSE NUMBERS
21 DEPENDING ON WHERE THEY'RE COMING FROM CAN VARY BY A
22 FACTOR OF TWO. YOU MENTIONED SOMETHING AROUND 200,000.
23 THE ERNST & YOUNG STATISTIC IS MORE TALKING ABOUT A
24 HUNDRED THOUSAND.

25 SO THE QUESTION REALLY IS WHAT NUMBER BASIS

34

2 YOU MIGHT, I WOULD SUGGEST, WANT TO PROBABLY TRY TO
3 FIND SOME COMMON.

4 DR. PENHOET: PERHAPS I CAN CLARIFY THE
5 DIFFERENCE. THERE ARE PROBABLY A HUNDRED THOUSAND IN
6 THE INDUSTRY, BUT FOR THESE PURPOSES, WE WOULD COUNT
7 PEOPLE WORKING IN UNIVERSITIES, RESEARCH INSTITUTIONS,
8 ETC. SO IT WOULD BE THE TOTAL BIOMEDICAL WORKFORCE,
9 NOT NECESSARILY THE INDUSTRY, BIOMEDICAL WORKFORCE. I
10 THINK THE 100,000 FROM ERNST & YOUNG ARE THOSE EMPLOYED
11 IN THE INDUSTRY.

12 MR. SHOPPENHAUER: SECOND QUESTION,
13 SIMILARLY, MAYBE A CLARIFICATION ON WHEN YOU'RE TALKING
14 ABOUT FOUR OR MORE LEADING UNIVERSITIES, RESEARCH
15 HOSPITALS, AND/OR PRIVATE RESEARCH INSTITUTIONS, IF WE
16 JUST TAKE AND PLAY DEVIL'S ADVOCATE, THE EXAMPLE OF
17 STANFORD. ON THIS CAMPUS WE HAVE UNIVERSITY HOSPITAL,
18 WE HAVE THE CHILDREN'S HOSPITAL, WE HAVE THE UNIVERSITY
19 ITSELF. DOES THAT COUNT AS ONE FACILITY? DOES THAT
20 COUNT AS THREE? I JUST WANTED TO POINT THIS OUT AS
21 SOMETHING THAT UCSF MOUNT PARNASSUS AND THE OTHER
22 CAMPUSES COUNT AS ONE? DOES IT COUNT AS FOUR?

23 CHAIRMAN KLEIN: I WOULD SUGGEST YOU AND I
24 OPEN THIS TO OTHER BOARD COMMENTS AS TO ANY OF THE
25 PUBLIC SPEAKERS. ANY OTHER BOARD MEMBER SHOULD BE FREE

35

2 FACILITY OF A PARTICULAR UNIVERSITY WOULD BE PART OF
3 THAT UNIVERSITY. IF THERE ARE UNIVERSITIES WHICH HAVE
4 AFFILIATED INSTITUTIONS OR AFFILIATED RELATIONSHIPS,
5 THERE ARE, FOR EXAMPLE, CONSORTIA RELATIONSHIPS BETWEEN
6 BURNHAM, SALK, AND UC SAN DIEGO. THOSE ARE SEPARATE
7 INSTITUTIONS. BUT IN EACH APPLICATION, THEY NEED TO
8 MAKE -- SPECIFY WHAT THE RELATIONSHIPS ARE BETWEEN THE
9 UNIVERSITIES AND THE INSTITUTIONS OR WHAT THE
10 INSTITUTIONS ARE THAT THEY'RE NAMING IN ORDER TO GET
11 THIS PREFERENCE. AND THEN THE COMMITTEE AND DGS ARE
12 GOING TO HAVE TO MAKE A DECISION.

13 THIS IS A SITUATION WHERE, UNLIKE MATH, WE

14 DON'T HAVE ANY ABSOLUTE ANSWERS. WE'RE GOING TO HAVE
15 TO USE REASONABLE JUDGMENT. AND OVER A LARGE NUMBER OF
16 CRITERIA, JUST HAVE TO AVERAGE OUT OUR JUDGMENT.

17 DR. MURPHY: RICH MURPHY IN SAN DIEGO. I
18 WONDER IF THAT WHOLE BOARD IS NECESSARY GIVEN THE FACT
19 THAT WE'VE DECIDED THAT THERE SHOULD BE A CRITICAL MASS
20 OF PROFESSIONALS, AS INDICATED ABOVE THAT. WHY DO WE
21 HAVE TO SAY FOUR OR MORE LEADING UNIVERSITIES,
22 HOSPITALS, RESEARCH INSTITUTIONS? ONE COULD INTERPRET
23 THAT AS DESIGNING THE SPECIFICATIONS TO FIT THE
24 STRENGTH OF ONE APPLICANT OVER ANOTHER. I DON'T REALLY
25 FEEL THAT THAT'S A NECESSARY REQUIREMENT OR PREFERENCE

36

2 EARLIER.

3 CHAIRMAN KLEIN: MY PERSONAL OPINION HERE IS
4 THAT WE HAVE TO PROVIDE SOME GUIDANCE. WE DON'T WANT
5 TO CREATE A SITUATION WHERE WE HAVE APPLICATIONS COMING
6 FROM AREAS WHERE THERE'S NOT ENOUGH OBJECTIVE CRITERIA
7 WHERE THEY SELF-CHARACTERIZE IN THEIR OWN MIND THAT
8 THEY HAVE ENERGETIC BIOMEDICAL RESEARCH MASS AND
9 THEY'RE NOT EVEN CLOSE TO WHAT THE COMMITTEE WOULD
10 DECIDE. IF THE COMMITTEE DOESN'T WANT TO PROVIDE
11 GUIDANCE, THAT'S UP TO THE COMMITTEE. THE PROBLEM IS
12 THAT THERE'S A LOT OF PERCEPTUAL DIFFERENCES BETWEEN
13 COMMUNITIES. IF WE DON'T PROVIDE ANY OBJECTIVE
14 GUIDANCE, WE ARE GOING TO HAVE A VERY DIFFICULT TIME
15 POTENTIALLY.

16 DR. MURPHY: I THINK YOU CAN DO THAT BY
17 APPENDING THE SPIRIT OF THAT REQUIREMENT TO THE UPPER
18 STATEMENT WHERE YOU ARE ASKING FOR A CRITICAL MASS OF
19 PROFESSIONALS. THOSE PROFESSIONALS AND LANGUAGE MIGHT
20 BE SOMETHING LIKE THOSE PROFESSIONALS COULD BE
21 ASSOCIATED WITH UNIVERSITIES, RESEARCH HOSPITALS,
22 RESEARCH INSTITUTIONS, ETC. SO YOU ARE PROVIDING
23 GUIDANCE WITHOUT A REQUIREMENT THAT COULD BE CONSIDERED
24 SO RESTRICTIVE THAT IT COULD BE EXCLUSIONARY.

25 CHAIRMAN KLEIN: WELL, IS IT THE ISSUE THAT

37

2 THREE OR MORE, SO WE MAKE IT BROADER?

3 DR. MURPHY: I'M UNCOMFORTABLE WITH ANY LEVEL
4 OF THAT LANGUAGE.

5 DR. POMEROY: I THINK I HAVE TO WEIGH IN ON
6 THE SUGGESTION THAT WHAT WE'RE REALLY TRYING TO GET IS
7 SORT OF THE THRIVING, YOU KNOW, BIOMEDICAL RESEARCH
8 COMMUNITY. AND I THINK THAT WE SHOULD GIVE EXAMPLES OF
9 THINGS THAT PEOPLE MIGHT LIST TO PROVE THAT THEY HAVE
10 THAT; I.E., THE NUMBER OF BIOMEDICAL RESEARCHERS, THE
11 NUMBER OF INSTITUTIONS INVOLVED IN RESEARCH; BUT THINGS
12 LIKE 45 MINUTES OF TRAVEL, IT'S SO ARBITRARY, THAT I
13 THINK IT OPENS US UP TO CRITIQUE.

14 CHAIRMAN KLEIN: WELL, YOU KNOW, CLAIRE, ON
15 THE ONE HAND, I WAS GOING IN YOUR DIRECTION. LET ME
16 SEPARATE THESE COMMENTS OUT. WE THEORETICALLY CAN SAY
17 THAT UNDER PREFERENCE WE CONSIDER PREFERENCES --

18 EFFECTIVELY WHAT WE'RE DOING BY PUTTING IT UNDER
19 PREFERENCE IS SAYING THAT WE CAN GIVE PREFERENCES FOR
20 EVIDENCE OF THE CONCENTRATION OF RESEARCH CAPACITY LIKE
21 THREE OR FOUR DIFFERENT INSTITUTIONS.

22 BUT IN TERMS OF THE TIME LIMITS TO GET TO THE
23 FACILITIES OF VALUE, I CAN TELL YOU THAT THERE'S
24 EXTRAORDINARY TRANSACTION COST IN LONG COMMUTE TIMES,
25 AND THEY EAT UP VAST AMOUNTS OF A SMALL STAFF'S TIME.

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2 RESEARCHERS, WHOSE TIME IS AT A PREMIUM AS WELL, MOVING
3 THEM BETWEEN FACILITIES, CONFERENCE FACILITIES AND
4 HOTELS AND BUILDING SITE, AND EATING UP LARGE AMOUNTS
5 OF TIME IN THAT TRANSACTION IS EXTRAORDINARILY
6 DIFFICULT TO DO WHILE ACCOMPLISHING YOUR GOAL.

7 SO I THINK THAT THOSE TIME LIMITS ARE, IN
8 FACT, GENEROUS. I WOULD BE EXTRAORDINARILY
9 DISAPPOINTED IF PROPOSALS DID NOT, IN FACT, HAVE
10 SHORTER TIME FRAMES ON A NUMBER OF THESE CRITERIA.

11 DR. FRIEDMAN: BOB, IT'S MIKE FRIEDMAN
12 WEIGHING IN ON THAT. I FEEL VERY STRONGLY THAT WE CAN
13 DISCUSS A LOT OF OTHER THINGS, BUT KEEPING THIS TO 45
14 MINUTES OR LESS IS VERY IMPORTANT. AND I ABSOLUTELY
15 SUPPORT THAT. AND ONE OF THE PROBLEMS WE'RE GETTING
16 INTO IS THIS A MULTIVARIANT ANALYSIS THAT'S ULTIMATELY
17 GOING TO BE DONE, AND WE'RE APPLYING SORT OF UNIVARIANT
18 VIEWS OF THIS. IN LOOKING AT EACH ONE OF THESE ITEMS,
19 THESE ARE PREFERENCES. THEY'RE ON SLIDING SCALES.

20 IT'S NOT AN ALL OR NONE FOR MOST OF THESE. IT WILL BE
21 A REAL CHALLENGE AT THE END TO INTEGRATE ALL OF THESE
22 THINGS; BUT WHILE I'M MORE THAN HAPPY -- I DON'T FEEL
23 STRONGLY ABOUT FOUR INSTITUTIONS VERSUS THREE
24 INSTITUTIONS VERSUS SIX INSTITUTIONS. WE CAN BE VERY
25 FLEXIBLE AND JUST TELL THE APPLICANT TO BE QUANTITATIVE

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2 BUT WITH RESPECT TO THE TRAVEL TIMES, BEING
3 NEW TO LOS ANGELES AND STILL SUFFERING FROM THE SHOCK
4 OF THE FREEWAYS, I REALLY SUPPORT WHAT YOU'RE SAYING.

5 CHAIRMAN KLEIN: OKAY.

6 DR. POMEROY: IN L.A., 45 MINUTES, IT COULD
7 BE SIX BLOCKS AWAY.

8 DR. FRIEDMAN: AND THAT'S EXACTLY THE POINT.

9 CHAIRMAN KLEIN: LET US GO, IF WE CAN, TO
10 PUBLIC COMMENTS IN SACRAMENTO.

11 DR. POMEROY: YES, WE DO HAVE SOMEONE WHO
12 WISHES TO SPEAK.

13 MR. ZEIDNER: THIS IS TOM ZEIDNER WITH THE
14 CITY OF SACRAMENTO ECONOMIC DEVELOPMENT DEPARTMENT.
15 LOOKING THIS MORNING AT THE PREFERENCES, THE FIRST
16 PREFERENCE REFERENCED 25,000 PROFESSIONALS. THIS HAS
17 BEEN DISCUSSED QUITE A BIT TODAY AT THE DIRECTOR LEVEL,
18 BUT I LIKewise HAD SOME QUESTIONS IN MY OWN MIND AS TO
19 HOW THE 25,000 NUMBER WAS ARRIVED AT. AND IT DID SEEM
20 SOMEWHAT ARBITRARY TO ME AS WELL. I DO KNOW THAT'S
21 BEEN DISCUSSED QUITE A BIT AT THE DIRECTOR LEVEL.

22 THANK YOU.

23 CHAIRMAN KLEIN: OKAY. ADDITIONAL COMMENTS
24 FROM SACRAMENTO?

25 DR. POMEROY: YES, ONE MORE.

40

2 THE SACRAMENTO AREA COMMERCE AND TRADE ORGANIZATION.
3 AND I'D LIKE TO JUST REINFORCE SOME OF THOSE COMMENTS
4 MADE ABOUT SOME OF THE SPECIFIC NUMBERS IN THE
5 PREFERENCE AREA OF THE RFP. BASICALLY I WOULD JUST --
6 I SEE MANY RFP'S THROUGH THE COURSE OF A DAY, IF NOT A
7 WEEK, AND WHAT WE SEE MANY TIMES FROM COMPANIES AND
8 INSTITUTIONS LOOKING AT THE SACRAMENTO REGION IS
9 DEFINITE PREFERENCES. THEY LOOK FOR CERTAIN QUALITY IN
10 THE AREA THAT THEY ARE LOOKING TO TARGET, WHETHER IT'S
11 RESEARCH INSTITUTIONS, ACADEMIC INSTITUTIONS,
12 TRANSPORTATION. AND THEN THEY USUALLY WEIGHT THE
13 IMPORTANCE OF EACH AND LAY OUT THE WEIGHTS OF THOSE
14 AREAS AND LET THE GEOGRAPHIC REGIONS THAT ARE PROPOSING
15 BE CREATIVE AND EXPRESS THEIR BENEFITS IN EACH ONE OF
16 THOSE CATEGORIES IN THEIR OWN SPECIFIC WAY.

17 IN THAT WAY EACH AREA DOES HAVE THE
18 OPPORTUNITY TO BE CREATIVE AND TO TALK ABOUT
19 TRANSPORTATION AND THEIR RESEARCH INSTITUTIONS AND THE
20 NUMBER OF EMPLOYEES THEY HAVE, AND THE AREAS THAT
21 THEY'RE LOOKING AT DON'T FEEL AS THOUGH THE RFP HAS
22 SOME PRECONCEIVED NOTIONS WHEN IT'S INTRODUCED TO THE
23 AREA. SO THAT'S ALL THE COMMENTS I HAVE TO SAY, AND I

24 WOULD JUST KEEP IT AS GENERAL AS POSSIBLE TO GET THE
25 BEST POSSIBLE PROPOSALS.

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2 PUBLIC COMMENT WE HAVE. BUT WE HAVE A BOARD MEMBER
3 COMMENT. I GUESS SHE'S A MEMBER OF THE PUBLIC.

4 DR. PRECIADO: BOB, PHYLLIS PRECIADO. SO I
5 JUST HAVE A QUESTION ABOUT THE LAST BULLET FOR
6 PREFERENCES. THE PROPOSED FACILITY SITUATED WITHIN
7 LESS THAN TWO HOURS BY RELIABLE TRANSPORTATION OF
8 SACRAMENTO. WHAT DOES THAT MEAN?

9 CHAIRMAN KLEIN: WELL, THE KEY HERE IS THAT
10 THERE IS SUBSTANTIAL INTERFACE WITH THE LEGISLATURE AND
11 WITH THE EXECUTIVE BRANCH, INCLUDING THE STATE
12 DEPARTMENT OF HEALTH, BUT THE EXECUTIVE -- AT THE
13 EXECUTIVE BRANCH LEVEL FOR FINANCING, THERE'S A HIGH
14 LEVEL OF INTERFACE, WITH THE TREASURER'S OFFICE FOR
15 ACCOUNTING AND ACCOUNTABILITY AND REPORTING. THERE'S A
16 HIGH LEVEL OF INTERFACE WITH THE CONTROLLER'S OFFICE,
17 WITH THE GOVERNOR'S OFFICE BECAUSE OF OTHER PROGRAMS IN
18 THE STATE, LIKE DISCOVERY GRANTS. THERE MAY BE AN
19 INTERFACE THERE ON A PROGRAMMATIC LEVEL OR STRATEGIC
20 LEVEL. ADDITIONALLY, THERE'S A POTENTIAL NEED FOR
21 GOVERNOR'S OFFICE TO BE INVOLVED IN POLICY IN
22 WASHINGTON, D.C. BECAUSE OF NIH POLICIES THAT MAY BE
23 PREJUDICIAL TO STEM CELL RESEARCH IN THIS COUNTRY, AS
24 WELL AS WITH CONGRESSIONAL LEGISLATION THAT MAY BE
25 PREJUDICIAL TO STEM CELL RESEARCH.

2 OF INTERCHANGE WITH SACRAMENTO AT THE STATE CAPITOL AND
3 A NEED TO ACCESS IT RELIABLY AND FREQUENTLY. WHETHER
4 PEOPLE GET ON A PLANE TO FLY THERE OR DRIVE THERE, THE
5 ISSUE IS JUST BEING ABLE TO ACCESS IT IN A REASONABLE
6 PERIOD OF TIME.

7 DR. PRECIADO: I'M WONDERING WHY, THEN, IF
8 IT'S THAT IMPORTANT, WE HAVE IT UNDER PREFERENCES AND
9 NOT MINIMUM REQUIREMENTS.

10 CHAIRMAN KLEIN: I THINK THAT'S A REASONABLE
11 POINT, PHYLLIS. IF WE COULD DO THIS, IF WE COULD
12 FINISH THE PUBLIC COMMENT ON THE POINTS THAT WERE
13 PREVIOUSLY RAISED AND THEN COME BACK AND IMMEDIATELY GO
14 TO THIS POINT FOR BOARD AND PUBLIC COMMENT. WOULD THAT
15 BE OKAY?

16 DR. PRECIADO: YES.

17 CHAIRMAN KLEIN: LET US GO TO L.A. FOR PUBLIC
18 COMMENT ON THE POINTS PREVIOUSLY.

19 MR. ARCHIBALD: THIS IS JOHN ARCHIBALD WITH
20 GRUBB & ELLIS. I WOULD SAY THAT YOUR POINT ABOUT THE
21 LEASE TERM, I THINK, IS VERY IMPORTANT ABOUT THE
22 MINIMUM TIME. IF YOU EXPECT A LANDLORD TO PAY FOR ALL
23 OF THE AMENITIES AND BUILDOUT THAT YOU WANT, A MINIMUM
24 OF 48 MONTHS, I BELIEVE, IS WHAT IT WAS. IT'S HARD TO
25 AMORTIZE THOSE COSTS, AND YOUR COST IS VERY HIGH. SO I

2 SEVEN YEAR, IT WOULD BE VERY BENEFICIAL TO YOU.

3 AND THEN SOME OF THE SPECIFIC QUESTIONS ABOUT
4 THE EMPLOYMENT AND WHATNOT, I THINK THAT IF YOU DO GET
5 THE ANSWER, YOU COULD JUST GET A YES, BUT THAT'S REALLY
6 NOT ANSWERING THE QUESTION THAT YOU'RE LOOKING FOR. IT
7 WOULD BE MORE EMPIRICAL DATA THAT YOU'RE LOOKING FOR.
8 YOU MIGHT WANT TO GET SPECIFIC OF NAMING COMPANIES THAT
9 ARE WITHIN RADIUSSES OF THE SITE AND THEIR NUMBER OF
10 EMPLOYEES THAT ARE AT THOSE SITES. SO SOME OF THESE
11 QUESTIONS COULD BE DEFINED A LITTLE BETTER TO GET THE
12 ANSWERS YOU'RE LOOKING FOR.

13 CHAIRMAN KLEIN: I THINK THAT ED PENHOET
14 SUGGESTED THAT, AND I THINK THE CONSENSUS WAS, AT THE
15 BOARD LEVEL AT LEAST, THAT WE ASK FOR A DESCRIPTION, A
16 QUANTITATIVE DESCRIPTION AND A DESCRIPTION OF THE
17 COMPONENTS OF THE BIORESEARCH JOBS BY SECTOR TO THE
18 BEST INFORMATION AVAILABLE WITHIN THE SPECIFIC AREA.
19 SO THAT THAT HOPEFULLY WOULD ADDRESS THAT POINT.

20 IN TERMS OF THE LEASE TERM, BY STATE LAW WE
21 CANNOT AGREE TO AN INITIAL TERM OF GREATER THAN FOUR
22 YEARS THAT'S FIRM. THAT'S MY UNDERSTANDING FROM DGS.
23 THEY'RE NODDING THEIR HEADS YES. AND WE ARE, BY THE
24 WAY, BELIEVING THAT WE HAVE A REASONABLE OPPORTUNITY
25 FOR THIS TO BE FREE OR LOW COST BASE. WE WOULD HOPE

2 WITHIN THEIR OVERALL COST OF THE BUDGET AND NOT INTO
3 OUR SPACE BUDGET.

4 AN UNUSUAL REQUEST, BUT WE'RE VERY HOPEFUL
5 AND HAVE INDICATIONS THAT THAT, IN FACT, MAY HAPPEN.

6 MR. ARCHIBALD: BOB, I'VE SEEN ALSO WHERE ON
7 THE TERM, IF YOU COULD PUT IN LANGUAGE OF SO AS LONG AS
8 FUNDING IS AVAILABLE OR THE FUNDING OF THE PROJECT IS
9 AVAILABLE, AND THAT WOULD GIVE SOME COMFORT TO SOME OF
10 THESE LANDLORDS. IS THAT POSSIBLE?

11 CHAIRMAN KLEIN: WE'RE AMENDING THE TERM
12 LANGUAGE, AS I UNDERSTAND IT, SO IT'S BETWEEN SEVEN AND
13 15 YEARS BASED ON THE PROPOSAL BY THE LANDLORD. WE
14 WOULD HOPE TO GET BETWEEN SEVEN AND TEN YEARS WITH THAT
15 FREE. TO THE EXTENT THAT SOMEONE WANTS TO PROPOSE THE
16 OPTIMAL CASE WHERE WE HAVE AN OPTION TO RENEW AT 90
17 PERCENT OF THEN CURRENT MARKET FOR THE BALANCE OF THE
18 TERM BEYOND THE FREE SPACE, THAT IS, OF COURSE, AN
19 AVAILABLE OPTION. THE --

20 MR. ARCHIBALD: I'M MORE FOCUSING IN ON YOUR
21 MINIMUM TERM BECAUSE A LOT OF THEM ARE GOING TO LOOK AT
22 IT THAT YOU'RE ONLY THERE FOR 48 MONTHS. SO WHAT I'M
23 TRYING TO GET AT IS SO LONG AS THE FUNDING IS
24 AVAILABLE, THEN THE TERM WOULD GO LONGER THAN THE 48
25 MONTHS ON AN AUTOMATIC BASIS RATHER THAN YOU HAVING AN

2 KNOW THAT THE GSA HAS THEIR REQUIREMENTS, BUT IF YOU
3 CAN PUT SOME LANGUAGE IN THERE SO LONG AS FUNDING IS

4 AVAILABLE --

5 CHAIRMAN KLEIN: I THINK THE QUESTION THAT'S
6 BEING POSED, LET ME ASK THE DGS, IS THAT THEY'RE SAYING
7 FOUR YEARS FIRM AND ESSENTIALLY CREATING LEASE LANGUAGE
8 THAT THE LEASE WILL THEN CONTINUE AS LONG AS THE
9 INSTITUTE HAS FUNDING AVAILABLE. AND, OF COURSE, THE
10 INSTITUTE HAS TEN YEARS OF FUNDING. SO IT'S AN IMPLIED
11 EXTENSION. NOW, IS THAT PERMITTED UNDER STATE LAW? IT
12 IS. OKAY.

13 SO LET ME DO THIS. HOW DO THE BOARD MEMBERS
14 FEEL ABOUT THAT SUGGESTION? THIS IS SOMETHING THAT THE
15 APPLICANT CAN PROPOSE. I'D LIKE TO GET LEGAL COUNSEL
16 TO JUST CONFIRM THAT OURS IS NO DIFFERENT THAN ANYONE
17 ELSE IN BEING ABLE TO ACCOMPLISH THIS.

18 MR. BARNES: CAN I CLARIFY MY ANSWER? THAT
19 WOULD, IN EFFECT, MAKE IT EXTEND THE FIRM TERM. FOUR
20 YEARS IS ALL THAT THE STATE WILL ALLOW FOR A FOUR-YEAR
21 FIRM TERM. YOU CAN DO A LONGER FIRM TERM. IT HAS TO
22 GO THROUGH THE JOINT LEGISLATIVE BUDGET COMMITTEE, AND
23 THAT'S WHAT I'VE BEEN TOLD IS IMPOSSIBLE.

24 CHAIRMAN KLEIN: IMPOSSIBLE.

25 MR. BARNES: RIGHT. SO, IN EFFECT, BY

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2 TO GO A LONGER FIRM TERM, WHICH WE CAN'T DO.

3 CHAIRMAN KLEIN: WE MISUNDERSTOOD YOUR
4 ANSWER. I THANK YOU FOR THE QUALIFICATION. SO I WOULD
5 SAY THAT -- LET ME ASK THIS QUESTION. IF SOMEONE

6 OFFERED US TEN YEARS OF FREE RENT, AND WE WERE FOUR
7 YEARS FIRM, SINCE THERE'S NO COST FOR THE ADDITIONAL
8 PERIOD, DO WE HAVE -- DO WE HAVE THE ABILITY TO SAY
9 THAT AT THE END OF THE FOUR YEARS, THAT THE INSTITUTE'S
10 INTENTION WOULD BE TO CONTINUE TO AVAIL ITSELF OF THIS
11 NO-COST SPACE BEFORE PUTTING OUT FOR ANY OTHER REQUESTS
12 FOR PROPOSAL? WE'RE JUST SAYING WE'RE NOT GOING TO GO
13 OUT ON A COMPETITIVE BASIS FOR NO-COST SPACE IF
14 THERE'S, IN FACT, A REMAINING --

15 MR. BARNES: MY UNDERSTANDING IS THAT THAT
16 WOULD NOT BE LEGAL.

17 CHAIRMAN KLEIN: WOULD NOT BE LEGAL.

18 MR. BARNES: THAT WOULD BE LEGAL.

19 CHAIRMAN KLEIN: THAT WOULD BE LEGAL. OKAY.

20 SO SUBJECT TO CONFIRMATION WITH COUNSEL, TO GIVE
21 COMFORT TO THE LANDLORDS THAT, IN FACT, THEY'RE
22 OFFERING US THE BENEFIT OF A SITE, THAT WE WILL
23 CONTINUE TO USE THEIR SITE AS LONG AS THERE IS A
24 NO-COST TERM REMAINING, THAT IT WOULD BE THE INTENT, IF
25 THIS IS ADOPTED AND IF THE OTHER BOARD MEMBERS AGREE

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2 USE THIS NO-COST SITE BEFORE APPLYING FOR ANY OTHER
3 NO-COST SITE.

4 DR. FRIEDMAN: THIS IS MIKE FRIEDMAN, AND I'M
5 AGREEABLE WITH THAT.

6 CHAIRMAN KLEIN: CLAIRE AND DR. PRECIADO, HOW
7 DO YOU FEEL ABOUT THAT?

8 DR. PRECIADO: I'M OKAY WITH THAT.
9 CHAIRMAN KLEIN: AND SAN DIEGO?
10 DR. REED: JOHN REED AND RICH MURPHY, WE'RE
11 FINE WITH THAT.
12 MR. BARNES: THE QUESTION I HAVE IS THAT DO
13 YOU ALSO WANT TO MAKE THAT EXTENSION CONDITIONAL ON
14 ENSURING THAT THE THINGS THAT WERE PROMISED AND
15 DELIVERED AT THE BEGINNING OF THE LIST ARE STILL THERE
16 AND GOING TO BE DELIVERED?
17 CHAIRMAN KLEIN: THIS IS WALTER BARNES, WHO'S
18 ON LOAN TO US FROM THE CONTROLLER'S OFFICE AND IS
19 INVOLVED IN THIS PROCESS. BASICALLY IT WOULD BE
20 ASSUMED THAT THERE'S A CONTINUING PERFORMANCE
21 REQUIREMENT BY THE PUBLIC ENTITY AND THE THIRD PARTY
22 FOR US TO CONTINUE TO USE THE FACILITY IN EACH
23 INCREMENT OF THE TERM.
24 ALL RIGHT. WE ARE LOOKING FOR PUBLIC
25 COMMENTS FROM LOS ANGELES.

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2 CHAIRMAN KLEIN: WE'RE LOOKING FOR PUBLIC
3 COMMENTS FROM SAN DIEGO.
4 DR. REED: WE HAVE ONE HERE.
5 MS. COX: YES. I'M JANE COX WITH THE
6 ECONOMIC DEVELOPMENT CORPORATION. IF I COULD JUST HAVE
7 CLARIFICATION BECAUSE I'VE HEARD IT GO BOTH WAYS. ON
8 THE TERM OF WHERE IT PREVIOUSLY SAYS A LEASE TERM OF 15
9 YEARS; IN OTHER WORDS, DISCUSSING THAT, IT WOULD BE A

10 PREFERENCE THAT PEOPLE WOULD PUT IN FOR 15 YEARS.
11 WOULD THERE BE, GIVEN THAT THERE'S, AGAIN, AN
12 INITIATIVE, ONLY TEN YEARS, WOULD THAT BE PREFERENTIAL
13 WEIGHT TO SOMEONE THAT PUT IN FOR 15 EVEN WITH IT ONLY
14 BEING A TEN-YEAR INITIATIVE?

15 CHAIRMAN KLEIN: WE HAVE TEN YEARS OF
16 FUNDING. WE HAVE A CARRY-OVER PROVISION SO THAT IF WE
17 DON'T HAVE SUFFICIENT PROPOSALS OF THE BEST SCIENCE IN
18 A YEAR, WE CAN CARRY IT FORWARD. IN THE ORIGINAL PLAN
19 SUBMITTED TO THE LEGISLATIVE ANALYST'S OFFICE, WE
20 SHOWED ALMOST 12 YEARS OF FUNDING BECAUSE THERE'S ALSO
21 A RAMP-UP TIME TO GET TO WHERE YOU ARE USING THE FULL
22 AMOUNT IN ANY ONE YEAR.

23 BUT IT'S A VERY APPROPRIATE QUESTION.
24 CERTAINLY TO PROTECT THE APPLICANT, YOU KNOW, THEY CAN
25 PUT IN A PROVISION AS SHOWN IN OUR DOCUMENTS, THAT

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2 MARKET, AT THE THEN CURRENT MARKET, SO THAT THE
3 LANDLORD IS NOT SUFFERING AN ECONOMIC LOSS FOR ANY OF
4 THOSE YEARS. AND IF THE INSTITUTE IS IN BUSINESS, IT'S
5 GOING TO PAY. IF IT'S NOT IN BUSINESS, IT WON'T PAY
6 FOR YEARS THAT IT'S NOT IN BUSINESS. SO THAT COULD BE
7 SELF-EFFECTUATING; IN OTHER WORDS --

8 DR. PENHOET: SO IT COULD BE THE SHORTER OF
9 15 YEARS OR AT THE TIME THE INSTITUTE CEASES TO EXIST.

10 CHAIRMAN KLEIN: IF THAT'S THE WAY THAT THE
11 APPLICANT WISHES TO MAKE THE PROPOSAL, THEY COULD ALSO

12 MAKE A PROPOSAL THAT IS, FOR EXAMPLE, A TEN-YEAR
13 PROPOSAL AND THAT SAYS IT'S 90 PERCENT OF MARKET FROM
14 THAT POINT FORWARD. AND IF THE INSTITUTE ONLY BELIEVES
15 IT'S GOING TO OPERATE FOR ANOTHER THREE YEARS, IT WILL
16 ONLY EXTEND FOR ANOTHER THREE YEARS.

17 DR. POMEROY: BOB, WE'RE CONFUSED HERE IN
18 SACRAMENTO AGAIN. I THOUGHT I HEARD FROM THE STATE
19 THAT WE CAN ONLY COMMIT TO A FOUR-YEAR LEASE, SO WHY
20 ARE WE TALKING ABOUT LONGER LEASES?

21 CHAIRMAN KLEIN: BECAUSE AFTER FOUR YEARS --
22 WE CAN ONLY COMMIT FIRM FOR FOUR YEARS. BUT AFTER THE
23 FOUR YEARS, WE'RE ASKING, FOR EXAMPLE, THAT THEY GIVE
24 US AN ADDITIONAL OPTIONAL PERIOD AT NO COST AND AN
25 ADDITIONAL PERIOD WHERE WE WOULD BE AT 90 PERCENT OF

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2 YEARS, WE ARE TRYING TO CREATE A SITUATION WHERE THE
3 INSTITUTION DOES NOT HAVE TO MOVE AFTER FOUR YEARS.

4 DR. POMEROY: SO IT'S A ONE-WAY COMMITMENT.

5 CHAIRMAN KLEIN: THAT'S RIGHT. ALL RIGHT.
6 IN SAN DIEGO DO WE HAVE MORE PUBLIC COMMENT?

7 DR. REED: NO.

8 CHAIRMAN KLEIN: DR. PRECIADO BROUGHT UP A
9 POINT DURING THE PRIOR DISCUSSION, AND IT WAS DEALING
10 WITH THE LAST ITEM, I BELIEVE, UNDER PREFERENCES
11 RELATED TO PROXIMITY TO SACRAMENTO.

12 DR. FRIEDMAN: EXCUSE ME. THERE'S A MEMBER
13 OF THE PUBLIC WHO WISHES TO ADD SOMETHING FROM LOS

14 ANGELES.

15 MR. ISAKOVIC: REAL QUICK. PETER ISAKOVIC
16 WITH GRUBB & ELLIS. I DON'T THINK THERE'S ANYPLACE IN
17 CALIFORNIA THAT IS NOT WITHIN TWO HOURS OF SACRAMENTO
18 BY PLANE. SO IT'S KIND OF A MOOT POINT, I THINK. BUT
19 I DON'T KNOW. THANK YOU.

20 CHAIRMAN KLEIN: WELL, THE PREFERENCE IS
21 LISTED, SO THERE'S A PREFERENCE TO THE EXTENT THAT IT'S
22 LESS THAN TWO HOURS, AND YOU'RE JUST SUPPOSED TO
23 SPECIFY HOW LONG IT TAKES TO GET THERE.

24 DR. MURPHY: RICH MURPHY IN SAN DIEGO. I
25 THINK THAT'S STRETCHING A POINT. IF ONE FLEW FROM SAN

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2 GET TO THE AIRPORT AND ALL THE REST, IT'S GOING TO BE
3 MUCH LONGER THAN THAT. I MUST SAY I THINK THIS IS -- I
4 FEEL UNCOMFORTABLE WITH THIS REQUIREMENT. THAT'S NOT
5 TO SAY I DISAGREE WITH YOUR CONCLUSION THAT THERE WON'T
6 BE NEED TO INTERACT WITH SACRAMENTO, BUT I THINK
7 PUTTING IT AS A PREFERENCE OR A REQUIREMENT WOULD BE
8 INAPPROPRIATE, THE TWO-HOUR LIMIT.

9 CHAIRMAN KLEIN: WELL, WHAT ARE THE VIEWS OF
10 THE COMMITTEE?

11 DR. REED: JOHN REED IN SAN DIEGO. I AGREE
12 WITH RICH. I THINK, FOR THE SAME REASONS YOU JUST
13 ARTICULATED, THERE MAY BE JUST AS MUCH RATIONALE FOR
14 HAVING ACCESS TO AN AIRPORT TO GET TO WASHINGTON, D.C.
15 AS EFFICIENTLY AS POSSIBLE BECAUSE THERE MAY BE A NEED

16 TO GO THERE ON A FREQUENT BASIS FOR DIALOGUE WITH SOME
17 OF THE CONSTITUENCIES THAT EITHER SUPPORT OR OPPOSE
18 THIS WHOLE EFFORT. AND SO I ALSO FEEL UNCOMFORTABLE
19 WITH PUTTING THAT AS A STIPULATION IN THE RFP.

20 CHAIRMAN KLEIN: DR. REED, WE CERTAINLY AGREE
21 WITH THE NEED TO ACCESS WASHINGTON, D.C. FOR
22 LEGISLATIVE AND REGULATORY REASONS. AND THAT'S WHY THE
23 INTERNATIONAL AIRPORT IS A PREFERENCE ITEM AS WELL.

24 DR. POMEROY: AS WE TALKED ABOUT ON THE OTHER
25 ISSUES, I WONDER IF WE MIGHT WANT TO LIST AS JUST A

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2 LET PEOPLE SAY WHAT THEY HAVE. AGAIN, THE THRESHOLDS
3 DON'T MAKE A LOT OF SENSE. THEY APPEAR ARBITRARY AND
4 LIKE ONE MIGHT BE TRYING TO PREDETERMINE AN OUTCOME. I
5 THINK IF YOU SAY THAT ACCESSIBILITY TO SACRAMENTO WILL
6 BE TAKEN INTO ACCOUNT AND GIVE US YOUR DESCRIPTION OF
7 HOW YOU WOULD DO THAT.

8 CHAIRMAN KLEIN: OKAY. DR. REED AND
9 DR. MURPHY, WOULD THAT WORK FOR YOU?

10 DR. MURPHY: I MUST SAY, BOB, I THINK IT'S
11 BETTER; BUT, YOU KNOW, WE HAVE THINGS LIKE TELEPHONES
12 AND OTHER METHODS OF COMMUNICATING. AND AS I LOOK AT
13 THE FUTURE OF THIS, I CAN'T IMAGINE THAT THE TIME IN
14 SACRAMENTO IS GOING TO BE MORE THAN, LET'S SAY, A
15 COUPLE OF DAYS A MONTH. AND I THINK FOR SOMEONE THAT'S
16 A HIGH LEVEL OF THE CIRM, THAT'S NOT A BURDEN TO TAKE A
17 TRIP TO SACRAMENTO AND STAY OVERNIGHT. IT SMELLED TO

18 ME OR IT COULD BE INTERPRETED BY SOME TO BE AS CUTTING
19 THE CRITERIA SO CLOSE, THAT IT'S PREFERENCING ONE SITE
20 OVER ANOTHER.

21 CHAIRMAN KLEIN: DR. MURPHY, IT WOULD BE --
22 THERE WOULD BE SOME REAL BENEFITS IF THERE WERE NOT A
23 TREMENDOUS AMOUNT OF TIME IN SACRAMENTO FROM SOME
24 PERSPECTIVES. I WILL TELL YOU THAT I WILL PROBABLY
25 SPEND EIGHT DAYS IN SACRAMENTO THIS MONTH. I HOPE THAT

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2 RELATIONS STAFF WILL BE THERE FOR SIMILAR AMOUNT OF
3 TIME. AND IN DEALING WITH THE BOND FINANCINGS AND THE
4 AUDITS AND REPORTING, THERE MAY BE SIGNIFICANTLY MORE
5 TIME IN OTHER MONTHS.

6 BUT THE -- IF WE LIST IT QUALITATIVELY AND
7 QUANTITATIVELY AS AN ITEM, BUT REMOVE THE TWO HOURS.
8 AND FRANKLY, DR. REED, IT WASN'T AN INTENT TO COUNT THE
9 COMMUTE TIME TO THE AIRPORT IN THAT. SO WE FELT SAN
10 DIEGO WOULD FALL WITHIN THAT TWO HOURS. BUT IF WE
11 REMOVE THE TWO HOURS, IF I COULD HEAR FROM THE OTHER
12 BOARD MEMBERS WHAT THEIR VIEW IS BECAUSE OBVIOUSLY
13 THERE'S A SPLIT BOARD POSITION ON THIS.

14 DR. PRECIADO: I JUST FEEL STRONGLY ABOUT OUR
15 NOT PUTTING A PERCEPTION OF EXCLUSIVENESS. AND I DON'T
16 QUITE UNDERSTAND WHY WE EVEN HAVE TO HAVE THAT BULLET
17 IN THERE. I DON'T KNOW WHO SAID THAT SACRAMENTO IS TWO
18 HOURS FROM ANYPLACE IN CALIFORNIA. IT'S UNDERSTOOD.

19 MR. ISAKOVIC: PETER AT GRUBB & ELLIS.

20 CHAIRMAN KLEIN: THIS IS A PREFERENCE ITEM
21 FOR PEOPLE TO STATE HOW LONG IT TAKES, AND SOME SITES
22 WILL HAVE LONGER FREE RENT AND SOME WILL HAVE LESS --
23 SHORTER FREE RENT AND LESS COMMUTE TIME. THERE'S SO
24 MANY VARIABLES HERE, AS SOMEONE STATED, THERE'S GOING
25 TO BE A LOT OF VARIABLES TO TRY AND PULL INTO A MATRIX

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2 SUGGEST THAT FROM THE FINANCING, ACCOUNTING,
3 LEGISLATIVE ACCOUNTABILITY, REPORTING INTERFACE, IT'S
4 GOING TO BE A VERY SIGNIFICANT RELATIONSHIP.

5 DR. FRIEDMAN: BOB, THIS IS MIKE FRIEDMAN
6 FROM LOS ANGELES. I WOULD LIKE TO SPEAK IN FAVOR OF
7 RETAINING THIS POINT. MY OWN EXPERIENCE WITH
8 LEGISLATIVE BODIES MAY NOT BE RELEVANT HERE, BUT I
9 THINK THAT OVER THE COURSE OF THE NEXT TEN YEARS, IT'S
10 VERY LIKELY THAT THE STAFF WILL BE CALLED UPON TO COME
11 TO SACRAMENTO FOR BRIEFINGS, FOR HEARINGS, FOR
12 FACE-TO-FACE MEETINGS, AND I CERTAINLY ACCEPT
13 DR. MURPHY'S POINT THAT A LOT OF THIS CAN BE DONE
14 TELEPHONICALLY AND OTHERS, BUT MY EXPERIENCE WITH
15 LEGISLATURES IS THAT THEY REALLY WANT YOU THERE IN
16 PERSON. SO I'M AFRAID THERE MAY BE A FREQUENCY THAT
17 WILL HAVE AN ADVANTAGE FOR CONVENIENCE TO AIRPORTS OR
18 TRAINS OR WHATEVER.

19 THE SECOND POINT IS THAT THE LEGISLATURE
20 OPERATES ON ITS OWN TIME, AND STATE GOVERNMENT. IT'S
21 NOT JUST THE LEGISLATURE, IT'S ALSO THE EXECUTIVE

22 OPERATES ON ITS OWN TIMETABLE, AND THERE ARE SOME
23 MOMENTS WHEN THERE'S AN URGENT, QUOTE, UNQUOTE, NEED
24 FOR SOMEONE TO COME TO SACRAMENTO. SO EVEN WHEN IT'S
25 NOT PREDICTABLE, YOU ARE GOING TO BE AT THE BECK AND

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2 I'M HAPPY NOT TO PUT IN A TIME. I WOULD USE
3 SOME GENERAL PHRASES LIKE READY AND RELIABLE ACCESS VIA
4 TRANSPORTATION. SINCE I HAVE NO PREFERENCE WHERE THIS
5 IS IN THE STATE, THIS IS NOT ANY ATTEMPT TO MAKE IT
6 MORE LIKELY ONE PART OF THE STATE OR THE OTHER. BUT
7 I'M AFRAID THAT WE WILL BE, AS AN ORGANIZATION, WE WILL
8 BE CALLED UPON TO COME TO SACRAMENTO FREQUENTLY OVER
9 THE YEARS. I HOPE I'M WRONG, BUT I FEAR THAT'S WHAT'S
10 GOING TO HAPPEN. THANK YOU.

11 DR. REED: CAN I MAKE A COMMENT?

12 CHAIRMAN KLEIN: DR. REED.

13 DR. REED: ONE THING, THOUGH, THAT I WOULD
14 POINT OUT. DR. FRIEDMAN'S POINTS ARE VERY WELL TAKEN.
15 I THINK MY ASSUMPTION WOULD BE THAT IT WOULD BE A
16 RELATIVELY SMALL NUMBER OF MEMBERS OF THE STAFF OF 50
17 PERSONS WHO WOULD BE CALLED UPON TO VISIT SACRAMENTO ON
18 SOME PERIODIC BASIS. IN TERMS OF THE OVERALL OPERATION
19 OF THE CIRM AND ITS ROUGHLY 50-PERSON STAFF, I THINK
20 THAT MOST ANYWHERE IN THE STATE WOULD BE SUITABLE AND
21 COULD ACCOMMODATE THE NEED TO GET ACCESS TO SACRAMENTO
22 FOR THE LEADERSHIP ROLES OR CERTAIN SPECIFIC PERSONS
23 WHO WOULD HAVE TO VISIT SACRAMENTO.

24 DR. FRIEDMAN: BOB, IT'S MIKE FRIEDMAN. I
25 AGREE WITH YOU. MY ASSESSMENT IS THAT ANY PLACE IN THE

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2 QUALIFY TO HAVE READY AND REASONABLE ACCESS. IT MAKES
3 ME WANT TO VOTE FOR YOU FOR SOME PUBLIC OFFICE BECAUSE
4 IF YOUR REASONABLENESS ABOUT HOW FEW PEOPLE AND HOW
5 LITTLE TIME WOULD BE SPENT THERE, I REALLY HOPE YOU'RE
6 RIGHT. AND I MEAN THAT SERIOUSLY. I'M JUST AFRAID
7 THAT A LOT OF TIME WILL BE SPENT GOING TO SACRAMENTO.
8 SO I'M COMFORTABLE WITH GENERAL TERMS, AND I ACCEPT
9 WHAT YOU ARE SAYING BASICALLY.

10 DR. POMEROY: THIS IS CLAIRE POMEROY. I JUST
11 WANT TO AGAIN REMIND US THAT THERE ARE A LOT OF
12 PERCEPTIONS INVOLVED HERE, AND THERE COULD BE A
13 POSITIVE TO PUTTING AT LEAST GENERAL TERMS ABOUT
14 ACCEPTABILITY TO SACRAMENTO IN TERMS OF THE PERCEPTION
15 OF LEGISLATIVE MEMBERS.

16 CHAIRMAN KLEIN: PARTICULARLY LEGISLATIVE
17 MEMBERS AND THE EXECUTIVE BRANCH. I WOULD ALSO
18 SUGGEST, JOHN, THAT I'LL VOTE FOR YOU FOR OFFICE TOO.
19 BUT THE CHIEF FINANCIAL OFFICER, THE CONTROLLER, THE
20 CHIEF ADMINISTRATIVE OFFICER, THE HUMAN RESOURCE
21 OFFICER, THE PRESIDENT, THE CHAIRMAN, THE VICE
22 CHAIRMAN, AND THEIR STAFFS PREDICTABLY WILL ALL GET
23 CALLED ON PRETTY FREQUENTLY BY SACRAMENTO, AND WE NEED
24 TO BE RESPONSIVE AND WE NEED TO BE THOROUGH, WE NEED TO
25 HAVE OTHER STAFF DOCUMENTATION AND BRIEFINGS AND STAFF

2 TRANSPARENT AND OPEN AND ACCESSIBLE AS POSSIBLE TO
3 SACRAMENTO.

4 DR. PENHOET, DID YOU HAVE --

5 DR. PENHOET: NO. I AGREE WITH WHAT YOU JUST
6 SAID, BUT IT ALSO SENDS AN IMPORTANT MESSAGE TO THE
7 LEGISLATURE THAT WE TAKE THAT RESPONSIBILITY SERIOUSLY.

8 CHAIRMAN KLEIN: THE PROPOSAL IS WE DELETE
9 THE REFERENCE TO TWO HOURS, BUT WE TALK ABOUT IT AS A
10 PREFERENCE. PEOPLE WOULD JUST DESCRIBE THE ACCESS,
11 METHOD OF ACCESS, AND THE TIME REQUIRED, AND IT WOULD
12 BE ONE OF MANY ITEMS IN THIS OVERALL MATRIX. IN THAT
13 CONTEXT, DR. REED AND DR. MURPHY, I WOULD SAY THERE'S
14 MANY VERY STRONG POINTS ABOUT SAN DIEGO TAKES LONGER TO
15 ACCESS, IT'S ONE OF MANY POINTS.

16 DR. MURPHY: I HOPE YOU DON'T INTERPRET THOSE
17 COMMENTS AS SAN DIEGO SPECIFIC. I'M JUST -- MY POINT
18 WAS THAT I THINK WE DON'T WANT TO GET SO SPECIFIC THAT
19 IT LOOKS LIKE WE ARE DESCRIBING SOME PREFERENCE.

20 CHAIRMAN KLEIN: ALL RIGHT. WHAT'S ON THE
21 BOARD HERE IS A MORE -- A QUANTITATIVE ESTIMATE FOR A
22 DESCRIPTION, BUT NOT HAVING A SPECIFIC TIME AMOUNT,
23 CREATING THAT PREFERENCE WHICH WILL BE BASED ON THE
24 DESCRIPTION OF THE APPLICANT.

25 WE'VE GONE THROUGH ALL OF PUBLIC COMMENTS, I

2 COVERED THUS FAR. BUT ARE THERE OTHER BOARD COMMENTS
3 ON OTHER POINTS IN THIS PROPOSAL?

4 DR. REED: JOHN REED IN SAN DIEGO. THERE'S
5 SOME LANGUAGE IN THE RFP THAT I THINK IS CONFUSING, AND
6 I THINK IT MAY HAVE ACCOUNTED FOR WHY THERE WAS SOME
7 CONFUSION ABOUT WHAT TYPES OF ACTIVITY ARE GOING TO
8 TAKE PLACE WITHIN THIS FACILITY. I BELIEVE IT READS
9 SOMETHING TO THE EFFECT THAT, QUOTE, OFFICES INCLUDE
10 ADEQUATE SOUND BUFFERING FOR SCIENTIFIC AND TECHNICAL
11 RESEARCH ACTIVITIES, UNQUOTE. THAT GIVES THE
12 IMPRESSION THAT SOME SORT OF EXPERIMENTATION IS GOING
13 TO BE OCCURRING ON-SITE. THAT'S NOT THE CASE. THIS IS
14 GOING TO BE AN ADMINISTRATIVE FUNCTION ONLY.

15 DR. POMEROY: WHAT PAGE?

16 DR. REED: SIX.

17 CHAIRMAN KLEIN: THE ONLY EXPERIMENTATION
18 THAT COMES TO MIND IS THE EXPERIMENTATION IN THE MINDS
19 AND THE BODIES OF THE STAFF. WE WILL CLARIFY THAT.
20 IT'S NOT INTENDED TO IMPLY THERE'S ANY EXPERIMENTATION.
21 IT'S SOUND BUFFERING SO THAT IF THERE ARE INTELLECTUAL
22 PROPERTY DISCUSSIONS, THAT THERE BE ADEQUATE PRIVACY.
23 SO IF THERE'S A MEETING IN ONE ROOM WITH SCIENTISTS
24 FROM A NUMBER OF AREAS AND THE GENERAL COUNSEL'S OFFICE
25 NEXT DOOR, WE DON'T HAVE THE SOUND JUST BLEEDING INTO

2 PROPERTY THAT IS NOT YET PATENTED. SO THE INTENT IS TO
3 HAVE ADEQUATE SOUND BUFFERING OR SENSITIVE OFFICE USES
4 THAT INVOLVE INTELLECTUAL PROPERTY, SCIENTIFIC --
5 PROPRIETARY SCIENTIFIC PROPOSALS AND EVALUATIONS.

6 DR. REED: THAT LINE ON THE TOP OF PAGE 6, I
7 THINK THAT SHOULD BE REVISED ACCORDINGLY.

8 DR. PRECIADO: YOU MIGHT WANT TO CHANGE THE
9 WORD "ACTIVITY" TO DISCUSSION.

10 DR. REED: IF WE COULD JUST SAY OFFICES
11 INCLUDE ADEQUATE SOUND BUFFERING, PERIOD.

12 DR. PENHOET: TO INSURE CONFIDENTIALITY.

13 CHAIRMAN KLEIN: TO ENSURE CONFIDENTIALITY.
14 THAT'S FINE. DOES THAT WORK, JOHN?

15 DR. REED: YES. OKAY.

16 DR. FRIEDMAN: BOB, IT'S MIKE FRIEDMAN WITH A
17 GENERAL QUESTION, PLEASE. IS THERE ANY SENSE OF
18 WEIGHTING OF THE PREFERENCES, OR IS IT THE INTENT OF
19 THE ADVISORS THAT ALL OF THESE BE GIVEN EQUAL WEIGHT?
20 IF WE KNOW THAT, WE SHOULD PROBABLY SAY THAT IN THE
21 RFP. OR IF WE WANT TO HAVE THE REVIEWERS LATER ASSIGN
22 THE WEIGHTS, WE CAN DO THAT AND JUST MENTION THAT
23 REVIEWER PREFERENCE WEIGHTING WILL BE DONE LATER. WHAT
24 THOUGHTS HAVE YOU ALL HAD ABOUT THAT, PLEASE?

25 CHAIRMAN KLEIN: WELL, THE THOUGHT WAS THAT

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2 MINDS OF EACH OF THE BOARD MEMBERS ON THE SITE
3 COMMITTEE OR EACH OF THE BOARD MEMBERS ON THE ENTIRE

4 BOARD. THIS WILL GO TO THE ENTIRE BOARD FOR FINAL
5 APPROVAL. SO AT THE SITE COMMITTEE LEVEL, THERE WILL
6 BE DISCUSSION, WHEN WE GET ALL THESE PROPOSALS IN, THAT
7 WHEN WE SEE ALL OF WHAT IS BEING OFFERED AND THE MATRIX
8 OF THE BEST PROPOSALS, THAT IT'S PROPOSED IN THE TIME
9 LINE, THAT WITH DGS' HELP, WE BRING THIS DOWN TO THE
10 BEST FOUR OR FIVE PROPOSALS. AND THEN THIS SITE
11 COMMITTEE IS GOING TO HAVE TO LOOK AT ALL OF THESE
12 DIFFERENT VARIABLES AND DECIDE HOW THEY WANT TO WEIGHT
13 THEM. IT'S VERY DIFFICULT TO ASSIGN ANY WEIGHT AT THIS
14 TIME.

15 DR. FRIEDMAN: AND I UNDERSTAND THAT. THAT'S
16 SORT OF WHAT I EXPECTED YOU TO SAY. THE ONLY QUESTION
17 IS DOES IT HELP OR NOT HELP TO JUST SAY THAT A PRIORI
18 ALL THE PREFERENCES ARE GIVEN EQUAL WEIGHT, BUT THAT
19 THIS WILL BE WORKED OUT IN THE DISCUSSIONS FOR THE
20 FINAL REVIEW?

21 CHAIRMAN KLEIN: WELL, YEAH. I THINK IT
22 WOULD BE MORE APPROPRIATE TO SAY THAT THERE WILL BE
23 DIFFERENT WEIGHTS BETWEEN THE PROPOSALS; FOR EXAMPLE,
24 IF SOMEONE MEETS ALL THE PREFERENCES, BUT WE HAVE TO
25 PAY FULL RENT ON THE SPACE, THAT OBVIOUSLY PUTS THAT

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2 DIFFICULT POSITION TO BE CONSIDERED IN THE SHORT LIST
3 WHEN THERE'S OTHER PROPOSALS THAT WILL MEET ALL THE
4 PREFERENCES, BUT NOT HAVE ANY RENT AT ALL.

5 DR. FRIEDMAN: I UNDERSTAND. AND I'M JUST

6 TRYING TO BE AS TRANSPARENT AS WE CAN BE IN HELPING
7 PEOPLE FILL OUT THESE THINGS AS ACCURATELY -- AS
8 EFFECTIVELY AS POSSIBLE. THAT'S WHAT I'M TRYING TO
9 SAY.

10 CHAIRMAN KLEIN: RIGHT.

11 DR. FRIEDMAN: ENOUGH SAID.

12 DR. POMEROY: JUST A COUPLE OF MORE SMALLER
13 POINTS. ON PAGE 3 AND 4, THE INTERNATIONAL AIRPORT
14 LOCATED WITHIN 45 MINUTES IS LISTED BOTH UNDER MINIMUM
15 REQUIREMENTS AND PREFERENCE. THAT WOULD BE ONE OR THE
16 OTHER.

17 AND THEN THE OTHER QUESTION WAS PAGE 5,
18 MINIMUM REQUIREMENT OF UP TO 80 ASSIGNED PARKING
19 SPACES. I DON'T KNOW WHAT UP TO MEANS. THAT COULD
20 MEAN ONE.

21 AND THEN THE TERM "ASSIGNED," IT SAYS HALF
22 FOR STAFF. THAT MAKES SENSE TO ME THAT YOU NEED 40
23 PARKING SPACES FOR 50 STAFF, BUT HALF FOR VISITORS, I'D
24 HATE TO SEE 40 PARKING SPACES IN DOWNTOWN WHEREVER
25 SITTING EMPTY. COULDN'T THOSE JUST BE AVAILABLE, LIKE

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2 CHAIRMAN KLEIN: THEY CAN CERTAINLY PROPOSE
3 THAT HALF THE SPACES ARE RESERVED, AND THEY COULD
4 PROPOSE THAT HALF OF THEM ARE NOT ASSIGNED SPACES.
5 THERE SHOULD BE THAT KIND OF VARIABILITY.

6 AS TO YOUR FIRST POINT --

7 DR. POMEROY: PARKING IS UNDER MINIMUM,

8 SAYING THAT THEY ALL HAVE TO BE ASSIGNED.

9 CHAIRMAN KLEIN: IF I COULD TAKE THESE ONE AT
10 TIME. ON THE INTERNATIONAL AIRPORT, THE FIRST ONE SAYS
11 THAT THERE MUST BE ONE WITHIN 45 MINUTES. UNDER
12 PREFERENCES IT SAYS INTERNATIONAL AIRPORT SITUATED WITH
13 LESS THAN 45 MINUTES. IN OTHER WORDS, IF IT WERE 15
14 MINUTES AWAY --

15 DR. POMEROY: I GOT IT, OKAY.

16 CHAIRMAN KLEIN: ON THE PARKING REQUIREMENT,
17 YEAH, IT SAYS UNDER MINIMUMS, UP TO 80 ASSIGNED SPACES.
18 AND THEN IT SAYS UNDER PREFERENCES -- I THINK WHAT,
19 CLAIRE, YOU'RE SAYING IS UNDER THE MINIMUM, WE HAVE TO
20 HAVE A MINIMUM OF 40 ASSIGNED SPACES AND THAT UNDER THE
21 PREFERENCES WE'RE GOING TO ASK FOR APPROXIMATELY 40
22 ADDITIONAL SPACES AND THE TIME AND AVAILABILITY OF
23 THOSE SPACES.

24 DR. POMEROY: YEAH. THAT SOUNDS VERY
25 REASONABLE.

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2 DR. REED: JOHN REED, SAN DIEGO. I HAVE
3 ANOTHER POINT I'D LIKE TO MAKE, PLEASE.

4 CHAIRMAN KLEIN: YES.

5 DR. REED: AGAIN, DOTTING SOME I'S, CROSSING
6 SOME T'S HERE, BUT THERE SEEM TO BE SOME
7 INCONSISTENCIES IN THE LANGUAGE ON PAGE 5 ABOUT MINIMUM
8 REQUIREMENTS AND THE LANGUAGE ON PAGE 7 ABOUT BUSINESS
9 TERMS. IN THE BUSINESS TERMS, IT SAYS THAT

10 APPROXIMATELY 17,000 NET USABLE SQUARE FEET SHOULD BE
11 AVAILABLE. THEN IN THE MINIMUM REQUIREMENTS IT SAYS IT
12 HAS TO HAVE AT LEAST 17,000. AND I THINK THE WORD "AT
13 LEAST" UNDER THE MINIMUM REQUIREMENTS IS PERHAPS TOO
14 RESTRICTIVE. AND IT SHOULD SAY AGAIN APPROXIMATELY
15 17,000 SQUARE FEET.

16 THE REASON I BRING THAT UP IS IF YOU LOOK IN
17 YOUR PROGRAM DATA AND YOU TALK ABOUT THE CIRCULATION
18 FACTOR OF 35 PERCENT AND THINGS LIKE THAT, THOSE
19 SPECIFICS TO BUILDINGS ARE GOING TO IMPACT PLUS OR
20 MINUS A FEW PERCENT THE TOTAL NUMBER OF SQUARE FEET
21 THAT ARE USABLE, SO I FEEL MUCH MORE COMFORTABLE WITH
22 LANGUAGE THAT SAYS SOMETHING MORE ALONG THE LINES OF
23 APPROXIMATELY RATHER THAN AT LEAST.

24 CHAIRMAN KLEIN: AND, JOHN, BEFORE YOU AND
25 DR. MURPHY ARRIVED, I MENTIONED THAT VERY POINT, AND IT

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2 ALSO MENTIONED SPECIFICALLY THE SAME POINT YOU DID,
3 THAT THERE MAY BE VARIANCES IN BUILDINGS THAT DEAL WITH
4 THE EFFICIENCY OF THE CIRCULATION. AND THAT IF THE
5 BUILDING IS VERY INEFFICIENT, THEY MAY NEED MORE THAN
6 17,000 TO MEET THE PROGRAM REQUIREMENTS, WHICH ARE AN
7 ATTACHMENT.

8 DR. REED: I APOLOGIZE FOR THE REDUNDANCY.

9 CHAIRMAN KLEIN: IT'S WORTH REPEATING BECAUSE
10 IT'S A VERY IMPORTANT POINT, AND SOME OF THE PEOPLE IN
11 THE AUDIENCE MAY NOT HAVE BEEN HERE AT THE BEGINNING.

12 ADDITIONAL POINTS FOR MEMBERS? ADDITIONAL
13 PUBLIC COMMENTS STARTING WITH SAN DIEGO?

14 DR. REED: WE HAVE ONE HERE.

15 MS. COX: THIS IS JANE AGAIN FROM ECONOMIC
16 DEVELOPMENT CORPORATION. A NEW FACTOR THAT WAS PLACED
17 IN THIS ONE THAT WASN'T IN THE PREVIOUS EITHER
18 DISCUSSIONS OR THE FIRST DRAFT OF THE RFP WAS THAT A
19 GOVERNMENTAL ENTITY HAS TO BE THE PRIMARY SUBMITTER OF
20 THE RFP. WHY IS THIS? AND CAN WE DISCUSS WHY THAT'S
21 BEEN ADDED?

22 CHAIRMAN KLEIN: COULD YOU REPEAT THAT? I
23 HAD DIFFICULTY HEARING YOUR STATEMENT.

24 MS. COX: THIS PROPOSAL, DRAFT PROPOSAL,
25 MENTIONS THAT IT HAS TO BE SUBMITTED BY A GOVERNMENTAL

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2 DISCUSSED OR LISTED BEFORE. I'M WANTING TO UNDERSTAND
3 WHY THAT'S NEEDED AND THE JUSTIFICATION FOR THAT HAVING
4 BEEN INCLUDED.

5 CHAIRMAN KLEIN: CERTAINLY. IT WAS DISCUSSED
6 BEFORE THAT PUBLIC ENTITIES WOULD BE INVOLVED IN THE
7 APPLICATION PURPOSE. THE REASONS FOR REQUIRING PUBLIC
8 ENTITY TO ACTUALLY BE A REQUIRED COMPONENT OF THE
9 SUBMISSION ARE MULTIPLE. THOSE INVOLVE, A, BY A PUBLIC
10 ENTITY BEING INVOLVED IN MAKING SURE ALL THE
11 REQUIREMENTS ARE MET, WE DON'T GET A BUILDING, FOR
12 EXAMPLE, THAT'S PROPOSED THAT HAS CODE PROBLEMS THAT
13 WE'RE NOT AWARE OF, THAT HAS LABOR PROBLEMS WE'RE NOT

14 AWARE OF, THAT HAS ISSUES AND CONFLICTS WITH THE CITY
15 ON ITS PARKING REQUIREMENTS ON-SITE OR OFF-SITE. IT
16 MAKES A PROPOSAL THAT'S INCONSISTENT WITH THE OCCUPANCY
17 USES, LOADS, OR ACCESS THAT'S PROPOSED IN THE ACTUAL
18 USE OF THE BUILDING.

19 IT ACTS TO FILTER US AND SEPARATE US FROM A
20 LARGE NUMBER OF ISSUES THAT WE DON'T HAVE THE STAFF TO
21 INVESTIGATE, AT LEAST IN A SHORT TIME PERIOD, WITH
22 THOROUGHNESS. BECAUSE THE PUBLIC ENTITY IS, IN FACT, A
23 PART OF THE APPLICATION ITSELF, IT ACTS TO FILTER AND
24 REVIEW THESE ISSUES. IT ALSO MEANS THAT TO THE EXTENT
25 THAT THERE IS A NEED FOR CONFERENCE FACILITIES AND

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2 FACILITATE THAT AND COORDINATE THE PACKAGE WITH THE
3 OWNER, SO WE DON'T GET PACKAGES WHERE THE OWNER AND THE
4 PUBLIC ENTITY DON'T AGREE ON HOW THESE COMPONENTS
5 INTERRELATE.

6 BUT IF THE COMMITTEE WANTS TO CHANGE THIS AND
7 REMOVE THIS, THAT'S UP TO THE COMMITTEE.

8 DR. REED: I'M NOT FAMILIAR ENOUGH WITH THESE
9 THINGS TO KNOW WHAT THE IMPLICATIONS OF THIS
10 RESTRICTION ARE.

11 DR. POMEROY: YOU KNOW, THIS SEEMS TO ME LIKE
12 A GOOD MODEL GIVEN THE NEED FOR ALL OF THESE THINGS,
13 LIKE AVAILABILITY OF HOTELS AND CONFERENCE FACILITIES.
14 THERE HAS TO BE SOME COORDINATING PARTNERSHIP HERE, AND
15 I KIND OF THOUGHT THAT WAS ONE OF THE MAIN GOALS OF

16 HAVING A GOVERNMENT ENTITY INVOLVED.

17 CHAIRMAN KLEIN: THAT'S CORRECT.

18 DR. POMEROY: SO I WOULD BE SUPPORTIVE OF HOW
19 IT IS CURRENTLY.

20 CHAIRMAN KLEIN: COMMENTS FROM LOS ANGELES?

21 DR. FRIEDMAN: I WOULD BE SUPPORTIVE OF HOW
22 IT IS CURRENTLY. IT'S MIKE FRIEDMAN.

23 CHAIRMAN KLEIN: DR. REED, I DIDN'T QUITE GET
24 YOUR COMMENT. ARE YOU COMFORTABLE WITH IT OR DO YOU
25 HAVE A QUESTION?

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2 IGNORANCE IN TERMS OF NOT UNDERSTANDING WHAT THAT
3 MEANS, THAT PUBLIC ENTITY HAS TO BE THE PROPONENT
4 THAT'S GOING TO APPLY FOR THIS CONTRACT. I REALLY
5 DON'T KNOW WHAT IT MEANS IN TERMS OF WHAT TYPES OF REAL
6 ESTATE ENTITIES COULD STILL PUT THEIR HAT IN THE RING
7 AND WHICH ONES WOULD BE PRECLUDED FROM DOING SO.

8 CHAIRMAN KLEIN: WELL, WHAT I NEED TO DO FOR
9 YOUR BENEFIT AND DR. MURPHY'S BENEFIT IS REPEAT SOME
10 INTRODUCTORY MATERIAL WHICH YOU DIDN'T GET THE BENEFIT
11 OF. THAT IS, THAT THE CONCEPT HERE IS THAT WHILE IT
12 TAKES A PUBLIC ENTITY SPONSOR ON THE APPLICATION, THE
13 LEASE IS DIRECTLY WITH THE PRIVATE OWNER, SO THE PUBLIC
14 ENTITY IS NOT ON THE LEASE AND IT DOES NOT LIMIT THE
15 NUMBER OF PRIVATE OWNERS AND TYPE OF PRIVATE OWNER,
16 WHETHER IT BE A NONPROFIT OR FOR PROFIT ENTITY OF ANY
17 KIND. THERE'S NO LIMITING EFFECT THERE.

18 THE PUBLIC ENTITY IS TO COORDINATE THIS
19 PACKAGE. AND AS DR. POMEROY SAYS, MAKE SURE THAT ALL
20 THE PIECES WORK TOGETHER, INCLUDING ANY PROPOSAL FOR
21 HOTEL ROOMS OR CONFERENCE SPACE; OR IF THERE'S OFF-SITE
22 PARKING, THAT, IN FACT, THERE'S AN ACCOMMODATION AND
23 CONSISTENT WITH THE CITY ZONING REQUIREMENTS AND ACCESS
24 REQUIREMENTS, PEOPLE WALKING ACROSS THE STREET WHERE
25 THERE'S TRAFFIC PROBLEMS WITH THAT ACCESS. THE WHOLE

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2 BUT THE PUBLIC ENTITY, FOR EXAMPLE, IF IT
3 WERE TO PROPOSE PUBLIC CONFERENCE SPACES VERSUS A SPACE
4 AT A UNIVERSITY IN THIS PACKAGE, IF THE PUBLIC ENTITY
5 IS PROPOSING SOMETHING UNDER ITS CONTROL, IT WOULD SIGN
6 ONLY FOR WHAT WAS UNDER ITS CONTROL. IT WOULD NOT BE
7 SIGNING FOR HOTEL ROOMS. HOTEL ROOM PROVIDERS WOULD BE
8 SIGNING FOR THOSE FACILITY COMBINATIONS ON A SEPARATE
9 AGREEMENT. BUT THEY WOULD BE COORDINATING THIS SO AT
10 THE TIME WE EXECUTE THE LEASE, ALL OF THESE COMPONENTS
11 WOULD BE AVAILABLE.

12 DR. REED: THANK YOU FOR THAT EXPLANATION.

13 CHAIRMAN KLEIN: YOU'RE VERY WELCOME. PUBLIC
14 COMMENTS ON THIS POINT OF DISCUSSION? WE'RE GOING TO
15 START HERE FROM SAN FRANCISCO THIS TIME. WE'RE JUST
16 REVERSING THE ORDER EACH TIME.

17 MR. SHOPPENHAUER: JUST ONE QUESTION ON THE
18 PROCESS. ONCE YOU ARE GETTING INTO THE PROCESS OF
19 RECEIVING THE PROPOSALS, WHAT OPPORTUNITIES WILL THERE

20 BE, IF ANY, TO IMPROVE THE PROPOSALS ONCE THEY HAVE
21 BEEN SUBMITTED AND ONCE THE VARIOUS SITES KNOW WHAT THE
22 OTHERS ARE OFFERING, AS WE HAVE SEEN IN THE EXECUTIVE
23 SEARCH PROCESS?

24 CHAIRMAN KLEIN: WELL, FIRST OF ALL, I THINK
25 WE NEED TO COMPLETE THIS PORTION ON THE RFP DOCUMENT

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2 LINE DISCUSSION, THAT ITEM CAN BE BROUGHT UP, IF THAT'S
3 ACCEPTABLE TO THE COMMITTEE MEMBERS.

4 DR. FRIEDMAN: IT IS.

5 CHAIRMAN KLEIN: IN TERMS -- ARE THERE ANY
6 ADDITIONAL COMMENTS FROM THE PUBLIC ON THE ITEMS WE
7 HAVE DISCUSSED FROM SAN DIEGO? FROM L.A.?

8 MS. KING: NONE HERE.

9 CHAIRMAN KLEIN: FROM SACRAMENTO?

10 DR. POMEROY: NONE.

11 CHAIRMAN KLEIN: FROM SAN FRANCISCO? WITH
12 THAT, I WOULD LIKE TO SEE IF WE CAN GET A MOTION TO
13 APPROVE.

14 DR. FRIEDMAN: MR. CHAIRMAN, THIS IS MIKE
15 FRIEDMAN IN LOS ANGELES. I'D LIKE TO MAKE A MOTION
16 THAT WE APPROVE THE RFP DOCUMENT AS AMENDED.

17 CHAIRMAN KLEIN: ALL RIGHT. AND,
18 DR. FRIEDMAN, WITH THAT MOTION, WOULD YOU LIKE WALTER
19 BARNES TO JUST WALK THROUGH EACH OF THE ITEMS OF
20 MODIFICATION?

21 DR. FRIEDMAN: I WOULD BE VERY GRATEFUL SINCE

22 I WAS HOPING THAT YOU WOULDN'T ASK ME TO DO SO.

23 CHAIRMAN KLEIN: IS THERE A SECOND TO THIS
24 MOTION, ASSUMING THAT THE SECOND IS CONDITIONED UPON US
25 HEARING THESE ITEMS AND THEN ASSUMING THAT THE PERSON

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2 DR. POMEROY: SECOND.

3 CHAIRMAN KLEIN: WALTER BARNES, WOULD YOU
4 PLEASE WALK THROUGH THE ITEMS?

5 MR. BARNES: IT SEEMS TO ME THAT THE MAIN
6 ITEMS THAT WE DISCUSSED HERE THAT NEED TO BE REVISED,
7 AND I'M GOING TO GLOSS OVER THE ONES THAT YOU ANNOUNCED
8 AT THE BEGINNING OF THE MEETING HERE. ONE IS THAT WE
9 WANTED THE CONFERENCE FACILITY THAT'S CURRENTLY LISTED
10 UNDER MINIMUM REQUIREMENTS FOR THE GOVERNMENTAL ENTITY
11 TO BE RELOCATED TO THE PREFERENCES. AND BASICALLY TO
12 TAKE OUT SOME OF THE SPECIFICS WITH REGARD TO THE
13 NUMBER OF PEOPLE, BUT THAT WE WOULD BASICALLY ASK THEM
14 TO PROVIDE INFORMATION ON THE NUMBER OF DAYS AND TIMES
15 AND LOCATIONS DURING THE PERIOD OF THE YEAR THAT THEY
16 WOULD BE ABLE TO PROVIDE THESE FACILITIES.

17 CHAIRMAN KLEIN: I THOUGHT WE WERE GOING
18 TO --

19 DR. PENHOET: NOT LESS THAN SIX DAYS, I
20 THOUGHT.

21 MR. BARNES: I COULDN'T REMEMBER IF WE HAD
22 AGREED THAT WE WANTED TO DO THE SIX DAYS OR NOT. SO
23 YOU WANT THE SIX DAYS IN.

24 DR. PENHOET: NOT LESS THAN SIX DAYS.

25 MR. BARNES: NOT LESS THAN SIX DAYS. AND

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2 TO THE EXTENT THAT THEY COULD GIVE US ADDITIONAL DAYS,
3 THEY WOULD TELL US WHEN THOSE WERE.

4 CHAIRMAN KLEIN: IN TERMS OF AVAILABILITY.
5 IN OTHER WORDS, YOU'RE GOING TO DO THREE MONTHS'
6 NOTICE.

7 MR. BARNES: OKAY. THERE WAS A GREAT DEAL OF
8 DISCUSSION ABOUT THE EMPLOYMENT POOL PREFERENCE FOR THE
9 GOVERNMENTAL ENTITY. WHAT I GOT WAS THAT, AGAIN, WE
10 WERE GOING TO TRY TO MAKE THIS A LITTLE BIT MORE
11 GENERIC, THAT IT WOULD BE A DESCRIPTION OF THE TYPE OF
12 POOL, VIGOROUS POOL OF PROFESSIONALS ENGAGED IN
13 BIOMEDICAL RESEARCH. THE PUBLIC ENTITY TO DOCUMENT HOW
14 MANY ARE WITHIN THE 45-MINUTE AND RELIABLE
15 TRANSPORTATION AREA, AND TO DESCRIBE THE TYPES OF
16 PROFESSIONS BY THINGS LIKE LEVELS AND DEGREES AND THAT
17 KIND OF THING.

18 CHAIRMAN KLEIN: IN OTHER WORDS, WHETHER IT'S
19 MEDICAL DEVICE OR PRIVATE COMPANIES, UNIVERSITY JOBS,
20 ETC.

21 MR. BARNES: WITH REGARD TO THE PROVISION
22 UNDER PREFERENCES FOR THE GOVERNMENTAL ENTITY, WE WERE
23 ALSO GOING TO CHANGE THE ACCESS TO SACRAMENTO TO BE BY
24 REASONABLE AND RELIABLE TRANSPORTATION AS OPPOSED TO
25 HAVING A SPECIFIC TIME FRAME IN THERE, THE TWO HOURS.

2 METHOD AND THE TIME IT TAKES FOR THAT ACCESS.

3 MR. BARNES: GOING TO THE BUILDING OWNER
4 REQUIREMENTS, UNDER THE MINIMUM REQUIREMENTS, WE WERE
5 GOING TO CHANGE THE PARKING SPACES SO THAT THE MINIMUM
6 REQUIREMENT IS 40 SPACES. AND THEN UNDER THE
7 PREFERENCE WE WOULD STATE A PREFERENCE FOR AN
8 ADDITIONAL LEVEL OF SPACES UP TO AT LEAST 80, BUT THEN
9 POTENTIALLY, IF THEY WANTED TO PUT MORE IN, THAT'S
10 AVAILABLE TOO. AND I THINK USING BOB'S COMMENTS, THE
11 TERMS AND CONDITIONS UNDER WHICH THOSE SPACES WOULD BE
12 AVAILABLE.

13 THERE WAS A LOT OF TALK ABOUT THE LEASE. AND
14 HERE'S WHAT I GOT OUT OF IT. SO THE LEASE, BASICALLY
15 WE CHANGED THE TERMS THAT WE'VE TALKED ABOUT IN THIS
16 DOCUMENT. THE FOUR YEARS WILL BE A FIRM TERM, LOW OR
17 NO COST. THERE WOULD BE UP TO THREE MORE OPTION YEARS
18 LOW OR NO COST, BUT THERE WOULD BE ONLY -- THERE WOULD
19 BE CONDITIONS THAT THERE WOULD BE FUNDING AVAILABLE AND
20 IF CONDITIONS THAT RESULTED IN THE AWARD IN THE
21 ORIGINAL AWARD WERE STILL EFFECTIVELY IN PLACE. SO
22 THERE'S SORT OF TWO CONDITIONS THAT WE WOULD HAVE TO
23 MEET AND THAT THEY WOULD HAVE TO MEET.

24 AND THEN THAT TAKES US UP TO SEVEN YEARS.
25 AND THEN WHAT I'VE GOT IS ADDITIONAL YEARS AT LEAST FOR

2 THEY WANT TO PROPOSE MORE THAN TEN, THEY CAN PROPOSE
3 MORE THAN TEN, BUT AT LEAST THEY SHOULD HAVE AT LEAST
4 TEN TOTAL YEARS.

5 CHAIRMAN KLEIN: LET ME TRY AND REFINE THAT.
6 BEYOND THE FOUR YEARS FIRM AT NO COST, YOU WOULD HAVE,
7 THEN, AN ADDITIONAL ONE TO ELEVEN MORE YEARS, DEPENDING
8 UPON WHAT THE PROPOSAL WAS BY THE APPLICANT. AND THAT
9 THEY WOULD NOT GO TO ANOTHER NO-COST SITE AS LONG AS --
10 WE NOT PROPOSE -- THE INSTITUTE WOULD NOT MOVE TO
11 ANOTHER NO-COST SITE AS LONG AS THIS LOW-COST SITE
12 CONTINUED TO BE AVAILABLE. SO THERE'S SOME CONTINUITY
13 THERE. BUT THAT THE APPLICANT CAN PROPOSE THAT A
14 PORTION OF THIS SECOND, PERIOD INSTEAD OF BEING NO OR
15 LOW COST, BE AT 90 PERCENT OF MARKET, THE THEN CURRENT
16 MARKET. SO IF THE APPLICANT CHOSE TO SUGGEST FOUR
17 YEARS FIRM AT NO COST, ANOTHER THREE YEARS AT NO COST,
18 THEY COULD THEN PROPOSE THAT THE ADDITIONAL TERM WOULD
19 BE AT 90 PERCENT OF MARKET.

20 THE REASON FOR IT BEING 90 PERCENT OF MARKET
21 IS THAT THERE'S NOT A COMMISSION INVOLVED AND THERE'S
22 NOT A PROPOSAL OF HAVING NEW TENANT IMPROVEMENTS
23 INVOLVED AT THE RENEWAL DATE.

24 MR. BARNES: OKAY. AND THEN ALSO UNDER THE
25 MINIMUM REQUIREMENTS, WE'RE GOING TO CLARIFY THAT THE

2 DISCUSSIONS OF SENSITIVE MATTERS, SUCH AS INTELLECTUAL
3 PROPERTY AND THAT KIND OF THING.

4 AND THOSE ARE THE ONES THAT I GOT.

5 CHAIRMAN KLEIN: THOSE ARE THE POINTS.

6 ADDITIONALLY IN THE INTRODUCTORY PERIOD, DR. REED AND
7 DR. MURPHY, I POINTED OUT IT WAS IMPORTANT FOR THE
8 APPLICANT TO SPECIFY HOW MANY DAYS IT WILL BE FOR THE
9 BUILDING TO BE AVAILABLE FOR OCCUPANCY. IF IT TAKES 30
10 DAYS FOR TENANT IMPROVEMENTS OR 60 OR 90 OR 120, YOU
11 GOT TO TELL US THAT SO THAT WE CAN JUDGE. I NOTICE
12 THAT THERE COULD BE SIGNIFICANT TIME VARIANCES BASED
13 UPON THE CONDITION OF THE BUILDING THAT IS PROPOSED AND
14 THE AMOUNT OF TENANT IMPROVEMENTS REQUIRED TO
15 ACCOMPLISH THE SITE UTILIZATION.

16 I WOULD ALSO INDICATE THAT IF THERE IS A
17 SPECIFIC REQUIREMENT IN, FOR EXAMPLE, THE LAYOUT OF THE
18 CONFERENCE ROOMS OR THE SIZE OF A CONFERENCE ROOM ON
19 THE SITE OR SOME OTHER CRITERIA IN THE PROGRAM THAT'S
20 PROPOSED THAT IS EXTREMELY COSTLY THAT IS
21 DISPROPORTIONATELY AFFECTING THE ABILITY OF THE OWNER
22 TO MAKE A VERY ATTRACTIVE PROPOSAL TO THE INSTITUTE,
23 PLEASE STATE WHAT THIS ITEM IS AS AN ALTERNATE SO IT
24 COULD BE CONSIDERED. IF YOU NEED TO MAKE A PROPOSAL ON
25 THE TERMS THAT WE REQUESTED, BUT IF YOU CAN ENHANCE

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2 SECOND CONFERENCE OF A CERTAIN SIZE BECAUSE IT JUST
3 WON'T FIT IN YOUR BUILDING FLOOR PLATE AND WOULD

4 REQUIRE DIFFERENT FLOOR TO BE UTILIZED, TELL US THAT.
5 IT NEEDS TO BE AVAILABLE SO WE CAN TAKE IT INTO
6 CONSIDERATION.

7 OKAY. SO WE'VE STATED THE MATERIAL. WE'VE
8 GONE THROUGH PUBLIC COMMENT. WE'VE STATED THE
9 MODIFICATIONS. IS IT THE WILL OF THE COMMITTEE TO MOVE
10 FORWARD ON THIS ITEM, OR IS THERE ANY COMMENTS FROM THE
11 COMMITTEE ON THE CHANGES AS STATED?

12 DR. MURPHY: BOB, RICH MURPHY IN SAN DIEGO.
13 LET ME APOLOGIZE TO THE COMMITTEE. I JUST WANT TO GO
14 BACK TO THIS CONFERENCE FACILITY QUESTION. THE IDEA OF
15 A CONFERENCE FACILITY WOULD BE FOR, AS WAS MENTIONED
16 EARLIER, FOR EXAMPLE, THE SCIENTIFIC ADVISORY PANEL, IT
17 WOULD BE FOR MEETINGS OF THE SCIENTISTS, NATIONAL AND
18 INTERNATIONAL AND STATE. IT WOULD BE KIND OF THE
19 center OF SCIENTIFIC DISCUSSION THAT WE WOULD SEE FOR
20 THE CIRM; IS THAT RIGHT?

21 CHAIRMAN KLEIN: THAT'S CORRECT. IT DOESN'T
22 STOP CONFERENCES TO BE HELD ANY OTHER PARTS OF THE
23 STATE. THESE ARE JUST FACILITIES THAT WOULD BE
24 AVAILABLE TO US WITHOUT COST, LOW COST.

25 DR. MURPHY: LOW COST AND NO COST. WOULD

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2 NEED TO BE PUBLIC MEETINGS?

3 CHAIRMAN KLEIN: SCIENTIFIC MEETINGS ARE NOT
4 REQUIRED TO BE PUBLIC MEETINGS. IT'S ONLY MEETINGS OF
5 THE BOARD THAT ARE REQUIRED TO BE PUBLIC MEETINGS OR

6 MEETINGS OF THE COMMITTEES OF THE BOARD THAT ARE
7 REQUIRED TO BE PUBLIC MEETINGS. THERE ARE -- THERE'S
8 THE POSSIBILITY THAT THE STANDARDS WORKING GROUP, FOR
9 EXAMPLE, HOLD A MEETING THAT'S A PUBLIC MEETING BECAUSE
10 IT'S A POLICY MEETING AND THEY DECIDE THAT THERE'S VERY
11 IMPORTANT STANDARDS TO CONSIDER. BUT FOR MOST PURPOSES
12 THE PUBLIC MEETINGS INVOLVE THE BOARD AND COMMITTEES OF
13 THE BOARD.

14 DR. MURPHY: OKAY. SO THIS DOESN'T RULE OUT
15 THE NOTION THAT WE TOUCHED UPON AT ONE OF THE PREVIOUS
16 MEETINGS, AND THAT IS THERE IS VALUE IN HOLDING THESE
17 SCIENTIFIC MEETINGS IN DIFFERENT PARTS OF THE STATE FOR
18 THE PURPOSE OF EDUCATION, FOR THE PURPOSE OF EXPOSING
19 VISITORS TO DIFFERENT STRENGTHS OF THE STATE,
20 SCIENTIFIC STRENGTHS OF THE STATE, ETC.

21 CHAIRMAN KLEIN: YOU'RE ADDRESSING THE MOVING
22 BOARD MEETINGS AROUND THE STATE. IT DOES NOT ADDRESS
23 THAT AT ALL.

24 DR. MURPHY: NO. I'M TALKING ABOUT THE
25 SCIENTIFIC MEETINGS.

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2 SCIENTIFIC MEETINGS TO AN AREA OF THE STATE EITHER.

3 DR. MURPHY: OKAY. THANK YOU.

4 DR. FRIEDMAN: MR. CHAIRMAN, THIS IS MIKE
5 FRIEDMAN. I CALL THE QUESTION.

6 CHAIRMAN KLEIN: OKAY. THERE'S A CALL FOR
7 THE QUESTION. IF WE COULD SEE -- ALL IN FAVOR?

8 OPPOSED?

9 DR. PRECIADO: BOB, PHYLLIS PRECIADO. I
10 SHOULD HAVE SAID SOMETHING EARLIER, BUT DIDN'T WE
11 DISCUSS UNDER PREFERENCES CHANGING SOME OF THE LANGUAGE
12 REGARDING FOUR OR MORE LEADING UNIVERSITIES, RESEARCH
13 HOSPITALS, ETC.?

14 DR. FRIEDMAN: WE DID.

15 CHAIRMAN KLEIN: WE DID. IF I COULD BEG YOUR
16 INDULGENCE FOR A MOMENT. CAN WE JUST FINISH THE VOTE
17 AND GO BACK AND DO AN AMENDMENT?

18 DR. FRIEDMAN: YES. I'D LIKE TO MAKE -- THIS
19 IS MIKE FRIEDMAN. I WOULD AMEND THE RFP. IT'S EXACTLY
20 AS HAS BEEN STATED, THAT WE REMOVED THE REQUIREMENT FOR
21 FOUR AND SIMPLY HAD A GENERAL STATEMENT ABOUT ACADEMIC
22 centerS BEING SOMETHING THAT SHOULD BE QUANTIFIED IN AN
23 APPLICANT'S PROPOSAL TO US.

24 CHAIRMAN KLEIN: THEY SHOULD DESCRIBE THEM IN
25 THE APPLICATIONS SO THEN WE CAN LOOK AT WHAT PREFERENCE

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2 DR. FRIEDMAN: THAT'S A GOOD PICK-UP. THANK
3 YOU.

4 CHAIRMAN KLEIN: WE HAVE AMENDED THE MOTION.
5 WE ACTUALLY HELD A VOTE. IF I COULD --

6 DR. FRIEDMAN: HAVE ANOTHER VOTE.

7 CHAIRMAN KLEIN: IF WE COULD -- DR. FRIEDMAN,
8 IF YOU'D LIKE TO MAKE A NEW MOTION TO AMEND THE PRIOR
9 MOTION THAT PASSED.

10 DR. FRIEDMAN: I WOULD LOVE TO DO SO.
11 CHAIRMAN KLEIN: IS THERE A SECOND?
12 DR. PRECIADO: YES.
13 CHAIRMAN KLEIN: WHO IS THE SECOND?
14 DR. PRECIADO: PRECIADO.
15 CHAIRMAN KLEIN: PRECIADO. VERY GOOD POINT,
16 DR. PRECIADO. I'D LIKE TO CALL THE QUESTION.
17 DR. POMEROY: BEFORE YOU DID THAT, BOB, JUST
18 SO WE DON'T HAVE TO GO THROUGH THIS AGAIN. YOU ALSO
19 MADE AN AMENDMENT ON PAGE 9 ABOUT AVAILABILITY OF AIR
20 CONDITIONING AFTER HOURS THAT WE SHOULD JUST MAKE SURE
21 GETS CHANGED. I DON'T THINK THAT WAS MENTIONED.
22 CHAIRMAN KLEIN: DR. POMEROY, IF THERE ARE
23 NONSUBSTANTIVE TECHNICAL CORRECTIONS TO THE LANGUAGE
24 THAT I MADE, IT WOULD BE ACCEPTABLE IF WE CONSIDERED,
25 SINCE THEY'RE NONCONTROVERSIAL, UNDER TECHNICAL, WOULD

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2 CORRECTIONS?
3 DR. FRIEDMAN: YES.
4 DR. POMEROY: SOUNDS GOOD.
5 CHAIRMAN KLEIN: SO THE TECHNICAL CORRECTIONS
6 PREVIOUSLY MENTIONED WILL BE MADE ALONG WITH THE
7 MODIFICATIONS. I'D LIKE TO CALL THE QUESTION ON THE
8 AMENDED MOTION. ALL IN FAVOR? OPPOSED?
9 THE QUESTION FROM STAFF IS DO WE NEED A ROLL
10 CALL? MY UNDERSTANDING IS THAT, SINCE THERE IS NO
11 CONTROVERSY ON THE VOTE, WE DON'T NEED A ROLL CALL.

12 THE STAFF HAS VERY APPROPRIATELY GIVEN ME AN UPDATE ON
13 THAT POLICY. IT SAYS THE BEST PRACTICE ON
14 TELECONFERENCE IS TO HAVE ROLL CALL. I STAND
15 CORRECTED. IT'S DIFFERENT THAN THE BOARD MEETING.
16 WOULD AMY DUROSS PLEASE CALL THE ROLL.

17 MS. DU ROSS: MICHAEL FRIEDMAN.

18 DR. FRIEDMAN: I VOTE YES ON BOTH THE PRIMARY
19 AND THE AMENDMENT.

20 MS. DU ROSS: BOB KLEIN.

21 CHAIRMAN KLEIN: YES ON BOTH.

22 MS. DU ROSS: SHERRY LANSING. RICHARD
23 MURPHY.

24 DR. MURPHY: YES TO BOTH.

25 MS. DU ROSS: ED PENHOET.

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2 MS. DU ROSS: CLAIRE POMEROY.

3 DR. POMEROY: YES, BOTH.

4 MS. DU ROSS: PHYLLIS PRECIADO.

5 DR. PRECIADO: YES BOTH.

6 MS. DU ROSS: JOHN REED.

7 DR. REED: YES ON BOTH.

8 CHAIRMAN KLEIN: THANK YOU. ITEM PASSED.

9 WE'RE GOING TO MOVE HERE TO THE SUGGESTED
10 TIME LINE.

11 DR. FRIEDMAN: MR. CHAIRMAN, THIS IS MIKE
12 FRIEDMAN. I APOLOGIZE, BUT I MUST GET TO ANOTHER
13 MEETING, AND SO PLEASE EXCUSE ME.

14 CHAIRMAN KLEIN: DR. FRIEDMAN, IF I COULD
15 JUST HAVE ONE COMMENT HERE. LET ME TELL EVERYONE. THE
16 SPENCER STUART INDICATED IT'S VERY IMPORTANT TO THE
17 PRESIDENTIAL SEARCH THAT WE GET THE PERMANENT SITE
18 SELECTED AND WE GET THE PERMANENT SITE SELECTED IN TIME
19 THAT BEFORE THE SHORT LIST OF PRESIDENTIAL CANDIDATES
20 AGREES TO BE INTERVIEWED BY THE BOARD, THEY KNOW WHERE
21 THE SITE IS SO THEY KNOW WHERE THEY'RE ACCEPTING A JOB.

22 NOW, DO YOU FEEL, JUST AS THE MATTER OF
23 INTENT, THAT THAT, IN FACT, SHOULD BE ONE OF THE
24 GUIDING PRINCIPLES IN TRYING TO DRIVE OUR TIME LINE?

25 DR. FRIEDMAN: THIS IS MIKE FRIEDMAN, AND I

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2 EXPERIENCE AND ADVICE. IF THEY THINK THIS WILL HELP
3 ENHANCE OUR ABILITY TO GET A BETTER CANDIDATE, THEN I
4 WOULD AGREE WITH THEM.

5 CHAIRMAN KLEIN: OKAY. I JUST WANTED TO PUT
6 THAT ON THE TABLE AS A FUNDAMENTAL ISSUE, BUT WE
7 UNDERSTAND THAT YOU NEED TO LEAVE.

8 DR. FRIEDMAN: THANK YOU.

9 CHAIRMAN KLEIN: IF EVERYONE HAS THE
10 PERMANENT SPACE TIME LINE IN FRONT OF THEM, THE HIGH
11 POINTS ON THIS ARE THE FOLLOWING. THE RFP WOULD BE
12 RELEASED ON THE 28TH, INCORPORATING THE REVISIONS JUST
13 MADE. THE RESPONSE TO THOSE WOULD BE MADE BY MARCH
14 16TH, MENTIONING THAT MOST OF THE CITIES AND
15 DEVELOPMENT INTERESTS INVOLVED HAVE BEEN WORKING ON

16 THIS AND ARE AWARE OF THIS FOR OVER SIX WEEKS AT THIS
17 POINT.

18 THE STAFF BEGINS, DGS STAFF, WITH ASSISTANCE
19 FROM THE INSTITUTE STAFF, ESSENTIALLY LED BY THE DGS
20 STAFF, BEGINS THEIR REVIEW ON THE 17TH AND COMES BACK
21 ON THE 25TH WITH FOUR OR FIVE SITES.

22 I WOULD THINK THAT HOPEFULLY THOSE SITES HAVE
23 VERY, VERY STRONG LONG-TERM RENT CONCESSIONS OR
24 AVOIDANCE IN THE PROPOSALS.

25 THE SITE COMMITTEE APPROVES THE LIST OF SITES

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2 HEARING, THAT IS, OUR COMMITTEE DOES, ON 4/4. BETWEEN
3 4/4 AND 4/18, THE SITE COMMITTEE COMPLETES REVIEW OF
4 THE LIST OF THE APPROVED SITES, INCLUDING SITE TOURS.
5 IT WOULD NOT NECESSARILY BE THAT EVERY MEMBER OF OUR
6 COMMITTEE VIEWS EVERY SITE. BUT WE COULD PROBABLY
7 CREATE TEAMS WHERE ONE PERSON FROM A LOCATION IS TEAMED
8 UP WITH A PERSON FROM ANOTHER LOCATION, AND WE CAN HAVE
9 THREE TEAMS, FOR EXAMPLE. AT LEAST TWO TEAMS WOULD
10 REVIEW EACH SITE SO WE GET A DIVERSITY OF OPINION.

11 THE SITE COMMITTEE WOULD THEN ON THE 22D
12 DECIDE ON A RECOMMENDATION FOR THE NO. 1 SITE AND
13 RUNNER-UP AT THE PUBLIC HEARING. IN ORDER TO GET THE
14 BEST PROPOSALS, OUR MATERIALS SAY THAT WE'D RELEASE THE
15 BALANCE OF THE SITES AT THAT POINT BECAUSE WE CAN'T
16 EXPECT EVERYONE TO HOLD THEIR SITES IF THEY'RE NOT
17 BEING SELECTED. SO IT'S ONLY THE NO. 1 SITE AND THE

18 RUNNER-UP SITE THAT WOULD CONTINUE TO BE COMMITTED
19 UNDER IRREVOCABLE COMMITMENT LETTERS.

20 THE RECOMMENDATION WOULD BE MADE ON THE 29TH
21 FOR NO. 1 SITE AND RUNNER-UP BE SENT TO THE ICOC. THEY
22 WOULD HAVE -- THE ICOC WOULD APPROVE THE NO. 1 SITE AND
23 THE RUNNER-UP AT THE PUBLIC HEARING ON 5/6, AND BY 5/20
24 DGS WOULD LEAD US IN EXECUTING AGREEMENTS WITH THE
25 LOCAL ENTITY, PARTICIPANTS, AND BUILDING OWNER.

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2 THIS SAYS 30 TO 90 DAYS. IF IT TAKES 120 DAYS TO DO
3 THE TENANT IMPROVEMENTS, TELL US. THE 90 DAYS WAS TO
4 GIVE SOMEONE SOME CONFIDENCE WE WEREN'T GOING TO HAVE
5 THEIR BUILDING AND NOT UTILIZE IT. SO INTENDED TO
6 UTILIZE IT WHEN IT IS AVAILABLE, BUT IS NOT MEANT TO
7 SAY IF IT'S 91 DAYS, IT'S NOT QUALIFIED. TELL US
8 EXPLICITLY HOW LONG IT WILL TAKE US.

9 THE CLOCK STARTS RUNNING ON OUR SPACE 30 DAYS
10 AFTER IT'S AVAILABLE FOR OCCUPANCY, SO YOU'RE NOT
11 OFFERING US THREE YEARS OF FREE SPACE AND WE TAKE SIX
12 MONTHS TO OCCUPY, SO YOU REALLY GET THREE YEARS AND SIX
13 MONTHS FREE. THAT'S TO PROVIDE CONFIDENCE AND
14 PREDICTABILITY TO THE OWNER AGAIN.

15 BUT THAT'S THE PROVISION. SPENCER STUART'S
16 INTENT IS SHORTLY AFTER -- BETWEEN 5/6 AND 5/20,
17 APPROXIMATELY IN THAT TIME FRAME, TO DO THE SHORT LIST
18 INTERVIEWS WITH PRESIDENTIAL CANDIDATES. AND THEY WANT
19 TO BE ABLE TO TELL THE PRESIDENTIAL CANDIDATES WHERE

20 THE SITE RECOMMENDATION IS. THIS IS ALL SUBJECT TO THE
21 APPROVAL OF THIS TIME LINE BY THE BOARD ON MONDAY AT
22 THE BOARD MEETING. THE ACTUAL APPROVAL WILL BE MADE
23 AFTER THE PRESIDENTIAL SEARCH SUBCOMMITTEE REVIEWS THAT
24 TIME LINE ON MONDAY FOR THE BOARD MEETING ON TUESDAY,
25 WHICH MUST THEN APPROVE IT AT THE BOARD LEVEL.

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2 EXTREMELY EXPLICIT IN THE DETAILS. I APPRECIATE THAT.
3 THAT'S THE TIME LINE THAT IS SUGGESTED. ARE
4 THERE COMMITTEE COMMENTS ON THE TIME LINE?

5 DR. PRECIADO: TWO THINGS. AND THEY'RE JUST
6 DETAIL STUFF. IT WOULD BE GOOD TO PUT AFTER 2/28, 3/1
7 BOARD MEETING APPROVAL, I MEAN ICOC APPROVAL.

8 CHAIRMAN KLEIN: THE ICOC HAS ACTUALLY
9 DELEGATED TO US, TO OUR COMMITTEE, THE ABILITY AT THIS
10 POINT TO RELEASE THE RFP AND GET THIS PROCESS STARTED.
11 SO WE WILL REPORT TO THE ICOC ON PROGRESS, BUT WE
12 ACTUALLY ARE AUTHORIZED, BASED ON PRIOR SUBMISSIONS TO
13 THE BOARD, TO RELEASE THE RFP IF THIS COMMITTEE SO
14 DESIRES.

15 DR. PRECIADO: ALL RIGHT. THEN THE SECOND
16 POINT IS WHEN YOU, FOR EXAMPLE, YOU HAVE 3/17/05 YOU
17 HAVE CIRM-DGS. CIRM STAFF, CORRECT?

18 CHAIRMAN KLEIN: STAFF.

19 DR. PRECIADO: IT WOULD BE GOOD TO PUT THAT.

20 CHAIRMAN KLEIN: OKAY. WE'LL PUT STAFF IN.
21 OKAY.

22 DR. POMEROY: I THINK THIS IS AGGRESSIVE, BUT
23 APPROPRIATE AND WE SHOULD GET ON WITH IT.

24 CHAIRMAN KLEIN: OKAY. IS THERE A MOTION BY
25 THE BOARD?

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2 CHAIRMAN KLEIN: OKAY. I CAN TAKE A
3 MOTION --

4 DR. PRECIADO: SECOND.

5 CHAIRMAN KLEIN: -- SECOND AND THEN COMMENT.
6 OKAY. MOTION AND SECOND HAS BEEN MADE. IS THERE
7 PUBLIC COMMENT FROM SAN DIEGO?

8 DR. MURPHY: APPARENTLY NOT.

9 CHAIRMAN KLEIN: PUBLIC COMMENT FROM L.A.?

10 MS. KING: NONE IN L.A.

11 CHAIRMAN KLEIN: IS THERE PUBLIC COMMENT FROM
12 DAVIS?

13 DR. PRECIADO: NONE.

14 CHAIRMAN KLEIN: IS THERE PUBLIC COMMENT FROM
15 SAN FRANCISCO? YES.

16 MR. ROBERTS: TIM ROBERTS FROM THE BUSINESS
17 JOURNAL OF SAN JOSE. WHEN DO YOU CHOOSE THE PERMANENT
18 SITE? I SEE WHERE YOU CHOOSE NO. 1 AND RUNNER-UP.
19 WHERE DO YOU CHOOSE THE SITE?

20 CHAIRMAN KLEIN: 5/6 IS THE ICOC, THE BOARD
21 ITSELF, APPROVES THE SITE. NOW, THEY'RE GOING TO
22 APPROVE THE SITE AND THE RUNNER-UP. IF THERE'S A
23 PROBLEM IN THE EXECUTION AND DELIVERY OF THE NO. 1

24 SITE, IT WOULD THEN FALL, IF THE BOARD SO CHOOSES, TO
25 THE RUNNER-UP SITE.

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2 ROLL CALL.

3 MS. DU ROSS: MICHAEL FRIEDMAN, BOB KLEIN.

4 CHAIRMAN KLEIN: YES.

5 MS. DU ROSS: SHERRY LANSING. RICHARD
6 MURPHY.

7 DR. MURPHY: YES.

8 MS. DU ROSS: ED PENHOET.

9 DR. PENHOET: YES.

10 MS. DU ROSS: CLAIRE POMEROY.

11 DR. POMEROY: YES.

12 MS. DU ROSS: PHYLLIS PRECIADO.

13 DR. PRECIADO: YES.

14 MS. DU ROSS: JOHN REED.

15 DR. REED: YES.

16 CHAIRMAN KLEIN: MOTION PASSES. I WOULD LIKE
17 TO SPECIFICALLY THANK THE COMMITTEE MEMBERS. MY
18 UNDERSTANDING IS IN THE STATE'S HISTORY, THIS IS KIND
19 OF A UNIQUE EXPERIENCE. WE'VE BENEFITED FROM THE
20 CONTROLLER'S OFFICE AND DDS' TREMENDOUS INPUT HERE. I
21 THINK THE COMMITTEE WILL BE VERY IMPRESSED WITH THE
22 DETAILED SPECIFICATIONS. I REVIEWED THEM WITH ONE OF
23 THE COMMITTEE MEMBERS, CLAIRE POMEROY, JUST OUT OF A
24 PROCEDURAL DESIRE TO HAVE A SECOND SET OF EYES LOOK AT
25 IT, BUT DGS, THE CONTROLLER'S OFFICE HAS COMPARED THESE

2 BELIEVE, UNLESS THERE ARE COMMITTEE MEMBERS WHO WOULD
3 LIKE TO LOOK AT THE DETAILED TECHNICAL SPECS ON THE
4 WASHROOMS AND MATERIALS, THAT IT WOULD BE NECESSARY TO
5 GO THROUGH ALL THOSE, ALTHOUGH A SET OF THOSE WILL BE
6 SENT TO EACH OF YOU. SO THAT IF THERE ARE QUESTIONS AT
7 A LATER DATE, WE CAN REFER TO SOME SPECIFIC ITEM
8 BECAUSE IN THE FINAL CONSIDERATION OF SITES, IF THERE'A
9 DESIRE TO MAKE A SUBSTITUTION, WE CAN ADDRESS THAT
10 ITEM.

11 I DON'T BELIEVE WE HAVE ADDITIONAL ITEMS FOR
12 THIS MEETING, BUT I'D LIKE TO ASK IF THERE'S ANY BOARD
13 MEMBER THAT WOULD LIKE TO MAKE ADDITIONAL COMMENTS.

14 DR. PRECIADO: WILL WE BE DISCUSSING PROGRAM
15 DATA, THE ROOMS?

16 CHAIRMAN KLEIN: NO. THE ROOMS ARE LAID
17 OUT -- HAVE BEEN LAID OUT BY THE DEPARTMENT OF GENERAL
18 SERVICES, IN LOOKING AT THE FUNCTIONS OF THE DIFFERENT
19 STAFF, DIFFERENT COMMITTEES, AND THAT IS AN EXHIBIT
20 THAT YOU SHOULD HAVE, PHYLLIS. IF YOU HAVE THAT
21 EXHIBIT, WHICH YOU WOULD HAVE AT YOUR MEETING ROOM, AND
22 WANT TO MAKE A COMMENT ON SOME OF THE USES NOW, WE
23 COULD TAKE THAT INTO CONSIDERATION.

24 DR. PRECIADO: I DO. I'M WONDERING IN TERMS
25 OF EDUCATIONAL PURPOSES FOR THE PUBLIC'S INTEREST,

2 SPACE OR A ROOM FOR EDUCATIONAL PURPOSES?

3 CHAIRMAN KLEIN: THE ANSWER IS THAT WE
4 CERTAINLY CAN. WE HAVE TWO CONFERENCE ROOMS FOR 50
5 PEOPLE EACH. AND THOSE CONFERENCE ROOMS WERE NOT USED
6 FOR COMMITTEE MEETINGS. REMEMBER UNDER BAGLEY-KEENE,
7 IF WE USE THE OFFICES AS A SITE FOR COMMITTEE MEETING,
8 WE HAVE TO HAVE SPACE FOR 50 PEOPLE. IF THEY'RE NOT
9 USED FOR COMMITTEE MEETINGS, THOSE COULD BE USED FOR
10 EDUCATIONAL PURPOSES.

11 DR. PRECIADO: IS IT POSSIBLE TO PUT SOME
12 LANGUAGE THAT ILLUSTRATES THAT?

13 CHAIRMAN KLEIN: YES. YES.
14 CONFERENCE/EDUCATIONAL SPACE.

15 DR. PRECIADO: FOR PUBLIC'S INTEREST.

16 CHAIRMAN KLEIN: FOR MEETINGS WITH THE
17 PUBLIC. EDUCATIONAL MEETINGS, RIGHT?

18 DR. PRECIADO: YES.

19 CHAIRMAN KLEIN: OKAY.

20 DR. PRECIADO: THANK YOU.

21 CHAIRMAN KLEIN: OKAY. ANY OTHER MEMBERS'
22 COMMENTS?

23 DR. MURPHY: BOB, WE HAD TALKED IN THE LAST
24 MEETING ABOUT THE POSSIBLE NEED FOR SUPPLEMENTAL
25 OFFICES FOR EDUCATIONAL PURPOSES OR ADMINISTRATIVE

2 BEING FUNDED BY THE CIRM. WHEN DOES THAT DISCUSSION OR
3 DOES THAT DISCUSSION BECOME PART OF THIS DISCUSSION IN
4 TERMS OF WHERE THE HEADQUARTERS WOULD BE AND WHETHER OR
5 NOT THERE WOULD BE SUPPLEMENTAL OFFICES AROUND THE
6 STATE?

7 CHAIRMAN KLEIN: WOULD YOU LIKE US TO
8 AGENDIZE -- WHEN IT COMES BACK TO THE SITE COMMITTEE
9 FOR DISCUSSION OF THE SHORT LIST, WOULD YOU LIKE US TO
10 AGENDIZE THE DISCUSSION OF SATELLITE OFFICES TO SERVICE
11 THE OTHER AREAS OF THE STATE?

12 DR. MURPHY: I THINK I WOULD, NOT ONLY TO
13 DISCUSS WHETHER THAT'S A GOOD THING TO DO, BUT
14 SPECIFICALLY PERHAPS STAFF CAN PREPARE SOME ARGUMENT AS
15 TO WHY IT IS A GOOD THING TO DO OR WHY IT ISN'T A GOOD
16 THING TO DO.

17 DR. PRECIADO: DR. MURPHY, DR. PRECIADO HERE.
18 THANK YOU VERY MUCH FOR BRINGING UP THAT POINT. I
19 CERTAINLY WOULD LIKE TO GIVE SOME FEEDBACK REGARDING
20 HAVING SOME SATELLITE OFFICES IN FRESNO.

21 CHAIRMAN KLEIN: I THINK, DR. PRECIADO,
22 YOU'RE PROBABLY REFERRING TO SERVING THE FRESNO/MERCED
23 AREA?

24 DR. PRECIADO: YES, I AM.

25 CHAIRMAN KLEIN: LET US DO THIS IS THAT WHEN

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2 COMMITTEE, WE'LL DIRECT STAFF AND DGS TO CONSIDER
3 SATELLITE OFFICES. AND I THINK THAT -- I'M TRYING TO

4 UNDERSTAND HERE IF THE DGS -- I COULD ASK DGS TO TALK
5 TO CERTAIN MEMBERS OF THE GENERAL BOARD VERSUS OUR SITE
6 COMMITTEE SO WE GET DIFFERENT VIEWS FROM INDIVIDUALS ON
7 THE GENERAL BOARD. WE WOULD HAVE TO LIMIT IT TO FOUR
8 OR FIVE MEMBERS OF THE GENERAL BOARD SO THAT WE ARE
9 STRICTLY OBSERVING BAGLEY-KEENE, BUT JUST TO GIVE THEM
10 INPUT ON SATELLITE OFFICES. WE COULDN'T JUST HAVE THEM
11 LOOK AT FOUR OR FIVE VIEWS FROM THE SITE COMMITTEE
12 BECAUSE THAT WOULD PREJUDICE THE SITE COMMITTEE ITSELF.
13 AS A GENERAL BOARD, THIS WOULD BE A MINORITY OF THE
14 GENERAL TO GET SOME INPUT. NEVERTHELESS, THIS IS ONLY
15 TO COME UP WITH A CONCEPT, AND THAT CONCEPT AND THE
16 INPUT THEY RECEIVE WOULD ALL BE DISCUSSED AT THE PUBLIC
17 MEETING OF THE SITE COMMITTEE.

18 DR. MURPHY: THANK YOU.

19 CHAIRMAN KLEIN: OKAY. THAT MATTER WILL BE
20 AGENDIZED? ANY ADDITIONAL BOARD COMMENT? OKAY. ANY
21 ADDITIONAL PUBLIC COMMENTS FROM SAN DIEGO?

22 DR. REED: YES, WE HAVE ONE.

23 MS. COX: THIS IS JANE AGAIN FROM EDC. ONE
24 OF THE QUESTIONS THAT CAME UP EARLIER, AND I JUST
25 REALIZED YOU DIDN'T COVER IT IN THE TIME LINE, WAS TO

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2 ANY ADDITIONAL OR CHANGING THE REQUIREMENTS OF THE
3 SHORT LIST? WILL THERE BE GIVEN AN OPPORTUNITY TO
4 CHANGE THINGS? I'M JUST TRYING TO FIND OUT WHAT WILL
5 HAPPEN AFTER THE SHORT LIST. DO THE PROPOSALS STAY AS

6 SUBMITTED, OR DO YOU PERCEIVE THERE WILL BE CHANGES
7 MADE TO THE REQUEST?

8 CHAIRMAN KLEIN: IN FACT, THAT WAS A COMMENT
9 FROM THE AUDIENCE PREVIOUSLY THAT I FAILED TO RETURN TO
10 AND WE SHOULD RETURN TO IT NOW.

11 MY SUGGESTION IS THAT WE NOT ALLOW INDIVIDUAL
12 BIDDERS TO CHANGE ONCE THEY SEE THE OTHER BIDDERS
13 BECAUSE EVERYONE WILL PUT THE MINIMUM BID IN, HOPING
14 THAT THEY CAN JUST GET BY WITH THE THOUGHT THAT THEY
15 COULD ALWAYS RAISE THEIR BID IF THEY LATER SEE THAT
16 SOMEONE HAS UPPED THEM. IN FACT, IF NO ONE CAN CHANGE
17 THEIR BID, THEN WE'LL HAVE THE MOST COMPETITIVE
18 POSITION. BUT I'D LIKE TO HEAR FROM OTHER BOARD
19 MEMBERS ABOUT THAT POINT.

20 DR. POMEROY: THE TURNAROUND TIME IS FAST.
21 IT'S HARD TO IMAGINE A PROCESS BY WHICH WE COULD GET
22 AMENDMENTS. I WOULD FAVOR USING THE APPLICATIONS AS
23 SUBMITTED.

24 DR. REED: IN THE CONTEXT OF OTHER TYPES OF
25 GRANTS, SOMETIMES SIMPLY TELEPHONE CALLS ARE PLACED BY

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2 IN THE SUBMITTED APPLICATION. I THINK THAT COULD
3 PROBABLY BE ARRANGED SO THAT AFTER INITIAL MEETING OF
4 THIS COMMITTEE, WE COULD OUTLINE ANY QUESTIONS WE HAVE,
5 STAFF COULD FOLLOW THOSE UP WITH PHONE CALLS, AND THEN
6 REPORT BACK WITH CLARIFICATIONS ALL DONE VERBALLY.

7 CHAIRMAN KLEIN: I THINK THAT'S VERY GOOD.

8 DGS CAN MAKE CLARIFYING CALLS AS WELL BEFORE THEY GIVE
9 THE WRITE-UP TO THAT COMMITTEE TO GET CLARIFICATION.
10 THAT WOULD BE A NORMAL PROCESS.

11 DR. PRECIADO: I'M WONDERING IF WE MIGHT WANT
12 TO PUT SOMETHING IN THE PROPOSAL TO THAT EFFECT, THAT
13 PHONE CALLS ARE -- THAT ONE IS ABLE TO CALL WITH
14 QUESTIONS AND COMMENTS.

15 DR. REED: I THINK THAT WOULD JUST SIMPLY
16 BE -- I DON'T THINK WE NEED TO PUT IT IN THE PROPOSAL.
17 I WOULDN'T WANT TO GIVE THE IMPRESSION THAT WE'RE
18 ENCOURAGING PEOPLE SUBMITTING PROPOSALS TO CALL US.
19 RATHER, WE'LL CALL THEM IF WE HAVE POINTS THAT WE WANT
20 CLARIFIED.

21 DR. PRECIADO: I WAS GOING TO ASK THEM TO
22 CALL YOU, JOHN.

23 DR. REED: NO, THANK YOU.

24 CHAIRMAN KLEIN: OKAY. IT SOUNDS AS THOUGH
25 THE BOARD'S POSITION IS THAT WE NOT ALLOW AMENDMENTS.

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2 THE NO. 1 SITE AND MAKE A DECISION, DGS MAY SUGGEST OR
3 THE COMMITTEE MAY SUGGEST THAT AT THE TIME WE MAKE THE
4 DECISION ON THE SITE, WE CAN ASK THE NO. 1 SITE, AS A
5 CONDITION OF THEIR ACCEPTANCE, ADD ANOTHER CONFERENCE
6 ROOM OR CHANGE THE SIZE OF THE SPACE, BUT AT THAT TIME
7 WE'RE DEALING WITH ONLY ONE APPLICANT THAT WE'RE
8 PREPARED TO AWARD THEM WITH. AND IF WE NEED -- IF
9 THEY'VE GIVEN US 55 PARKING SPACES AND WE THINK WE NEED

10 15 MORE, WE CAN SAY, LOOK, WE'RE GOING TO MAKE THE
11 AWARD, BUT WE WANT 15 MORE SPACES. DGS, IS THAT AN
12 ACCEPTABLE PROCESS? I THINK THEY'RE SAYING YES.

13 DO I HAVE A MOTION THAT WE WILL NOT ACCEPT
14 MODIFICATIONS TO PROPOSALS AFTER THEY'RE ORIGINALLY
15 MADE EXCEPT WHEN WE AWARD A SITE, WE MAY PUT A
16 CONDITION ON THAT AWARD TO GET CHANGES DGS OR INSTITUTE
17 STAFF WOULD REQUIRE? IS THERE A PROPOSAL THAT -- IS
18 THERE SOMEONE WHO WOULD SUPPORT THAT PROPOSAL?

19 DR. REED: DO YOU THINK WE NEED TO TAKE THIS
20 TO THE LEVEL OF A MOTION?

21 CHAIRMAN KLEIN: WELL, COMMITTEE'S VIEW IS
22 APPROPRIATE, DR. REED, BUT IT'S TO PROVIDE CLARITY TO
23 PEOPLE.

24 DR. REED: I SO MOVE.

25 CHAIRMAN KLEIN: SECOND?

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2 CHAIRMAN KLEIN: OKAY. WE HAVE A ROLL CALL.

3 MS. DU ROSS: MICHAEL FRIEDMAN. BOB KLEIN.

4 CHAIRMAN KLEIN: YES.

5 MS. DU ROSS: SHERRY LANSING. RICHARD
6 MURPHY.

7 DR. MURPHY: YES.

8 MS. DU ROSS: ED PENHOET.

9 DR. PENHOET: YES.

10 MS. DU ROSS: CLAIRE POMEROY.

11 DR. POMEROY: YES.

12 MS. DU ROSS: PHYLLIS PRECIADO.
13 DR. PRECIADO: YES.
14 MS. DU ROSS: JOHN REED.
15 DR. REED: YES.
16 CHAIRMAN KLEIN: I THINK WE FINISHED THE
17 BUSINESS OF THE MEETING. WE THANK EVERYONE FOR
18 ATTENDING AT ALL THE SITES. WE THANK ALL THE BOARD
19 MEMBERS.
20 DR. MURPHY: BOB, WE HAVE IN SAN DIEGO
21 ANOTHER PUBLIC COMMENT IF THAT'S PERMISSIBLE.
22 CHAIRMAN KLEIN: ABSOLUTELY. LET'S GO AHEAD
23 AND HAVE THE PUBLIC COMMENT.
24 SPEAKER: ANNAMARIA (UNINTELLIGIBLE) WITH THE
25 CITY OF SAN DIEGO ECONOMIC DEVELOPMENT. I'M WONDERING

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2 BUILDING FOR OCCUPANCY IN THE 30 TO 90 DAYS AFTER THE
3 LEASE SIGNING. I'M JUST WONDERING WHETHER THE PROGRAM
4 DATA THAT YOU PROVIDED WITH THE SQUARE FOOTAGES FOR
5 SUCH A BUILDING, FOR THE REQUIREMENT IN HOW YOU'RE
6 GOING TO SPLIT UP THAT BUILDING AND THE OFFICES. IS
7 THAT SOMETHING THAT WE COULD GO ON AND DESIGN THE PLANS
8 AND GET A PERMIT FOR THAT AND BEGIN CONSTRUCTION OF
9 THAT, OR IS THAT SOMETHING THAT YOU FORESEE THAT THE
10 STAFF OF THIS INSTITUTE WILL WANT TO GUIDE AND TAKE A
11 LOOK AT AND THEN BEGIN THE DESIGN PROCESS AND THEN THE
12 PERMIT PROCESS?

13 CHAIRMAN KLEIN: WELL, THE BUILDING WOULD

14 HAVE TO BE BUILT OR IN THE PROCESS OF BEING FINISHED TO
15 EVEN COMPETE TIMEWISE. SO FOR THE TENANT IMPROVEMENTS,
16 THE CONCEPT IS THAT UNTIL THE BUILDING IS SELECTED, IT
17 WOULD NOT BEGIN THE TENANT IMPROVEMENTS. BUT THE
18 ARCHITECT, AS TO HOW THE BUILDING IS SELECTED FOR THE
19 TENANT IMPROVEMENTS, THE BUILDING OWNER AND THE
20 ARCHITECT WOULD BE MEETING WITH DGS FOR DIRECTION ON
21 THE EXECUTION OF THIS PLAN.

22 SPEAKER: VERY WELL. THANK YOU.

23 MR. REED: THIS IS DON REED. WITH THE
24 KNOWLEDGE IN THE FIELD INCREASING EXPONENTIALLY, AND
25 THE NUMBER OF SCIENTISTS THAT WILL BE ENCOURAGED TO

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2 WILL ALSO INCREASE. I THINK IT'S NATURAL THAT
3 CALIFORNIA WILL ACHIEVE LEADERSHIP, AND I THINK WE NEED
4 TO BE PREPARED FOR THE TYPE OF CONFERENCES THAT WILL BE
5 ON THE LEVEL OF THE NOBEL PRIZE CONFERENCES. SO I
6 WOULD STRONGLY URGE THAT WE MAKE IT AS IMPERATIVE AS
7 POSSIBLE THAT THERE BE A LARGE AUDITORIUM SO YOU CAN
8 HOST INTERNATIONAL CONFERENCES OF SOME SORT.

9 CHAIRMAN KLEIN: I THINK THAT'S A GOOD
10 STATEMENT. THERE'S A LOT OF THOUGHT AROUND THE STATE
11 AND REFERENCES IN THIS MEETING THAT IT WOULD BE
12 MEANINGFUL IF A COMMUNITY WERE TO PROPOSE CONFERENCE
13 FACILITY FOR A THOUSAND PEOPLE FOR A VERY LARGE
14 CONFERENCE, NOT REQUIRED, BUT IT WOULD CERTAINLY BE
15 APPRECIATED. AND I DON'T THINK IT WOULD BE MISSED IN

16 THE REVIEWS.

17 MS. MC CLELLAN: CARY MCCLELLAN WITH THE
18 PUBLIC. I JUST WANTED TO CHECK ON THE TIMING OF THE
19 PUBLIC DOCUMENTS AS TO WHEN THEY WOULD BE AVAILABLE,
20 SUCH AS THE RFP.

21 CHAIRMAN KLEIN: IT WOULD ON THE 28TH.

22 MS. MC CLELLAN: AND THAT WOULD BE ACCESSIBLE
23 AS A COMPLETE PACKAGE ON YOUR WEBSITE?

24 CHAIRMAN KLEIN: IT WOULD BE ON THE DGS
25 WEBSITE. I'M SORRY. I DON'T KNOW IF YOU WERE HERE IN

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2 DEPARTMENT OF GOVERNMENTAL SERVICES, AND OUR WEBSITE
3 WILL REFERENCE TO A LINK TO DGS WEBSITE. DGS PREFERS
4 IT TO BE ON THEIR SITE BECAUSE QUESTIONS ARE BEST
5 HANDLED BY THEM ON SPECIFICATIONS AND THE TECHNICAL
6 ISSUES THAT ARE INVOLVED.

7 MS. MC CLELLAN: OKAY. IN TERMS OF THE 3/25
8 DATE WITH THE SUBMIT BIDS WITH RECOMMENDATIONS, WILL
9 THAT BE PUBLICLY AVAILABLE IF IT'S PROVIDED TO THE
10 COMMITTEE AT THAT TIME?

11 CHAIRMAN KLEIN: AT THE COMMITTEE --

12 MS. MC CLELLAN: OR WOULD IT BECOME AVAILABLE
13 AT THE 4/4 PUBLIC HEARING?

14 CHAIRMAN KLEIN: IT WILL BE AVAILABLE AT THE
15 4/4 PUBLIC HEARING. WHEN THE RECOMMENDATIONS ARE DRAWN
16 UP, IT MAY TAKE A COUPLE OF DAYS TO VERIFY THE DATA,
17 JUST REVIEW THE MATERIAL, AND THEN WE WILL MAKE IT

18 AVAILABLE TO THE PUBLIC AS SOON AS WE CAN AT THE VERY
19 SAME TIME WE SEND IT OUT TO THE MEMBERS OF THE SITE
20 COMMITTEE.

21 MS. MC CLELLAN: AND THAT WOULD BE ON YOUR
22 WEBSITE VERSUS DGS?

23 CHAIRMAN KLEIN: IT WOULD BE ON BOTH
24 WEBSITES, I WOULD ASSUME, IN TERMS OF THE
25 RECOMMENDATIONS, OR IT COULD BE ON OUR WEBSITE. WHAT

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2 WILL BE ON THE INSTITUTE'S WEBSITE.

3 MS. MC CLELLAN: BY THE 4/4 MEETING, IF NOT
4 IN ADVANCE.

5 CHAIRMAN KLEIN: YES. WE EXPECT IT TO BE IN
6 ADVANCE.

7 ADDITIONAL -- WE HAVE ONE MORE POINT FROM SAN
8 FRANCISCO, THEN WE WILL GO TO LOS ANGELES AND DAVIS.

9 MR. MARKS: NAME'S DOUG MARKS AND MEMBER OF
10 THE PUBLIC, REAL ESTATE BROKER. I DIDN'T HEAR AN
11 OPPORTUNITY FOR PUBLIC COMMENT ON ISSUES ON THE RFP NOT
12 DISCUSSED BY THE COMMITTEE. I'D LIKE TO ASK IF THAT'S
13 OKAY. REGARDING THE LETTER SIGNED BY THE OWNER, THAT
14 THE OWNER WILL NOT HAVE ANY FUTURE OWNERSHIP INTEREST
15 IN FIRMS OR AGENCIES COMPETING FOR GRANTS. SO THAT
16 ELIMINATES ALL THE UNIVERSITIES, NONPROFITS DOING
17 RESEARCH. AND GIVEN SOME OF THE SPACE REQUIREMENTS
18 THAT MANY OF THOSE GROUPS HAVE, I UNDERSTAND THE
19 CONFLICT. I JUST KIND OF QUESTION IF THAT'S BEEN

20 THOUGHT ABOUT, THAT SOME OF THOSE GROUPS MAY HAVE SPACE
21 AVAILABLE AND MAY BE ABLE TO DONATE IT OR MAY HAVE
22 SEPARATE GRANTORS THAT WOULD SUPPORT THAT. JUST WANTED
23 YOU TO BRING IT OPEN.

24 CHAIRMAN KLEIN: WELL, I APOLOGIZE. IT WAS
25 AN OPPORTUNITY AT THE BEGINNING OF THE MEETING FOR ANY

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2 MR. MARKS: I APOLOGIZE. I WAS LATE.

3 CHAIRMAN KLEIN: THAT'S FINE. WE APPRECIATE
4 YOUR COMMENT, BUT THERE WAS AN EARLY DECISION OF THE
5 BOARD IN DISCUSSION NOT TO HOUSE THE HEADQUARTERS ON
6 ANY UNIVERSITY SITE OR RESEARCH INSTITUTION SITE
7 BECAUSE IT WOULD TEND TO PREJUDICE ANY GRANT SUBMITTED
8 FROM THAT SITE FAVORABLY. SO THAT WOULD NOT BE
9 PERMITTED IN THIS REQUEST FOR PROPOSALS. HOWEVER,
10 THERE ARE PEOPLE WHO ARE CONTRIBUTORS TO UNIVERSITIES
11 OR OTHER FOUNDATIONS WHO CAN CONTRIBUTE TO THE CITIES'
12 ATTEMPT TO PROVIDE LOW-COST CONVENTION FACILITIES OR
13 SITES, BUT THE INTENT WAS TO REMOVE THE BIAS FROM THE
14 SELECTION OF THE SITE ON ANY GRANTEE CANDIDATE.

15 DR. PENHOET: THAT BRINGS UP A QUESTION IN MY
16 MIND FOR CLARIFICATION, HOWEVER. IF THE PRIMARY,
17 THAT'S TRUE FOR THE LEASE OF THE SPACE PER SE. HOW
18 ABOUT FOR ANY OF THE ACCESSORY COMPONENTS? FOR
19 EXAMPLE, SPACE WILL BE AVAILABLE SO MANY DAYS A YEAR.
20 NO UNIVERSITY COULD CONTRIBUTE SOME OF THAT?

21 CHAIRMAN KLEIN: NO. I THINK THIS

22 PROHIBITION DEALS WITH THE LEASE SPACE, NOT WITH
23 CONFERENCE SPACE. SO YOU COULD HAVE CONFERENCE SPACE
24 THAT WOULD BE ON A UNIVERSITY OR RESEARCH INSTITUTE
25 SITE LOCATED IN PROXIMITY TO THE SITE THAT WAS LEASED.

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2 ADDITIONAL QUESTIONS FROM LOS ANGELES?
3 ADDITIONAL QUESTIONS FROM THE PUBLIC FROM SACRAMENTO?

4 DR. PRECIADO: NONE HERE.

5 CHAIRMAN KLEIN: SAN DIEGO, I THINK, WE
6 HAVE -- DOES SAN DIEGO HAVE ANY ADDITIONAL QUESTIONS
7 FROM THE PUBLIC?

8 DR. REED: NO.

9 CHAIRMAN KLEIN: WE THANK YOU ALL, APPRECIATE
10 YOUR TIME AND ENERGY, GREAT QUESTIONS. AND DR.
11 PRECIADO, GREAT CATCH THERE AT THE END.

12 DR. PRECIADO: THANK YOU.

13 CHAIRMAN KLEIN: MEETING IS CLOSED.

14 (THE MEETING WAS THEN ADJOURNED AT 04:28
15 P.M.)

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