

“IT IS EVERY MAN’S  
OBLIGATION TO PUT BACK  
INTO THE WORLD AT  
LEAST THE EQUIVALENT  
OF WHAT HE TAKES OUT  
OF IT.”

~ ALBERT EINSTEIN



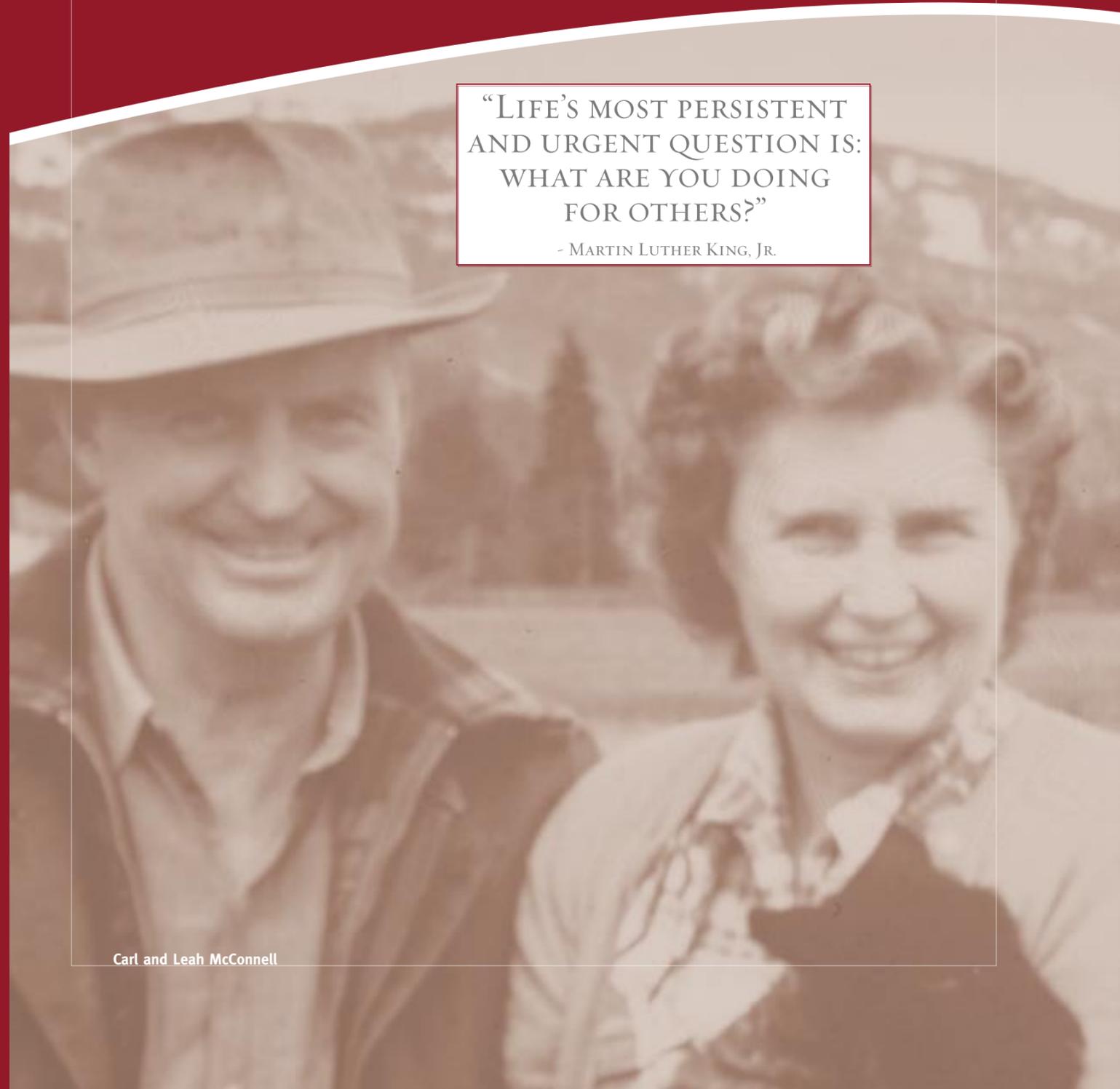
Carl and Leah McConnell  
at their Clear Creek Ranch in Siskiyou County, California

THE MCCONNELL FOUNDATION

/ 15 YEARS OF GIVING

“LIFE’S MOST PERSISTENT  
AND URGENT QUESTION IS:  
WHAT ARE YOU DOING  
FOR OTHERS?”

- MARTIN LUTHER KING, JR.



Carl and Leah McConnell

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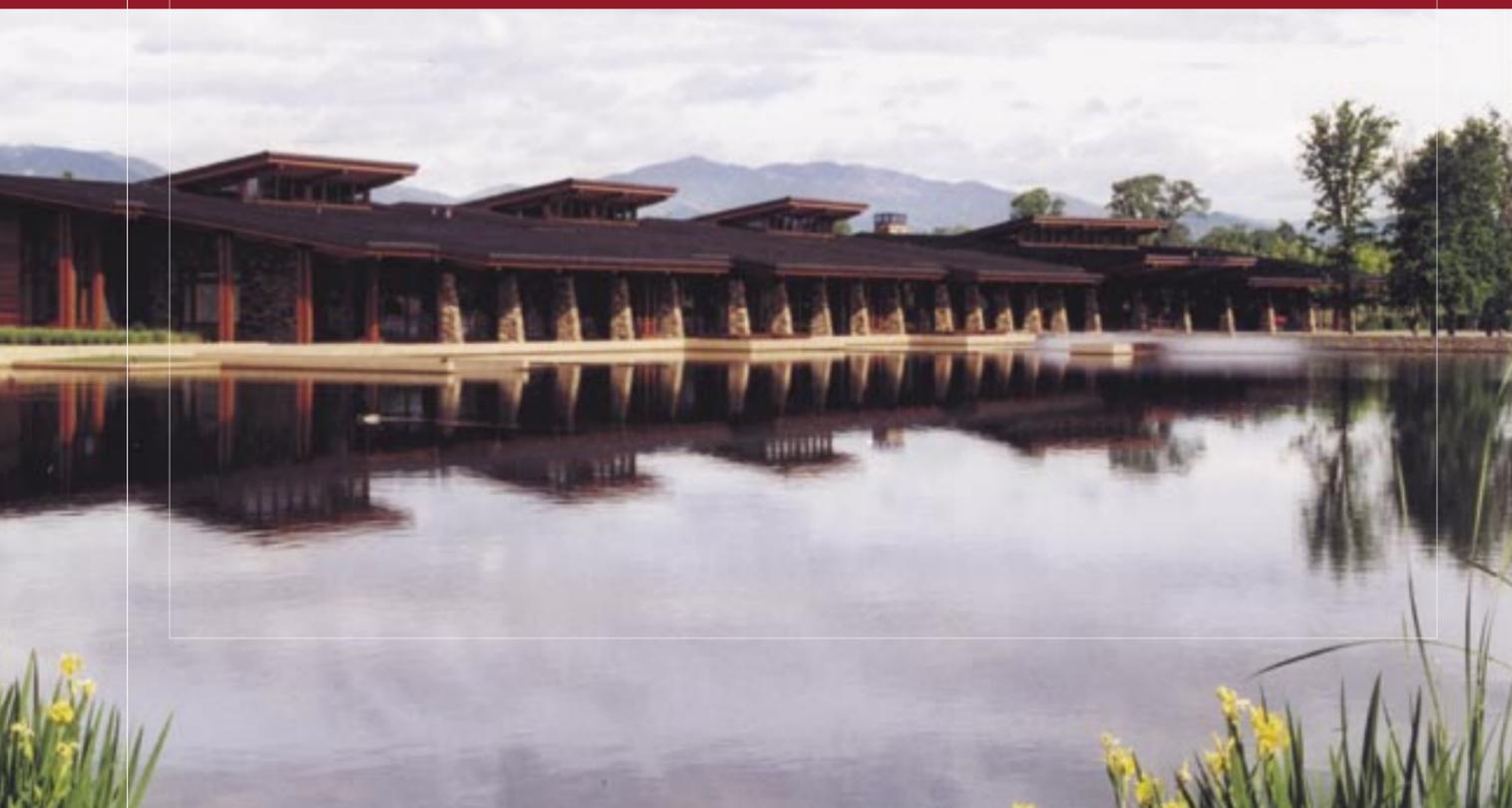
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# TODAY DECIDES TOMORROW

February 2006

Dear Friends of the Foundation:

The McConnell Foundation's mission is to help build better communities through philanthropy. We award grants to nonprofit, tax-exempt organizations, public education, and government entities. Between 1989 and 2004, the Foundation awarded 651 grants for a total of nearly \$95 million in the areas of arts & culture, community vitality, education, the environment, health care, recreation, and social services. In 2004 the Foundation decided to take a hiatus from accepting external grant requests. Our focus has shifted to fulfilling such previous commitments as funding Turtle Bay Exploration Park, the Shasta Regional Community Foundation (SRCF), our donor-advised fund for grants of \$30,000 and under administered annually by the SRCF, projects in the country of Nepal, and enhancing education in the North State. You'll learn more about our educational efforts such as Raising A Reader, Anderson New Technology High School, and College Options inside this report.

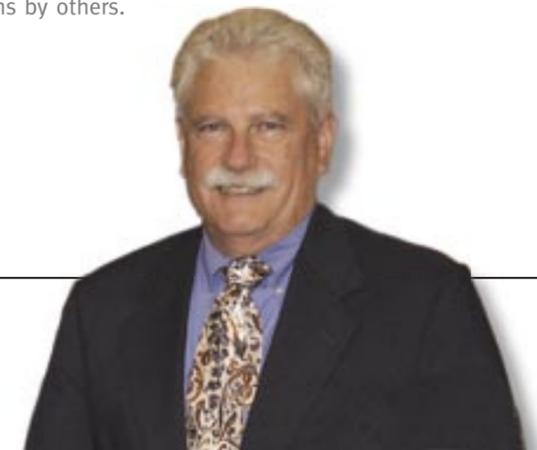
**“LIFE’S MOST PERSISTENT  
AND URGENT QUESTION IS:  
WHAT ARE YOU DOING  
FOR OTHERS?”**  
- MARTIN LUTHER KING, JR.

Looking ahead, we are developing a nonprofit campus at 1335 Arboretum Drive in Redding. The first building will house Turtle Bay's and SRCF's administrative offices, and opened in January of 2006. The sustainable gardens and landscaping located at the site will provide a new amenity along the Sacramento River Trail. The Foundation is also working closely on two new projects intended to provide public amenities and enhance regional recreational opportunities: 1) the California Horse Park – a state of the art equine and events center, and 2) the Park Marina Riverfront.

This report contains a 15-year sampling of the diversity of Foundation projects. We hope that it conveys our history of being responsive, entrepreneurial, risk taking, and independent in our grantmaking. We are rarely the sole funder of a project. Most projects the Foundation funds achieve their success through strong citizen and governmental participation, a spirit of volunteerism, and financial contributions by others.

Sincerely,

Lee W. Salter  
President & CEO



# ABOUT THE McCONNELLS



## Carl and Leah McConnell

Carl McConnell was born near Chicago and moved to Siskiyou County, California, in the mid-nineteen-twenties. Leah Fairchild was born and raised in the small mining camp of Humbug (near Yreka), California. They were married nearly 50 years and had no children together.

The McConnells were entrepreneurs, involved in a variety of business and real estate partnerships. Carl and Leah McConnell were among the largest shareholders of Farmers Insurance Group. The Foundation's assets derive substantially from these long-held stocks, which were sold in 1988.

## History of the Foundation

The McConnell Foundation was formed by Carl and Leah McConnell in order to share the benefit of their lifelong accomplishments. Though the Foundation began giving significant amounts of money in 1989, it had its genesis in 1964, when it was known as the Carl R. and Leah F. McConnell Foundation. The McConnells regularly gifted small amounts of money to such groups as Guide Dogs for the Blind and the YMCA. In 1985, the year of Carl's death, the Foundation received an endowment of \$1 million. For the next few years, Mrs. McConnell contributed several million dollars to the Foundation. The scope of giving was significantly increased in 1989, when Mrs. McConnell elected to contribute to the Foundation her interest in a trust. The trust was valued at approximately \$42 million, and had been created from Carl's estate and the sale of the Farmers stock. The Foundation was the primary beneficiary of Mrs. McConnell's estate and upon her death the asset base increased to about \$250 million.

**Today, the Foundation's asset base is about \$365 million.**

The Foundation is located at Lema Ranch in Redding, California, on 200 rural acres and includes more than eight miles of walking trails that are open to the public. Lema Ranch, the Foundation headquarters, and the Guest House were a gift to the Foundation and the region from Leah McConnell, paid for with her personal resources. Through the uncommon generosity of Carl and Leah McConnell, The McConnell Foundation is a philanthropic organization positioned to help build better communities today and for future generations.

# BOARD OF DIRECTORS



Board of Directors ~ left to right, front to back  
Richard J. Stimpel, Doreeta J. Domke, Robert P. Blankenship, John A. Mancasola, Lee W. Salter

“WE NEED WOMEN AND MEN WHO CAN DREAM OF THINGS THAT NEVER WERE AND ASK WHY NOT.”

- GEORGE BERNARD SHAW

## About Our Directors

**Richard J. Stimpel** was born in Norman, Oklahoma. In his twenties, he was a rodeo cowboy and rode horses and bulls. In 1958 he moved to Redding from Idaho for a highway construction job. In 1969 he started his own construction company, Stimpel Wiebelhaus and Associates. He retired in 2000, the same year he joined the Foundation Board. Dick and his wife Mary enjoy traveling and spending time with their grown children and grandchildren.

**Doreeta J. Domke** was born in Henryetta, Oklahoma. She moved from Southern California to Redding in 1956 when the population was just 12,000 people. In 1957 Doreeta went to work for Redding's first, and then only, television station. Doreeta joined the Foundation Board in 1993, and in 1995 she retired as the General Manager of KRCR Channel 7. Dee is very active in the nonprofit community. She and her husband Donald enjoy golfing, traveling in their motor home, and spending time with their grown children and grandchildren.

**Robert P. Blankenship** was born in Arcata, California, and has spent most of his life in Redding as a career police officer. In 2001 Bob served as the President of the California Police Chiefs Association, and in 2002 he retired after serving as Redding's Chief of Police for 13 years. That same year, he joined the Foundation's Board and is currently its Chairman. Bob and his wife Jean enjoy gardening and raising birds and miniature animals. They each have a grown daughter.

**John A. Mancasola** was born and raised in Redding, where his family owned a chain of grocery stores. John attended Stanford University and earned a law degree from USC. While working for the law firm Carr, Kennedy, Peterson and Frost in Redding, John represented Mrs. McConnell and the Foundation. In 1991 John joined the Foundation Board. In 1993 he became an employee of Mrs. McConnell and of the Foundation. John became a full-time employee of the Foundation upon Mrs. McConnell's death in 1995. John and his wife Molly live with their five children, and are involved in homeschooling and family activities.

**Lee W. Salter** was born in Waukesha, Wisconsin. He earned a degree in accounting at CSU, Chico and began his career as an IRS agent, which led to his receiving his CPA certificate. Lee then attended McGeorge School of Law and in 1977 went to work at Carr, Kennedy, Peterson and Frost. In 1985 he began representing Leah McConnell, joining the Board the same year. Leaving the law partnership in 1989 he became an employee of Mrs. McConnell and the Foundation. After Leah's death in 1995, he became the full-time President & CEO of the Foundation. Lee and his wife Judy enjoy traveling and spending time with their grown children and grandchildren.

**William B. Nystrom** is a Foundation Director Emeritus. He was the founder of Nystrom & Company, a CPA firm in Redding. As a part owner of Redding's first television station with the McConnells in the late nineteen-fifties, Bill developed a longstanding business relationship with Carl and Leah. He joined the Foundation Board in 1987 and retired in 2002. Bill and his wife Grace enjoy their cabin and spending time with their grown children and grandchildren.



# GENERAL GRANT PROGRAM



## The General Grant Program

Over the years, the Foundation has been a broad-based funder, giving in the areas of arts & culture, the environment, education, community vitality, recreation, and social services. The grants described in the pages that follow are a small but representative sampling of the last 15 years of giving.

Every couple of years, the Board focuses on strategic planning, carefully considering its current giving and its future areas of interest. As new areas are identified, the Board reserves the ability to respond flexibly to needs that arise within the communities it serves.

In establishing the Foundation, the McConnells did not place restrictions on the areas of giving, allowing an entrepreneurial approach to funding. The Board attempts to identify worthy projects – projects for which it can leverage the creative energy that grant seekers have already demonstrated. We also consider how we are uniquely able to contribute to the success of a project.

Key to the culture and the success of its grantmaking programs is a recognition that, as a funder, the Foundation is just one element in the success of a project. Community organizers, committed volunteers, and mission-driven nonprofits all provide the vision and the focus it takes to realize the success of their projects.



**Living Memorial Sculpture Garden**  
outside Weed California, dedicated to veterans



**Hoo Hoo Park & Playground**  
McCloud, California

## Tower Bridge

Whiskeytown National Recreation Area





**Restored Antique Carriages, Fort Jones**

Carriages donated by Scott Valley (Siskiyou County) pioneer families were restored to their original state, allowing future generations a glimpse of the past, and promoting pride in the history of the area. The completed project includes restoration of seven vehicles and refurbishing of the Carriage House and viewing area near the Scott Valley Community Center.

**Castle Lake, California**

Scientists stationed at Castle Lake, near Mt. Shasta City, analyze the lake, a significant indicator of the health of the surrounding ecosystem. The dataset dates back to 1959, making Castle Lake one of the best documented lakes in the world.



**Madrone Hospice**

Yreka and Weed, California  
Madrone Hospice provides in-home respite care for terminally ill persons and their caregivers, along with medical and social service networking and bereavement counseling.



**High School Tracks, Lighting, and Stadiums**

The track team competes at Falcon Field, Central Valley High School, California. Foothill High School now enjoys lighting for its baseball diamond.



**Ribbon Bridge**

Redding, California  
The Ribbon Bridge spans the Sacramento River, connecting the south and north legs of the Sacramento River Trail in Redding.

**People of Progress Community Garden**  
Redding, California



**Lassen National Park**



**Golden Umbrella Expansion**

Redding, California  
Golden Umbrella, affiliated with Catholic Healthcare West and Mercy Foundation North, provides services to seniors and people with disabilities, to promote independence and to enhance the quality of life.





**Shasta Community Health Center, Redding**

Shasta Community Health Center is a nonprofit primary health care system based in Redding, serving Shasta and surrounding counties since 1988. In 1999 the former Citizens Utilities building was purchased and renovated. The mission of the Center is to provide comprehensive, high quality, efficient health care services delivered in a holistic, caring, and compassionate manner. The Center also supports the training of health professionals who have a strong interest in caring for the disadvantaged.

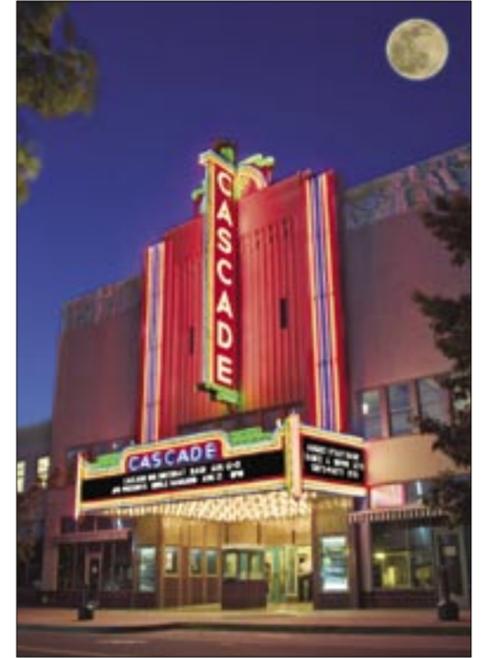


**The Dancer, by Bryan Tedrick**  
Shasta County Arts Council  
Old City Hall, Redding

**Cascade Theatre, Redding**

The Cascade Theatre was constructed in 1935 as a movie palace and vaudeville stage. It was a magnificent example of Art Deco architecture, complete with gold- and silver-gilded walls, period chandeliers, ornate plasterwork, a grand neon facade and marquee, and beautiful murals. But, like many downtown theaters of its era, the Cascade struggled to survive during the nineteen-nineties with the rise of shopping mall-based multiplex cinemas. In 1997 the Cascade ceased operating and its doors were boarded up.

Restoration of the Cascade Theatre was completed on August 14, 2004, and it was reopened as a regional nonprofit performing arts center. The restoration was carried out in a way that honored the heritage of the building while providing the functionality of a modern professional performing arts facility, complete with state of the art sound, lighting, and theater technology. The theater is now capable of hosting a wide range of arts and cultural events, including theater, concerts, dance, and film presentations. Restoration was made possible by many partners and funders.



**Community Vitality**  
Mount Shasta City Hall Plaza  
Redding Welcome Sign, Eureka Way & Buenaventura

**Mercy Regional Cancer Center**

Mt. Shasta, California  
The center provides services to persons with cancer and their families.



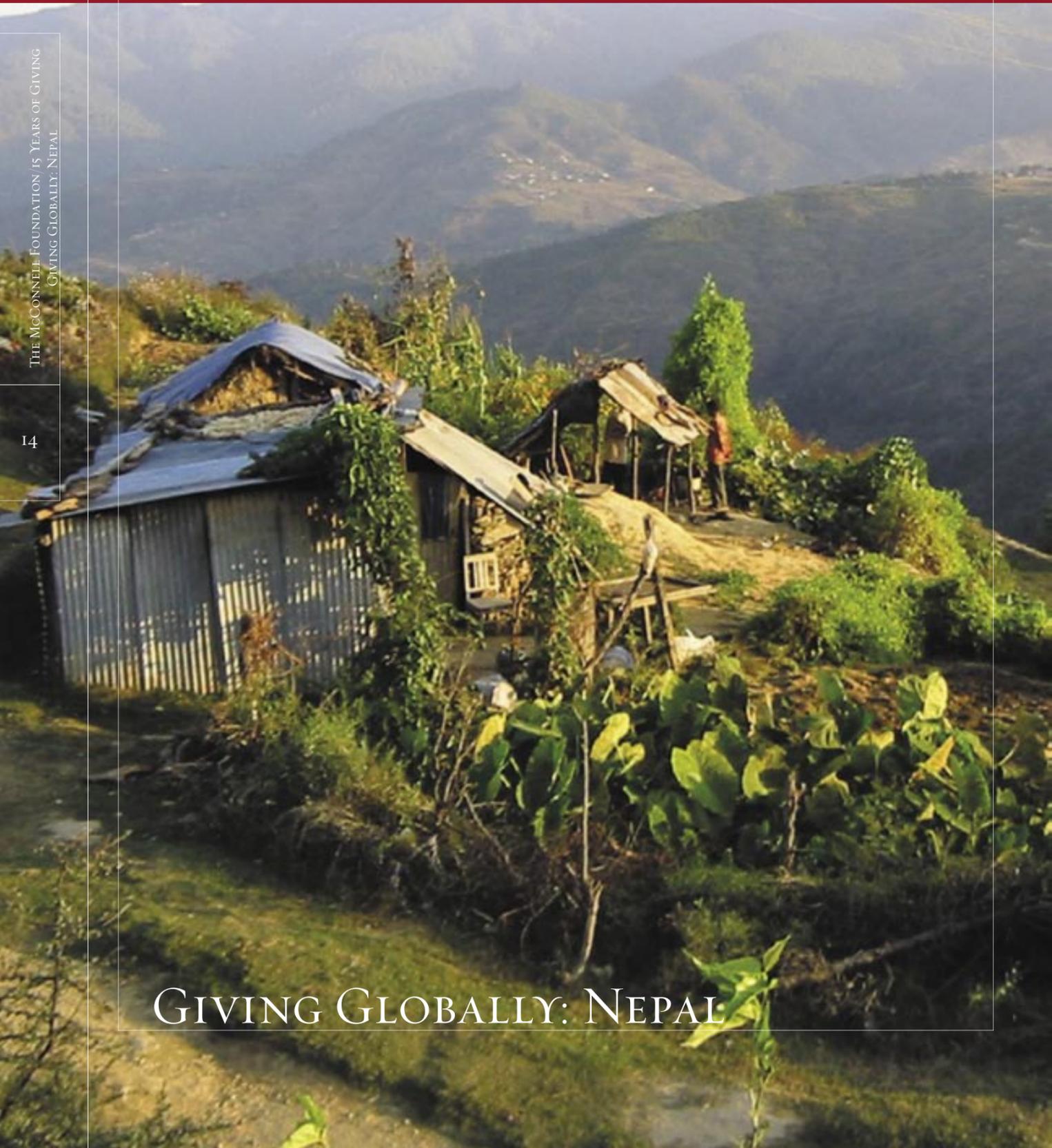
**YMCA Projects**

Shasta and Siskiyou Counties, California  
Mrs. McConnell purchased the former Coca-Cola building in Yreka, gifting it to the city to establish a YMCA. Recently the Foundation helped fund the outdoor expansion, including a teen center, locker room expansion, and outdoor fitness trail. The Foundation contributed to the capital campaign of the Shasta Family YMCA in Redding, to construct an indoor pool, new locker rooms, climbing wall, computer lab, and Child Watch room.



“CHARITY BEGINS AT HOME,  
BUT SHOULD NOT END THERE.”

- SCOTTISH PROVERB



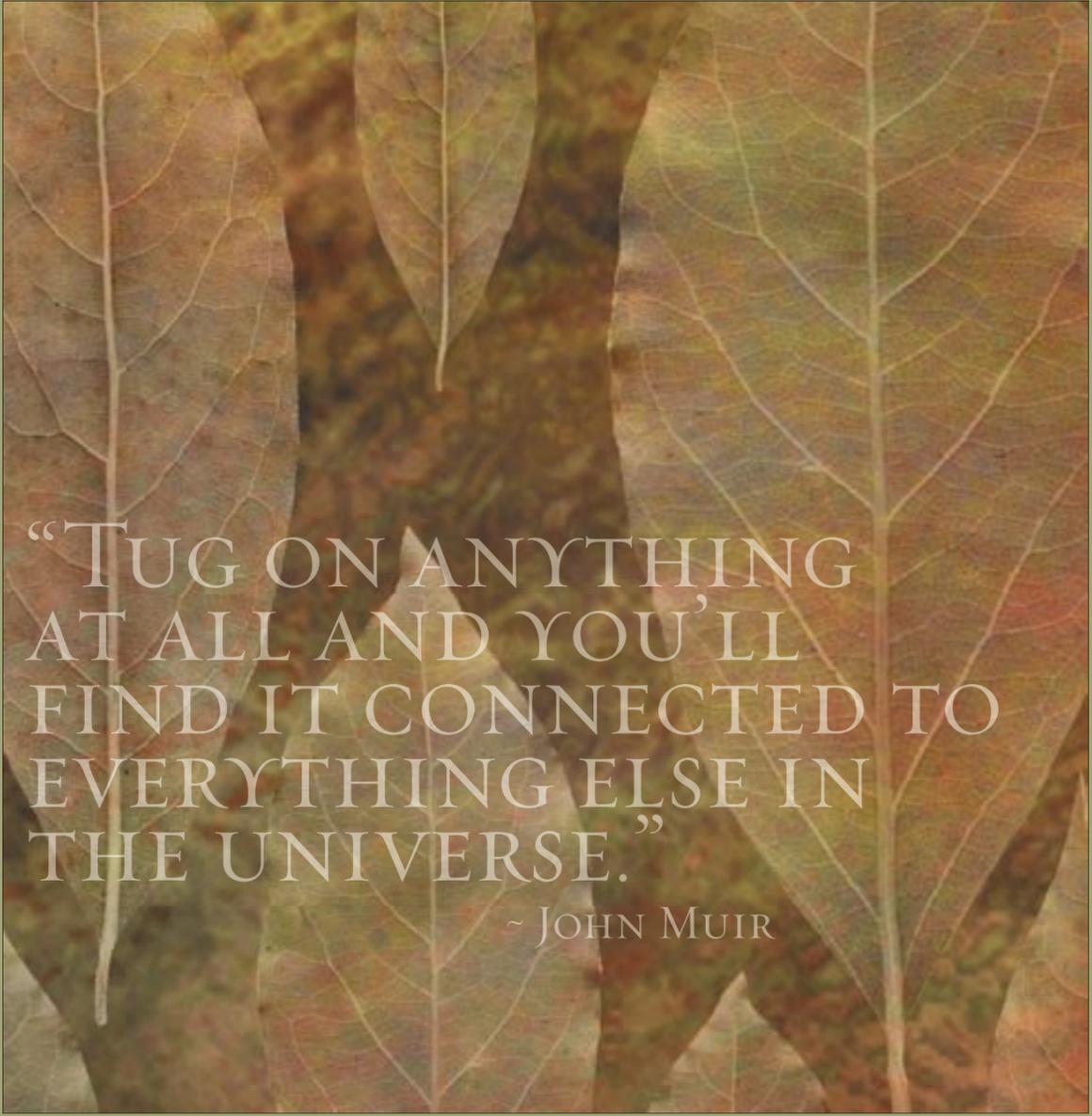
## GIVING GLOBALLY: NEPAL



In 1998 directors and staff of The McConnell Foundation attended the annual conference of the Council on Foundations. At that conference, Jim Wolfensohn, president of the World Bank, gave a keynote speech urging all foundations to consider earmarking some portion of their grantmaking dollars to cross-border giving. Wolfensohn made a persuasive argument that a small number of grant dollars could affect an entire community in a developing country. Foundation directors were deeply moved by his speech and, after much discussion, established some base criteria for selecting a country – criteria that parallel our local area: rural, small enough to enable careful oversight, with social welfare indicators that demonstrated need.

Ultimately, Nepal was selected as a country where a small amount of money could make a significant difference. Foundation funding goes to projects in Nepal that promote sustainable villages and generate rural income. Funding also goes to a Countering Violence Against Women project, which helps poor village women to mobilize and identify cases of abuse, mediate domestic disputes, and counsel and shelter victims of violence.





“TUG ON ANYTHING  
AT ALL AND YOU’LL  
FIND IT CONNECTED TO  
EVERYTHING ELSE IN  
THE UNIVERSE.”  
~ JOHN MUIR



In 1991 The McConnell Foundation began funding tuition and transportation for North State high school students to attend a week-long environmental studies program in Yosemite National Park. To date the Foundation has given over \$800,000, annually enabling about 140 high school sophomores and juniors to make the trip to Yosemite. Groups of students, led by Yosemite National Institute instructors, explore the park and participate in discussions and activities designed to heighten awareness of the importance of our natural world.

To be eligible, selected participants must complete ten hours of community service related to the environment. Last year, students performed over 1,500 hours of volunteer services for organizations such as the Shasta County Wildlife Refuge, Whiskeytown Environmental School, the Upper Sacramento River Exchange, Turtle Bay Exploration Park, and the Department of Fish & Game.

## YOSEMITE NATIONAL INSTITUTE



# MAKING A DIFFERENCE IN EDUCATION IN THE NORTH STATE

# COLLEGE OPTIONS

THE MCCONNELL FOUNDATION / 15 YEARS OF GIVING  
EDUCATION AND SCHOLARSHIPS



### College OPTIONS: Working Together to Strengthen the College-Going Culture

The College OPTIONS K-16 Education Partnership in Shasta and Siskiyou counties works to strengthen the college-going culture by increasing the number of high school graduates who enter baccalaureate-granting institutions.

College OPTIONS focuses on enhancing student, family, and community awareness of college choices. The College OPTIONS Access Center in Redding provides community events, financial aid services, and advisors to discuss career and educational goals, helping students and their families make informed choices about the best path for them. Advisors also conduct college readiness workshops and organize visits to colleges and universities. Partners in the project include the University of California and the California State University systems, local community colleges, local private colleges and universities, County Offices of Education, and the California Education Round Table Intersegmental Coordinating Committee.

### Funding Education Programs

In 1999 the Board hired a program officer to research the needs and make recommendations for funding education-related programs and grant opportunities in Shasta, Siskiyou, Trinity, and Modoc counties. The Board decided this area of giving was a high priority and established a goal to make a long-term difference in education in the North State. The Board set few parameters for this effort, and emphasized to staff that they were open to new ideas and new approaches to education. In the five years since this decision, several significant grants have been given toward achieving educational goals.

### Scholarships

Between 1989 and 2003, the Foundation awarded more than \$1,750,000 in scholarships to about 1,000 high school students in Shasta, Siskiyou, Trinity, and Modoc County high schools, as well as Big Valley High School in Lassen County.

In 2003 the scholarship program was suspended while the Board and staff re-evaluated its effectiveness. The Board is fine-tuning a more comprehensive scholarship model to be rolled out in Spring 2006.



# A COMPREHENSIVE SCHOLARSHIP MODEL

THE MCCONNELL FOUNDATION / 15 YEARS OF GIVING  
EDUCATION AND SCHOLARSHIPS



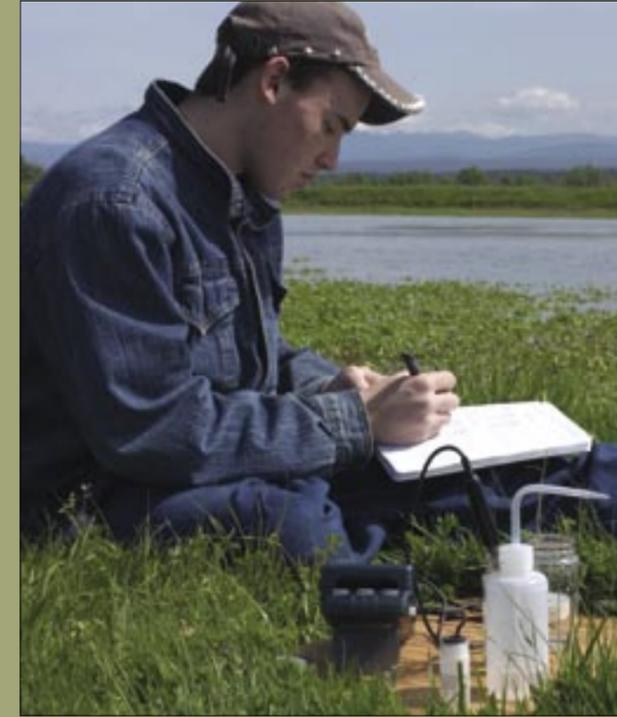
### Raising A Reader: Starting Kids on the Path to Reading

Raising A Reader is designed to encourage healthy brain development, parent-child bonding, and early literacy skills critical for school success. The program fosters a reading routine between parents and children from birth through age five, made possible by the weekly rotation of bright red book bags containing carefully selected books. Parents are taught “read-aloud” strategies anchored to language development and storytelling. Book bags are dispersed through child care providers and such affiliates as the YMCA, the Women’s Refuge, and Bright Futures. A \$1,050,000 partnership between First Five Shasta and The McConnell Foundation will fund this four-year program through 2008. Parents and children participating in the program are already enjoying their newly established reading routines. Upon completion of the book rotation cycle, children are awarded their own blue book bag and encouraged to visit local libraries to continue borrowing books.



## RAISING A READER

# ANDERSON NEW TECHNOLOGY HIGH SCHOOL



### Anderson New Technology High School

In 2001 the Anderson Union High School District (AUHSD) was one of two sites selected by the New Technology Foundation to replicate the New Technology High School program in Napa, California. Funded by the Bill and Melinda Gates Foundation, the Replication Project develops additional schools in Northern California based on the Napa model, which combines teamwork with technology, and provides a student-to-computer ratio of one-to-one. Technology is an integral part of the curriculum, which is problem- and project-based. Through this innovative curriculum, students are prepared to succeed at the university level. The emphasis on teamwork and collaboration in the classroom helps break down the social barriers that typify a traditional school. In 2001 the Foundation awarded a \$500,000 grant to ANTHS for the purchase and renovation of the former Kueblers building for the school, a grant that also served as matching funds to obtain a state grant.

### ANTHS Place-Based Science

Anderson New Technology High School, in partnership with the Department of Fish & Game, has developed an innovative science program, which seeks to combine the traditional curricula of earth science, biology, and chemistry. What’s innovative about it? The learning takes place outside the classroom at the Balls Ferry Wetlands in Anderson. Out in the field, students study animal and plant habitats, and water and soil composition and quality. Another facet of this program is the community mapping effort, plotting various habitats and wildlife using Geographical Information Services (GIS) technology as a planning and mapping instrument.

# THE SUNDIAL BRIDGE



## The Sundial Bridge

The story of the Sundial Bridge began with a citizens' committee given the charge of selecting an engineer to design a bridge to span the north and south sides of the Sacramento River, linking the Turtle Bay campus to the Arboretum site. The committee, on which McConnell Foundation Vice President John Mancasola served, interviewed four bridge designers, but ended up without consensus. Impressed with the designs he saw in a book of Santiago Calatrava's work, John phoned the architect's office in Zurich, Switzerland. To his surprise, Calatrava himself answered the phone. This phone call resulted in a visit to Redding by Calatrava, who loved the terrain, commenting that it reminded him of his native city – Valencia, Spain.

Calatrava is identified worldwide with the design of bridges. The Sundial Bridge at Turtle Bay is his first freestanding bridge in North America as well as the first steel, inclined-pylon, cable-stayed bridge in the United States. Funding for construction of the bridge was provided largely by the Foundation. Additional funders were the City of Redding, state and federal government, and Turtle Bay Exploration Park. Upon completion, the bridge was given to the City of Redding. Although it links the two parts of the private, nonprofit Turtle Bay Exploration Park, the bridge itself is part of the City of Redding's Sacramento River Trail system and is thus open to the public free of charge.

The Foundation funded a 27-minute documentary, *Angle of Inspiration*, which premiered at the newly restored Cascade Theatre in downtown Redding on July 3rd, 2004, the day before the grand opening of the bridge itself. *Angle of Inspiration* documented the process of envisioning and building the bridge without shying away from the controversy it generated in the community. The film has been shown on public television stations nationwide and has been warmly received at film festivals.



McConnell Foundation President & CEO Lee Salter with Santiago Calatrava on opening day, July 4, 2004.



## Turtle Bay Exploration Park

Turtle Bay Exploration Park is a diverse 300-acre cultural complex and environmental education center. Its indoor and outdoor spaces contain entertaining and inspiring educational exhibits and activities that interpret the human-nature connection with specific reference to the cultural, historical, and natural resources of the Sacramento River region. Straddling the Sacramento River as it meanders through Redding, the Park is crowned by the Sundial Bridge, the capstone of the world-class experience that the Park strives for in all its programming.

Turtle Bay Exploration Park is the visionary result of efforts that began in the nineteen-eighties to merge Redding's small local museums into the Alliance of Redding Museums. In the mid-nineteen-nineties, the vision began to become a reality on 60 acres of Sacramento River riparian property provided by the City of Redding. The Foundation began with a pledge of \$10 million that eventually grew to \$23 million. Turtle Bay opened its Paul Bunyan's Forest Camp in 1997, its Visitor Center in 2000, and its Museum (the heart of the campus) in 2002.



# TURTLE BAY EXPLORATION PARK



# THE MCCONNELL ARBORETUM & GARDENS



### The McConnell Arboretum & Gardens

On May 30, 2005, the McConnell Arboretum & Gardens opened, the newest addition to Turtle Bay Exploration Park. The new Gardens comprise 20 acres of Mediterranean climate display gardens, a children's garden, a medicinal garden, and two beautiful and unique water features. The new Gardens are a showcase within the 200-acre Arboretum, which links to the Sacramento River Trail.

The McConnell Arboretum & Gardens is the culminating phase of the development of Turtle Bay Exploration Park. One of four organizations that merged to create Turtle Bay Exploration Park, the Redding Arboretum supporters initially drove the development of a series of gardens on the arboretum site. Turtle Bay inherited and embraced the plan to develop the site as seen today.

### Nonprofit Administration Building & Sustainability Gardens

Opened in January 2006, this eco-friendly building near The McConnell Arboretum & Gardens houses Turtle Bay's administrative staff and the staff of the Shasta Regional Community Foundation. The walls of the 15,000-square-foot building are rammed earth: 18-inch-thick earthen walls designed to keep a constant temperature inside the building despite Redding's blistering summers and cold winters. The building's steel girders and roof comprise as much as 60 percent recycled material. The gardens surrounding the office building include native oaks, poplars, and grasses that require little water. The grass-spike cone of soil visible from North Market Street is a water feature that directs runoff into channels that flow into a wetlands marsh, functioning as a demonstration system for water conservation and biofilters. The Foundation is developing this property to enhance its investment in and commitments to Turtle Bay and the Sundial Bridge, and to provide another outdoor experience for the public.



THE MCCONNELL FOUNDATION IS PLEASED TO OFFER ITS MEETING FACILITIES TO GROUPS WHO SHARE THE COMMON GOAL OF IMPROVING THE QUALITY OF LIFE IN THE REGION.



More than simply a place to hold meetings, the facilities provide nonprofits, school groups, and government agencies the opportunity to retreat to a serene setting that removes them from their everyday workplace and concerns. The large conference room in the Headquarters Building and the meeting space at the Guest House were envisioned as places where groups would be given the opportunity – on a complimentary basis – to gather in a tranquil, unique setting in order to realize some of their best work.



“THE FACILITIES WERE ABSOLUTELY FIRST CLASS AND THE SETTING WAS INSPIRING. I BELIEVE THAT BOTH CONTRIBUTED TO THE CAMARADERIE AND PRODUCTIVITY OF OUR MEETING.”

## HOW WE SHARE OUR SPACE



The 200-acre Lema Ranch and the adjacent Churn Creek property include more than eight miles of walking trails that are open to the public from daylight until dark every day of the year.

At Lema Ranch and along the Churn Creek Trails, walkers, joggers, and groups using meeting space at the Foundation enjoy diverse species of birds and other wildlife. The serene environment protects the wildlife along the trails and in the five different ponds. The ponds, built by the Lema family in the early nineteen-fifties, were enhanced in 1997 to encourage aquatic plant communities that provide wildlife habitat and improve the water quality. Biofilters – heavy plantings of aquatic plants intended to slow down and cleanse the water as it runs into the pond – were incorporated into the redesign of the ponds. An ongoing effort to establish perennial grasses and to reduce the quantity of invasive, non-native plants is underway.

The trails are maintained by Foundation staff, based at the Maintenance Facility, where equipment is stored, seedlings and trees are started, and the Land Manager supervises work on all of the Foundation's properties.



# LESSONS LEARNED



Whether grantor or grantee, there will always be surprises and deviations from initial expectations.

An early Foundation grant to the “Big Brother Big Sister” program in Redding turned out to be a Grantmaking 101 lesson. The Foundation funded a van for the purposes of transporting “Big Brother Big Sister” participants to and from activities. The program operated in the red. Maintenance and insurance of the van eventually put the program over the edge, and it closed its doors. The used van came back to the Foundation. In reviewing future grant requests, the Foundation staff learned to ask important questions about how organizations will care for and maintain their grants.

In the late nineteen-eighties, Mrs. McConnell offered personally to contribute millions of dollars to help fund a new Redding library if a local tax initiative called “Measure L” passed. The measure didn’t pass. The citizens of Redding weren’t ready for a new library, or a new tax. In the early two-thousands, a grass roots group of citizens formed New Library Now! (NLN) and determined the time was right to compete for a state library grant. To do so, NLN needed lead gifts, which would be the last dollars needed if Shasta County and the City of Redding were successful in receiving the state grant. The Foundation Board found it easy to say “yes” to NLN’s request that McConnell be a lead gift, and committed one million dollars toward the effort. In the 15 years or so between Measure L and New Library Now’s success, Foundation board and staff learned that timing is critical for major projects. It also reconfirmed that strong grass roots support and broad-based financial support are a recipe for success.



“LIFE IS LIKE PLAYING THE VIOLIN  
SOLO IN PUBLIC AND LEARNING THE  
INSTRUMENT AS YOU GO.”

- EDWARD G. BULWER-LYTTON



## Fairchild Medical Center

In the early nineteen-nineties, Siskiyou General Hospital representatives traveled from Yreka to Redding to meet with Foundation representatives. They requested that the Foundation consider committing funds to a capital campaign to build a new hospital in Yreka. The Foundation Board challenged the group to go back to their active medical community and raise \$500,000. They not only met this challenge, they exceeded it. In a community of 7,000 people, this sent a significant message that their community would support a new hospital. The Foundation honored their success with a one million dollar grant, which Mrs. McConnell matched, totaling a two million dollar contribution to Fairchild Medical Center, named in memory of Mrs. McConnell’s family.

## Vital Signs

In 1998 the Foundation decided to establish a separate entity from the Foundation to explore sustainability issues; thus, the Institute for Sustainable Communities (ISC) was formed. A three-year operating grant was awarded to the ISC. The Foundation Board was interested in issues such as city-wide impact fees, growth in the North State, and land use planning. Among some people, the ISC created a fear that the Foundation was anti-growth. Using the word “sustainability” generated community dialogue and questions about the Foundation’s agenda in establishing this Institute. A significant outcome of the ISC was *Vital Signs – A Report on the Quality of Life in Shasta and Tehama Counties*, published in 2001. Shortly after *Vital Signs* was issued, the ISC sunsetted. The Foundation learned that it had not defined the goals or the desired outcomes specifically enough. The Foundation remains interested in sustainability issues, and welcomes opportunities in which we can support community participation and education in matters of public policy.





# FIREWORKS AN ANNUAL TRADITION



### Fourth of July Fireworks

What began as a gift from Leah McConnell to the City of Redding to enhance the City's fireworks show has become an annual Foundation tradition of funding Redding's 4th of July Freedom Festival Fireworks. Leah McConnell, though a frugal and private person, loved fireworks and delighted in funding this spectacular regional show. Ninety thousand dollars up in smoke in just 25 minutes may not appear to be the best investment, but as Leah always used to say, "at least you can see where your money is going." The annual fireworks display has become an event anticipated by the entire community.

# ONGOING GIVING



## Ongoing Giving Through a Donor-Advised Fund

In 2001 the Foundation established a fund at the Shasta Regional Community Foundation in order to pass some of its grantmaking dollars – and decisions related to that giving – on to community leaders and the Community Foundation. Graduates of Leadership Siskiyou and Leadership Redding programs and other community leaders serve as grant review panels, making recommendations on funding. These committees, which are overseen by the Community Foundation, are given the opportunity to learn about grantmaking processes and put into practice the principles of community involvement. This donor-advised fund distributes approximately \$270,000 annually, in grants of \$30,000 or less. Recipients have included the Shasta County Arts Council, the Siskiyou Performing Arts Center, Stable Hands in Montague, Friends of the Intermountain Libraries, Inc., and the League of Women Voters.

In addition, in 2001 the Foundation provided a multi-year general operating support grant of \$1,000,000 to the Shasta Regional Community Foundation.



## Sulphur Creek Restoration

In 1992 the Foundation purchased Benton Ranch for the future development of an arboretum. At the time of purchase it was noted that Sulphur Creek, which bisected the property, was in need of restoration. The banks were significantly eroded, and poor conditions stemming from the days of dredger mining stranded juvenile salmon and steelhead.

Lot line adjustments were made to assure that the stream channel was on the Foundation's property, ensuring that restoration could take place in the future. In 1997 the Sacramento Watershed Action Group (SWAG) began the process of restoring Lower Sulphur Creek from the mouth where it meets the Sacramento River traveling upstream.

The final phase of the restoration of Lower Sulphur Creek was completed in the summer of 2005 when the historic channel was opened in time for winter flows. On November 7, 2005, water flowed through the creek's historic channel for the first time in 60 years, providing much improved fish habitat. This phase was a partnership between SWAG, Shasta College, and the Foundation, with funding provided by The McConnell Foundation and the Cantara Trustee Council.

Many groups participated in the restoration efforts over the years. SWAG oversaw the effort, but it included many funders and dedicated workers, without whom the project never would have come to fruition.

WATER FLOWS THROUGH THE HISTORIC CHANNEL FOR THE FIRST TIME IN 60 YEARS.

- NOVEMBER 7, 2005

# CALIFORNIA HORSE PARK

## The Proposed California Horse Park

In the planning stage for the last two years, the California Horse Park is anticipated to be a state of the art equine events center. Accessibly located just off of Interstate 5 in south Redding, the Park would be built on 200 acres at Gore Ranch, with an additional 800 acres devoted to open space, including walking trails and horseback riding trails.

Two citizens' groups, appointed by the Redding City Council and the Shasta County Board of Supervisors, are diligently reviewing the project proposal in order to recommend to the Council and the Board whether they believe the project merits financial contributions from the public sector.

With an enclosed stadium seating up to 9,500, the project would benefit not only horse lovers, but anyone who might attend concerts, trade shows, dog shows, festivals, conventions, or special events.

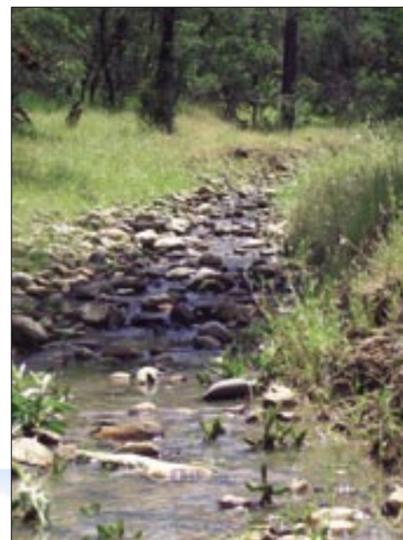
Among horse lovers, more than 25 local groups would benefit from affordable outdoor facilities designed to meet the needs of day users, not just those who come from out of town to show their horses. Groups such as the Pony Club, Junior Rodeo, and Dressage, which currently lack facilities and resources, would benefit from the use of the facilities.

The Park could also provide educational and hands-on learning experiences in the areas of equine and events management, as well as veterinary technician opportunities. It could also function as a training ground for firefighters and law enforcement officers or service providers.

Designed with the ability to expand over time, the Horse Park could potentially grow to meet needs that arise in the community and the region. If this project does not move forward, the Foundation will consider other ways to best utilize this property.



CALIFORNIA HORSE PARK  
A STATE OF THE ART EQUINE SHOW FACILITY



Gore Ranch  
Redding, California

# PARK MARINA RIVERFRONT



The park is a perfect place to relax with lunch and a newspaper, have a family barbecue, or simply enjoy the serenity of the surroundings near the Sacramento River.

## Park Marina

Leah McConnell began to advocate maximum public access and recreation along the Sacramento River and its tributaries almost two decades ago when she contributed personal funds to the Ribbon Bridge, the Sacramento River Trail System, Lema Ranch and the Churn Creek Trails, and the McConnell Arboretum at Turtle Bay Exploration Park. In 1996 the Foundation continued this interest by purchasing leasehold interests and land rights along Park Marina Drive from developer Bob Spaid.

The Foundation's interest in the Sacramento Riverfront and Park Marina Drive has always been for public access and open space. Supporting this interest, in 2003, when Shirlee Spaid decided not to renew the lease for her miniature golf course on Park Marina Drive so she could enjoy retirement, the Foundation decided to convert the property to a public park.

## Real Estate Holdings

The McConnells had a history of investing in real estate. Upon Leah's death, the Foundation inherited several properties. Today the real estate portfolio contains major properties located in the greater Redding area and in Siskiyou County. The Foundation also holds commercial investment properties. The impetus behind the decision-making by the Board to acquire property is varied. Often it's strategic and part of a long-term interest or vision, such as holding enough land near infrastructure for a public college or university, should one become viable in the region. Other times, it's because of the property's location, beauty, or potential. In most cases, the Foundation retains the original names of ranches and large parcels, such as Lema, Gore, Wixson, Record Heights, and Condiotti. The Foundation is fortunate to have the ability to look out 50 years and then come back, in both land acquisitions and thinking.

“SHE WAS A TOUGH BUSINESS PERSON. SHE HAD VERY STRONG PRINCIPLES. SHE WAS VERY KEEN, AND SHE HAD AN ASTUTE SENSE OF VALUE, PARTICULARLY IN REAL ESTATE.”

-LEE SALTER, QUOTED IN THE *RECORD SEARCHLIGHT* ON OCTOBER 31, 1995, THE DAY OF LEAH'S DEATH.

# EMPLOYEES WHO GIVE



The staff of The McConnell Foundation is as varied as the terrain around Lema Ranch. Each employee lends expertise in his or her own area, whether it's accounting, land management, administration, grantmaking, communication, or investment planning. All roles are important, and the staff functions together to enable the Foundation to advance its mission of helping build better communities through philanthropy.

In keeping with its mission to help build better communities through philanthropy, The McConnell Foundation strongly supports its employees' involvement in volunteer work and financial giving within the community.

## Volunteer Match

Like many organizations with strong connections to their communities, The McConnell Foundation supports its employees' volunteer efforts. For each hour of personal time volunteered by an employee to an eligible organization, The Foundation contributes an hour of company time, up to a maximum of 24 hours per year. Most employees take advantage of this to further their interests and share their talents within the community.

Groups and projects benefiting over the years have included PlusONE Mentors, Viva Downtown Redding, The Veterans Recovery Project, Good News Rescue Mission, Shasta Senior Nutrition, Wings of Angels, Leadership Redding, Boulder Creek Elementary School, Soroptimist International of Redding, and the Senior Legal Center of California.

## Matching Gifts

The Foundation Matching Gifts Program is designed to encourage members of the board and Foundation employees to join with the Foundation in the financial support of charitable, educational, and governmental organizations in the Foundation's recognized funding area. For each dollar contributed to an eligible nonprofit organization, the Foundation will contribute three dollars to the organization. In effect, each employee is able to make "small grants" to causes he or she personally supports. In 2005 the Foundation contributed \$210,000 to match board members' and employees' donations.

## The Foundation's "First"

In November of 1988, Diana Stewart applied for a bookkeeping position advertised in the *Record Searchlight* newspaper. Interviewed by a local attorney and an accountant who represented an unnamed client in need of a bookkeeper, Diana was asked how involved she was in the community. The fact that Diana was fairly new to Redding and not yet very involved worked in her favor, given Leah's preference for privacy. Diana met the client, Leah F. McConnell, and on November 14, 1988, she was offered a part-time position, which quickly became full-time.

Her job was to keep the books of four entities: two trusts from Carl, Leah's husband of nearly 50 years who had died in 1985; one trust of Leah's; and The McConnell Foundation's assets. In addition Diana was responsible for all of Mrs. McConnell's personal expenses, including reimbursing her monthly living allowances. In the early days of working for Mrs. McConnell, everything was done by hand – payroll, journals, general ledgers, and checks. Diana was instrumental in automating all accounting functions.

Mrs. McConnell would frequently ask, "Do we balance?" When she questioned what one said, she'd bet a nickel on who was right or wrong. There was a pivotal moment in Diana's career when Mrs. McConnell said she had to look after her money to be sure she could meet payroll. Diana responded that there was money to meet payroll, and that she would treat Mrs. McConnell's money as if it were her own to make sure they could pay bills, to which Mrs. McConnell replied, "No, honey, I want you to treat my money as if it's my money."

In light of this story, it may come as no surprise that 17 years later Diana is still a steward of Foundation monies as if they belong to the McConnells. Diana feels she was fortunate to have been at the right time and place when somebody was needed to meet the demands of a small office on Court Street in Redding. She also says that Leah was a generous person who left her wealth to the communities we serve, flaunting neither her wealth nor her status.

Diana has weathered every change the Foundation has encountered. When Director Emeritus Bill Nystrom recently saw the staff photo for this report, he said, "I remember when Diana was the only one."

Diana's goal is to stay healthy enough to retire one day and travel around this great country with her husband Chuck, who is retired from the State of California Department of Justice. If enjoying family can be a hobby, it is Diana's. Her first choice is to spend time with Chuck, their son David, and new daughter-in-law Michele. Dancing, music, and going for rides in the car with Chuck also are on the "what makes Diana happiest" list.

What does Diana think Mrs. McConnell would be most proud of since her death? The Lema Ranch Trails and the McConnell Arboretum & Gardens at Turtle Bay Exploration Park. What is Diana most proud of in her work? That she was lucky enough to know Leah McConnell personally and to have seen the legacy of the Foundation unfold.

## DIANA STEWART

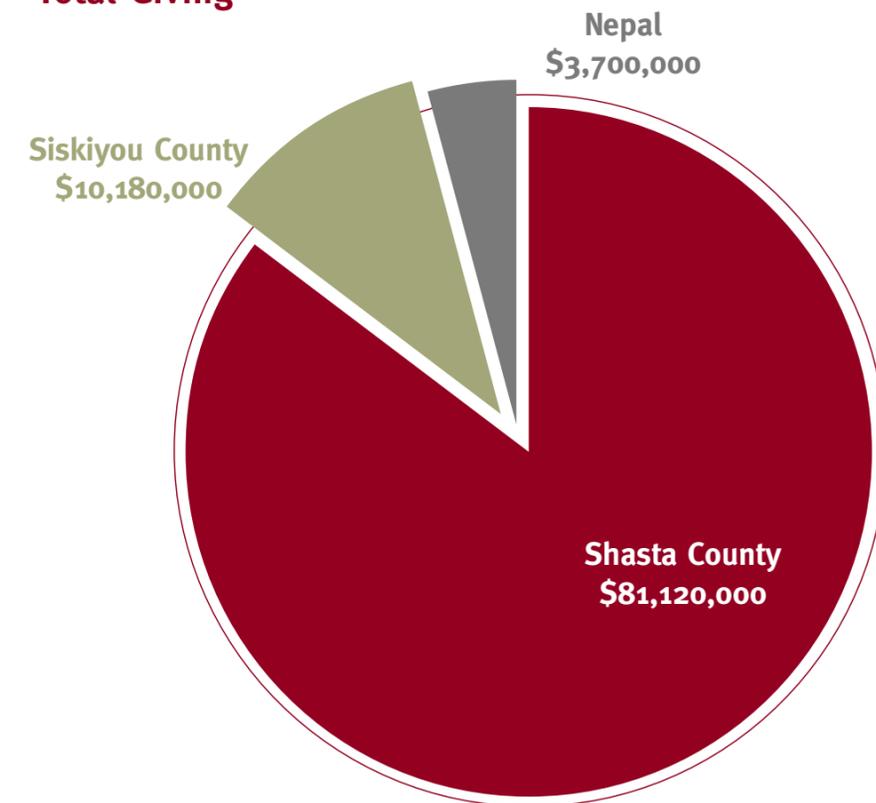
Diana Stewart is the Director of Administration, and manages Administrative, Facilities, and Grounds staff.



# A FINANCIAL SNAPSHOT

<b>The McConnell Foundation Statements of Financial Position</b>				
December 31, 1988 (unaudited) December 31, 1996, 2003, 2004 (audited)				
<b>Assets</b>	<b>1988</b>	<b>1996</b>	<b>2003</b>	<b>2004</b>
Cash	\$97,846	\$6,257,471	\$3,808,609	\$10,477,382
Investments	42,211,168	238,681,989	279,517,914	293,543,298
Charitable Use Assets		42,439,900	67,859,032	66,154,267
Other Assets	47			
<b>Total Assets</b>	<b>\$42,309,061</b>	<b>\$287,379,360</b>	<b>\$351,185,555</b>	<b>\$370,174,947</b>
<b>Liabilities and Net Assets</b>				
<b>Liabilities</b>				
Accounts Payable and Other Liabilities	\$486,242	\$2,055,199	\$1,462,591	\$2,123,937
Grants Payable		1,816,961	14,081,551	12,041,016
<b>Total Liabilities</b>	<b>486,242</b>	<b>3,872,160</b>	<b>15,544,142</b>	<b>14,164,953</b>
<b>Net Assets</b>				
Unrestricted	41,822,819	241,067,300	306,589,770	328,520,111
Temporarily Restricted		42,439,900	29,051,643	27,489,883
<b>Total Net Assets</b>	<b>41,822,819</b>	<b>283,507,200</b>	<b>335,641,413</b>	<b>356,009,994</b>
<b>Total Liabilities and Net Assets</b>	<b>\$42,309,061</b>	<b>\$287,379,360</b>	<b>\$351,185,555</b>	<b>\$370,174,947</b>

## Total Giving\*



\* These numbers reflect direct grants and not all charitable contributions.

Shasta County estimated population, 2004: 177,816  
(\$456 per person to Shasta County residents)

Redding estimated population, 2003: 87,579  
(\$845 per person to Redding residents)

Siskiyou County estimated population, 2004: 44,891  
(\$227 per person to Siskiyou County residents)

Our asset base today is about \$365 million. The Foundation's goal is to make 9% on its investments: 5% for annual charitable giving, 3% for inflation, and 1% for administrative costs.

~ OUR MISSION ~

## HELPING BUILD BETTER COMMUNITIES THROUGH PHILANTHROPY

~ OUR VALUES ~

At The McConnell Foundation, we value working in partnership to help build better communities. We value excellence and integrity, using our personnel, facilities, and financial resources for positive change. We value long-term planning, working responsibly and respectfully with others, as well as encouraging creative ideas and entrepreneurial strategies. Each individual at the Foundation makes a special contribution to our team, working to strengthen and enrich communities.

TOGETHER, WE ARE MAKING A DIFFERENCE.



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