



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Mayor Chuck Reed
Councilmember Xavier Campos
Councilmember Rose Herrera
Councilmember Ash Kalra
Councilmember Sam Liccardo

SUBJECT: SEE BELOW

DATE: May 24, 2011

APPROVED:

Chuck Reed X *5/25/11*

DATE:

Rose Herrera
Ash Kalra
Ron Herrera

SUBJECT: ACTIONS RELATED TO IMPLEMENTATION OF THE SCHOOL OF ARTS
& CULTURE AT THE MEXICAN HERITAGE PLAZA

RECOMMENDATION

1. Authorize the City Manager to negotiate an interim Operator Agreement with 1st ACT Silicon Valley, but execution of the agreement shall not occur until adoption of the FY 2011-2012 budget.
2. Amend the Business Plan to include the following directive in regards to the Advisory Committee on Permanent Governance:

The Advisory Committee on Permanent Governance shall be made up of no more than 9 members, to be comprised of 2 appointees from 1st ACT Silicon Valley, 1 City of San Jose staff member appointee selected by the City Manager, 1 appointee representing funders, 3 appointees from the Mexican Heritage Plaza (MHP) Steering Committee, 1 appointee from the Latino Leadership Alliance and 1 appointee from the San José Art Commission, who will meet quarterly to actively participate in the development or identification of a permanent operator.

3. Direct the Advisory Committee on Permanent Governance, in coordination with 1st ACT Silicon Valley, to explore potential public/private opportunities as part of the governance and implementation of the long-term business plan, and report back to the Council prior to making a recommendation on a permanent operator.
4. Direct 1stACT, or the 1st ACT affiliated organization, to provide a progress report to the Community and Economic Development Committee on the development of the business plan and on the search for a permanent operator no later than December 31, 2012.

5. The Interim and long-term operator shall provide limited free access to the Plata Arroyo Neighborhood Association, Mayfair Neighborhood Association(s), Gateway East NAC, and the Mayfair NAC to conduct their monthly neighborhood meetings at a date and time that will not conflict with the operator's programming schedule.

BACKGROUND

The Mexican Heritage Plaza or "the Plaza" is an iconic facility in the heart of San José's oldest and largest Mexican-American community. Built in 1999, the site formerly housed a grocery store that was the target of one of the first boycotts for farm workers' rights organized by Cesar Chavez. The Plaza features a theater, pavilion, art gallery, classroom space, and an outdoor square and gardens built in the architectural style of a traditional Mexican plaza. The vision of the facility is to capture the spirit of the Mexican-American community, through a venue that provides cultural arts and performances.

In 2008, the operator of the Plaza struggled to maintain financial stability. As a result of their financial hardships, the City Council gave direction to staff to establish a process for providing a new direction of operation for the Plaza. From a commissioned report, a consultant determined that the plaza should be maintained as a cultural community center. To keep with this objective outline by the report, a community-based Steering Committee began its work to create a sustainable business plan that would achieve operational success.

After a two year exploratory process, the Committee is presenting before Council a business plan for a School of Arts and Culture, the selection of an Interim Incubator Operator, and a process to identify a permanent operator.

REASONS FOR RECOMMENDATIONS

To supplement the excellent work provided by the Mexican Heritage Plaza (MHP) Steering Committee, we recommend that the Advisory Committee on Permanent Governance, in coordination with 1st ACT, explore potential public/private opportunities for the governance and implementation of the long-term MHP business plan, and report back to the Council prior to making a recommendation on a permanent operator.

The Mexican Heritage Plaza is a beautiful and functional space that can host a variety of grassroots and professional arts and culture performances. In addition to the Steering Committee's recommendation to earn revenue through facility rentals and arts classes, the permanent operator could use this valuable asset to partner with for-profit promoters to raise additional earned income promoting professional performances at market-rate ticket prices. An example of this type of partnership could be with a small-venue concert promoter to produce a summer concert series. There are countless professional musical acts, comedians, and other entertainers who could fill the plaza during unoccupied times to assist with generating revenue. The proceeds would help make classes at the school of art and culture more affordable, and help pay for the operations costs of the Mexican Heritage Plaza. This type of concept would complement the vision of a school of the arts and culture, with diverse programming and revenue opportunities, and contribute to the long-term financial health of the Mexican Heritage Plaza.