



Memorandum

TO: City Council

FROM: Mayor Ron Gonzales
Councilmember Nora Campos

SUBJECT: Mexican Heritage Plaza Advance

DATE: June 6, 2005

Approved:

Ron Gonzales *Nora Campos*

Date:

6/6/05

RECOMMENDATION

Approval of advancing the July 2005 Operation & Maintenance payment to the Mexican Heritage Corporation to June 2005, and reimbursing \$20,000 of the advance directly to the Mayor's Office Account.

BACKGROUND

The Mexican Heritage Plaza opened six years ago, and its challenges achieving financial stability have been well documented. We are confident that the Plaza, with new leadership, is moving in the right direction to balance its mission with fiscal responsibility. According to Mexican Heritage Plaza Board President Eddie Garcia, corporations and local businesses are beginning to strengthen their level of support for MHP. There is a promising long-term future for the Plaza but a short-term financial gap.

This item is coming to the City Council because the advance crosses between the current fiscal year and the next. Typically, if an operator requests an advance on its scheduled O & M payment within the fiscal year, the City Manager has authority to do without Council approval. In addition, the Mayor authorized a \$20,000 loan to the Plaza from his office account to assist the Plaza in covering immediate personnel obligations. The Plaza committed to repay that money. By this direction, the \$20,000 will be re-paid directly to the Mayor's Office Account from the O & M advance.

CONCLUSION

Despite its short-term fiscal challenges, the Mexican Heritage Plaza is making prudent decisions to achieve a healthy financial and artistic future. The MHP Board is creating a strategic framework that will move the Plaza away from public subsidies to private sector and foundation grants. We are optimistic about its chances for success. For those reasons, we recommend this action.