



# Memorandum

**TO:** COMMUNITY AND ECONOMIC  
DEVELOPMENT COMMITTEE

**FROM:** Peter Jensen  
Kim Walesh

**SUBJECT:** MEXICAN HERITAGE PLAZA  
TRANSITION PROGRESS REPORT

**DATE:** October 9, 2009

Approved

Date

10/14/09

**COUNCIL DISTRICT:** District 5

## RECOMMENDATION

Accept the staff report updating the CED Committee on the transition plan for the Mexican Heritage Plaza (MHP).

## BACKGROUND

At the last update to the CED Committee, the Hispanic Foundation of Silicon Valley (HFSV) announced the completion of fundraising for financial support from the foundation community to cover the cost of facilitating the MHP business planning process. The facilitation team of MacDougall-Grenzeback, selected through a competitive process led by the HFSV and supported by City staff, was subsequently hired to facilitate the Steering Committee's work. The kickoff meeting of the MHP Steering Committee occurred on July 13<sup>th</sup>, 2009.

## ANALYSIS

The MHP Steering Committee has met three times and is scheduled to meet for its October meeting on Tuesday, October 13<sup>th</sup>. The Steering Committee began its dialogue with a foundational information session on the Brown Act, agreements on the ground rules, definition of the task and meeting schedule – every 2<sup>nd</sup> Tuesday of the month, alternating between lunch and evening meetings. The facilitator introduced a master plan for the Committee's process which takes the Committee through an educational component for the first three meetings, leading into a discussion of operating scenarios for the Plaza by the entire group and potentially within ad hoc study groups. During the four month operating scenario phase, the Committee will review pros and cons of the proposed operating scenarios and their financial implications, concluding with a selection among the scenarios. The final three meetings will be focused on the preparation of the recommended business plan and presentation to the City Council. The timeline of the proposed process requires Committee meetings through May 2010.

October 9, 2009

**Subject:** Mexican Heritage Plaza Transition

Page 2

The educational component of the Steering Committee's work in the first three meetings included clarifying the Committee's desired outcome. The Committee agreed on the following goals:

1. Achieve the concept of MHP as a Community Arts and Cultural Center, as defined in the public visioning meetings that took place in August 2007 and February 2008.
2. Define the constituency or constituencies MHP will serve.
3. Define the programs that will manifest the concept.
4. Define an organizational structure that will assure the concept is administered properly.
5. Designate a governance structure and staff required to fulfill the concept.
6. Create a realistic budget that details the costs to administer the concept.
7. Identify realistic income streams that will support the concept.
8. Develop a process for establishing a permanent governance structure and selecting an operator that is capable of implementing the business model.

The facilitator requested that all Committee members read the past consultant studies prepared by Alvarez and Wolf, as well as the memo from the Mayor and Councilmember Campos in March 2008. The facilitator is utilizing analysis of the findings from these reports to extract conclusions for the Committee to consider and utilize for decision making purposes. The ground work for the Committee's task is also based in analysis of usage data provided by the City for fiscal year 08-09, the current rental rate structure and 08-09 revenues, as well as O&M costs. With support from City staff, the facilitator is compiling this data and presenting it in a comprehensible format to aid the Committee in understanding the current financial performance of the Plaza. A primary goal of the facilitator in Steering Committee meetings has been to move the discussion of the Plaza from the "aspirational to the operational."

To supplement their understanding of the current environment in which the Plaza is operating, the Committee requested an update from a Redevelopment Agency liaison on future projects within the immediate area around the Plaza. City representatives from General Services and the Office of Economic Development are also acting as liaisons to the process, providing information as necessary during the meetings.

The Resident Arts Program (RAP) at the Plaza is of significant interest to the Steering Committee and the future organizational structure of the Plaza. The current RAPs – Teatro Visión, Mexican Heritage Corporation and San Jose Multicultural Artists Guild – provided presentations to the Steering Committee and took questions from the Committee as to their experience as RAPs, and their programming impact at the Plaza and in the community. The Committee will be looking closely at the design of the RAP program to determine its role in activation of the Plaza and financial solvency for both the Plaza and the participating organizations.

The fourth Committee meeting scheduled for October 13<sup>th</sup> is structured to conclude the educational phase with a presentation and discussion regarding for-profit vs. non-profit management models. However, the meeting will also include discussion of Committee protocol when considering possible operating scenarios for the Plaza.

October 9, 2009

Subject: Mexican Heritage Plaza Transition

Page 3

### **EVALUATION AND FOLLOW-UP**

Informational reports regarding all aspects of MHP, as well as recommendations at needed decision points will be provided to the CED Committee and full Council as appropriate. The next scheduled update to the CED Committee will report on the potential operating scenarios under review by the Steering Committee.

### **PUBLIC OUTREACH/INTEREST**

All meetings of the MHP Steering Committee are open to the public and publicly noticed. There is a comprehensive distribution of each month's meeting announcement to the public interested in the progress of the Steering Committee, and the announcements and meeting summaries are posted on the City's web site. The distribution of the meeting announcement (which also includes the summary of the prior meeting) includes all community members who attended the public forums conducted by the Mayor and District 5 Council offices, individuals who made pledges to the Plaza during the Committee member selection phase, the Mexican Consulate and the Resident Art Partner advisors.

The public audience attending the Committee meetings has ranged between 20 – 30 individuals, representing various groups including mariachi music education, local artists, local non-profit organizations, Santa Clara Valley Water District, former Plaza volunteers, founding MHC board members, local media – NBC, *El Observador*, *Mercury News* – and HFSV staff. City staff from the Library, Parks, Recreation, and Neighborhood Services, the Office of Cultural Affairs, and Council offices have also been present.

Each meeting concludes with an opportunity for public comment. Audience members are asked to keep their comments within a 2 minute limit. Public comments are reflected in the meeting summary.

### **COORDINATION**

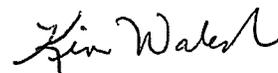
This memorandum has been coordinated with the City Attorney's Office.

### **CEQA**

Not applicable.



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Director, General Services



Kim Walesh  
Chief Strategist