

Considerations and Criteria for a Permanent Operator for the School of Arts & Culture at Mexican Heritage Plaza (MHP)

Background

At the direction of the San Jose City Council, the MHP Steering Committee, comprised of a wide array of stakeholders, met from July 2009 through May 2010. It conducted facility analysis and stakeholder input. It developed a recommendation to establish a school of arts and culture at MHP and developed the School of Arts & Culture at MHP Business Plan, approved by the Council on May 11, 2010. The business plan also included core qualities and capabilities of the Interim Operator, which informs the criteria and considerations for the permanent operator.

When the vision for the School of Arts and Culture at MHP was developed, five community-based organizations were approached to determine their interest in establishing a school at MHP. For various reasons, none expressed interest. With no identified organization to realize this vision, 1stACT Silicon Valley was asked by the MHP Steering Committee to lead the incubation of a new organization, the School of Arts & Culture at MHP, which operates a school at the facility on an interim basis through June 30, 2014. The Council established an MHP Advisory Committee on Permanent Governance (ACPG) to actively participate in the development or identification of a permanent operator.

Considerations for a Permanent Operator

Mission and Program

- The organization's mission must be focused on the arts. The business model of and the adopted Guiding Principles for the School of Arts and Culture at Mexican Heritage Plaza must be embraced by the organization and explicitly reflected in its mission.
- The organization must provide its plans for offering a program of arts activities to the public at the Mexican Heritage Plaza. These activities must reflect the Guiding Principles for the School of Arts and Culture at Mexican Heritage Plaza.

Corporate and Governance

- The organization must be a 501(c)(3) not-for-profit public benefit corporation in good standing.
- The organization must have a governing body of at least five persons, a majority of whom must not be employees or the immediate family members* of employees of the organization.

* Includes spouses and registered domestic partners.

Financial History

- Not including in-kind support, the organization must have had both annual operating revenues and annual operating expenditures that averaged at least \$500,000 in its most recent fiscal year.
- At least one-third of the organization's annual operating expenses must be spent on the direct cost of providing arts programs and activities.
- The organization must be in compliance with the requirements of current and previous grants it has received through the City of San Jose and be good standing with the City of San Jose.

Expected Standards of Practice

The Permanent Operator is expected to meet the following minimum standards of organizational practice on a consistent basis:

- Artists compensated with at least an honorarium, except for artists enrolled as students with the organization.
- At least the equivalent of three paid administrative employees.
- No operating deficit unless it is strategically planned with reserves to cover them.
- Annual Audited and Certified Year-End Financial Reports.

Evaluation Criteria

Artistic Program

Key elements: Given its mission, the organization's ability to embrace the model of and the adopted Guiding Principles for the School of Arts and Culture at Mexican Heritage Plaza to create an accessible, high-quality, community school program in arts and culture; define and achieve appropriate artistic and educational goals; commit to creativity and quality; and, if appropriate to its mission, the development of new work.

Operational Effectiveness

Key elements: Given the organization's budget size and age, the general state of its governance and organizational development, management, and operational and financial soundness, ability to achieve appropriate audience and fundraising goals; demonstrated ability to earn revenue from a diversity of sources and ability to leverage public funds; manage and maintain a cultural facility comprised of multiple amenities; extent of operational innovativeness and adaptability to external trends; and adherence to Expected Standards of Practice.

Community Engagement and Impact

Key elements: The organization must have the cultural competency, connections to the community, and capability to collaborate with a diverse group of partners in executing a program that reflects the Guiding Principles. Furthermore, community impact should include: the reach of the organization's core programs and the extent to which they engage audiences and provide opportunities for participatory involvement in the arts, including targeted engagement and arts learning opportunities; the effectiveness of its audience-development activities and its plans for reaching a diverse, broad-based audience; the applicant's ability to develop multicultural leadership; programming and other activities that reach out to economically disadvantaged communities and communities that lack conventional arts venues or formal arts programs; and the contribution it makes to sustaining a local community of artists.

Key elements represent the most obvious and significant aspects of each criterion and do not preclude consideration of other relevant factors.