

RESOLUTION NO. 73890

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN JOSE AUTHORIZING THE CITY MANAGER TO ADVANCE A PORTION OF THE OPERATION AND MAINTENANCE SUPPORT PAYMENTS FOR FISCAL YEAR 2007-2008 TO DEFRAY THE COST OF PERSONNEL ASSISTING MEXICAN HERITAGE CORPORATION WITH REVENUE GENERATION AND FINANCIAL CONTROLS AND TO SUSPEND MEXICAN HERITAGE CORPORATION'S CONTRIBUTIONS TO THE RESERVE ACCOUNT FOR FISCAL YEAR 2007-2008

WHEREAS, on May 22, 2007 the City Council of the City of San José ("City Council") adopted a resolution authorizing the City Manager to negotiate and execute the Fourth Amendment to the Loan Agreement with Mexican Heritage Corporation ("MHC") to defer payment of MHC's loan for twelve (12) months and further recommended a Fifth Amendment to the Operation and Maintenance Agreement requiring MHC to provide additional monthly financial reports to the City of San José ("City") for the remainder of the term of the Agreement; and

WHEREAS, on May 22, 2007 the City Council also recommended the City advance a portion of the operation and maintenance support payments for Fiscal Year 2007-2008 to MHC, in an amount to be determined at the sole discretion of the City Manager, to defray the cost of personnel assisting MHC with revenue generation and financial controls not to exceed the full time equivalent of one position for each of the categories and not to exceed the anticipated Fiscal Year 2007-2008 annual operations and maintenance appropriation for MHC of \$413,783; and

WHEREAS, the City Council further recommends the suspension of MHC's contributions to the reserve account for Fiscal Year 2007-2008;

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SAN JOSE THAT:

The City Manager is hereby authorized to advance a portion of the operation and maintenance support payments for Fiscal Year 2007-2008 to Mexican Heritage Corporation, the amount of which is to be determined at the sole discretion of the City Manager, to defray the cost of personnel assisting MHC with revenue generation and financial controls and to suspend MHC's contributions to the reserve account for Fiscal Year 2007-2008.

ADOPTED this 26th day of June, 2007, by the following vote:

AYES:	CAMPOS, CHIRCO, CHU, CONSTANT, CORTESE, LICCARDO, NGUYEN, OLIVERIO, PYLE, WILLIAMS; REED
NOES:	NONE
ABSENT:	NONE
DISQUALIFIED:	NONE

CHUCK REED
Mayor

ATTEST:

LEE PRICE, MMC
City Clerk