

**RESOLUTION NO. 74296**

**A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN JOSE AUTHORIZING THE CITY MANAGER TO NEGOTIATE AND EXECUTE AN AMENDMENT TO THE LOAN AGREEMENT AND PROMISSORY NOTE WITH MEXICAN HERITAGE CORPORATION TO INCORPORATE A CHALLENGE GRANT TO GIVE MEXICAN HERITAGE CORPORATION AN OPPORTUNITY TO REDUCE THE OUTSTANDING BALANCE OWED ON ITS \$500,000 LOAN WITH THE CITY**

**WHEREAS**, on March 5, 2008, at the Rules and Open Government Committee, it was determined that the current operational and funding model for Mexican Heritage Corporation (“MHC”) is not sustainable and that a new operational and funding model needs to be implemented; and

**WHEREAS**, the transition to a Community Cultural Center is the aspired-to goal, and transition steps are required to develop the capacity and community engagement to achieve this goal; and

**WHEREAS**, as part of the transition, City of San Jose (“City”) recommends that part of the funding support package include amending the existing loan agreement and promissory note with MHC in order to incorporate a challenge grant to give MHC the opportunity to reduce the outstanding balance owed on its loan with the City, which is currently \$500,000, by two dollars for each dollar raised by MHC between April 1 and December 1, 2008, and by one dollar for each dollar raised thereafter;

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

The City Manager is hereby authorized to negotiate and execute an amendment to the loan agreement and promissory note with Mexican Heritage Corporation to incorporate a challenge grant to give MHC an opportunity to reduce the outstanding balance of the \$500,000 MHC owes to the City, by two dollars for each dollar raised by MHC for the period between April 1 and December 1, 2008, and by one dollar for each dollar raised thereafter.

ADOPTED this **Eighteenth** day of **March**, 2008, by the following vote:

AYES: CAMPOS, CHIRCO, CHU, CONSTANT, CORTESE,  
LICCARDO, NGUYEN, PYLE, WILLIAMS; REED.

NOES: OLIVERIO.

ABSENT: NONE.

DISQUALIFIED: NONE.

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CHUCK REED  
Mayor

ATTEST:

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LEE PRICE, MMC  
City Clerk