

## MEXICAN HERITAGE PLAZA

### Steering Committee Meeting #11

15 March 2011

6:00 to 7:30 p.m.

#### I. Housekeeping

- City staff reported on the Community and Economic Development City Council Committee meeting on Monday, February 28<sup>th</sup>. The committee directed city staff to begin negotiations of the IIO agreement with 1stACT Silicon Valley. City staff will return to the CED Committee in April 2011 with an update report and the Steering Committee's approved business plan. The February 2011 CED Committee report is available on the City's website:  
[http://www.sanjoseca.gov/clerk/CommitteeAgenda/CED/20110228/CED20110228\\_d2att.pdf](http://www.sanjoseca.gov/clerk/CommitteeAgenda/CED/20110228/CED20110228_d2att.pdf)
- City staff also reported on the presentation to the Arts Commission held on Wednesday, March 9<sup>th</sup>. The Commission was very complimentary of the Committee's work to date. The Commissioners were supportive of the incubation plan, as well as 1stACT's role as the interim operator. The Commission looks forward to taking action in support of the business plan in early May. The Commission understands that they will be the final approving body prior to the City Council meeting in late May.

#### II. Prototyping & Fundraising Team Reports

- Prototyping Team Report: Erin Goodwin-Guerrero, Prototyping Team Co-Chair, provided a report on the team's work to date:
  - Summer pilot of RFP released on March 7<sup>th</sup>
  - Prototyping team has changed its short-term goals slightly to focus on the marketing of the Arts & Culture Summer Day Camps. Focus groups will be convened following the summer camps. The team is now considering that artist instructors and service providers who apply or participate in the summer pilot can populate those respective focus groups. Community members whose children participate in the summer classes can comprise community focus groups.

- Fundraising Team Report: Al Castellano, Fundraising Team Co-Chair, reported on recent fundraising work. Al reported on his recent conversations with the following funders to support the new programs:
  - Bank of the West
  - Lozanos Landscaping
  - Wells Fargo Bank
  - Tacos al Carbon
- Al also announced that the Castellano Family Foundation 2011 Christmas Parade float will become a “Plaza inspired” float, promoting the community school of arts and culture at MHP.
- Fundraising team member, Linda Snook, added that former volunteers and families who have been holding events at the Plaza over the years are interested in helping with contributions of time and resources.
- A question arose from the public as to whether there is currently a solicitation for donations. The fundraising team clarified that the fundraising effort is two fold. 1) Securing large grants and major investors to provide the financial foundation. 2) Micro-donor strategy is unique. Fundraising team committed to preparing promotional materials that give people confidence, inspiration and an opportunity to contribute to the future school.

### **III. Financial Modeling Team Report: Business Plan Outline**

- Connie Martinez, Financial Modeling Team Co-Chair, provided an outline of the proposed business plan (see page 5). It was made clear that, while the writing of the business plan is being managed by a small group, the Committee and the public will have the opportunity to provide feedback before the next meeting of the Steering Committee.
- Connie walked the Committee through the bullet points of the business plan (page 5):
  - Executive summary should be created to give investors confidence. It should summarize everything into 2 pages to inspire investment in the vision and the future and will tell the story of where we are going and where we have been.

- The history of work to date will focus broadly on the industry, visits to local institutions and provide a summary of research gathered from different financial models across the country.
- The Fundraising Plan includes enticing the local and Latino community to invest, the Legacy Givers (people who will like to get behind the long term goal) and Foundations. The goal for Latino community support is \$100K per year. It is important to build ongoing support and a continued relationship with the City. An ongoing investment from the City of San Jose is assumed.
- Focus points of the business plan are:
  - Who we are going to serve and the environment in which we are serving
  - Activities and resources that we are competing against
  - Profile our own strengths
  - Market Analysis: who and what is around you
  - Market Plan: what are you going to do to attract people to engage and participate
  - Discussion of fees for classes
  - Staffing model reflecting growth over time
  - Approach to how 1<sup>st</sup>ACT will be exiting their role
  - Whole section on assessing risks: financial and physical
- The draft of the business plan will be prepared no later than April 11<sup>th</sup>, in order to be presented at 1<sup>st</sup>ACT's board retreat at MHP. 1<sup>st</sup>ACT board is supportive but wants to see the budget and business plan before making their final decision to take on the incubation role. Knowing that there is support from the community, full Steering Committee support, and the City investment, is also very important to 1<sup>st</sup>ACT's board.
- Incubation Role: The Financial Modeling team has already done a 5 year budget, but now the incubation role will be addressed. The group has started the writing process. The incubation phase includes articulating the objectives and learning as we grow, but not necessarily creating permanent systems. Using 1<sup>st</sup>ACT's corporate strategy of "paving the runway" is part of the new vision, along with the strategy of creating best practices to be passed on to the permanent operator.

#### **IV. Key Dates & Scheduling of Final Steering Committee meeting**

April 11<sup>th</sup>: 1stACT Board Retreat to review business plan

April 12<sup>th</sup>: Release of Business Plan to Steering Committee and community

April 12<sup>th</sup> – 18<sup>th</sup>: Committee members will be given 48 hours to read business plan. City staff will call each Committee member to ask for feedback on the document. Feedback will be summarized into one document for review by the Committee on April 19<sup>th</sup>. Public feedback can be sent directly to Elisa and will also be included in the summary document.

April 19<sup>th</sup>: Final MHP Steering Committee meeting scheduled. The purpose of the April 19<sup>th</sup> meeting will be to recognize any flaws and how far/close the business plan is from the vision. The primary goal of the meeting is to approve the business plan and discuss preparations for May 24<sup>th</sup> City Council presentation.

## **School of Arts and Culture at MHP**

### **Draft Business Plan Outline**

#### **I. Executive Summary**

- a. 2 pager that inspires confidence and investment

#### **II. Description of School of Arts and Culture**

- a. Vision, mission, objectives, guiding principles
- b. Background information
- c. Key milestones to date

#### **III. Industry Overview**

- a. State of Community Schools of Arts
- b. National and Local Trends
- c. Financial Models
- d. Best Practices

#### **IV. Market Analysis and Competitive Environment**

- a. Profile “target markets” planning to serve
- b. Define market trends, challenges, opportunities
- c. Define market forces competing for time and resources
- d. Statement of competitive strengths/challenges

#### **V. Marketing and Community Engagement Plan**

- a. Overview of classes, cultural offerings, and space rentals
- b. Plan for attracting “target markets,” growing earned income and engaging community
- c. Pricing “offerings” by target markets
- d. Communications plan
- e. Community Engagement plan

#### **VI. Fundraising Plan**

- a. Plan for attracting donors
- b. Segment by Latino/local, Corporate, Foundations, Public, Legacy

#### **VII. Operations and Technology Plan**

- a. Current facility assessment
- b. Technology plan for supporting programs and operations
- c. Plans for security, maintenance and general operations

**VIII. Management and Organization**

- a. Staffing plan for incubation period
- b. Plan for collaboration with Cultural Arts Partners and other strategic partners
- c. Staffing model(s) for permanent governance structure
- d. Plan for securing permanent governance structure and 1stACT's exit

**IX. Funding Model, Financial Plan and Assessment of Risks**

- a. Description of funding model/key assumptions
- b. 5 year pro-forma financials
- c. Plan for growing/sustaining the vision
- d. Documenting and assessing risks