

Memorandum



CITY OF DALLAS

DATE September 13, 2024

TO Honorable Chair and Members of the Quality of Life, Arts, and Culture Committee

SUBJECT **City Facilities Partners Update – Dallas Theater Center**

The City of Dallas Office of Arts and Culture typically contracts with various Dallas-based arts and culture non-profit organizations for two purposes. The most common is contracting for artistic and cultural services for Dallas residents and visitors. More uniquely, Dallas contracts with select organizations to provide long-term management of City-owned cultural venues. The Office of Arts and Culture (OAC) will provide a series of monthly memoranda as an update on each of our facility management partners in alignment with the Dallas Cultural Plan 2018 initiative to, “increase transparency in facility policies and structures.”

Historical Context

The Office of Arts and Culture has a history of contracts with Dallas Theater Center (DTC) under both purposes referenced above. On an annual basis, OAC contracts with DTC through the Cultural Organizations Program (COP) which provides operating support for Dallas-based arts and culture non-profit organizations for a year-long season of artistic and cultural services and/or events. City Council annually approves both the guidelines for COP and the eventual funding allocation to recommended organizations. In FY 2023-24, DTC was awarded \$90,007 through a COP contract which will end September 30, 2024. OAC is currently in the funding recommendation process for FY 2024-25. The COP funding allocation is currently scheduled to be briefed to QOLAC on October 21, 2024 and considered for approval by City Council on October 23, 2024.

The City also holds a long-term facility management agreement with DTC to manage the operations of Kalita Humphrey’s Theater and the Heldt Annex adjacent to the Kalita. The initial management agreement was executed in 1973, when DTC donated the Kalita to the City of Dallas with the general agreement for DTC to operate the building and the City to provide maintenance and repair. The City charges DTC \$1 annually to lease the Kalita for operation. Since the initial agreement, the City has executed five (5) amendments to the contract. Below is a timeline with brief details related to each of the five amendments as well as key events and actions related to the Kalita and DTC’s operation of the venue:

1959

- DTC built Kalita Humphreys Theater designed by renowned architect Frank Lloyd Wright, with an education wing added in 1968.

1973

- DTC donates the Kalita Humphrey’s Theatre to the City of Dallas and the initial lease agreement is executed with term ending 1993 establishing DTC to operate the building and the City to provide maintenance.

- The building porte-cochere enclosed, and lobby expanded.

1983

- First Amendment executed increasing amount of acreage to 9.87 acres. A twenty-year renewal option is acknowledged. The interior of theater and lobby altered, parking added, Heldt Annex building constructed to further improve the leased premises.

1991

- Second Amendment executed to include the addition of the Heldt administration building in the lease.

2005

- KHT designated as a Dallas Historic Landmark.

2010

- New Master Plan developed for Kalita funded by 2006 Bond titled “Dallas Theater Center Master Plan: Kalita Humphreys Theater at Turtle Creek.”

2019

- Original 1959-1960 configuration designated as primary period of significance.
- Updated Master Plan submitted to OAC. The plan was not adopted by City Council.
- Third Amendment executed to include DTC's responsibility to update Master Plan for the Kalita by the end of 2020. The amendment also updated DTC's operating model to include an Equitable Access Plan reflecting Dallas Cultural Plan's priority of Equity and Space and right to sublease. The three-year Equitable Access Plan began FY 23 and ends in FY 25, including anchor tenants Uptown Players (Kalita) and Second Thought Theater (Heldt Annex Building). Additional language for DTC to maintain the Kalita in a clean, safe, condition and in good order and repair during its use of the premises. The amendment also extended the lease agreement term to June 1, 2024.

2021

- Fourth Amendment executed extending the delivery requirements of the Master Plan due to Covid 19.
- Fifth Amendment executed to extend lease term to June 1, 2025, extend implementation of the Equitable Access Plan by one year, and defer the schedule for non-resident rentals by one year.

Current Status and Needs

The Kalita Humphrey's Theater is an important cultural asset with critical investments needs and repairs. The 2024 Bond Program includes \$8,983,794 for upgrades and repairs to HVAC systems, fire alarm upgrades, public safety upgrades, elevator upgrades, water infiltration mitigation, interior and exterior repairs and accessibility enhancements including backstage area repairs and upgrades. Bond projects scheduled for year two of five in bond project executions. However, critical investment needs and repairs may go beyond the cost and scope of the 2024 bond funding.

Next Steps

DATE September 13, 2024
SUBJECT **City Facilities Partners Update – Dallas Theater Center**
PAGE **3 of 3**

The most pressing item under consideration is how OAC will address the upcoming expiration of the most recent contract amendment with DTC which terminates the long-term management agreement on June 1, 2025. It is the intention of OAC to continue conversations with DTC leadership and other key stakeholders through the rest of the 2024 calendar year to establish an administrative timeline for options related to the lease agreement, community and stakeholder engagement, effective models for facility maintenance and repair, and updates to QOLAC and City Council. OAC leadership has already been in conversations with DTC and core tenant, Uptown Players, to discuss upcoming lease agreement expiration and timelines as well as gathering feedback on the Equitable Access Plan to inform future discussions and recommendation on how OAC may proceed and further inform QOLAC.

Should you have any questions or need any additional information, please contact myself or Martine Philippe, Director of Arts and Culture, at 214-671-2828 or at martine.philippe@dallas.gov.

Sincerely,



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Assistant City Manager

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