

Memorandum



CITY OF DALLAS

DATE April 18, 2025

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

SUBJECT **Kalita Humphreys Theater Lease Agreement Amendment 6**

On April 23, 2025, City Council will consider a sixth amendment to the lease agreement for the operation and management of the Kalita Humphreys Theater and Heldt Annex Building.

On September 16, 2024, the Office of Arts and Culture (OAC) provided to the Quality of Life, Arts and Culture Committee (QOLAC) the memo, "City Facilities Partners Update – Dallas Theater Center," in which OAC provided historical context and other information relevant to the partnership between the Dallas Theater Center (DTC) and the City. Much of this information was related to the lease and management agreement the City has with DTC to manage operations of the Kalita Humphreys Theater.

OAC informed QOLAC that the current fifth amendment to the agreement is set to expire June 1, 2025. Understanding the needs of the Kalita, both in operation and facility upkeep, the Committee provided guidance that OAC needs to take a primary and intentional role in addressing facility related operation, maintenance, and capital projects. As such, OAC is leading the process with DTC as a meaningful partner and collaborator to navigate the complex process of creating a successful and sustainable solution to the management of the Kalita.

On December 3, 2024, OAC provided a follow up memo to QOLAC titled, "City Facilities Partners Update – Dallas Theater Center re: Kalita Humphreys Theater." In this memo, OAC informed QOLAC of the progress made with DTC to discuss the current usage of the Kalita by DTC and other users of the facility. A significant takeaway from those meetings was the issue of booking schedules for DTC and all other users of the facility. Theater companies request dates in advance of up to a year to secure the space for a production. From these meetings and understanding of the needs of the tenants at the Kalita, OAC and DTC collaborated on a plan of action that will allow the proper consideration for the future of the Kalita's operation and management as well as provide DTC and other users of the facility with sufficient time to plan for future seasons.

The proposed action of this item to authorize the execution of the sixth amendment to the lease. The sixth amendment provides for four (4) substantive changes:

- 1) The extension of the term of the agreement from June 1, 2025, through September 30, 2028. This extension will provide a timeline of three standard performance seasons which typically run from September 1 of a given year to the following August 31. Two of these years will allow for the Office of Arts and Culture (OAC)

to engage with DTC and other partners to address the complexities of the current agreement and determine the best solution for a successful, safe, accessible, and sustainable future operation of the Kalita. After the initial two-year period, the third year will allow for the proper communication and planning for any given outcome to ensure that theater groups do not experience an interruption in their season planning processes.

- 2) The extension of the Equitable Access Plan to include a continued allotment of 12 weeks reserved for non-resident groups at the Kalita and Heldt Annex Building on an annual basis.
- 3) The suspension of base rental rates at the published amount for FY 2025 for non-profit organizations renting spaces in the Kalita Humphreys Theater
- 4) The direct financial support to the Dallas Theater Center in the amount of \$50,000 annually, not to exceed \$150,000. Support is meant to supplement the continued increased costs associated with operating the Kalita Humphreys Theater and Heldt Annex building and suspended base rental rates associated with usage of the venue by other resident and non-resident non-profit organizations.

Please contact me or the Director of Arts and Culture, Martine Philippe, with any questions.

Sincerely,



M. Elizabeth (Liz) Cedillo-Pereira
Assistant City Manager

c: Kimberly Bizer Tolbert, City Manager Tammy Palomino, City Attorney Mark Swann, City Auditor Billerae Johnson, City Secretary Preston Robinson, Administrative Judge Dominique Artis, Chief of Public Safety Dev Rastogi, Assistant City Manager	Alina Ciocan, Assistant City Manager Donzell Gipson, Assistant City Manager Robin Bentley, Assistant City Manager Jack Ireland, Chief Financial Officer Elizabeth Saab, Chief of Strategy, Engagement, and Alignment (I) Directors and Assistant Directors
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