

Memorandum



CITY OF DALLAS

DATE October 27, 2017

Honorable Members of the Quality of Life, Arts & Culture Committee:

TO Sandy Greyson (Chair), Mark Clayton (Vice Chair), Rickey D. Callahan,
Jennifer S. Gates, Scott Griggs, B. Adam McGough, Omar Narvaez

SUBJECT **Wyly Theater Emergency Repairs - November 8, 2017 Council Agenda Item**

On November 8, 2017, the City Council will consider a resolution to authorize a \$139,404 reimbursement to Dallas Center For The Performing Arts Foundation, Inc. d/b/a AT&T Performing Arts Center (ATTPAC) for payments made to Mooring Recovery Services Inc. for emergency flood remediation and related repairs at the City-owned Dee and Charles Wyly Theater located at 2400 Flora Street in the Dallas Arts District. This action will not result in any funding increase or any other changes to the contract between the City and ATTPAC. Furthermore, it is anticipated that this expense will be recovered by the City upon the insurance claim settlement, which is in-process.

On March 30, 2017, a contractor working on the fire safety system at the Wyly Theater inadvertently triggered the building's fire suppression system, which released a tremendous deluge of dirty water into the theater, inundating the space, its fixtures, and specialty electronic and theatrical equipment. ATTPAC, which operates the Wyly Theater on behalf of the City, immediately began remediation efforts, including engaging the services of Mooring Recovery Services to remove the water and make temporary repairs.

Per the use agreement between the City and ATTPAC, the City is insured against loss and damage to the property, including fixtures and personal property owned by the City. The agreement provides that proceeds from an insurance settlement are held in escrow and be disbursed for the rebuilding, restoration and repair of the property. The Office of Risk Management has been engaged with the City's insurer, as well as the vendor whose employee was responsible for the incident, to settle this claim. Because immediate repairs could not wait for insurance settlement, ATTPAC authorized and paid for the services from Mooring. In consideration of the services provided by ATTPAC, and the impact of fronting funds for the repairs, it is appropriate to make a bridge payment to ATTPAC for reimbursement of these costs.

Let me know if you have questions or require additional information.

Joe Zapata

Assistant City Manager

C: Honorable Mayor and Members of the City Council
Lary Casto, City Attorney
Craig D. Kinton, City Auditor
Billerae Johnson, City Secretary (Interim)
Daniel F. Solis, Administrative Judge
Kimberly Bizar Tolbert, Chief of Staff to the City Manager
Majed A. Al-Ghafry, Assistant City Manager

Jo M. (Jody) Puckett, Assistant City Manager (Interim)
Jon Fortune, Assistant City Manager
M. Elizabeth Reich, Chief Financial Officer
Nadia Chandler Hardy, Chief of Community Services
Raquel Favela, Chief of Economic Development & Neighborhood Services
Theresa O'Donnell, Chief of Resilience
Directors and Assistant Directors