

# Memorandum



CITY OF DALLAS

DATE May 31, 2019

TO Honorable Mayor and Members of the City Council

SUBJECT **Proposed Lease for Kalita Humphreys Theater**

On April 22, 2019, OCA staff briefed Quality of Life, Arts and Culture Committee on a proposed lease agreement for the Kalita Humphreys Theater (“The Kalita”) with Dallas Theater Center (DTC). The proposed lease has a 5-year term and performance benchmarks such as timely completion of (1) an equitable access plan for users of the Kalita and the Heldt Administration Building, and (2) an update to the 2010 Master Plan for the Kalita, the Heldt, and the surrounding 9.87 acres of park land.

The Committee voted to schedule the proposed lease for City Council consideration on the June 12, 2019, agenda. Additionally, the Committee also requested that staff take steps to ensure the selection of a more independent master plan update consultant that would give balanced weight to groups interested in using the facility.

Below are responses to the Committee’s questions and concerns. This item will also be discussed at the upcoming Committee meeting on June 10, 2019.

1. Why was the 2010 Master Plan not formally adopted?
  - a. At the time, the costs to implement the master plan were estimated at ~\$25m, which was prohibitive due to the recession and the unfinished capital campaign associated for the AT&T Performing Arts Center (ATTPAC), to which the arts community was deeply engaged, financially and operationally, in opening. Since then, Uptown Players and DTC have grown and continued to flourish at the Kalita. A contemporary analysis is needed to update the master plan and address the critical support spaces in the ancillary building and the management approach to running the site.
2. Is there a way to make sure the master plan update has independence from DTC and captures the input and interests of all stakeholders?
  - a. In response to the request by QOL, a Steering Committee comprised of a diverse set of stakeholders will be created to help select and advise the professional team of consultants. This Steering Committee will include representatives from the current theaters, architecture and historic preservationists, City staff, as well as neighborhood stakeholders. This group will represent a variety of viewpoints, but be focused first and foremost on finding workable and actionable solutions.
  - b. The Steering Committee membership will be proposed by DTC and approved by the City Manager, and will be comprised of:
    - i. Three (3) Directors from the City of Dallas (Park and Recreation, Office of Cultural Affairs, and Planning and Urban Design)
    - ii. Two (2) Theater Groups (Uptown Players and Soul Rep Theatre)

DATE May 31, 2019

SUBJECT **Proposed Lease for Kalita Humphreys Theater**

- iii. Eight (8) Community Stakeholders:
  1. Representative from AIA or Preservation Dallas
  2. Representative from Friends of the Katy Trail
  3. Representative from the Oak Lawn Committee
  4. Two (2) Representatives from Foundations/Funders
  5. Representative from the Turtle Creek Corridor Neighborhood
  6. Representative with experience in accounting, finance or budgeting
  7. Representative with experience in construction, engineering or facilities
3. Why a five-year agreement? What are the milestones built into this lease and can the lease be cancelled?
  - a. Year 1 and Year 2: DTC, with input and in consultation with the Steering Committee, will hire the consultant to update the master plan. DTC will work with stakeholders from OCA-supported arts groups to develop an Equitable Action Plan to open up weeks at both the Kalita and Heldt Annex for new users. Both the EAP and updated master plan will come to the Arts and Cultural Advisory Commission for recommendation and then approval by OCA Director.
  - b. Year 3: 4 weeks reserved for new groups (at both Kalita and Heldt)
  - c. Year 4: 8 weeks reserved for new groups (at both Kalita and Heldt)
  - d. Year 5: 12 weeks reserved for new groups (at both Kalita and Heldt)
  - e. Yes, the lease could be terminated for failure to satisfy these milestones which would put DTC into default.
4. Who would approve the updated master plan and when will it be completed?
  - a. City Council would approve the updated master plan. Prior to City Council action, the plan would be briefed to appropriate boards and commissions, as well as the QOL Committee. As requested by QOL, staff will also provide periodic updates on the status of the master plan update.
5. What is the DTC's responsibility for the current condition of the facility?
  - a. DTC does not have responsibility for deferred maintenance of the facility. The City maintains all parts of the building and improvements. DTC is responsible for the janitorial services and general cleanup of trash around the exterior.
6. Who funds the master plan update and how much will it cost?
  - a. Based on the current recommended lease terms suggested by the Task Force, the DTC will pay for the updates to the master plan. Exact cost is currently unknown but expected to exceed \$100,000.
7. Does the City have the budget to assume responsibility for the update?
  - a. No, the City's biennial budget did not fund an update to the Master Plan. Furthermore, future improvements and operations at KHT will rely on a public-private partnership, and groundwork for this would be created by the process of updating the Master Plan.
8. Who raises the approximately \$30m to fund the capital improvements recommended in the updated master plan?

DATE May 31, 2019

SUBJECT **Proposed Lease for Kalita Humphreys Theater**

- a. The City of Dallas would seek a public-private partnership to address the needed improvements at the Kalita. The updated Master Plan would help establish broad support, funding goals and an approach to fundraising in anticipation of a future capital bond program.
9. How much will the update change in the original master plan?
  - a. The 2010 Master Plan is a thorough work and much of it will remain as written. The update will build and depend greatly on this earlier effort.
10. Why wasn't a competitive request for proposals (RFP) issued for management of the Kalita Humphreys Theater (KHT)?
  - a. The Dallas Theater Center is the incumbent resident company. DTC built the Kalita in 1959 and gifted it to the City of Dallas in 1974, and has produced a substantial part of their season continuously at the site since its opening. DTC has been in a holdover position with their lease since 2011 and the proposed agreement seeks to formalize a way forward for their company and other user groups for this important asset.
11. How is this different from scheduling neighborhood cultural centers, such as the Latino Cultural Center (LCC) and their legacy user groups?
  - a. The City's cultural centers do not have resident companies. The LCC, which opened 15 years ago, now serves approximate 15 Latinx arts groups per year. Over time, two groups – Cara Mia Theatre and Teatro Dallas – have emerged as the strongest theater companies and have currently secured a guarantee of 16 weeks per year at the LCC. We are working to grow them into resident companies once we add the multi-form theater space in 2021. In the meantime, their core group status brings needed stability to their artistic planning process and helps cultivate loyal audiences, while still allowing new groups to take root.
  - b. Furthermore, Cultural Centers utilize a "tier system" to allow groups priority in certain spaces but are not closed to any groups. Once those core groups are scheduled, remaining dates are open to everyone. For example, the Plano Children's Theater and Dallas Black Dance Theatre have both presented at LCC in this past year.
  - c. In contrast, some of our cultural venues were built by arts groups (such as the Kalita) or in a public-private partnership with the substantial private investment made on behalf of specific arts organizations (such as the Meyerson Symphony Center). In those cases, the resident arts groups, DTC and the Dallas Symphony Orchestra, have 30+ years of artistic and economic investment in those venues.
12. Does the proposed agreement reduce available dates for Person of Color (POC) organizations like Soul Rep Theater at the Kalita?
  - a. No, the agreement does not reduce dates for any group at the Kalita. In fact, the Arts and Cultural Advisory Commission's Kalita Task Force is recommending adding weeks for new users at the Kalita beginning in Year 3 of this agreement. The current groups that use these spaces, DTC, Uptown Players and Second Thought Theatre, would have time to adjust accordingly. At 451 seats, the Kalita is a large theater space and the

DATE May 31, 2019  
SUBJECT **Proposed Lease for Kalita Humphreys Theater**

- number of theater companies that can use it regularly is smaller than at our black box theaters located in the cultural centers.
- b. Soul Rep Theater is doing wonderful work at South Dallas Cultural Center, but their attendance is not one that demands almost 500 seats per show. If they choose to perform at the Heldt Annex at the Kalita in future years, the Equitable Access Plan required in the lease would allow for weeks to be opened up for them and similar groups.
13. Explain why it will take over a year to make more space available at the Kalita.
- a. Theaters plan several seasons out, and just as it is important to provide stability at the LCC for two of our theater companies, it is similarly important to provide this to the current users at the Kalita. Furthermore, there is greater need for more smaller theater spaces in Dallas – one of which is currently in design with Phase II of the LCC and will open in 2021. With the main stage at the LCC freed up, that venue’s 300 space theater will have more availability and be a workable option to relieve demand at the Kalita. Conversely, the City of Dallas does not currently have a similarly sized (~500 seat venue) to offer the KHT current users, so it would not benefit smaller theater groups to decrease available dates to current, larger user groups.
14. Will the equitable access plan (EAP) ensure the same standard, same platform and same formula is applied across all cultural venues?
- a. Each venue is different and unique based on its size, artistic capabilities (meaning it is best for theater, dance, music, etc.) and its location. The key is for each venue to serve their “core users” and allow for groups to grow into these spaces as well.
  - b. To this end, each facility depends on their user groups to work together to help manage the space – DTC will form a “user advisory group” comprised of a wide range of OCA-supported arts organizations to make sure that the goals in the EAP are being met in Years 3-5 of this lease.

Please contact me or Jennifer Scripps, director of the Office of Cultural Affairs, if you have further questions.



Joey Zapata  
Assistant City Manager

c: T.C. Broadnax, City Manager  
Chris Caso, City Attorney (I)  
Mark Swann, City Auditor  
Billierae Johnson, City Secretary  
Preston Robinson, Administrative Judge  
Kimberly Bizer Tolbert, Chief of Staff to the City Manager  
Majed A. Al-Ghafry, Assistant City Manager

Jon Fortune, Assistant City Manager  
Nadia Chandler Hardy, Assistant City Manager and Chief Resilience Officer  
Michael Mendoza, Chief of Economic Development and Neighborhood Services  
M. Elizabeth Reich, Chief Financial Officer  
Laila Alequresh, Chief Innovation Officer  
Directors and Assistant Directors