

Memorandum



DATE June 13, 2014

TO Members of the Arts, Culture and Libraries Committee:
Philip T. Kingston (Chair), Monica R. Alonzo (Vice Chair), Vonciel Jones Hill, Jerry R. Allen, Jennifer S. Gates and Carolyn R. Davis

SUBJECT **Facility Lease Contract – The Black Academy of Arts and Letters**

On June 16, 2014 the Arts, Culture and Libraries Committee will be presented with the proposed lease contract for The Black Academy of Arts and Letters (TBAAL) for consideration. TBAAL, a nonprofit corporation is dedicated to preserving and promoting the arts and letters of African Americans.

The purpose of the lease agreement is to designate facilities for TBAAL to continue to promote multi-discipline cultural and educational programs to the general public furthering its mission. On January 27, 1999 the Dallas City Council authorized the City Manager to enter into an agreement with TBAAL for use of portions of the Convention Center Theater complex. An original lease term of 15 years as well as subsequent renewals has been approved by the City Council; the current lease has now expired.

An overview of the significant points of the proposed contract can be found attached. Additionally, as with all City agreements, the City shall have the right to terminate for convenience.

Please contact my office should you have any questions.



Forest E. Turner
Assistant City Manager

[Attachment]

Cc: The Honorable Mayor and Members of the City Council
A.C. Gonzalez, City Manager
Warren M.S. Ernst, City Attorney
Judge Daniel F. Solls, Administrative Judge
Rosa A. Rios, City Secretary
Craig D. Kinton, City Auditor
Ryan S. Evans, Interim First Assistant City Manager
Jill A. Jordan, P.E., Assistant City Manager
Joey Zapata, Assistant City Manager
Charles M. Cato, Interim Assistant City Manager
Theresa O'Donnell, Interim Assistant City Manager
Jeanne Chipperfield, Chief Financial Officer
Shawn Williams, Interim Public Information Officer
Elsa Cantu, Assistant to the City Manager – Mayor and Council

Facility Lease – The Black Academy of Arts and Letters (TBAAL) Proposed Lease Terms

As TBAAL has elected to seek approval of a new lease agreement; the new agreement is proposed to include the following significant terms:

- Initial thirty (30) year term; plus two (2) five (5) year extension options subject to Council approval.
- Rents: (i) Fixed Annual Gross Rent at rate of \$135,000 (ii) Upon City's completion and delivery to TBAAL of the proposed additional space the Fixed Annual Rent rate will increase from \$135,000 to \$155,000, payable in monthly installments. Annually, \$20,000 of the applicable rents allocation received from the Office of Cultural Affairs shall be allocated by the Convention Center directly to TBAAL's credit for items necessary to support its cultural and educational programming.
- TBAAL shall be authorized to schedule up to a maximum of 275 days of theater use per year, with additional dates subject to availability. TBAAL's "performance season" begins Sept. 1st of each year and ends August 31st of the following year. Scheduled days include performance, rehearsal, set up, and other performance support days.
- Because the primary funding source of TBAAL's rent and building related operating budget is the annual OCA allocation approved by City Council, the Fixed Annual Gross Rent rate will be subject to adjustment so that TBAAL's rent obligation shall be capped not to exceed the annual OCA facility allocation for TBAAL approved by the City Council.