

Arts and Culture Advisory Commission Briefings

February 21, 2019



City of Dallas

Office of Cultural Affairs
City of Dallas

Agenda

- Dallas Theater Center Update and Proposed Kalita Humphreys Theater Lease Extension
- Latino Cultural Center Phase 2 Update
- Amendment to the Morton H. Meyerson Symphony Center Use Agreement
- Arts Month Initiatives
- Budget Timeline
- Confederate Monuments Update
- Public Art Bond Fund Process



DALLAS THEATER CENTER



What We Know:

- The Kalita Humphreys Theater is an important cultural asset in desperate need of investment and repair:
 - Historic home of Dallas Theater Center (DTC) designed by Frank Lloyd Wright
 - No major capital investment since 1989
 - Theater space is at an all-time premium in Dallas; at 491 seats, the Kalita is a workable size for many potential users and the potential for the annex building is for critically needed black box and rehearsal spaces
 - Site and surrounding new developments present an opportunity for connections to the Katy Trail
 - The current operating model for the Kalita is based on the 1974 contract, which recognized DTC's legacy
 - A new agreement will need to take into account the priorities of the Cultural Plan and a vision for the Kalita for the next generation

Kalita Timeline:

- 1959: DTC built the Kalita Humphreys Theater
- 1968: Education wing added
- 1974: DTC donated the building to the City
- 1983: Interior of the theater altered, parking added, and Heldt Annex built on a now 9-acre site
- 1989: Porte-cochere enclosed and lobby substantially expanded
- 2005: Kalita designated as a Dallas Historic Landmark with the original 1959-1960 configuration designated as the primary period of significance
- 2006: Bond program funds Master Plan study
- 2010: Master Plan completed but never formally adopted by City Council

Staff Recommendation:

- OCA staff recommendation is to not proceed with 2010 Master Plan
 - Includes many “axiomatic” recommendations which seem to emphasize the restoration of the architecture but reduce functionality of the building
 - Reduction of the lobby
 - Removal of the second story
 - Interior modifications to the theater that decrease functionality
 - Questions about the replacement of the Heldt Annex and replacement of those spaces
 - Does not address need for highly functioning theater space to meet the needs of Dallas and the theater community of today
 - Does not provide a robust management or operational plan
 - Failed to attract substantial interest in private funding towards the estimated \$25M budget

Staff Recommendation:

- Move forward with short-term lease with Dallas Theater Center, which is currently in “holdover”:
 - 5 year term which allows DTC to plan future seasons of programming while working with the City on the long-term vision for the theater
 - One year deadline to create a new Balanced Plan for the Kalita Humphreys Theater and site:
 - Allow for more current and more robust input from theater community
 - Use the 2010 planning exercise as a crucially important source document
 - Follow 2018 Cultural Plan priorities to provide more equitable access
 - Explore other income producing options
 - Create a sustainable management approach and fundraising plan
 - Prepare for future city bond program to have private funding match in place for adopted Balance Plan for the theater and site

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Mission:

The mission of the Latino Cultural center is to serve as a regional catalyst for the preservation promotion and development of Latino and Hispanic arts and culture.

Key Highlights:

- Center began to take shape in 1997 with the crucial gift of land from The Meadows Foundation (worth ~\$2M)
- 27,500 sq. ft. center was designed by internationally-renowned Mexican architect Ricardo Legorreta, winner of the AIA Gold Medal in 2000
- Almost 500,000 individuals have attended programs at the center since it opened in 2003
- Center serves as home to 7 Latino/a performing arts organizations, including Cara Mia Theatre Company, Alegre Ballet Folklórico and Teatro Dallas (Core Groups).
- Gallery program hosts 6 to 8 exhibits annually on Latino/a visual artists

LCC Theater Utilization FY 17-18 and FY 18-19 YTD

- FY 17-18 Utilization – 49 weeks used
 - Core Groups -14 weeks total (Tier I)
 - Latinx groups - 14 weeks total (Tier II)
 - LCC Programming - 11 weeks (including OC3/SDCC partnerships)
 - ALAANA/LGBTQ+ - 4 weeks (Tier III)
 - 23 arts/cultural orgs utilized LCC theater
- FY 18-19 Utilization - Projection – 49 weeks used
 - Core Groups projection - 31 weeks total (Tier I)
 - Latinx groups - 8 weeks total (Tier II)
 - LCC Programming – 5 weeks total
 - ALAANA/LGBTQ+ - 2 weeks (Tier III)
 - 15 arts/cultural orgs projected to utilize LCC theater

LCC Phase II History

Prior activities and actions include:

- November 2003: voters approved \$875,000 in bond funding for LCC Phase II plan
- June 2005: Legorreta + Legorreta (with Halff Associates) developed preliminary master plan for LCC Phase II
- April 2006: Legorreta + Legorreta and OCA prioritize LCC Phase II components
- May 2006: voters approved \$3,726,000 for LCC Phase II for design and construction of Phase II with priority given to “black box theater”
- August 2008: Legorreta + Legorreta (with VAI Architects as AOR) develop LCC Phase II full site master plan

LCC Phase II Multiform Theater Space

- One of the highest priorities resulting from 2018 Cultural Plan
- Highly ranked strategy under the Space priority of the 2018 Cultural Plan, and also addresses Equity, Diversity, Support for Artists and Sustainable Arts Ecosystem initiatives
- Removal of “funding match requirement” in new Cultural Policy means that bond money can be now spent without private matching in hand – however, a design will make fundraising possible and more successful, and is still necessary
- In the 2008 LCC Master Plan designed by Ricardo Legorreta, the theater space was #1 priority of 4 areas
 - \$4.3M in remaining bond funding is allocated, \$881K for design and \$3.4M for construction
 - Will provide ~5,500 sq. ft. addition
 - Due to price escalations between 2006 and 2020, some spaces in the 2008 Master Plan are not currently envisioned (including the gift shop, additional gallery spaces, and an amphitheater)
 - It will improve utilization as OCA maximizes all City-owned cultural facilities – allowing performances to be “right-sized” between the Oak Farms Dairy Theater and the smaller, more flexible multi-form theater

LCC Phase II Update

- Preliminary Timeline

- July 2018: Bond Program Office (BPO) called for RFQs for Architect of Record
- October 2018: Bond Program Office managed RFP selection process
- January 2019: GFF and BPO finished fee negotiation for AOR
- February 13, 2019: Contract award to GFF approved by City Council
- April – October 2019: Design
- January 2020 - Construction contract award
- October 2020 - Construction completed

Key Events During Design Kick-off Week

- Tuesday, February 26 events at the Latino Cultural Center:
 - 8:00-9:00 am – Key Stakeholder Breakfast
 - 6:00-7:30 pm – Public Input Meeting

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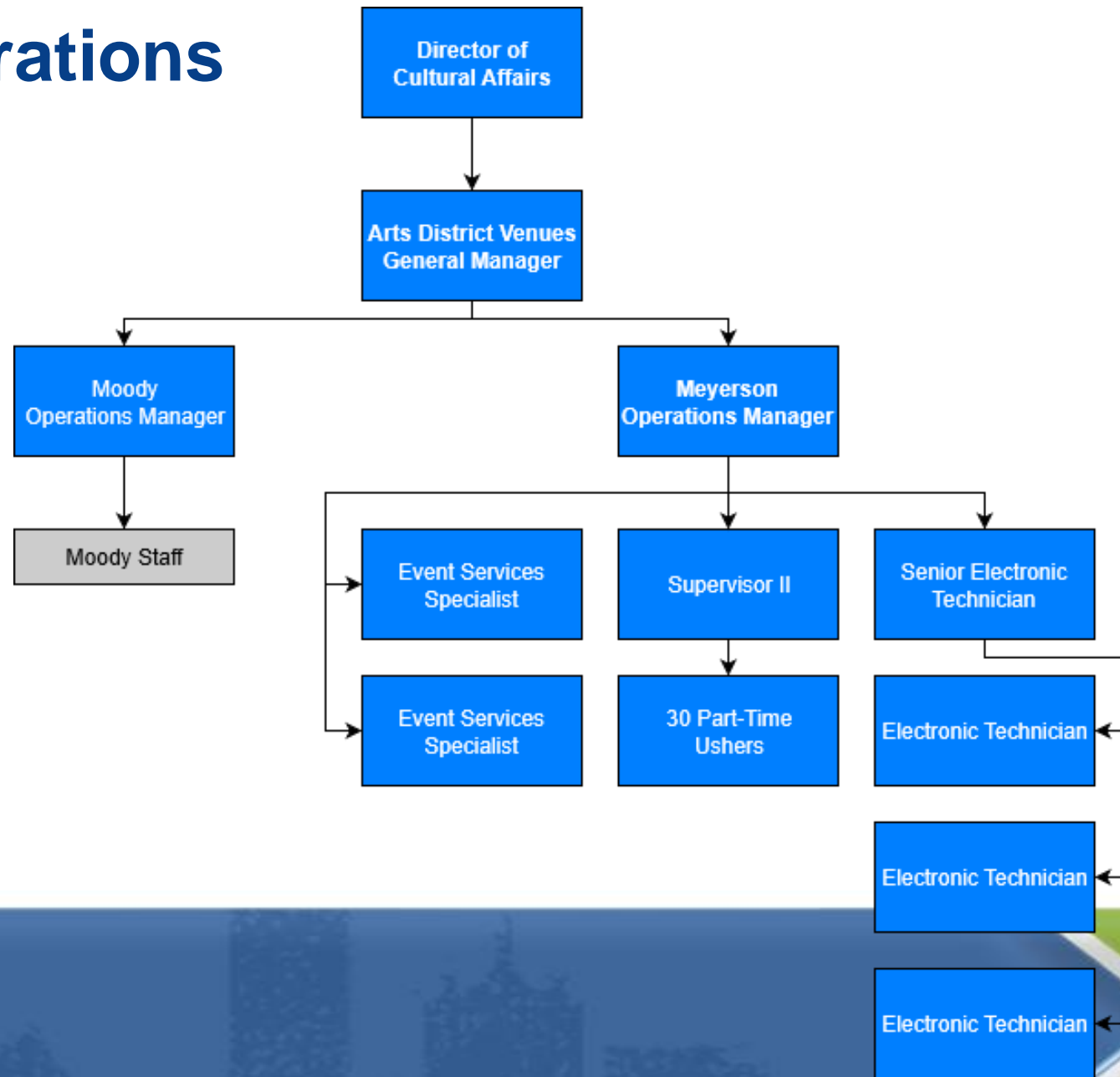
Existing Use Agreement Summary:

- The Morton H. Meyerson Symphony Center opened in 1989, and was built through a public/private partnership, with the Dallas Symphony Association (DSA) raising over \$54 million in private sector support to match the City's bond contribution of \$49.3 million
- The City and the DSA entered into a Use Agreement for the Meyerson on September 18, 1985, subsequently amended in 1995, 1999, 2004, and 2009
 - 1st Amendment changed the funding model by eliminating DSA's rental fees for use of the Meyerson, and ended their major cultural support funding
 - 2nd Amendment provided for the DSA to design, construct and install improvements to the Meyerson
 - 3rd Amendment clarified the proportionate utility payments by the City and DSA, updated insurance requirements and extended the term of the agreement to August 31, 2019
 - 4th Amendment adopted a plan for scheduling between the Meyerson and Annette Strauss Square, and extended the term of the agreement to August 31, 2049

Current Operations

- The Use Agreement sets the terms under which the DSA uses and occupies the Meyerson as the primary user and also establishes the City's responsibilities for the operation and management of the facility
 - The City provides staffing, maintenance, security and utilities
 - The DSA reimburses the City for a portion of the utilities, based on the number of days they use, not the number of days they hold
 - The DSA provides a year-round season of classical music concerts, outreach and school programs, and other special concerts at the Meyerson
 - DSA is not exempt from facility use fees for events they book that are not related to their orchestral performances
 - Scheduling of the venue is the responsibility of the City, and done in advance with priority given to DSA events
 - By September 30 of each year, the DSA holds dates for the Sept 1 – Aug 30 starting the following year
- City works with other local cultural organizations and commercial entities to book events at the Meyerson for dates not held for use by DSA

Current Operations

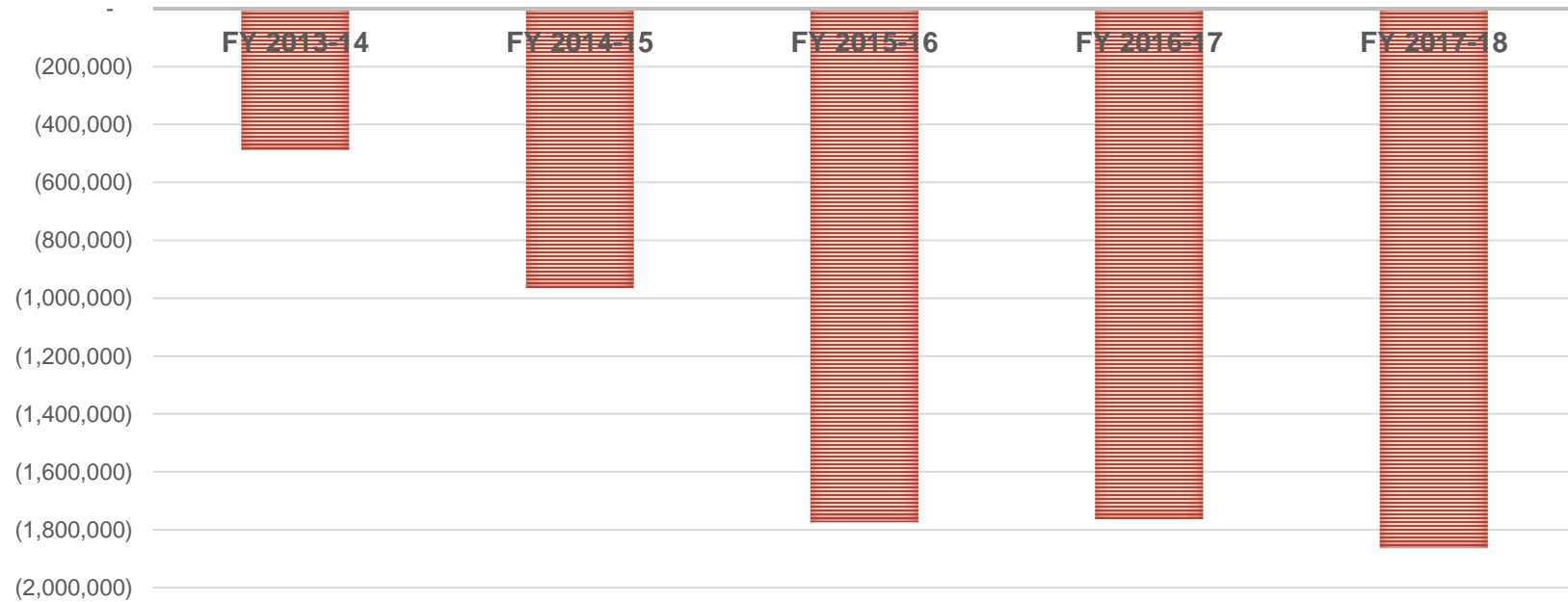


Current Operations

- Over time City expenses have increased and revenues have decreased
 - As DSA date-holds increase, City is unable to book other revenue generating events
 - Additional DSA events increase City expenses across the board
 - Personnel costs – City staff overtime for coordinators and technicians
 - Security – additional contract security officers/hours
 - Custodial – additional custodial service during events and after for recovery
 - Utilities – additional electricity and gas usage
 - Maintenance – additional wear and tear on the facility
 - Other facility users pay the City for the above costs, DSA does not
 - Competition for events rentals has increased as well (Winspear, Perot, etc.)

5-Year City Profit (Loss) For Meyerson Operations

	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
Expense	1,479,980	2,013,183	2,722,726	2,618,575	2,898,492
Revenue	990,328	1,046,053	948,265	854,923	1,034,428
Profit (Loss)	(489,653)	(967,129)	(1,774,461)	(1,763,652)	(1,864,064)



Deferred Maintenance

- The DSA estimated \$11.9 million in major deferred maintenance in 2018, including the following items:
 - Elevator modernization
 - Plumbing and restroom ADA compliance
 - Roof replacement*
 - Fire systems*
 - HVAC repairs
 - Canopy lighting and sound systems in the McDermott Concert Hall
 - Reverb doors*
 - Power washing and sealing of the building exterior
- Additional items include prominent “cosmetic repairs” such as replacing the original carpeting throughout and painting the interior

(*) Denotes bond projects

Proposed 5th Amendment: Overview

- Amend use agreement to become a 99-year lease of the Meyerson land and improvements, subject to a reverter
 - DSA will use the Meyerson primarily for orchestral music-related events, and for other music and cultural events
 - If the DSA fails to use the Meyerson in that manner the lease of the property terminates and management reverts to the City
- DSA will become responsible for all operation and maintenance costs of the property following a six-year wind-down of City financial support for such costs
 - This transition period shall allow the DSA to ramp up their earned income and address long-deferred maintenance issues during this time

Proposed 5th Amendment: City Obligations

- City commits to expending dedicated capital funds for deferred maintenance approved by voters in 2006 and 2017 bond programs
- City will financially support DSA's transition to operating the Meyerson over six years in order to transition into its new role of managing a major performing arts venue
 - Years 1 and 2 - \$3 million
 - Year 3 - \$2.5 million
 - Year 4 - \$1.5 million – by Year 4, the City is saving money each year
 - Years 5 and 6 - \$750,000
- Following wind-down of City operation and maintenance support, DSA will be eligible to apply for cultural programming funds through the Cultural Organizations Program
- Public art (Ellsworth Kelly panels) will remain City property on display at the Meyerson, and City will continue maintenance obligations for this artwork

Proposed 5th Amendment: DSA Obligations

- DSA commits to raising \$5 million privately over the next five years and to completing at least \$5 million of capital improvements by 2029
- DSA Events
 - DSA and its musicians are expected to perform 150 concerts per year
 - DSA may present and promote additional events at the Meyerson, community-oriented, commercial and non-commercial
- Existing City bookings for 2019 and 2020 will be honored by the DSA
- Events for grandfathered not-for-profit users will be at preferred rent rates
 - Grandfathered users: Greater Dallas Youth Orchestra, Dallas Children's Chorus, Dallas Winds, Dallas Bach Society, Fine Arts Chamber Players, The Black Academy of Arts and Letters' MLK Celebration and Dallas-based public high school graduations, Turtle Creek Chorale
- Free rent for up to 6 City event dates annually, and for up to an additional 10 event dates for community-oriented events requested by the City
- Free tickets for Dallas public school students to at least 50 concerts and free Parks Concert series

Case Statement:

- Following a year-long community input process for the *Dallas Cultural Plan 2018*, it is apparent that the current use agreement no longer fits within the mission, values and strategic direction of the Office of Cultural Affairs
 - One of the early Phase 1 findings was that the OCA spends almost twice as much on facilities as on cultural contracts for arts production and management
- The DSA shares our values of Equity, Diversity, Space, and a Sustainable Arts Ecosystem and can manage the building to better serve the community, both in the Meyerson and via outreach programs
- The DSA can better utilize the Meyerson if they control the building and have clear incentive to best manage the available dates calendar and grow earned revenue and net bottom line
- The DSA is committed to raise private funds to address current deferred maintenance and to leverage the building for earned income, meaning public dollars can be reduced
- The City is relieved of its increasing financial and maintenance obligations, which may save taxpayers up to \$65 million over the life of the existing agreement
- Estimated savings of up to \$1.8 million not put into a physical building will support artists and cultural organizations citywide in fulfilling goals of the *Dallas Cultural Plan 2018*

Timeline and Next Steps:

- Public Meeting – Wednesday, March 6th from 6:00 to 7:30pm in the Horchow Hall at the Meyerson
- Arts and Culture Advisory Commission – March 21, 2019
- Briefing to Quality of Life Committee – March 25, 2019

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Dallas Arts Month – Key Dates

- March 27 – City Hall Press Conference
 - April 8 – Mayor’s Creative Conversation
 - April 12 – OCA’s 30th Anniversary Reception
 - April 13 – Dallas Arts District Block Party
 - April 23 – Arts Advocacy Day
 - April 29 – Candidate Forum at Perot Museum
-
- Other Key events: Nasher Prize, Soluna Festival, DJAM, Dallas Art Fair, DIFF, USA Film Fest, EarthX at Fair Park



ART 214 Opening Receptions

- April 6 – Bath House CC – 7-9PM
- April 9 – Moody – 6-8PM
- April 11 – Latino CC – 6-8PM
- April 13 – South Dallas CC – 6-8PM
- April 27 – Oak Cliff CC – 5:30-8PM

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City Budget Update and Anticipated Timeline

- Biennial budget kickoff for city staff on March 14 – will include an equity lens during the process
 - City budget staff currently going through equity training with Government Alliance on Race and Equity/Race Forward
- The planned budget (adopted last September) includes \$376K beginning in FY19-20 for community and cultural center programming in neighborhoods around Dallas
 - Enhancement was proposed during the Cultural Planning process in response to early needs identified by residents
- OCA anticipates proposing additional enhancements to fund Cultural Plan initiatives
- Budget town halls likely to occur in August 2019
 - OCA working with Budget and City Manager's Office to feature CAP artists at some events

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Monuments Updates:

- Removal of the Lee Plinth and surrounding benches began on January 22, 2019, and should be complete by the end of March
- As requested, Council was briefed on February 6, 2019, regarding alternative options for *The Confederate Monument*
- Council subsequently voted to remove *The Confederate Monument* on February 13
 - This will require a Certificate for Removal from the Landmark Commission, and that application has been submitted
 - The statue was spray-painted with obscene graffiti, which the public art team worked diligently to remediate on President's Day

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Funding - City of Dallas Public Art Ordinance established January 1, 1989

Where do Public Art dollars come from?

1989 City Public Ordinance applies a "percent for the arts" to all capital improvement projects to be used in a manner consistent with the proposition

- **0.75 percent** if project is exclusively street, storm drainage, utility or sidewalk improvements
- **1.5 percent** of the total project appropriation for all other capital improvement projects

How can the money be used?

Funding can be used for design services of artists; selection, acquisition, commissioning and display of artworks; and administrative costs

How are budgets and locations set for a project?

1. Bond Office releases the funding to the funding departments where bond funding has been issued – this creates a Public Art "bank account" for each funding department
2. Public Art works with Bond Office and funding department to identify project locations and related funding available prior to project planning (Step 1)
 - A. For propositions with a specific location, amount and site are tied to location (e.g., Vickery Meadow Library)
 - B. For propositions with a large project(s), amount and site are tied to that project(s) (e.g., Lamar Street Project with artist-designed benches)
 - C. For propositions without large projects of scale or where funds are widely dispersed across the city (e.g., street repairs), Public Art works with Bond Office, Funding Department, and Planning and Urban Design to identify eligible sites across the city with high potential for community impact – generally consistent with Council-identified priorities (e.g., Neighborhood Plus)

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Overview: Creation of new Public Art

Step 1:

Resources/site available

OCA works with funding departments to identify bond funds available and confirm eligible locations for public art

Park Board decides which Parks are eligible

A

Recommend Project Planning

Step 2:

Planning/scope design

OCA gets community input into the scope and determines final budget, operational logistics and final site with funding department and Bond Projects Office

B

Recommend Scope and Artist Selection Process

Step 3:

Artist selection

OCA issues RFQ or RFP is short-list
Selection panel down-selects a few artists for design commissions
Selection panel recommends final artist/design selection

C

Recommend Artist and Final Design

Step 4:

Artwork creation

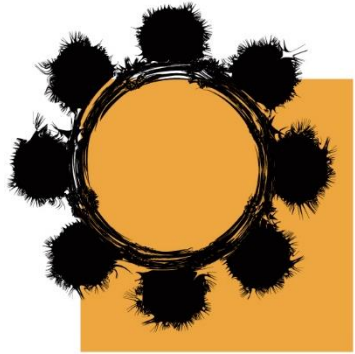
Artist is contracted create work; OCA facilitates installation on site in collaboration with funding department



City of Dallas

Looking Ahead – dates to note!

- Latino Cultural Center – Design Phase Kick-Off
 - Tuesday, February 26th
- February 27th City Council Voting Agenda – COP guidelines
- Meyerson Public Meeting – Wednesday, March 6th, 6pm
- Arts and Cultural Advisory Commission – Thursday, March 21st, 4:30pm
- Quality of Life Committee Briefing – March 25th



Office of Cultural Affairs

CITY OF DALLAS



Appendix



Reminder: Cultural Plan (FY2016-17 OCA budget)

CITY SUPPORT FOR THE ARTS



\$14.8M Budget



\$6.7M Budget



\$548K Budget

OCA supports the diverse cultural ecosystem in Dallas - including artists, arts organizations, cultural places, and cultural visitors.

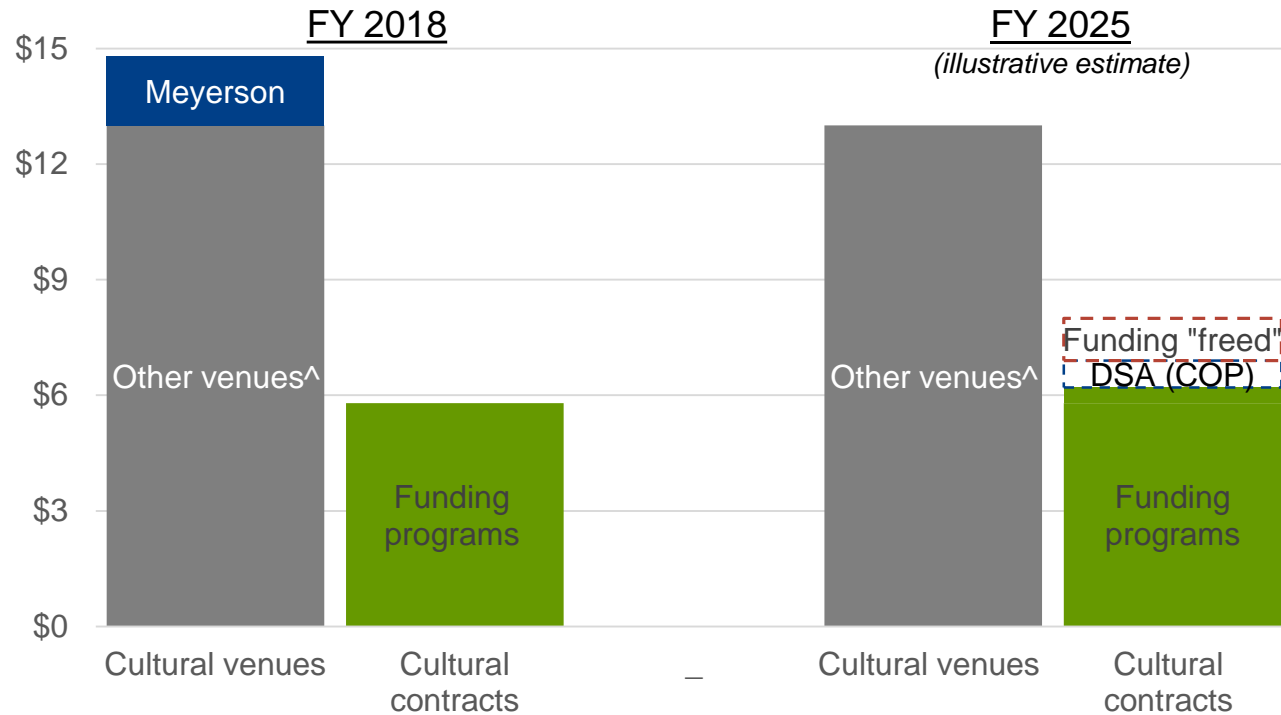


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The City spends about twice as much on venues as it does on cultural contracts

Meyerson Symphony Center: Estimated Fifth Amendment effect on OCA budget

OCA budget*, in \$M



If amendment proceeds, the impact after the six-year wind-down on OCA budget is estimated to be:

- Up to \$1.8M in funding “freed” from cultural venue obligations to be distributed via funding programs
 - Implies that funding program budget would go from ~\$6M to almost \$8M
- Percentage of OCA budget tied up in venues to decrease from ~70% today to ~60% in 2025

(*) Excludes Public Art for simplicity; (^)Other venues includes cultural centers, partner-managed venues, Moody Performance Hall, and the Majestic

Key assumptions: Assumes constant dollars in venue and contract budgets for simplicity, except for anticipated FY2019-20 addition of ~\$400K in pop-up cultural programming; Meyerson net expense was approx. \$1.8M in FY2018 (2017-18), with the FY2025 (2024-25) transfer to cultural contracts being split at some portion between DSA’s success in entering the COP program and the remainder being transferred to funding programs