



MEMORANDUM

ADMINISTRATION

To: City Council, City of Farmers Branch
Through: Ben Williamson, City Manager
From: Jennifer Rainey, Assistant to the City Manager
Date: July 1, 2024
Subject: Firehouse Theatre Requested Updates to Facility Use Agreement

Background Information:

Staff presented a report during the March 5, 2024, Study Session at the request of Councilmember Jackson regarding the existing Firehouse Theatre Facility Use Agreement. The Council determined to form an ad-hoc Committee to discuss revisions to the existing agreement, in which the ad-hoc committee included Councilmembers Jackson and Merritt, and City Manager Ben Williamson. The Committee met on March 19, 2024, and discussed the terms of the agreements with the Firehouse Theatre Board of Directors.

On April 2, 2024, the ad-hoc Committee shared feedback with City Council, and City Council provided recommendations for updates to the facility use agreement.

On April 16, 2024, staff presented the redlined updates within the updated Firehouse Theatre Facility Use Agreement. City Council discussed and provided additional direction to staff for updates. Following that direction, those updates were incorporated into the revised Amended and Restated Facility Use Agreement and then shared with Firehouse Theatre for their review.

On June 28, 2024, Firehouse Theatre provided their requested revisions to the Amended and Restated Facility Use Agreement. Those requested revisions are provided below.

Firehouse Theatre's Requested Revisions to Amended and Restated Facility Use Agreement:

Article II:

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| 2.2 Term | Update differences in 'agreement year' and 'initial term'. |
| 2.4 (e) Termination | Update termination by either party with 180 days prior written notice. |
| 2.5 Facility Use Fee | Add language clarifying fee will be invoiced in accordance with 3.5 (c). |

Article III:

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| 3.2 Alteration of Facilities | Attach schedule of furniture and fixtures not to be considered part of property, specifically excluding items purchased pursuant to CARES Program Agreement per Section 2.5 of CARES agreement. |
| 3.5 Utilities, Janitorial, Pest | |
| (a) (1) City at Theatre's cost | Add language "such amounts not to exceed \$13,100 annually (and any such amounts in excess thereof shall be at the City's cost)".
Remove from Theatre's cost: waste disposal, recycling, cable television and other video services, telephone, internet and/or other data services. |

- (b)(1) City at City's cost Add to City's cost: waste disposal, recycling, cable television and other video services, telephone, internet and/or other data services.
Define lawn maintenance as City's responsibility.
- (c) Remove late fees of 10%.
Add language: "In the event Theatre disputes the contents or amounts contained in any such invoices, it shall provide notice to City within thirty (30) days of Theatre's receipt of such invoice, and Theatre's payment obligation shall be suspended until such time as the parties resolve such invoice dispute. Upon resolution of such dispute, Theatre shall have the greater of the remainder of the payment term (calculated as of the date Theatre provided notice of such dispute to City) and fifteen (15) days to pay such invoice amount."

Article IV:

4.2 Covenants of Theatre

- (g) Remove language regarding cooperation with schools within Carrollton-Farmers Branch ISD in which City residents attend.
- (h) Add language regarding operations and activities "engaged in or performed at the facility" within annual written report.
- (h)(2) Add language "and held at the Facility" within summary of activities and events operated by Theatre in annual written report.
- (h)(3) Add language "and held at the Facility" within summary of activities and events conducted by Theatre in annual written report.
- (h) Updated language for *all annual reports*.
- (i) Revise language to "Each calendar year of the Term, attend a meeting of the City Council as scheduled by the City Manager to present and discuss the prior calendar year's Annual Report".
- (j) Add "with the exception of confidential and proprietary information" to any additional reports and information requested.
- (k) Remove all language notifying City Manager of Theatre's board meetings, agendas, and copies of documents.
- (l) Remove all language regarding Council liaison positions and their allowed attendance at Board and closed meetings.
- (m) Update language in regards to Employee of Theatre *and/or* Board Member to serve as Theatre's primary contact person and Theatre Liaison.

Article V:

5.2 City Use

Theatre willing to agree to City use of facility but only on the condition that City agrees to be fully liable for any damage caused to the Theatre's personal property during such use, and City agrees to employ Theatre employees or Theatre-approved personnel to operate any of Theatre's equipment onsite during such usage. For instance, operating of lighting and sound would cost \$100/hour and require a four-hour minimum.

Article VI:

6.7 Notices

Update to mailing/copy address.

6.14 City's Consideration

- (b)(2) Add language "Based on Federal Government data from Arts & Economic Prosperity 6-published by Americans for the Arts, the typical attendee that attends a cultural event spends \$38.46 per person per event, in addition to the

cost of event admission, (which, as of April 1, 2024, is estimated to be within a range of \$500,000 to \$538,000 per year generated in economic activity which supports local restaurants and businesses).”

Conclusion:

Firehouse Theatre’s requested revisions of the Amended and Restated Facility Use Agreement will be presented to City Council on July 16, 2024 for discussion and direction.