

Memorandum



CITY OF DALLAS

DATE October 17, 2018

TO Honorable Mayor and Members of the City Council

SUBJECT **Fair Park Management Agreement – Answers to Questions**

On September 18, Fair Park First, Spectra, and staff from Park and Recreation briefed the City Council on the Fair Park Management Agreement. At that time, the City Council made suggestions and requested that we address the Park Board recommendations before bringing the item back to the City Council for action.

We have completed additional negotiations and placed the item on the October 24 Council Agenda for consideration. We delivered redlined copies of the management agreement, as well as a copy of the sub-management agreement between Fair Park First and Spectra, to your offices on October 16. In addition, per a request made at the Government Performance and Financial Management (GPFM) Committee meeting on October 15, the Park and Recreation Department is notifying all resident institutions at Fair Park that the item will be considered on October 24.

Further, in a memorandum on Friday, October 12, and verbally at the GPFM meeting, we offered to meet with any City Council member who would like to discuss the management agreement. To schedule a meeting, please have your staff contact my office at (214) 670-3390.

We have received several follow up questions in the last week:

1. I understand Dallas Summer Musicals (DSM) is looking at a parking fee increase from \$1 per ticket to \$2 per ticket. How will this ticket revenue or their ability to set fees be impacted if/when we assign the contract to Fair Park First?

In the future, DSM will need to work through Fair Park First for any changes to their ticket surcharges for parking just as they work with us now. Fair Park First has expressed the desire to work with DSM as well as all resident institutions so that they remain important aspects of the park and grow to serve an even larger number of visitors. Fair Park First will be mindful of this when helping resident institutions consider any future fee increases.

2. In the existing DSM contract, it says the City can cancel the contract due to lack of funding availability. How is this clause going to be interpreted if the contract is assigned and no longer directly with the City?

As long as the City provides the full appropriation to Fair Park First that is identified in the contract, then Fair Park First must provide the full stipend to DSM. See Section 3.02 of the contract.

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3. Has the current contract for the African American Museum expired? If so, how will their contract be handled if the agreement with FPF is approved?

The African American Museum contract does not expire until June 2022. It will be assigned to Fair Park First.

4. How will the City be handling repairs/improvements to buildings at Fair Park operated by the many tenants? Who will be responsible for what? Where does the money come from to make the improvements?

Fair Park First will administer the contracts we assign per the language in each contract. Therefore, if those resident institution contracts include provisions related to repairs/maintenance, then Fair Park First will follow those terms. Any maintenance Fair Park First is required to provide is covered in section 6.01 of the contract. The manager shall maintain and repair Fair Park on a regular basis (the first year of the pro forma includes over \$600,000 for maintenance). Section B covers items deemed to be capital and the process associated with capital projects. Manager will provide an annual Capital Improvement Plan plan prior to May 31, listing all capital projects planned or needed at Fair Park over the upcoming 5-year period. The plan will identify estimated or potential cost of each project and which projects the Manager will fund through use of reserves or non-city funding sources. The Manager may request City funds to finance projects in the Capital Improvement Plan. All projects funded with bond program dollars will be managed by the City.

5. Provide a list of the stipends provided for entities at Fair Park.

Partner Stipends	Dept	Amount*	Utilities
African American Museum	OCA	\$ 72,660	\$ 107,900
Dallas Historical Society (Hall of State)	OCA	\$ 36,435	\$ 109,000
Music Hall at Fair Park/Dallas Summer Musicals	OCA	\$ 290,000	\$ 0
Perot Museum at Fair Park	OCA	\$ 0	\$ 50,400
Texas Discovery Gardens	PKR	\$ 145,862	\$ 176,600
Partner Stipends and Utilities		\$ 544,957	\$ 443,900

*The OCA stipends listed are on the City Council Agenda for approval on October 24.

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Game Stipends	Dept	Amount	Comments
University of Texas - Red River Showdown	PKR	\$ 500,000	Paid before game
Oklahoma University - Red River Showdown	PKR	\$ 500,000	Paid before game
Grambling State University - State Fair Classic	PKR	\$ 75,000	Paid before game
Prairie View A&M University - State Fair Classic	PKR	\$ 75,000	Paid before game
Heart of Dallas - Bowl Game	PKR	\$ 400,000	Paid before game
Game Stipends		\$ 1,550,000	
Total Stipends and Utilities		\$ 2,538,857	

Finally, I have attached two letters from Darren James, President of Fair Park First.

Please let me know if you have any further questions or would like to meet to discuss. Thank you.


 M. Elizabeth Reich
 Chief Financial Officer

Attachments

- c: T.C. Broadnax, City Manager
- Chris Caso, City Attorney (Interim)
- Carol A. Smith, City Auditor (Interim)
- Billerae Johnson, City Secretary
- Preston Robinson, Administrative Judge
- Kimberly Bizzor Tolbert, Chief of Staff to the City Manager
- Majed A. Al-Ghafry, Assistant City Manager
- Jon Fortune, Assistant City Manager
- Joey Zapata, Assistant City Manager
- Nadia Chandler Hardy, Assistant City Manager and Chief Resilience Officer
- Directors and Assistant Directors



October 12, 2018

M. Elizabeth Reich
Dallas City Hall
1500 Marilla St.
Room 4CN
Dallas, TX 75201

Ms. Reich,

Thank you for working with us these many months to negotiate this transformative contract for Fair Park. We are excited to begin work upon City Council approval on October 24. Fair Park First is committed to supporting Fair Park as a public park. Our mission is to manage the Fair Park grounds and facilities as a vibrant, year-round destination for national, regional & local events, daily activities, cultural enrichment. It is our intent to enhance the cultural aspects of the park with its art collection and the largest Art Deco collection of historic architecture as well as a place for quiet enjoyment and introspection.

We are fortunate that Fair Park already hosts numerous institutions, such as State Fair of Texas, Dallas Summer Musicals, Texas Discovery Gardens, the African-American Museum and Children's Aquarium. Our commitment is to work with those institutions for the life of our contract so that they not only remain important aspects of park, but that they grow and can serve an even larger number of visitors.

We believe in and are focused on creating an environment to make each resident institution successful. We look forward to working with each one to fully understand their strategy and needs while crafting a plan to work together to meet their goals.

Regarding the State Fair of Texas, although the contract is not assigned to Fair Park First, we understand and appreciate the history of the State Fair and we desire to continue working with the Fair for the life of our contract. We are especially excited about preparing for the bi-centennial celebration in 2036. We look forward to the City working with the State Fair to ensure the Fair and the football games; The Red River Showdown featuring Texas and Oklahoma & the State Fair Classic between Prairie View and Grambling remain at the Cotton Bowl in Fair Park during the State Fair.

It has been a privilege working collaboratively thus far and we are ready to assist the City with thoughtful oversight of Fair Park operations, resident institution relations and sustained impactful fundraising for Fair Park improvements.

Darren L. James

A blue ink signature of Darren L. James, written in a cursive style.

Fair Park First
President of Board



October 12, 2018

M. Elizabeth Reich
Dallas City Hall
1500 Marilla St.
Room 4CN
Dallas, TX 75201

Ms. Reich,

The Fair Park First Board of Directors voted on a revised Conflict of Interest (COI) Policy stating that any Board Member that after following the revised COI Policy and the disinterested board members vote to enter an agreement with firm/entity of interested board member, he or she must immediately resign their Board seat.

Fair Park First will enforce this Policy through our removal process stated in our By-Laws if the Board member refuses to voluntarily resign.

We have provided copies of our updated Conflict of Interest and Policy By-Laws to City Staff.

Darren L. James

A blue ink signature of Darren L. James, written in a cursive style, positioned over the printed name and title.

Fair Park First
President of Board