

ORDINANCE NO. _____

AN ORDINANCE APPROVING AN AGREEMENT BETWEEN THE CITY OF DENTON AND THE GREATER DENTON ARTS COUNCIL, INC., AND DENTON COMMUNITY THEATRE, INC., DBA THEATRE DENTON, INC., REGARDING PROVIDING FOR UTILITY SERVICES, AND FACILITY AND MAINTENANCE SERVICES IN CONSIDERATION FOR THE VALUABLE CULTURAL AND PUBLIC SERVICES PROVIDED BY BOTH ENTITIES; AUTHORIZING THE CITY MANAGER TO EXECUTE THE AMENDMENT; APPROVING THE EXPENDITURE OF FUNDS THEREFOR; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City Council of the City of Denton, Texas ("City Council") has determined that continued support the arts in the community is in the best interests of the City of Denton; and

WHEREAS, the City of Denton and Greater Denton Arts Council, Inc. (GDAC) entered into an agreement regarding providing funds for utilities and facilities and maintenance; and

WHEREAS, GDAC and Theatre Denton, Inc., previously known as Denton Community Theatre, Inc. (hereafter referred to as DCT) cooperate in providing art and cultural and public services to the community and have cooperated regarding funds for payments provided in previous agreements for utilities, and facilities and maintenance; and

WHEREAS, the City desires to provide public funds to GDAC and DCT for the benefit of GDAC and DCT regarding the City of Denton's payment of an amount of money for GDAC's and DCT's utility services, facility and maintenance services in consideration of the valuable cultural and public services to be furnished by the GDAC and DCT to the City; and

WHEREAS, the agreement between the City of Denton, GDAC, and Theatre Denton, Inc. (hereafter the "GDAC DCT Agreement") simplifies and streamlines the handling of payments made by the City for the benefit of GDAC and DCT and sets forth other terms, provisions and conditions; and

WHEREAS, based upon the foregoing the City Council finds that it should approve the GDAC DCT Agreement and such GDAC DCT Agreement is in the best interests of the City. NOW, THEREFORE,

THE COUNCIL OF THE CITY OF DENTON HEREBY ORDAINS:

SECTION 1. The recitals in the preamble to this ordinance are found to be true and are hereby incorporated by reference as a part of this ordinance.

SECTION 2. The City Council hereby approves the GDAC DCT Agreement by and between the City of Denton, Texas, Theatre Denton, Inc., and the Greater Denton Arts Council and is attached hereto and incorporated herein by reference; and the City Council authorizes the City Manager to execute said GDAC DCT Agreement .

SECTION 3. The City Council authorizes the expenditure of funds in the manner and amount as specified in the GDAC DCT Agreement.

SECTION 4. This ordinance shall become effective immediately upon its passage and approval.

The motion to approve this Ordinance was made by [_____] and seconded by [_____].

This Ordinance was passed and approved by the following vote [__ – __ – __]:

	Aye	Nay	Abstain	Absent
Mayor Gerard Hudspeth:	_____	_____	_____	_____
Vicki Byrd, District 1:	_____	_____	_____	_____
Brian Beck, District 2:	_____	_____	_____	_____
Suzi Rumohr, District 3:	_____	_____	_____	_____
Joe Holland, District 4:	_____	_____	_____	_____
Brandon Chase McGee, At Large Place 5:	_____	_____	_____	_____
Jill Jester, At Large Place 6:	_____	_____	_____	_____

PASSED AND APPROVED this the _____ day of _____, 2025.

GERARD HUDSPETH, MAYOR

ATTEST:
INGRID REX, INTERIM CITY SECRETARY

BY: _____

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

BY: _____

THE STATE OF TEXAS

COUNTY OF DENTON

AGREEMENT BY AND BETWEEN THE CITY OF DENTON, TEXAS, THE GREATER
DENTON ARTS COUNCIL, INC. AND THEATRE DENTON, INC.

The City of Denton, Texas, a Texas municipal corporation (hereafter the "City"), Theatre Denton, Inc., a Texas not-for-profit corporation (hereafter the "DCT"), and the Greater Denton Arts Council, a Texas not-for-profit corporation (hereafter the "GDAC"), (collectively hereafter the "Parties") do hereby enter into this Amended Agreement-Greater Denton Arts Council (hereafter the "Amendment-GDAC"), and hereby presents:

PREAMBLE

- A. On October 2, 1990, Ordinance No. 90-151 was approved by the City Council (hereafter the "Council") which authorized the Mayor of Denton to execute the "Agreement Between the City of Denton, Texas and the Greater Denton Arts Council" (hereafter the "Original Agreement") on October 15, 1990 for a 25-year period, terminating September 30, 2015; and
- B. On August 2, 1991, Ordinance No. 91-134 was approved by the Council which authorized the City to amend the Original Agreement for the first time to provide for the correction of Schedule "A" regarding the units of measurement and the annual consumption of gas in the "First Amendment to Agreement Between the City of Denton, Texas and the Greater Denton Arts Council" (hereafter the "First Amendment"); and
- C. On January 21, 1997, Ordinance No. 97-023 was approved by the Council, which authorizes the City in the "Second Amendment to Agreement Between the City of Denton, Texas and the Greater Denton Arts Council" (hereafter the "Second Amendment") to agree to changes in the maximum units in Schedule "A" to reflect actual charges of the Campus Theatre; and
- D. On September 5, 2000, Ordinance No. 2000-285 was approved by the Council, which authorized the City in the "Third Amendment to Agreement Between the City of Denton, Texas and the Greater Denton Arts Council" (hereafter the "Third Amendment") to change the maximum units regarding Section A, relating to the level of utility service consumption by GDAC and amending Schedule "A" and requiring the City to review and reconcile the utility accounts; and
- E. On July 19, 2005, Ordinance No. 2005-190 was approved by the Council and approved the "Fourth Amendment to Agreement Between the City of Denton, Texas and the

Greater Denton Arts Council" (hereafter the "Fourth Amendment") which Fourth Amendment required changes in several procedures as to the Parties as well as changes to Schedule "A", along with the City's agreement to pay on behalf of the GDAC the City drainage fee and a change in the maintenance of GDAC facilities; and

- F. City, as Lessor, and the GDAC, as Lessee, entered into a "Lease Agreement/CVA" on September 26, 2006 (hereafter the "Lease Agreement") that provided for an extension of the term of the City's twenty-five year lease originally entered into on September 1, 1981, to GDAC, by a period of an additional twenty-five years, until September 1, 2031, pertaining to the Center for the Visual Arts of Denton ("CVA"), which real property is owned by the City, such Lease Agreement commencing on September 1, 2006, for the rental of \$1.00 per year; said Lease Agreement also contained express provisions for janitorial services and utility costs; and
- G. On September 15, 2009, Ordinance No. 2009-210 was approved by the Council and approved the "Fifth Amendment to Agreement Between the City of Denton, Texas and the Greater Denton Arts Council" (hereafter the "Fifth Amendment"), which Fifth Amendment makes provisions for simplifying and streamlining the handling of payments made by the City for the benefit of GDAC and sets forth other terms, provisions and conditions; and
- H. On September 15, 2015, Ordinance No. 2015-278 was approved by the Council and approved the "Sixth Amendment to Agreement Between the City of Denton, Texas and the Greater Denton Arts Council" (hereafter the "Sixth Amendment"), which Sixth Amendment extended the term and adjusted payments for utility service, facility and maintenance services; and
- I. On October 6, 2020, Ordinance No. 20-1595 was approved by the Council and approved the "Seventh Amendment to Agreement Between the City of Denton, Texas and the Greater Denton Arts Council" (hereafter the "Seventh Amendment"), which Seventh Amendment extended the term and adjusted payments for utility service, facility and maintenance services; and
- J. GDAC owns the Campus Theatre and has an active agreement with DCT, entered into in September 1, 2016 and expires August 31, 2031, which allows DCT use of the premises.
- K. The City, DCT, and GDAC desire to simplify and streamline, to the extent possible, the handling of all of the GDAC's and DCT's utility bills at the Campus Theatre (hereafter the "Campus") and CVA, and the payment provisions for facility and maintenance services regarding the timing and method of City's payments; and
- L. City staff has received direction from Council to proceed with revising the existing agreements heretofore entered into by and between the City, DCT, and GDAC regarding the Campus and CVA; and

M. The City has proposed to provide a mutually agreed-upon annual funding amount for the Campus and CVA used by DCT and GDAC and to revise the previous agreements to improve the administration of funds as well as to reduce City, DCT, and GDAC staff time that is devoted to reconciling the DCT and GDAC utility, facility and maintenance accounts under the existing agreements; and

N. Attached hereto as Exhibit "B" is a brief history of the community arts facilities in Denton drafted by GDAC, which is provided for informational purposes only and is specifically not incorporated into this GDAC DCT Agreement ; and

NOW THEREFORE, the City, DCT, and GDAC for good and valuable consideration, and for the benefit of community cultural and theatrical activities and public services provided in the City of Denton, Texas, do hereby AGREE to the following covenants, provisions and terms, that establish this Eighth Amendment-GDAC, to wit:

1. Except as provided in paragraph 13 of this GDAC DCT Agreement, GDAC DCT Agreement shall supersede and replace all prior provisions of the seven (7) previous agreements (the Original Agreement, First Amendment, Second Amendment, Third Amendment, Fourth Amendment, Fifth Amendment, Sixth amendment, and Seventh Amendment, hereafter collectively referred to as the "Prior Agreement") and it shall likewise replace those covenants in Section 5, paragraphs 2 and 3 and Section 7 of the Lease Agreement, dealing with the subjects of utilities, facility and maintenance services.
2. This GDAC DCT Agreement commences on October 1, 2025 and shall expire on September 30, 2026 ("Term Year")unless earlier terminated as provided for herein.
3. The Parties agree and understand all payments or expenditures by the City provided for herein are subject to the City's appropriation of funds for the contract year. In the event the City does not appropriate funds for payments due or expenditures under this Agreement, the City shall not be liable to GDAC or DCT for such payments or expenditures unless and until appropriation of said funds is made; provided, however, that in the event the City does not appropriate funds, GDAC or DCT shall have the right but not the obligation to terminate this Agreement.
4. Except as provided in paragraph 13 of this GDAC DCT Agreement, this GDAC DCT Agreement is intended to condense, replace, and supersede the Agreement and Section 5, paragraphs 2 and 3 and Section 7 of the Lease Agreement. GDAC and DCT each agree to deliver to the City Chief Financial Officer its Financial Statement and its Independent Auditor's Report for each Fiscal Year of GDAC and of DCT promptly when received from its Auditor, at the close of the GDAC and DCT fiscal year.
5. The City shall provide an annual funding amount commencing on October 1, 2025. The annual funding amount for City provided utilities, as detailed in Exhibit A, will be held by the City and drawn down by City staff and used by City staff to pay DCT's and GDAC's City-provided utilities, such as drainage, electric, solid waste, water, and

wastewater utilities for the Campus and the CVA.

6. The City, DCT, and GDAC agree that the additional sum of \$20,000 total is an appropriate amount to be funded annually by the City for facility and maintenance services for the Campus and CVA. This \$20,000 amount is in addition to the annual amounts provided for City provided utilities as set forth in paragraph 5. An amount of \$10,000 of the \$20,000 total sum for facility and maintenance expenses will be held by the City and drawn down by City staff to pay for maintenance and facility costs at GDAC. The remaining \$10,000 of the \$20,000 total sum will be paid directly to DCT by the City during October of the Term Year. DCT shall be liable for paying all other facilities and maintenance expenses for the Campus.
7. The Parties agree that the additional sum of \$4,300 shall be paid annually by the City to DCT in one lump-sum during October of the Term Year. This amount includes \$4,300 for DCT's gas utilities regarding the Campus to pay to the gas utility vendor. The \$4,300 paid annually to DCT for these stated gas utilities is in addition to the amounts described above in paragraphs 5 and 6. DCT shall be liable for paying all other gas utility expenses for the Campus.
8. The City shall receive and timely pay each utility bill listed in paragraph 5 above when it receives same directly from the Customer Service Department of the City. The utility bills shall be sent directly to the City of Denton, Chief Financial Officer, 215 East McKinney Street, Denton, Texas 76201. GDAC and DCT will be sent an informational "DO NOT PAY" bill so that it can maintain accurate balances of its annual account with the City. The City shall pay only the annual amount, as detailed in Exhibit A, for the Campus and the CVA for the listed utilities set out in paragraph 5 above. Once the annual amount for the Campus and CVA is exhausted for the Fiscal Year, the City shall cease paying the utility bills for the entity or entities exceeding the city utility payment amount provided for in paragraph 5, for that entity or entities; then said City-provided utility bills for that entity or entities shall be the sole responsibility of and shall be paid timely by DCT and GDAC.
9. There are no other utility services provided for in this GDAC DCT Agreement except as expressly provided for herein.
10. The annual funding accounts established by the City in paragraph numbers 5, 6 and 7 above may be re-considered by the Council if GDAC either sells, assigns or otherwise disposes of the Campus or CVA, or to another entity, or leases the Campus or CVA to another entity, or the Campus or CVA is no longer used for the cultural and theatrical purposes that are identified in this GDAC DCT Agreement.
11. DCT and GDAC agree to take reasonable efforts to implement energy savings plans, and may fully utilize Denton Municipal Utilities community services, such as the Green-Sense Program, Energy Audits, and other resources in order to economize and more efficiently regulate its utility use.

12. The City may enter the Campus and CVA facilities at any time City staff provides advance notice to the designated representative at DCT and GDAC.

13. All of the covenants, provisions and terms contained within the Original Agreement regarding the Campus which are set forth in Articles I., IV., V., VI., VII. and VIII. therein are incorporated by reference herein; and the Lease Agreement, except for Section 5, paragraphs 2 and 3 and Section 7 (which are replaced by this Eighth Amendment-GDAC) shall remain in effect.

Signed this the _____ day of _____, 2025.

CITY OF DENTON

BY: _____
SARA HENSLEY, CITY MANAGER

ATTEST:
INGRID REX, INTERIM CITY SECRETARY

BY: _____

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

BY: _____

THIS AGREEMENT HAS BEEN
BOTH REVIEWED AND APPROVED
as to financial and operational obligations and business terms.

SIGNATURE

PRINTED NAME

TITLE

GREATER DENTON ARTS COUNCIL

A Texas Not-For-Profit Corporation

BY: _____

TITLE: _____

THEATER DENTON, INC.

A Texas Not-For-Profit Corporation

BY: _____

TITLE: _____

EXHIBIT A
Annual Funding Amounts
Center for Visual Arts
and Campus Theatre

Fiscal Year	City-Provided Utilities (Campus and CVA)	Gas Utilities (Campus)	Facility and Maintenance (Campus and CVA)
2026	\$ 87,000	\$ 4,300	\$ 20,000

Exhibit B

A Brief History of the Community Arts Facilities in Denton

Greater Denton Arts Council (GDAC), which began in 1968 as the "Fine Arts and Cultural Affairs Committee" of the Denton Chamber of Commerce, became an independent entity in 1969 and incorporated as a tax exempt 501(c)(3) corporation in 1970. Since then it has served as the umbrella organization and advocate for area arts, cultural, and educational entities. GDAC offices, as well as a variety of special events and gallery exhibitions, are housed in the Patterson-Appleton Center Arts Center located on the southeast corner of Hickory and Bell Avenue.

Denton Community Theatre (DCT), chartered as a non-profit educational organization under 501(c)(3) of the Internal Revenue Code in August, 1969, is one of the oldest arts groups in Denton, offering a variety of theatrical productions, classes and special events throughout the year. In addition to providing entertainment and educational opportunities to the north Texas area, DCT serves as the managing resident company for the historic Campus Theatre, responsible for its ongoing maintenance and preservation in partnership with GDAC and the City of Denton.

Patterson-Appleton Arts Center (PAC), formerly known as the Center for the Visual Arts (CVA), opened to the public with its first art exhibition in the Meadows Gallery (named for the Meadows Foundation, a major donor) in April, 1985. Its completion was the result of a true community effort that began in 1973 when an ad hoc committee of community and business leaders was formed to address the need for a permanent center for the performing and visual arts.

When the committee's proposed bond initiative to fund construction of a convention/arts center failed, representatives of GDAC and the City of Denton instead found a viable alternative. Working in partnership, they negotiated a long-term lease for two abandoned City-owned buildings located at the southeast and southwest corners of Hickory and Bell Avenue. The agreement included a commitment by GDAC to spearhead the 1.5 million-dollar capital campaign to fund the construction and improvements necessary to convert the former warehouse and power plant (which had sat vacant for several years) into a "center for the visual arts" and a "center for the performing arts." In return, the City of Denton agreed to provide overall maintenance, custodial care and utilities for both locations.

Having secured City approval and sponsorship and believing it was important to move forward in order to maintain public support, the GDAC governing board voted to begin construction on the project prior to actually reaching the capital campaign goals. As funds were not available for both proposed centers, the decision was made to begin with renovations to the building that would become the Center for the Visual Arts. Construction began in May, 1984. A second gallery along with office, studio and administrative space was added in 1993.

Campus Theatre. The decision to begin work on the Center for the Visual Arts rather than the performing arts center was based on two major factors: (1) Unknown costs involved in the removal of a large submerged generator that would be required before construction could begin and (2) Doubts expressed by many in the performing arts community that the space would actually be adequate to house the stage and seating necessary to function as a performance facility. Since the renovations already under way at the Center for the Visual Arts required most of the available funds, no further action was taken related to the "center for the performing arts." until 1990 when representatives of Denton Community Theater presented the GDAC Governing Board with an alternative proposal. Instead of continuing to raise funds to convert the existing City-owned building into a theatre facility that might be inadequate, they proposed using available funds (and a second \$2 million-dollar capital campaign) to purchase and renovate the Campus Theatre, a former movie house located just off the Square that had been vacant for some time and had recently become available for sale. Based on estimates provided, the costs involved in purchasing and restoring the Campus Theatre would actually be less than the projected expenses for converting the warehouse at Bell and Hickory.

Again acting in partnership, representatives of GDAC, DCT and the City of Denton reached an amended long-term agreement--GDAC would purchase the Campus Theatre for \$100,000, DCT would be housed in and serve as the managing company for the facility, and the City of Denton would provide the support services and utilities as promised in the original lease agreement at the new location. In return, GDAC released the City from their commitment of the second power plant/warehouse property (which would later become the Central Fire Station).

Adapted from a 1,200 seat movie house into a 299-seat live theatre and performance venue, the Campus Theatre reopened in 1995 with a gala performance featuring the various Denton performing organizations who would now call it their home.

Summary and Impact. With the continued support pledged by the City of Denton, both DCT and GDAC continue to thrive as two of our city's oldest and most successful nonprofit organizations, attracting tens of thousands of volunteers and patrons to downtown Denton every year. Serving as anchors to the thriving business and cultural district, these vibrant and active facilities have become true community icons--the Campus Theatre recognized by the Texas Historical Commission in 2010 as a Recorded Texas Historical Landmark--the only business in Denton honored with that distinction.

We sincerely hope that these facts, coupled with the history of our partnership with the City, demonstrate that a multi-year utilities and maintenance contract has provided the stability and support that has allowed these two groups to grow and prosper, to make long-range plans and commitments and to provide our community with quality artistic experiences . . . and will continue to be a sound investment for the City of Denton.