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'A huge step'

BEDC vice chair Randy Eifert (at podium) and Laconia Mayor Ed Engler announce the purchase of the Colonial Theater on Main Street downtown Laconia. The press conference was held at Wayfarer Coffee Roasters. (Karen Bobotas/for the Laconia Daily Sun)

City, BEDC announce plan to purchase & renovate Colonial Theater

By MICHAEL KITCH
THE LACONIA DAILY SUN
LACONIA — The city, in partnership

with the Belknap Economic Development Council (BEDC), has committed itself to arranging a financial package of \$15 million to acquire and renovate the long-closed Colonial Theater along with the commercial and residential units on the lot at 609-621 Main St.

Randy Eifert, chairman of BEDC, announced the pend-

ing transaction at Wayfarer Coffee Roasters yesterday afternoon to a packed house of more than 50 people who, upon hearing the news, burst into a spirited ovation of clapping and cheering.

"Government, at this level," Mayor Ed Engler said, "can be defined as what we decide to do together, and with our

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friends at BEDC we're going to do this."

Altogether the Colonial complex consists of 38,642 square feet, of which the theater itself represents approximately 20,000 square feet. It sits on a half-acre with 91 feet of frontage on Main Street and 209 feet of frontage on Canal Street. In addition to the theater, the property includes four retail units on Main Street, each of about 1,150 square feet, five retail units on Canal Street, ranging between 250 and 1,500 square feet, and 18 apartments on the second and third floors.

The BEDC through a wholly owned limited liability corporation — 609 Main Street, LLC — will purchase the property from current owner Patricia Baldi for \$1.4 million. The city will loan the BEDC the purchase price to enable the sale to close in about 30 days. The loan will be secured by the property and the BEDC will pay only interest for the 18-month term of the loan.

The remainder of the financial package will be assembled during the next 18 months. New Market tax credits and Historical Preservation tax credits against federal taxes, which will be sold to investors through national capital markets, will return approximately \$7 million. A mix of federal and state grants will add some \$3 million. Local funding will consist primarily of between \$1 million and \$2 million in contributions raised from private corporations, organizations and individuals.

Finally, at the closing of the financial package, the

BEDC will repay its \$1.4 million loan from the city, which in turn will lend BEDC between \$2 million and \$3 million with payments of interest only for a term of seven years to secure the financing for the renovation and restoration of the property.

Once the renovation is complete the city will lease the theater as its sole tenant for seven years, operating the property as a civic auditorium.

Built by Benjamin Piscopo in 1913, the theater opened on April 13, 1914, as one of the grandest vaudeville and movie houses in New England. As motion pictures overtook live performances in the years after the First World War, the theater became a cinema, hosting the world premiere of "Peyton Place," the saga of small town scandal written by Grace Metalious of Gilmanton. In the 1980s the ornate auditorium fashioned by Italian artisans was divided into a multiplex cinema with five screens. In 2001 the Colonial went dark after 87 years.

In what Engler described as "a huge step," the city will become the sole tenant with exclusive authority to determine who uses the theater and at what cost, if any. After seven years the city will have an option to purchase the building for the face value of its outstanding loan to the BEDC. In other words, the city could choose between surrendering its interest in the property and demanding repayment of its loan or forgiving its loan to the BEDC and taking ownership of the property.

Engler stressed that the financial obligations assumed by the city in the course of purchasing and

John Moriarty places a celebratory announcement on the marquee of the Colonial Theater after Monday's press conference. (Karen Bobotas/for the Laconia Daily Sun)

renovating the property will not exceed the limit on the amount to be raised by property taxes set by the tax cap in any year. The mayor drew a round of applause when urged everyone "to think of the theater as they think of the football field, as a civic amenity, a civic asset that belongs to all of us."

The mayor said that the City Council unanimously resolved to support the purchase and renovation of the property at a non-public meeting on May 26. In accordance with state law authorizing municipalities to enter public-private partnerships if the public benefit outweighs the private gain, he said that the City Council would hold a public hearing on Monday, June 29, after which when it will be prepared to declare that the necessary public benefits exists. He invited everyone to attend the public hearing and voice their support for the project.

Both Engler and Eifert expressed their thanks to the Board of Directors of the BEDC and the City Council for their part in furthering the transaction. In particular, they appreciated the contributions of real estate brokers Steve Weeks and Kevin Sullivan and attorney John Giere for their part in negotiating the sale.

Eifert noted that under the leadership former BEDC Executive Director Carmen Lorentz, who is now the director of the Division of Economic Development at the New Hampshire Department of Resources and Economic Development, BEDC, made redevelopment of vacant and underused property a priority of its strategic plan and chose to begin with the Colonial Theater.