

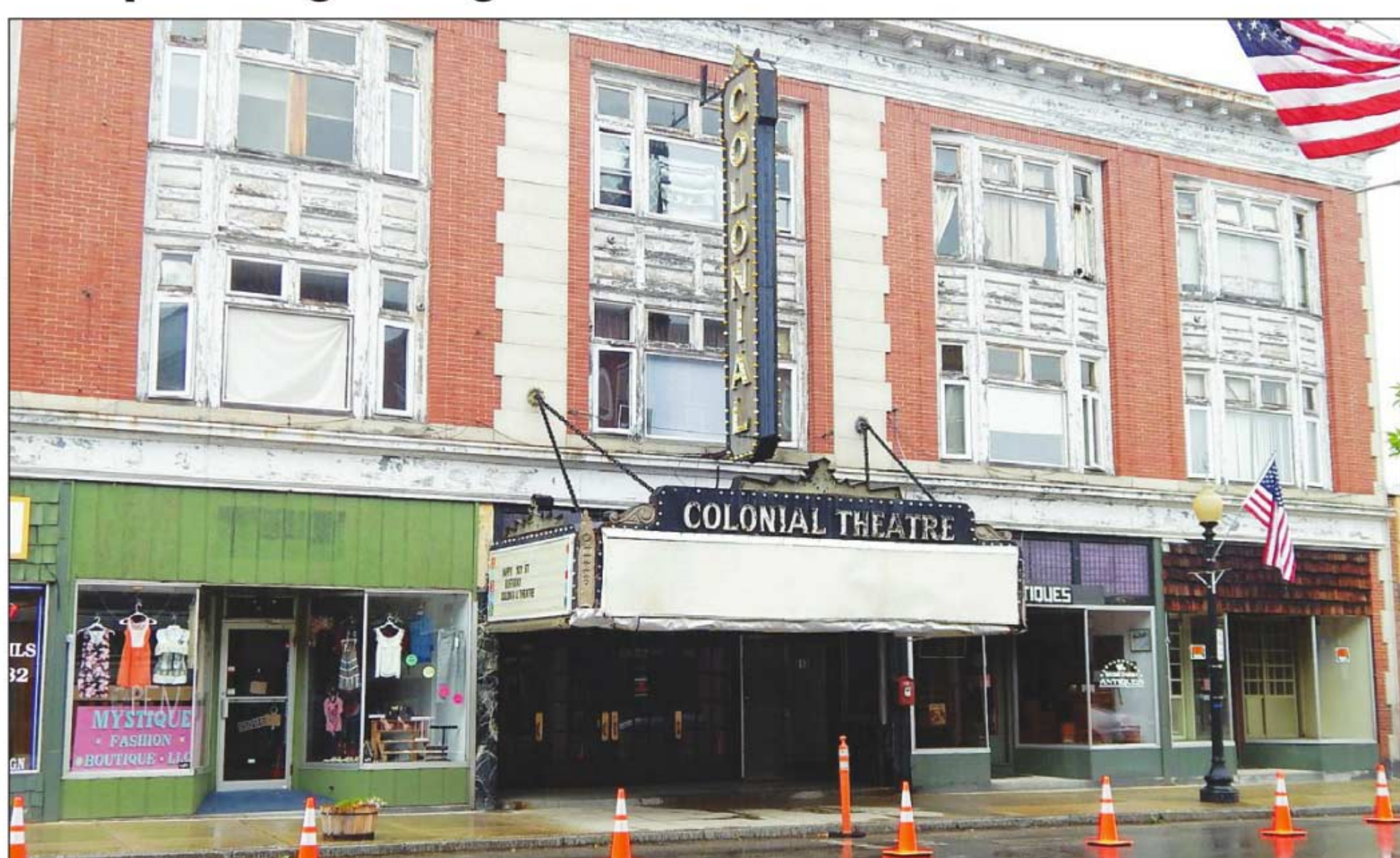
# The Citizen

THE VOICE OF NEW HAMPSHIRE'S LAKES REGION

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## Marquee to glow again



ED PIERCE/CITIZEN

**BELKNAP ECONOMIC DEVELOPMENT COUNCIL** has secured an agreement to purchase the Colonial Theatre buildings in downtown Laconia. It plans to renovate the facility and then lease the buildings to the city of Laconia for use as a civic auditorium.

# Colonial comeback

Belknep EDC to renovate property and lease it to Laconia for seven years

By **ED PIERCE**

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LACONIA — A partnership of sorts between the Belknep Economic Development Council and the city of Laconia has led to agreement with the owners of the Colonial Theatre for the purchase of the property in downtown Laconia.

Constructed in 1914 and hailed for its distinct fresco architecture and unique design qualities, the Colonial Theatre was once the centerpiece of culture in the city, hosting vaudeville shows and special events such as the world premiere of the film "Return to Peyton Place" in 1961.

The theater was retrofitted in the 1980s to house five movie screens. It also houses apartments facing Main Street and commercial units on Canal Street.

But the building has sat vacant since 2003, after a New Durham couple operated it for a week during Motorcycle Week as a movie



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**RANDY EIFERT, chairman of the Board of Directors of the Belknep Economic Development Council, announces the purchase of the Colonial Theatre Monday.**

complex.

On Monday, Randy Eifert, the chairman of the Board of Directors for the Belknep Economic Development Council, said an

agreement has been struck with the Baldi family to sell the three-building facility to the EDC.

"One of our new strategies is to provide a catalyst in Belknep County," Eifert said. "Earlier this year, we conducted a feasibility study for the three different buildings. At a board retreat in April, we voted for an 18-month option on the property. We're looking to close by July 17 in a cash deal."

Laconia Mayor Edward Engler said that in a nonpublic session on May 26 the city councilors voted to support a resolution committing to:

- Giving a loan to the BEDC for the purchase price that will enable the sale to be closed within 30 days. The purchase price was not disclosed, but as recently as 2011, the Baldis were asking in the range of \$1.4 million for the facility.

- Giving an interest-only loan to the BEDC of between \$2 to \$3

See COLONIAL, A5

## COLONIAL

From Page A1

million that will help facilitate closing on restoration and renovation work to the property commencing in 12 to 18 months. The term of the note will be seven years and secured by the property.

- Laconia will become the sole tenant of the restored Colonial Theatre auditorium for the first seven years following renovation and the facility will be used as a civic auditorium with the city determining who uses it and at what cost.

- Laconia will have an option to buy the auditorium from the BEDC at the end of the seven-year period for an amount equal to the face value of the note. Should the city decline to buy the facility, the note will become due and payable at that time.

"RSA 33:3 authorizes New Hampshire municipalities to become finally involved, for the purposes of economic development, in public-private partnerships if the public benefit is found to outweigh any benefit accruing to a private party," Engler said.

He said the City Council will conduct a special



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**THE COLONIAL THEATRE** was built in 1914 and is part of a complex containing apartments along Main Street and commercial units on Canal Street. The complex was last used in 2003 as a movie house.

public hearing June 29 to declare the Colonial Theatre as a "public benefit."

Engler said the City Council is committed to the project with determination that the financial obligations incurred won't affect the amount

needed to be collected in property taxes in any year to the point where the city's property tax cap would need to be overridden.

"There will not be extra tax consequences as a result of these actions tak-

en here today," he said. "This will be a city amenity."

Eifert said the BEDC believes Laconia and the Lakes Region are poised for economic development growth and increased opportunity for residents and businesses and the deal made sense to everyone concerned.

"We plan to restore it to its original state," he said. "The city will manage the new state-of-the-art performance facility as a city auditorium and theatre. The revitalization project will include new housing units, retail/office units and a 900-seat theatre facility."

He said once the transaction closes, BEDC will have to secure a \$15 million financing package for the restoration, which will come from federal and state grants and tax credits. Another \$1 to \$2 million for the renovation is expected to come from private donors.

According to Eifert, renovation work would commence within a year following the closing and could take up to 24 months to be completed.

The city's loans to the BEDC are not expected to impact the budget process for city schools and public works.