



**FOUNDATION FOR
THE CAROLINAS**

Presentation to Charlotte City Council

July 24, 2017

Carolina Theatre

- On June 26, 2017 Council referred the Carolina Theatre project to Council's Economic Development Committee
- On July 13, 2017 the Committee met and unanimously voted to recommend to full Council to support:
 - Authorizing the City Manager to negotiate an amended purchase and sale agreement with the FFTC and
 - Approve issuance of up to \$4.5 million of debt funded from Tourism 1 hospitality and tourism taxes
- Staff will provide an overview of the project, committee discussion and responses to questions

Carolina Theatre Restoration

Background

- 4 Carolina Theatres built in North Carolina in 1920s
 - All restored except Charlotte's Carolina Theatre
- Carolina Theatre closed in 1978
- Decades of repeated restoration efforts all failed
- FFTC proposal to lead latest Theatre restoration effort
- City Council transferred Theatre property to FFTC
- City Council requested FFTC to:
 - Establish Advisory Board with City Council representation
 - Leverage property to place back on tax roles, if possible



FFTC Progress to Date

Secured InterContinental Hotel for property

- Commercial investment of \$94 million, financing secured
- 270 rooms, rooftop restaurant, other amenities
- Estimated annual tax revenues of \$4 million
- Air lease revenues help fund restoration of Theatre



FFTC Progress to Date

Carolina Theatre Designs Complete

- Total costs higher than anticipated at \$56 million
- With value engineering and cutbacks: \$51.5 million
- FFTC is assembling \$47 million for restoration
 - \$45.6 million in hand
 - \$1.4 million remains to be raised
- Need of \$4.5 million remains
- FFTC at \$47 million + City at \$4.5 million = \$51.5 million





Why Higher Costs?

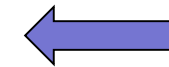
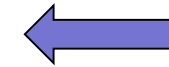
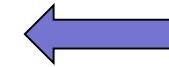
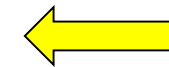
1. Sky rocketing construction costs citywide
2. Delayed construction in securing hotel
3. Several unanticipated challenges with 1927 facility
4. Technical requirements for utility vaults
5. Depth of abatement work required (mold, lead paint & asbestos)

City Council Request of \$4.5 MM

- Leverages total Center City investment of \$145.5 million
 - Theatre at \$51.5 million + Hotel at \$94 million = \$145.5 million
- Makes possible a Theatre and a hotel
- With Ritz and Intercontinental, Charlotte has two high-end hotels
- Preserves one of our few historic structures
- Creates a civic theatre and an arts venue
- Secures \$4 million in annual tax revenues
 - \$1.2 million in hotel/motel tax
- City investment of \$4.5 million, leverages \$141 million

Estimated Annual Tax Revenue from Hotel

TYPE	TOTAL
NC State General Sales Tax	\$931,000
Mecklenburg County General Sales Tax	\$490,000
Mecklenburg County General Occupancy Tax	\$1,200,000
Mecklenburg County NASCAR Hall of Fame Tax	\$392,000
Annual County Property Tax	\$616,000
Annual City Property Tax	\$362,000
TOTAL	\$3,991,000



\$1,954,000

Carolina Theatre Programming

- Civic Engagement Offerings
- Aligned with FFTC's mission
- Subsidized by the Foundation

- Town Hall Meetings
- Panel Discussions
- Community Dialogues & Debates
- Symposiums
- TED Talks
- National Speaker Series



Free offerings, open to community



Carolina Theatre Programming

- Partner Programming

- Discovery Place
- Gantt Center
- Public Library
- City of Charlotte
- Charlotte Center City Partners
- Johnson C. Smith University
- U.S. National Whitewater Center



Harvey B. Gantt Center
for African-American Arts+Culture



- Opportunity for some of this programming to be open to public

Carolina Theatre Programming

- Arts and Entertainment Opportunities
 - Film
 - Jazz Trios
 - Comedians
 - Small Bands
 - Solo Artists
 - Chamber Music



Carolina Theatre Programming

- Unexpected Offerings
 - Duke versus Carolina basketball
 - Gospel Choir with Sunday brunch
 - Saturday morning cartoons
 - Blood drive & Dracula
 - Saturday Night Fever & Disco
 - High School Battle of the Bands



Committee Questions needing additional response

- 1) Was consideration given to including a historic silent film organ in the Carolina Theatre?
- 2) How can or will the Carolina Theatre provide low cost/subsidized rental to local artists/creatives so they can utilize the Theatre?

Was consideration given to including a historic silent film organ in the Carolina Theatre?

- CT Advisory Board thoroughly discussed the inclusion of an organ
- Carolina Theatre's organ no longer exists
- To include an organ, would require the Theatre to acquire one
- In reviewing this issue the Advisory Board did the following:
 - Brought in outside experts
 - Listened to organ music in the Theatre
 - Considered the future programming plan for the Theatre
 - Weighed the associated expense \$500,000
- Ultimately, the Advisory Board decided not to include an organ



2) How can or will the Carolina Theatre provide low cost/subsidized rental to local artists/creatives so they can utilize the Theatre?

- Original proposed vision for theatre
 - First, to be a civic theatre:
 - Town hall meetings, civic dialogue & debate, panels, symposiums
- Aligned with FFTC mission
- Second, to be an arts and film theatre

Opportunities for helping “Local” Artists?

- Arts & Science Council
- Philanthropic Sponsorship
- Building designated endowments over time
- FFTC commitment to explore multiple options

FFTC Commitment to Community Participation

- Core FFTC value
- City will set our MWSB goals for the Theatre project
 - FFTC has met twice with the City staff to begin this process
 - Contractor on Board to facilitate a robust, inclusive process
- Additional project enhancements of interest
 - Workforce/apprentice program as part of construction process
 - MWSB consultation during bid packaging & selection process
 - Community outreach program – educate local subcontractors on available bid opportunities & packages
 - Youth usher program once Theatre is operational
- FFTC is committed to going above and beyond



**Thank you for your time and
consideration.**

Next Steps

- Support the ED Committee's recommendation to support Item #14 on the July 24th Business agenda to authorize the City Manager to negotiate and execute:
 - A second amendment to the Purchase and Sale Agreement with the FFTC for the Carolina Theatre site, and
 - A Public Private Development Agreement for the restoration of the Carolina Theatre to include a \$4.5 million City funding partnership