

Legislation Text

File #: 15-21457, Version: 1

The Carolina Theatre

Action:

- A. Authorize the City Manager to negotiate and execute amendment #3 to the Carolina Theatre Purchase and Sale Agreement with the Foundation for the Carolinas to extend the completion date to December 31, 2025,**
- B. Authorize the City Manager to negotiate and execute an amendment to the Public Private Development agreement for the restoration of the Carolina Theatre to include an additional \$2,000,000 in city funding, and**
- C. Adopt a budget ordinance appropriating \$2,000,000 in fund balance from the Cultural Facilities Operating Fund for support of the Carolina Theatre.**

Staff Resource(s):

Tracy Dodson, City Manager's Office
Julia Martin, City Manager's Office

Explanation

- In 2016, Foundation For The Carolinas (FFTC) embarked on a \$88 million renovation and restoration of Charlotte's 1927 historic Carolina Theatre. The Theatre, when complete, will seat 950 and feature lectures, symposiums, film, and entertainment offerings.
- Impacts of the Carolina Theatre include:
 - The theatre serves a regional audience and will continue to draw audiences outside Mecklenburg County.
 - The ongoing tax-revenue stream generated from the 5-star InterContinental Hotel that will be built on the property will bring annual estimated tax revenue of \$3.9 million with roughly \$362,000 in sales tax to the City of Charlotte.
 - It is one of the last remaining historic structures in uptown Charlotte. The historic nature of this property will draw visitors from across the state.
 - The historic property and the accompanying hotel will serve as part of Mecklenburg's tourism infrastructure.

Action A

- Renovations and restoration of the Carolina Theatre has proved to be a difficult task, especially during the COVID-19 outbreak. Asbestos abatement, mitigation of groundwater contaminated underground, remediation of lead paint, partnering with a private hotel developer, and façade restoration are just some of the areas that have slowed construction.
- FFTC is requesting an amendment to the Agreement for Purchase and Sale of Real Property, to extend the required substantial completion date from December 31, 2023 to December 31, 2025.

Actions B and C

- To date, FFTC has raised \$73,000,000 for the restoration from:
 - Corporations (\$13,000,000),
 - Foundations (\$31,550,000),
 - Individuals (\$12,000,000),
 - Federal government (\$750,000),
 - State of North Carolina (\$7,000,000),

- Mecklenburg County (\$4,200,000), and
 - City of Charlotte (\$4,500,000).
- The restoration project is currently 70 percent complete.
- Based on increased project costs associated with delays due to the pandemic, escalating material costs, and supply chain impacts, FFTC is requesting \$2,000,000 from the City of Charlotte to go toward Carolina Theatre construction costs.

Background

- On April 8, 2013, City Council adopted a resolution approving a Purchase and Sale Agreement with the FFTC for the Carolina Theatre site through a private sale for \$1.00, contingent upon the preservation and renovation of the theatre.
- The City of Charlotte and FFTC entered into an Agreement for Purchase and Sale of Real Property, on June 4, 2013, and then amended on April 21, 2016 for the purchase of the Carolina Theatre requiring substantial completion of the renovations be completed by December 31, 2023.
- On July 24, 2017, a second amendment to the Purchase and Sale Agreement with FFTC was approved by City Council which allocated \$4,500,000 of Tourism affordability.

Fiscal Note

Funding: Cultural Facilities Operating Fund

Attachment(s)

Budget Ordinance