

Program Impact

The Uptown Reinvestment Corporation (URC) is respectfully requesting \$100,000 from the Michigan Council for Arts and Cultural Affairs Capital Improvement Program for renovation of the historic Capitol Theatre in downtown Flint. The theatre is located at 140 E. Second Street, Flint, Michigan. The redevelopment of this property is consistent with the charitable purposes of the Uptown Reinvestment Corporation.

Over the last ten years, there has been massive investment in the revitalization of the Saginaw Street business district and downtown as a whole as Uptown Reinvestment Corporation has worked diligently to give a rebirth to this city. This investment has resulted in over 23 new businesses, 1,000 new residents living in downtown, and the opening of the very popular Flint Farmers' Market. Despite the progress and continued interest by URC and other investors, the recovery remains fragile in the downtown area. URC has confirmed that a revitalized Capitol Theatre could attract between 60,000 and 80,000 visitors on an annual basis once fully operational. Theatre patrons will bring a renewed energy downtown and most importantly, contribute to the reduction of urban blight and the expansion of job opportunities in downtown Flint. According to Economic Modeling Specialists, International (EMSI), economic impact of this project has the potential to create 560 jobs. The URC works to improve the quality of life of residents through the revitalization of the downtown and investment in infrastructures that give people access to jobs, food, health care, and other essential services.

The Capitol was designed by the world-renowned architect John Eberson and constructed and developed by WS Butterfield Theatres, Inc. in 1928. Built in Italian renaissance style, one ceiling was designed after the outer vestibule of St. Peter's Cathedral in Rome, according to the Flint Journal files, and interior walls recreate views of buildings that evoke old Italy. The history of the theatre is not only important for the sense of place and pride it promotes, but is critical in the overall vision of revitalized Flint.

Flint, a community of an estimated 98,310 residents and Genesee County, population 410,849, are the direct beneficiaries of the theatre's restoration. The city's recently completed Master Plan focuses on arts and culture as a driver of economic activity and highlights the Capitol's renovation as a link to the past and future growth. Development of Flint's Master Plan involved over 5,000 resident participants at nearly 300 events to give their input on opportunities that will guide area leaders on the broad community vision and goals set in the plan.

Planning and Implementation

In March 2015, the URC (through the Friends of the Capitol Theatre, LLC, a single-purpose entity managed by URC) entered into a purchase agreement with the current owner of the Capitol Theatre that provided for a robust due diligence period before moving forward. URC has spent its time since the purchase agreement execution conducting investigative and design work to determine the overall feasibility of operating an 1,800-seat venue within Flint. URC has conducted interviews with Webb Management Services, Inc., the company that conducted the market feasibility study; project architect Westlake Reed Leskosky; general contractor The Christman Company; and outside theatre planners.

During this period, Flint Cultural Center Corporation (FCCC) loaned Jarret Haynes, executive director of The Whiting, to provide guidance to URC in the planning and design from a theatrical component. Based on the findings from the discussions above and the dialogue with Mr. Haynes, URC determined that a partnership with the FCCC would provide the most efficient management of the theatre and have the broadest community impact. It was requested that the FCCC become the operator of the Theatre and the FCCC Board of Directors formally approved the partnership at the June 2015 Board meeting. Because URC has a successful track record as a developer of similar charitable projects in downtown, URC (along with one or more parties) will own the Capitol Theatre. After construction is completed, the FCCC will become the operator of the theatre and will assume responsibility of any operating costs, capital improvement projects, programming and vision direction, and revenue collection.

A restored and operational Capitol Theatre would offer a complementary venue to The Whiting, providing a more intimate patron experience that is ideal for concerts and small-scale theatrical productions. According to activity profiles, it is proposed the Capitol should be able to support 100 events per year, including 20 additional shows as part of The Whiting Presents series and rental activities. Market analyses of similarly-sized communities indicate Flint does have the capacity to house both theaters without negatively impacting each other.

The success of the Capitol Theatre will be measured by internal sales and attendance, as well as economic activity generated in the surrounding downtown area. Other measurements of success will be defined by the number of venue uses/shows and attendees, as well as the revenue generated through rentals, concession sales, tickets or other concert revenue. New business development will contribute to the economic vitality of the area and this information will be tracked and reported by URC and The Whiting.

The total project is currently projected at approximately \$32.2 million, which includes the complete restoration of both the exterior and the interior of the building, upgrades to the building's life-safety systems, ADA accessibility, and major mechanical and electrical systems. The design vision is to preserve and restore the historic architecture of the Capitol while dramatically enhancing it with cutting-edge theatrical and production technology, modern amenities, and design features. Concurrent with the rehabilitation of the theatre, the office space will be designed to accommodate either a single use on each floor or multiple tenants depending on the final mixture of tenants.

It is requested that the grant period begin October 1, 2016 and end September 30, 2017 when construction is expected to be finished. Funds from MCACA will be used specifically for plaster restoration and decorative painting to replicate the original style of the interior walls. A photograph has been attached displaying what this work will look like once completed.

Project Budget	Amount
Building Purchase	\$2,000,000
Reimbursable expenditures	\$975,000
Hard Construction	\$22,500,000
Construction and owner contingency	\$2,244,600
Developer Fee	\$2,259,881
Rent and operating reserves	\$475,000
Architectural, engineering, and other costs	\$1,781,519
Total	\$32,236,000

The Campaign for Live Performing Arts was developed to raise additional funds to complete construction and provide long-term sustainability for the project. This ongoing campaign includes fundraising events and marketing materials to bring awareness to the project. Funds raised through this campaign are secured by the Community Foundation of Greater Flint.

Additional Considerations

The project will utilize several financing sources including historic tax credits, State of Michigan Community Revitalization Program (CRP) dollars, a MSHDA grant, foundation grants, loans from the Community Foundation of Greater Flint, and a local fundraising campaign. As a result, the ownership of the building will have to be structured to accommodate the funding sources and will result in the building being owned by URC for the first six years of the project. After that time, it is the intent of the URC to transfer a self-sufficient, fully-leased building to FCCC for long-term ownership and operation.

Funding Sources	Amount
Foundation Support	\$15,000,000
State of Michigan CRP	\$5,500,000
State of Michigan MSHDA	\$500,000
Deferred developer fee	\$1,259,881
Bridge loan	\$1,000,000
Historic tax credits equity	\$4,436,342
Fundraising*	\$4,539,777
Total	\$32,236,000

In Flint specifically, this project leverages significant investments in downtown revitalization and redevelopment. The Uptown Reinvestment Corporation, with support from the Mott Foundation, is the catalyst behind many multi-million dollar developments along Saginaw Street and beyond in downtown Flint. Recent projects include: the \$7 million dollar renovation of the First Street Lofts Building into 16 loft units, the construction of the Rowe building, an 83,000 square foot facility that houses Rowe Professional Services and mLive /The Flint Journal offices; the Wade-Trim building, a 35,000 square foot renovation; the renovation of the Riverfront hotel which now houses 500 University of Michigan – Flint students and the Business School;

the \$40 million dollar renovation of the Durant Hotel with 83 loft units; the renovation of the former Flint Journal Facility to the home of the Michigan State University's Medical School. The URC was also catalyst to the rebirth of the Flint Farmer's Market in its new downtown location in the former Flint Journal facility, as well as the development of the Genesys PACE Center in the former International Institute. In addition to major development projects, URC has supported downtown events such as the Buckham Alley Fest and the Friday Art Walks.

The development activities that have occurred within the last 5 – 7 years have attracted more residents, businesses, and tourists to the downtown all of which seek unique entertainment options, as well as modern housing and work spaces, and educational and retail amenities. The renovation of the Capitol Theatre has potential to fill that need and serve as a catalyst for continued investment and redevelopment.

On behalf of Uptown Reinvestment Corporation, thank you for your consideration of this charitable request to renovate the Capitol Theatre. Your support in this project has the potential to serve as an economic catalyst creating jobs, enhancing the effectiveness of other partner organizations and their services, and improving the quality of life of residents.