

EDITORIAL

## Cinema project news a boost for downtown

Two recent events have brought the proposed cinema project for downtown to a new level.

The announcement came last week that city officials have secured federal tax credits worth from \$1.5 million to \$1.7 million on the project's estimated cost of \$11.5 million. The New Market tax credits are considered a major factor finalizing the financing package for the public-private venture.

On Tuesday, Knoxville City Council voted to shift funds in its budget to the multiplex theater. A second vote will be needed at the Dec. 20 council meeting to shift \$1 million from a debt service fund to a capital projects category. The vote also moves to the project \$500,000 that was saved while building the Market Square garage.

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The \$1.5 million will be given to the city's Industrial Development Board, which will buy the Gay Street property from the city for the multiplex project. Selling the property to the Industrial Development Board rather than just giving it to the board allows access to the New Market tax investor credits.

Because of the progress in cementing the funding, officials hope to begin construction by January. The multiplex on Gay Street, with 2,000 seats and eight screens, is to open by November 2006.

The project will be funded with \$3.5

million from the city, \$2.5 million from Regal Entertainment Group and \$3.75 million in bonds to be sold by Knoxville Mayor Bill Haslam. The mayor has said he will ask buyers of the city's Empowerment Zone bonds to help finance the project.

"They won't be backed by the city," Haslam said. "It'll be an investment in downtown. I've made a commitment to get those out."

The project — which has been given a green light with the recent developments — is part of the redevelopment of downtown, aimed at revitalizing the area and bringing people into the district.

While a multiplex theater will be welcome to the redevelopment of downtown, it is not a magic answer by

itself. Redevelopment of downtown into a thriving area will be accomplished piece by piece.

The pieces have begun to fall into place with the redevelopment of Market Square; the recent completion of the six-level, \$11 million Market Square parking garage; the \$23.5 million restoration of the Tennessee Theatre; and the seasonal Knoxville's Holidays on Ice skating rink on Market Square, which has attracted more than 3,000 ice skaters.

People are being drawn downtown, and that's what officials have been working for. We welcome another element in the revitalization of downtown Knoxville.