

Name of Project: Tennessee Theatre, Knoxville, TN

Name of CDE: National Trust Community Investment Corporation

Background:

When the Tennessee Theatre opened in downtown Knoxville in 1928, it was lauded as the state's premiere "movie palace". Its lavish Spanish-Moorish interior, earned its status as the city's premier entertainment destination. By the late 1970s, demographic changes sapped the Theatre of its vitality and demolition threatened.

The Project:

Following an eighteen-month and \$30 million rehabilitation, the grand space is once again the toast of Tennessee, now as a state-of-the-art performing arts center. It retained its classic ticket booth, elegant foyer and grand lobby, elliptical auditorium and a classic Wurlitzer organ. The rehabilitation drastically improved the Theatre's capacity to serve host live performances. This includes extensive renovation of its outdated facilities, such as the installation of a cargo elevator, repair of broken and uncomfortable seating, expansion of the stage and new lighting and sound equipment. The worn interior was also spruced up in historically accurate fashion by repainting/plastering interior surfaces and replacing furnishings.

Project Financing:

The rehabilitation approximately \$6 million in combined historic and new markets tax credit equity from NTCIC, the NMTCs helped this project quickly move forward on closing and construction after inching along for over 4 years. It also allowed the provision of approximately 25% more equity than would have otherwise been available for a nonprofit organization relying on fundraising to cover its costs, which resulted in a more extensive and higher impact rehabilitation than was originally feasible. Other sources include \$22.4 million in grants and donations, a \$4.1 MM construction bridge loan from First Tennessee Bank and a \$5 million construction bridge loan from Bank of America.

Community Impact:

The 1,631-seat theater, which re-opened in mid-January 2005, will serve as an anchor in the redevelopment of downtown, bringing residents and visitors alike to the city center for entertainment. Its calendar of concerts, plays, operas and special events will draw 125,000 patrons a year, whom will have a significant economic impact on the local economy. This stimulus comes with a relatively modest price tag, considering the historic and aesthetic value of the theatre and the costs involved if the theatre were to be built new. This low income community is a designated Federal Empowerment Zone, SBAHub Zone and a medically underserved area and has a poverty rate of 48%, 43% median family income and unemployment at 1.6 times the national average.