

National Trust COMMUNITY INVESTMENT Corporation

a subsidiary of

NATIONAL TRUST FOR
HISTORIC PRESERVATION

NATIONAL TRUST COMMUNITY INVESTMENT CORPORATION

PROJECT HIGHLIGHTS

PROJECT GOAL:

CONVERSION OF A FORMER MOVIE
THEATRE INTO A
PERFORMING ARTS CENTER

DEVELOPER:

HISTORIC TENNESSEE
THEATRE FOUNDATION

TAX CREDIT INVESTOR:

BANK OF AMERICA CDC

TOTAL DEVELOPMENT COST:

\$29,300,000

KEY PROJECT FINANCING:

\$6,800,000

Tax credit equity investment
(federal historic and New
Markets) from the
National Trust
Community Investment Fund

\$22,400,000

Grants and fundraising

\$5,000,000

Construction bridge loan from
Bank of America

\$4,100,000

Construction bridge loan from
First Tennessee Bank

JOBS CREATED:

CONSTRUCTION - 285

PERMANENT - 16

Tennessee Theatre, Knoxville, TN

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 it status as the city's premier entertainment destination. By the late 1970s, demographic changes sapped the downtown of its vitality and demolition threatened the theatre. In 1997, it was donated to Historic Tennessee Theatre Foundation, a nonprofit with a vision to transform the theater into a state-of-the-art performing arts facility.



THE PROPERTY AND 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 included repair of broken and uncomfortable seating, expansion of the stage and new lighting and sound equipment. The worn interior was also spruced up in an historically accurate fashion by repainting/plastering interior surfaces and replacing furnishings.

"Without the National Trust, we never would have been able to capture the rehab tax credits for the project, and without the tax credits, we could not restore the Tennessee Theatre to its highest beauty."

Bruce Hartmann
President, Historic Tennessee

NEW MARKETS TAX CREDIT SOLUTION

The New Markets tax credits helped this project quickly move forward on closing and construction after inching along for over four years. It did so by bringing 25% more equity to the nonprofit's development budget, which was largely dependent on fundraising. The result was a more extensive and higher impact rehabilitation than originally feasible.

COMMUNITY IMPACT

The 1,631-seat theater, which re-opened in mid-January 2005, serves as an anchor for the revitalization of downtown, bringing 150,000 residents and visitors to the city center for its concerts, plays, operas and special events annually. This economic stimulus comes with a relatively modest price tag, considering the historic and aesthetic value of the theatre and the cost of comparable new construction. This theatre is located within a designated Federal Empowerment Zone and a SBA HUBZone. Its rehabilitation has stimulated the creation of adjacent loft residences and the preservation of a row of historic storefronts.

FOR MORE INFORMATION, PLEASE CONTACT

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