

# NorShor Theatre Project Update August 31, 2015



# Vision

To be the hub of Duluth's Historic Old Downtown, contributing to a vibrant, welcoming arts and entertainment district



# Objectives

## Positive Economic Impact

Multi -  
Disciplinary

Celebrate  
Arts

Broad Arts  
Participation

Duluth's Last  
Historic  
Theatre

Community  
- Minded  
Volunteer  
Ethic

Quality  
Venue

Sustainable

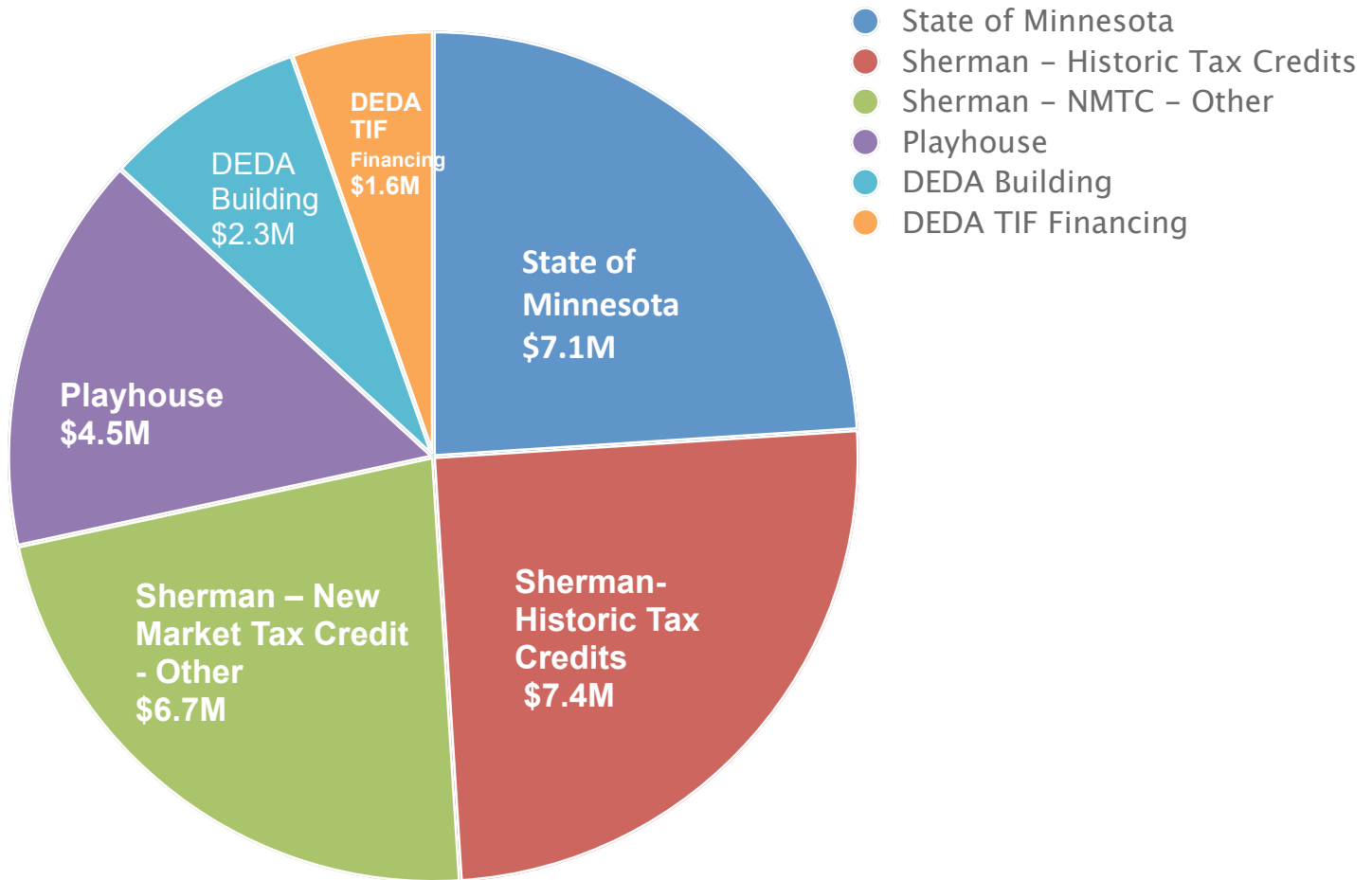
# Design

- 750 Seat Theatre Renovation
- Open Balcony
- Rebuild of Stage, Orchestra Pit
- Building and Systems Renovations
- New Home for Playhouse - Performance and Support
- Accessibility with Elevator and Stairwell
- Skywalk Connection

# Project Partners Commitments

- Playhouse : Theatre Operations, Fundraising, Theatre Management
- Sherman Associates: Project Financing & Construction, Operations during Construction & Tax Credit Compliance Periods
- DEDA: Theatre Contribution, Project Financing Support, Continuing Ownership of Temple Opera

# Project Sources



- State of Minnesota
- Sherman - Historic Tax Credits
- Sherman - NMTC - Other
- Playhouse
- DEDA Building
- DEDA TIF Financing

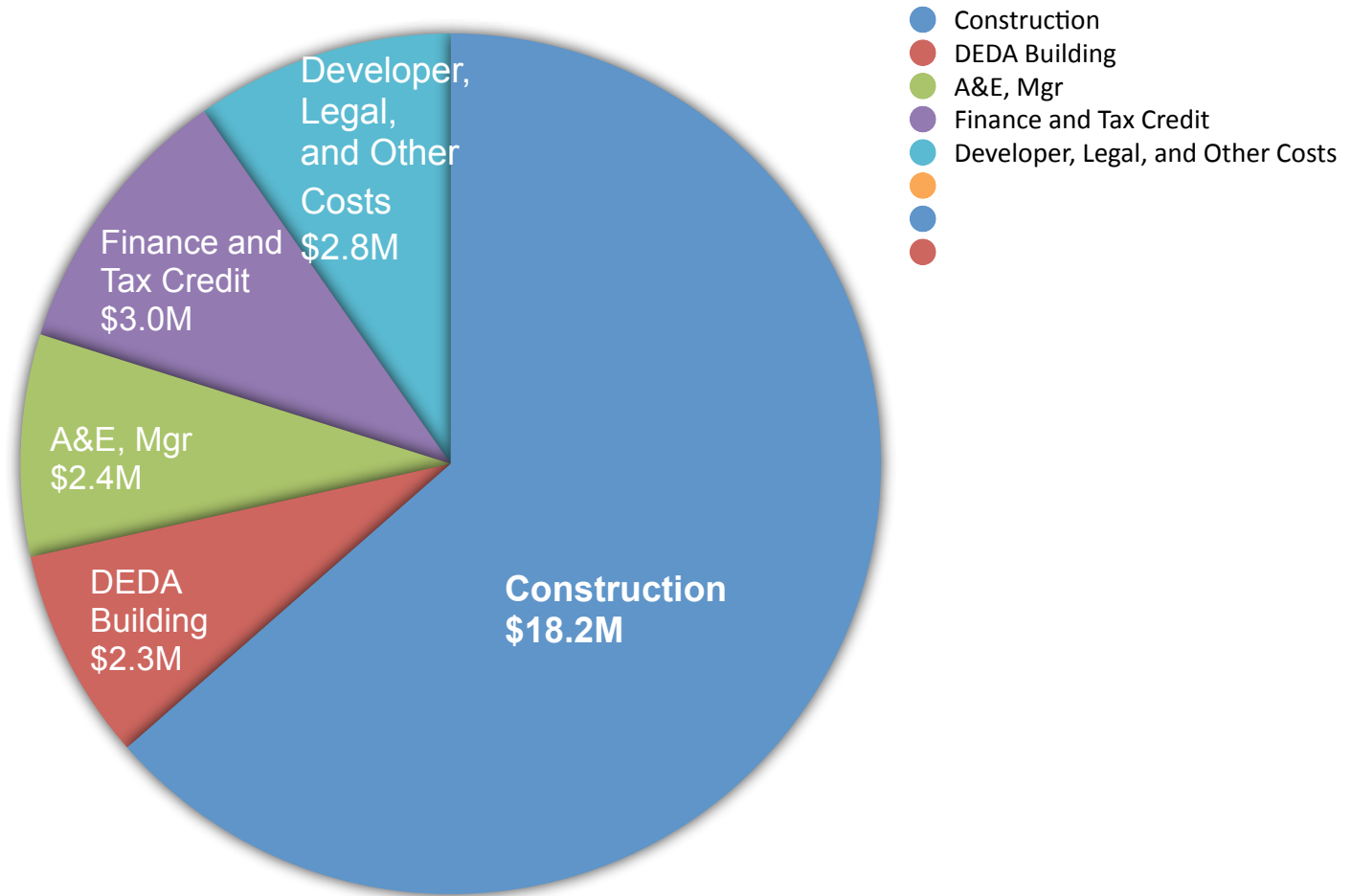


# Project Sources Detail

State Grant – DEED	\$6.950M
State Grant – Legacy	\$0.150M
Federal Historic Tax Credits	\$3.460M
State Historic Tax Credits	\$3.967M
<i>New Market Tax Credits</i>	
LISC	\$1.658M
Other Lenders	\$2.983M
DEDA TIF – Cash	\$0.600M
DEDA TIF – Note	\$1.022M
NorShor Building	\$2.300M
<i>Playhouse</i>	
Store Front Loan	\$3.500M
Fundraising Pledges	\$1.000M
<u>Sherman Equity</u>	<u>\$2.058M</u>
<b>TOTAL SOURCES</b>	<b>\$29.648M</b>



# Project Uses



- Construction
- DEDA Building
- A&E, Mgr
- Finance and Tax Credit
- Developer, Legal, and Other Costs



# Return on Investment

- Community Asset - Arts & Entertainment Hub
- Positive Economic Impact
- Construction Jobs and Investment
- Supports Private Investment in Old Downtown
- Skywalk Extension and Connection
- Public-Private-Nonprofit Partnership
- 7:1 Leverage of DEDA Theatre Investment

# Duluth Playhouse & The NorShor

- Playhouse Strategy for the NorShor
- Playhouse/NorShor Business Plan
- Playhouse Theatre Management

# Next Steps

- Finalize Tax Credit Financing
- Finalize DEDA Financing
  - Store Front Loan
  - TIF Note
- Development Agreement
- State Grant Agreement
- Theatre Operating Agreement
- Skywalk Easements

# Timeline

- DEDA Consideration on September 23
- Council Consideration on September 28
- Financing Closes in November
- Construction Commences immediately thereafter
- Construction 18-20 Months with Completion Anticipated Summer 2017

# Questions?