



The Colonial Theatre (File photo)

Colonial Theatre renovation set to begin this spring

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LACONIA — Financing for the renovation and restoration of the Colonial Theatre is expected to be complete in April, construction to begin in May and the project to be finished in about a year's time.

Jack Dugan, president of the Monadnock Economic Development Corporation who has served as a consultant to the Belknap Economic Development Council, told the City Council this week, that a last round of “value engineering” will conclude in the next two weeks. By refining the estimates reviewing the priorities, he said we aim to “get the best project at the most reasonable price”

In July 2015, the city loaned the Belknap Economic Development Council \$1.4 million to purchase the theater and has received monthly interest payments of \$4,200 on the borrowing. Originally, the loan was set to mature this month. But, with the financing of the redevelopment project scheduled to close in April, the City Council this week agreed to extend the maturation date of the loan to April 31.

Dugan explained that the financial package for the project consists of nine different sources of funds, which will be bundled together at a closing in April. He said that the budget for the project currently stands at \$13.7 million, adding that the number could change as costs are reduced

and funds increased. The sale of New Markets tax credits represents the single largest share of the financing, \$4.6 million or 39 percent of the total, followed by \$2.4 million in proceeds from the sale of historic preservation tax credits. Tax credits issued by the New Hampshire Community Development Finance Authority account for \$520,000 and a block grant from the agency will add between \$250,000 and \$500,000. The New Hampshire Land and Community Heritage Investment Program awarded the city a grant of \$500,000 for the project. The so-called “Brownfields” program, administered by the U.S. Environmental Protection Agency, will provide \$200,000.

A capital campaign, which is still underway, has raised \$1.5 million in private contributions from corporations and individuals and anticipates raising more. Justin Slattery, executive director of the Belknap Economic Development Council, said that not only have many in the city and Lakes Region contributed, but also people from across the country with ties to Laconia and memories of the Colonial Theatre have made donations. The city itself will loan the Belknap Economic Development Council between \$2 million and \$3 million to undertake the project with the option after seven years to either call the loan or take ownership of the theatre. Finally, some \$250,000 in interest income is expected to accrue from the investment of unspent funds during the course of construction.