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NMTCs Create Picture Perfect Concert Hall, Rehearsal Space

By Jennifer Dockery, Staff Writer, Novogradac & Company LLP

When George Eastman, founder of the Eastman Kodak Company, bought a fledgling music school, created a professional symphony orchestra and built a theater in Rochester, N.Y., he envisioned a world-class cultural center for his city. For nearly 90 years, that music school—now the Eastman School of Music of the University of Rochester—and that orchestra—the Rochester Philharmonic Orchestra (RPO)—have performed thousands of concerts in the theater that Eastman built and donated to the University of Rochester. Yet, 1920s space constraints left Eastman's theater incomplete. Later this year, new markets tax credits (NMTCs) will bring the final piece of Eastman's vision to life. The university is using credits from the Community Reinvestment Fund (CRF), Seedco Financial Services and the National Development Council (NDC) to fund the renovation and expansion of the Eastman Theatre.

"The theater is an integral part of the students' performance venue," said Holly G. Crawford, the University of Rochester's associate vice president for budgets and planning, and deputy to the senior vice president and chief financial officer. The theater houses the Eastman School and RPO, and community organizations hold concerts and special events there.

The first part of the two-part project was the renovation of the performance space in the existing theater. The performance space, renamed Kodak Hall at Eastman Theatre in recognition of funding from the Eastman Kodak Company, was modernized and acoustics were improved. Contractors removed 800 seats from the back and sides of the orchestra level to add box seats and expand the lobby. Kodak Hall now seats

2,326 people and features orchestra and mezzanine level boxes, an expanded inner lobby and five lounges. Reshaped walls and a new wall at the orchestra level return sound energy to performers and envelop patrons in sound. Additionally, the space received new carpeting, heating and air conditioning systems, and enhanced house and exit lighting.

Crawford said that Kodak Hall now has dramatically better acoustics and creates a better experience for visitors. "It was important to the school and the community that we renovate it," she said.

In addition to the Kodak Hall renovations, the School of Music is adding a new building to the theater. The new addition includes the 222-seat Hatch Recital Hall, an atrium, large rehearsal hall, teaching studios for Eastman faculty and a



Photo Courtesy: University of Rochester

The University of Rochester used new markets tax credits to renovate and expand the 90-year old Eastman Theatre.

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Photo Courtesy: Kurt Brownell Photography
Kodak Hall features new mezzanine-level boxes.

media control room. The new rehearsal hall will allow large student ensembles to rehearse while Kodak Hall is in use.

The two-part Eastman Theatre renovation and expansion project will cost \$46.9 million. Project funding includes \$19 million in NMTCs from CRF, \$10 million in NMTCs from Seedco and \$10 million in NMTCs from the NDC; JP Morgan Chase invested in the NMTCs from all three. New York State provided the project with \$13 million, Eastman Kodak Company provided \$10 million and the Davenport-Hatch Foundation provided \$2.5 million. The university also received donations from alumni, community members and businesses. It acted as its own leveraged lender to reduce the transaction's complexity and the length of time needed to close.

CRF's president and chief executive officer, Frank Altman, said that the NMTCs allowed the university to make a more significant investment in the theater and the city. An input-output analysis estimated that the theater renovations would result in \$15 million in household income and 841 full-time equivalent positions throughout the city of Rochester.

"The university drives that city. When we see these high impact projects that can be anchors in the area, we try to get involved with them," Altman said.

The NMTC financing reduced the amount of money that the school needed to put into the renovations. Crawford described the transaction as complex. Without the NMTC funding, Crawford said that the School of Music would not have been able to provide as much financial aid to as many students.

Renovations created 120 temporary construction jobs and will create approximately seven direct full-time positions. The university hosted a ribbon cutting for Kodak Hall on October 7 and the university expects to complete the Eastman Theatre expansion later this year. All involved see the theater as a central component to future development in Rochester.

"The theater brings so many people downtown throughout the year," said Kenneth Brezenoff, Seedco's senior vice president for

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lending and NMTCs. "It really helps the city. It's a central component in the city."

Crawford agreed. "There's a lot of excitement in that part of the city. [The theater] is part of bigger things to happen in that area," she said, adding that new restaurants and residential units were already under construction. ♦

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