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Action on cinemas

Tony Dobrowolski, Berkshire Eagle Staff

Friday, September 19 PITTSFIELD — After nine years of working on a project that included innumerable stops and starts, city and state officials yesterday held a groundbreaking ceremony for the \$22.4 million Beacon Cinemas on North Street. "To me it seemed like this day would never come," said Richard Stanley of Egremont, the project's managing partner, during a ceremony on the McKay Street side of the historic Kinnell-Kresge building where the six cinemas will be located.

movie"

The removal of hazardous materials like asbestos from inside the building has already taken place, and demolition is scheduled to begin today, said Jim Culleton, a principal in Allegre Construction. Culleton said plans call for the interior of the east side of the building to be historically maintained, while the west side will be completely gutted.

Construction is expected to take 15 months. The six-screen cinema complex is expected to open with the showing of a 3-D movie on Dec. 15, 2009, Stanley said. The cinema project was first proposed by Downtown Inc. in 1999.

Construction was originally expected to begin last year, but was delayed when the National Park Service determined that the design did not retain enough of the historic elements of the facade and entryway of the 90-year-old Kinnell-Kresge building at 49-59 North St. to qualify for \$900,000 in federal historic tax credits.

The project was reconfigured and redesigned to include six cinemas with stadium-style seating along with some office and retail space. But the delay also sent the project's total cost skyrocketing from a projected estimate of \$12.6 million to the current \$22.4 million. The construction costs alone have soared 54 percent from \$8.7 million two years ago to \$13.4 million today.

"Frankly, I almost lost heart," said Stanley, who also owns the Triplex Cinema in Great Barrington.

In February, the Massachusetts Housing Investment Corporation, which is providing \$7.7 million in equity through tax credits, advised that the financing for the project would need to close by June or its funding would no longer be available. MHIC funding makes up 38 percent of the project's total cost.

After the City Council approved an additional \$1.1 million allocation from the GE Economic Development Fund in May, the city received an \$825,000 state grant in June. In late July, City and state officials formally signed off on the complicated financing plan that includes city, state, federal and private funds.

Following the news conference, Mayor James M. Ruberto called the day "exhilarating."

"At points it was frustrating," he said. "But I think I once said I will be disappointed at things that happen as this project occurs, but I will never be discouraged. Because it was important to deal with some of the adversities in a realistic way to know that this project would be successfully concluded."

"Each time we ran into what could have been a roadblock, someone stepped forward," Ruberto added.

The project also includes \$4.6 million in loans from five local financial institutions, \$2.9 million from the city of Pittsfield, \$2.8 million in current and future state historic tax credits, \$1.5 million in community development funds, \$800,000 in developer equity, and close to \$300,000 in escrow interest.

The city will be repaid through two loans, although repayment of one loan doesn't begin until the cinema has been open for 11 years.

Berkshire Bank President Michael Daly, whose bank is one of the five financial lending institutions, said the cooperation of several individuals allowed the project to get this far.

"There's an enormous group of people who came together to build this puzzle," Daly said.

City officials say the cinema project will provide a direct economic impact of at least \$2 million to downtown Pittsfield, and bring approximately \$1.7 million in revenue to downtown restaurants and businesses.

State Sen. Benjamin B. Downing, D-Pittsfield, noted that he was still a senior in high school when the first task force to study the cinema project was formed in 1999.

"When my entire generation was in high school, we were told to pack up our bags, and don't come back," Downing said. "The next generation will never hear that again."

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