



**GARDINER CITY COUNCIL
AGENDA ITEM INFORMATION SHEET**



Meeting Date	05/04/2022	Department	City Council
Agenda Item	4.a) Consideration of a request of additional funding from Johnson Hall Performing Arts Center		
Est. Cost			

Background Information

Economic Development Director Tracey Desjardins and myself met with Logan Johnston to discuss a potential donation to Johnson Hall's renovation project that is currently underway. Mr. Johnston will be attending this meeting to discuss the possibility of the City making a contribution of \$150,000 over 3 years beginning in FY23. Staff will be available to answer any questions Gardiner City Councilors may have about funding this donation.

Gardiner has already committed to funding \$150,000 at the completion of the project.

Requested Action	"I move to approve allocating \$150,000 to the Johnson Hall of Performing Arts over 3 fiscal years. I further move that this donation be funded from TIF funds in the following schedule: \$50,000 in FY23; \$50,000 in FY24 and \$50,000 in FY 25."
City Manager and/or Finance Review	
Council Vote/ Action Taken	
Departmental Follow-Up	

City Clerk Use Only	1 st Reading _____	Advertised _____	EFFECTIVE DATE _____
	2 nd Reading _____	Advertised _____ w/in 15 Days	
	Final to Dept _____	Updated Book _____	Online _____

April 28, 2022

To: Anne Davis, Acting City Manager
Cc: The Mayor & City Council

From: Logan Johnston & Mike Miclon

Re: Request for TIFF Funds for the Johnson Hall Renovation

Dear Anne, Pat and City Council,

On behalf of Johnson Hall, Inc., Mike Miclon and I first wish to express our deep appreciation to the City of Gardiner for its long-standing support and partnership with Johnson Hall. We do not take this relationship for granted, especially during challenging times for everyone in the city, state and country.

Johnson Hall is requesting that the City Council consider a grant of \$150,000 to help complete the renovation of Johnson Hall into a multi-use performing arts center in the heart of downtown. This gift would be in addition to the commitment the Council previously approved in March of 2017, after Johnson Hall announced its long-awaited plan to complete the renovations of this historic building. We further propose that this grant be distributed in \$50,000 increments over the next three fiscal years, beginning with the 2022-2023 budget.

The reason behind this extra request is simple. In early 2020, just prior to the onset of the COVID-19 pandemic, Johnson Hall had raised nearly 90% of the then-estimated project costs of \$4.8 million. However, in the ensuing 2+ years, the hard costs of construction and materials have increased by more than 50% and are continuing to increase weekly. In the first three months of 2022 alone, construction costs increased by more than 12.5%. Our current hard construction costs are now \$6,607,000 out of a total cost to completion of \$7,401,470. We currently have upwards of \$2.249 million in cash in the bank and pledges, as well the Federal and State Historic Tax Credits of \$2.877 million to be sold once construction begins. So we are very close to achieving our financial benchmarks for completing the project in the next 15 to 18 months. An additional pledge of \$150,000 from the City at this point will give us the opportunity to further "lock in" guaranteed maximum pricing so that the construction cost goal posts do not keep moving.

As mentioned above, Johnson Hall values our partnership with the City. Our part of that partnership involves the free use of Johnson Hall for municipal and other not-for-profit events and celebrations. During the past year, Johnson Hall has hosted Gardiner Main Street, the Food Co-Op, Up Stream and the Friends of the Cobbossee Watershed at no expense. In the past, the City has used our facility for large community meetings for the downtown master plan, gatherings of the Kennebec Valley Chamber of Commerce, the State of Maine Department of Economic and Community

Development, and public celebrations of all sorts. As you know, Johnson Hall also provides free-to-the-public concerts at the Waterfront in the summer months which draw over 4,000 people to our historic downtown and waterfront. Furthermore, prior to the pandemic, Johnson Hall also presented free arts programs for the SAD 11 elementary schools, and expects to do so in the future.

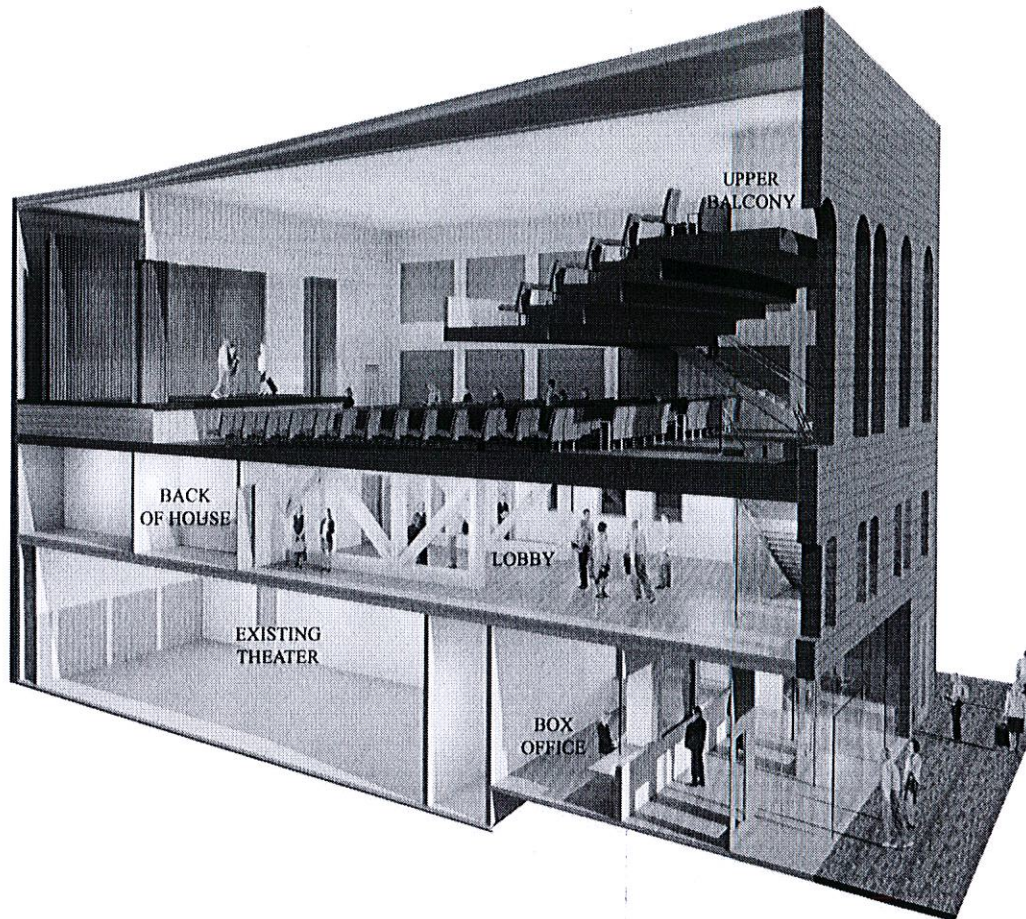
Being a community partner is part of Johnson Hall's DNA and is embedded in our current and future operating plans once the theater building is fully renovated. The addition of the 400 seat Opera House Theater on the 3rd floor, and the flexibility of the existing Studio space, will present even more opportunities for municipal and community events.

Rehabilitating the entire building will strengthen Johnson Hall as an economic driver for our community. The 400-seat theater will allow us to present higher profile performers who can draw audiences that will double or triple the numbers of people who crossed the threshold each year before the pandemic. Once the project is complete, our market research anticipates that Johnson Hall's educational programs and performances, combined, will serve nearly 23,000 people of all ages in the first year of full operation and 30,000 or more people by year three. Using economic data from Americans for the Arts, we expect the project will generate from \$300,000 to \$500,000 of additional spending in the City of Gardiner and southern Kennebec County.

Thank you again for the opportunity to make this request. Mike and I will be present at the regular Council meeting on May 4 and will be prepared to answer your questions.

Thank you,

Logan Johnston & Mike Miclon



Once the historic rehabilitation project is complete, Johnson Hall will include:

- a 400-seat Opera House theater, with an upper balcony, raked seating, and state-of-the-art lighting and sound equipment on the 3rd floor
- a gracious lobby and concessions area with public restrooms and a green room/dressing room for performers on the 2nd floor
- a 117-seat Studio Theater and teaching space on the ground floor
- an expanded foyer and full-service box office on the ground floor serving both theaters
- new, energy-efficient HVAC throughout the building
- an elevator and ADA-compliant access to all areas of the facility