



Community and Economic Development in North Carolina and Beyond Blog: Multiplex in Morganton: The Mimosa Theatre

By CED Program Interns & Students

Article: <https://ced.sog.unc.edu/multiplex-in-morganton-the-mimosa-theatre/>

This entry was posted on October 26, 2017 and is filed under Downtown & Main Street



At the corner of Union and Green in Morganton's historic downtown sits the

Marquee Cinemas Mimosa 7 multiplex movie theater. You would be hard-pressed to find a 7-screen first-run downtown movie theater in this day and age in a North Carolina town with a population of about 16,000. You would also be hard-pressed to find a location more distinctly "Downtown Morganton" than the Mimosa. A historic theater combined with new construction, the Mimosa is right around the corner from the Historic Burke County Courthouse, down the street from the Burke County Register of Deeds and a stone's throw away from The Morganton Main Street Department, a community and economic development organization that was instrumental to the theater's survival.

Movie theaters are some of the most unique and iconic historic buildings in city downtowns. North Carolina is home to many such historic movie theaters, and the CED has featured some of these examples and the challenges inherent in redeveloping and reusing historic theaters in past posts (Don Gibson Theater, Redeveloping Historic Downtown Theaters, The Challenges of Movie Theater Redevelopment). The Mimosa Theater in Morganton was no exception with respect to design and history – featuring a vintage Art Deco exterior and interior seating capacity for 600, it initially began operating as a movie theater in the 1940s, with Carmike Cinemas serving as its final operator prior to closing its doors in the late-90s.

Main Street Program

In 1980, the National Trust created the National Trust Main Street Center to help stimulate economic development in downtown communities throughout the country. The goal was not only to stimulate development, but to do so with an eye toward preserving the unique history and heritage of each individual city or town. Around the same time, the Historic Burke Foundation in Burke County was working to restore the Burke County Courthouse, and, seeing an opportunity to potentially leverage the Main Street program, the Foundation brought the idea of applying to be a Main Street community to then-Morganton City Manager Doug Bean. As a result, Morganton became the seventh North Carolina city to receive the Main Street designation, alongside New Bern, Salisbury, Shelby, Tarboro, Washington and Clinton. Morganton's Main Street organization is funded through an additional 14-cent property tax on downtown property owners, via its downtown Municipal Service District. The City matches the tax revenue 3-to-1, providing Main Street with a ~\$450,000 annual budget to help stimulate development and economic activity in the downtown area. Morganton is now one of 61 Main Street communities in North Carolina, and one of thousands across the country.

The Marquee and the Mimosa

Morganton's Main Street director, Sharon Jablonski, relays that bringing a multiplex to downtown was one of the goals of the 1997 Downtown Master Plan. Moreover, the two existing movie theaters in Morganton, including the Mimosa, were dated, too small and lacked first-run productions. A final nail in the coffin came in the form of both movie theaters ceasing operations within the same one-week span due to financial difficulties.



The Mimosa in the 1940s

City officials paid for a market study and conceptual plans and prepared a request for proposal that would allow private developers to pitch for the business of bringing a modern multiplex cinema to Downtown Morganton. Alongside the city's efforts, Jablonski hit the phones, cold calling dozens of movie theater operators and developers to pitch the vision for the future redevelopment and expansion of the Mimosa. The ideation, developer selection and operator selection period spanned roughly two years, at which point West Virginia-based Marquee Cinemas agreed to build a seven-screen multiplex alongside the historic Mimosa theater, maintaining the core downtown location while revamping one-of-a-kind space.

Public-Private Partnership

Jablonski's organization orchestrated the deal, but the project could not have ultimately come to fruition without public participation. The city spent \$178,000 on a parking lot that was paid out of its general fund, as well as \$200,000 on a streetscape design that was paid out of the general fund and supplemented through the NC Department of Transportation. Furthermore, the city loaned the developer \$500,000 at a 7% fixed rate that was paid back in five years. On the private side, approximately \$4.2M of capital was raised through the developer, operator and other private investors to fund the project.



The Marquee Cinemas Mimosa 7 Today

The Marquee example is not dissimilar from other instances where clear, focused and committed public participation proved to be instrumental in attracting significant private capital to a project. Furthermore, the ability to utilize a community and economic development organization – in this case Main Street – helped to keep the project moving forward despite long timelines and difficulty associated with pulling together the right development and operating team. Jablonski mentioned several points during the process where a deal appeared to be on the table, only to have either the developer or operator back out.

The Movie Theater Effect

The redevelopment of the Mimosa was one of the first major projects stemming from the 1997 Downtown Master Plan. According to Jablonski, the city has invested approximately \$3M to \$4M in projects consistent with the plan's goals, while private investment has eclipsed the \$30M mark. While it would be a stretch to say that the success of the Marquee development single-handedly propagated this dramatic inflow of private investment, it goes without saying that the Marquee served as an important catalyst for further downtown redevelopment and a cornerstone of the general economic growth of Downtown Morganton.

Overall, the combined efforts of the city and Main Street have not only preserved Downtown Morganton as the core of the community, but have attracted private investment in a manner that will continue to stay true to the history and heritage of



the city.

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