

BTF HPC Statement

My name is Bernard Haas and I am the Treasurer and a member of the Board of Trustees of the Beach Theatre Foundation, Inc., headquartered here in Cape May. The BTF is a New Jersey not-for-profit corporation organized in 2007 and is a charitable entity under Section 501(c)(3) of the Internal Revenue Code. The BTF has approximately 200 sustaining members. The Foundation's Board of Trustees has authorized me to appear before this body and deliver the following statement:

The Beach Theatre Foundation was formed with one primary mission objective: to preserve and protect Cape May's historic Beach Theatre. Shortly after being established, we negotiated a one year lease with the applicant, Frank Investments. We raised funds from the public, and, with the financial support of our members and a loan from the City of Cape May, cleaned, improved, and patched up the theatre and then operated it from November 2007 through December 2008. Believing that the best way ultimately to preserve the Theatre was to buy it and restore it, we also obtained an option to purchase the site while we held the lease. Unfortunately, the purchase price set by the landlord, \$12 million, was far above the market value for the property, even prior to the current recession. Nevertheless, trying to preserve that option, we extended our lease for another six months through March 2009. The landlord, however, was unwilling to extend the lease or the option further, apparently preferring to demolish the structure to pursue an apartment construction plan. As you are probably aware, the landlord operated the Theatre for the 2009 season as it continued to deteriorate badly with systemic failures.

Our total expenses to run the theater, including, but not limited to our lease, building repairs, insurances, payroll for employees, concessions, movie rentals, utilities and maintenance were \$543,695. We expended well over \$32,000 on the building itself in our preservation efforts since 2007. While we held our lease and the purchase option, we were legally bound not to oppose the applicant's development plans for the site—as I explained, our only alternative was to buy it. I can tell you that, if we had been allowed to publicly give our view regarding a demolition permit, or a site plan for apartments in lieu of an improved Theatre, we certainly would have opposed them.

The reason then—as it is now—is simple. The Beach Theatre is an important contributing element to Cape May City's historic and cultural landscape. Rather than demolishing the structure and leaving the City with little trace of its existence, and no movie house, the best alternative is to restore, renovate and preserve the essence of the Beach Theatre. To that end, a demolition permit allowing construction of an apartment complex contributes nothing and frustrates the historic goals this commission is charged with protecting.

As I mentioned, we thought the original granting of permission to demolish was a bad decision. Fortunately, that permission has expired, and we understand the HPC will consider the merits of the application again. This time, things have changed, and we think those changes should lead the HPC to the conclusion that the application should be denied. Aside from our ability to urge you not to make the same mistake twice, in the intervening time, the context of the importance of maintaining the Beach Theatre has materially increased. I call to your attention the following developments:

- (i) An Evaluation of the Historical and Architectural Significance of the Beach Theatre was written on March 6, 2007 by Joan Berkey. Among the findings is this important conclusion:
“As an early example of a mid-20th Century building that combines strip-style stores anchored by a centrally-placed theater, the Beach Theatre appears to be individually eligible for listing in the State and National Registers of Historic Places under criterion A, probably in the dual categories of Entertainment/Recreation and Commerce.”
- (ii) the highly regarded statewide preservation entity, “Preservation New Jersey,” in 2008 added the Beach Theatre to its list of 10 Most Endangered Sites; and
- (iii) this body itself on May 11th 2009 adopted a resolution (2009-20) recognizing the Beach Theatre “as a key contributing site historic site” meaning that the HPC has actually accepted how vital it is to preserve the Theatre. As you probably know, the Planning Board has completed its formal approval of your actions. It is reasonable to expect that the Cape May City Council will do the same.
- (iv) Our own investigation reveals that while there may be a dispute about the very first movie theater to be built with a shopping strip attached, all of the contenders from Hancock Village in Boston to Eagle Park in Chicago were built after the summer of 1950. The Plaza in Atlanta opened in 1939 but details of how and when the adjacent shopping strip was built are vague.

I would add to the foregoing the fact that, since mid 2009, the BTF has been involved in exploratory matters including feasibility studies, design work and negotiations which suggest strongly that the Beach Theatre site can be re-developed-- not as a half-dozen multi-level apartment units, but into a complex that would include preservation of important elements of the Theatre with important additional benefits for the community and the City’s economy at large. We think this can be done on an economically feasible basis and represents a superior alternative to the applicant’s narrow use plans. It is the Beach Theatre Foundation’s view that the combined effect of these recent developments means that the burden faced by the applicant should be regarded as much heavier than last time, and only if and when the applicant has clearly and convincingly carried that burden, should permission to demolish the structure be given.

We would argue that the applicant, if its plans continue to consist of merely saving a façade on Beach Avenue, and otherwise destroying the Theatre elements entirely, followed by erecting residential units in space historically used by the public, particularly when there are alternatives with preservation goals available, can never meet that burden. We note that, lacking an overall preservation plan, the Theatre’s façade could well become as derelict as the Theatre lobby and screening areas already have been allowed to become. The applicant’s plans are to remove a public structure of historic importance and to replace it with non-entities. The only important remaining historic element involved, the façade, may get the equivalent of a paint job. Meanwhile, the interior spaces will lose items of unique and irreplaceable value and will be dedicated not to public cultural events, but to restricted private access of a few wealthy owners, if sold.

One of those potential losses needs immediate focus. HPC members may recall that the Beach Theatre lobby contained historic murals that the applicant caused to be overlaid with

drywall in recent years. One mural, for example, was a 60 square foot depiction of founding fathers and historical visitors to Cape May. After the applicant was given very limited permission to break into certain walls for asbestos removal in November 2009, I personally visited the premises when the doors were open to the street and noticed large cutaways in the lobby walls. I asked the man in charge of the asbestos removal what the holes were for and he replied that there had been pictures there that were removed. He said he believed they were given to “the local historical society.” No local – or county - preservation body we checked with claimed to have received them. For all we know, they may have been damaged or destroyed. Certainly, if that happened, the applicant already exceeded the limited permission he had been given and which City officials thought would be rigidly obeyed.

We think, as part of the renewal process for demolition, the applicant also should prove to this Commission that, in dealing with the murals, the applicant has not already acted in violation of the limited asbestos abatement permission. If it has, we think the HPC members must consider those actions in passing on the merits of this application.

Based upon our mission statement, the BTF is now-- and always has been-- committed to saving and maintaining the Beach Theatre. We believe, in view of the now broadly recognized importance of the site, the applicant’s plans needlessly sacrifice practically all those elements when alternative, more preservation-conscious, approaches are available. The applicant has declared it has no interest in showing movies in Cape May or of putting one more dime into the site, except to build and sell off residential apartments in an area and time when there is no conceivable benefit for more unsalable real estate. We recognize the HPC cannot make the applicant develop this property as we believe it should be developed or could be developed. However, it can refuse to sanction a bad plan a second time. If that is where you come out, our hope is that you will motivate the applicant to come up with a plan that preserves more and destroys less, or to put the property into the hands of those who will surely accomplish those goals.

On behalf of the Beach Theatre Foundation, I thank you for your time and attention.