

PAPER MILL PLAYHOUSE – Mike Stotts, Executive Director

Remarks for 1/29/24 Public Session

The greatest weakness for the viability and future growth of Paper Mill Playhouse is the physical condition of the existing facility and campus where we operate. When compared to peer theatres across the country, Paper Mill's physical plant is severely inadequate, is costly to maintain and does not meet the needs of a 21<sup>st</sup> century entertainment facility.

Much of Paper Mill's physical plant is functionally obsolete. The oldest part of the building dates back to the 1930's, and the rest of the building was rebuilt after a fire destroyed most of it in 1980. Bathrooms, circulation spaces, lobby areas, exterior pathways, drop-off areas, safety railings and ingress/egress points are all in a state of *obsolescence and deterioration*. Building systems are highly inefficient and costly to maintain, and the facility is not in compliance with ADA code requirements and cannot be brought up to standard in its current condition. In addition, there are some safety issues including failing retaining walls on the west side of the facility in parking lots B and C that continually create black ice sheeting hazards. A deteriorating retaining wall on the Rahway River side of the facility has been assessed by multiple third-party engineers and needs repairs. There are groundwater penetration concerns during high rainfall events that continue to plague the facility and regularly cause flooding in the orchestra pit and boiler room areas. There is inadequate lighting in the parking lots for the safety of the public and the staff. These concerns pose liability risks to both Paper Mill and the Township, and will only become worse over time.

## **The Project**

Paper Mill Playhouse has embarked upon a facilities renovation project that will bring its physical plant into the 21<sup>st</sup> century. Key elements to the renovation are upgrades to the buildings and grounds that will greatly improve safety, functionality, ADA compliance, and aesthetics, all of which will culminate in a welcoming new modern facility that offers fresh contemporary openness and energy, while honoring and celebrating the long and vibrant history of Paper Mill's campus.

A complete renovation of the Front of House, including the lobbies, bathrooms, milling spaces, box office and concessions, creating an accessible, welcoming and vastly improved patron experience;

Refurbishments to the back of house facilities that house our dressing rooms, offices and support facilities;

Upgrades to the entire campus including new lighting, signage, safety features, repairs to the retaining walls in our parking lots and along the river and mitigation of underground water issues.

An expansion of the Carriage House Restaurant to include a function room and upgrades to the kitchen;

A rebuilding of the beautiful façade of the theatre to the south side of the Carriage House, creating a new gateway to the Paper Mill campus on the site previously owned by a private home owner adjacent to the theater, which Paper Mill purchased earlier this year.

And eventually, a new Education Center, ideally located in downtown Millburn within walking

distance of the theatre.

### **The Need for Township Assistance**

To date, we have raised approximately \$21.4 Million towards the \$40 Million goal. The State of NJ has made a commitment of \$3.75M, and the remaining \$17.6 Million has been raised with private philanthropy, primarily from the Paper Mill board of trustees. Today we are coming to the Millburn Township to make an investment in the building and property it owns – of \$7.5 Million – less than 19% of the overall cost. The balance will be raised in the Next Act Campaign, which we plan to announce to the general public in 2024.

The Township support would specifically cover the following costs:

The cost of acquiring 20 Brookside Drive, allowing for the consolidation of the relevant parcels under single ownership by the Township;

The cost of rebuilding the historic façade of the Playhouse on the South side of the Carraige House;

The cost of repairs of the retaining wall and drainage mitigation at Parking Lots B and C;  
repairs of the Rahway River retaining wall;  
mitigation of the groundwater penetration issue under the existing building;  
and the cost of new lighting in all parking lots utilized by Paper Mill Playhouse.

We are NOT asking the township to fund the costs for the expansion of the lobby, the increased restroom facilities, the upgraded HVAC and lighting systems that will be energy efficient and easier to maintain, the enlarged Carriage House, the energy efficient windows, the new walkways and patios that will prevent trip hazards, the new dressing rooms that have not been touched since the 1930s, the paint and carpet for the offices, the new roofs that currently leak in a variety of locations... For all of those improvements and upgrades, we will use funds raised from the Next Act Capital Campaign.

While it should not be necessary, it probably bears some explanation as to where Paper Mill fits into the professional theatre landscape in the US. There are quite literally thousands of theatres in this country. They range from tiny store front theatres, to expansive outdoor venues. In New Jersey alone, there are over 40 theatre companies, not including any of the presenting theatres who book concerts and touring shows.

Paper Mill is one of the oldest not-for-profit theatres in the country, and one of the largest. With an annual operating budget of between \$25M and \$30M, we are in the top tier of regional theatres along with Center Theatre Group in Los Angeles, American Conservatory Theatre in San Francisco, Arena Stage in Washington, DC, the Goodman Theatre in Chicago, American Repertory Theatre in Boston, Manhattan Theatre Club in New York, Chicago Shakespeare Company, The Guthrie Theater in Minneapolis, the Alley Theatre in Houston and the Old Globe Theatre in San Diego. These are many of the theatres that Paper Mill benchmarks against, and is often compared to in terms of the level of our production and operations.

Over the past several years, many of these theaters have undergone significant expansions or renovation to upgrade their aging facilities – just as Paper Mill proposes. These include the Alley Theatre’s \$73M renovation; Arena Stage’s \$100M renovation; Huntington Theatre’s \$55M renovation; and there are others: Maltz Jupiter’s \$36M renovation, Milwaukee Rep’s \$75M renovation – and locally, NJPACS \$180M expansion; Count Basie Theatre in Red Bank’s \$26M expansion and renovation, and Two River Theatre’s recent \$15 M expansion.

What Paper Mill is NOT, is a Broadway theatre. The comparison of Paper Mill, structurally or otherwise, to a Broadway theatre, is a false equivalence. Broadway theatres for the most part are for-profit venues, confined to a very densely populated area of Manhattan. There is not a single Broadway theatre in a suburban neighborhood with the setting that Paper Mill is known for. That said, Broadway theatre owners face many of the same issues as Paper Mill with obsolete systems, limited lobby space and inadequate restroom facilities. There are plenty of examples of renovations of Broadway theatres, including the current renovation of the Palace Theatre, which is being raised 30 feet above street level and the recently reopened James Earl Jones Theatre which built a 20,000 square foot annex to improve the audience experience.

## PRIOR TOWNSHIP SUPPORT

Many people in the community will recall the financial challenges Paper Mill experienced in 2008, when it nearly had to close its doors. There is no question that the actions taken by the Township to “save Paper Mill” from its then-financial challenges resulted in one of the most successful turnarounds in the history of the American regional theatre. Millburn should be proud! Today, we are coming back to the Township from a position of strength and vitality. The prominent role that the Township

played in 2008 cannot be overstated, nor can the enormous return the Township has received from that \$9 Million investment. It is our ardent hope that the Township of Millburn will once again play a significant role in securing the future of one of its most critically important and valued community assets.

Introduce Brian Licari, Director of Econsult Solutions of Philadelphia.

**(Millburn, NJ) January 26, 2024. Paper Mill Playhouse** announced the new results of its Economic Impact Study for 2023. Conducted by Econsult Solutions, Inc. of Philadelphia, the new study indicates that Paper Mill operations and non-local patron spending has a total economic impact of \$65.0 million in New Jersey, with \$35.6 million in economic impact in Millburn Township alone. The study measures direct, indirect, and induced spending from Paper Mill operations, its employees and guest artists, and visitor spending. Paper Mill operating expenditures in 2023 were \$31.2 million, generating \$32.8 million for Millburn, supporting around 210 full-time equivalent jobs. Paper Mill's expenses were driven by 5 mainstage productions, including the recent productions of *The Great Gatsby*, now scheduled to open on Broadway this spring, and Disney's *Hercules*, which will open in Hamburg, Germany in 2024. In addition, Paper Mill paid wages for nearly 1,200 staff, crew, actors, and contract artists. Over 190,000 people attended Paper Mill shows. Among these visitors, 45 percent were from the three-county region that includes Essex, Morris and Union counties, 38 percent were from all other corners of New Jersey, and 16 percent were from New York and elsewhere. Data shows that people traveled to Millburn from every state in the union, and over 25 countries.