

State Officials Approve Land Sale for Future Multiplex Theater

Project to Boost Local and State Economy

DOVER, Del. (Nov. 19, 2010) – The Director of the Office of Management and Budget, the Secretary of the [Economic Development Office](#) and the Controller General for the state of Delaware today approved the transfer of 4.57 acres of surplus property identified as tax parcel 26.042.00-003, located at 401 S. Madison Street, in Wilmington, by the Delaware Department of Transportation to the Riverfront Development Corporation for \$2 million. RDC will sell the property to Penn Cinema Group, a Lancaster, Pa.-area company, for the same price to build a 14-screen theater, including an IMAX theater, on the site.

The decision follows a public meeting on Oct. 19, which provided the public and government officials with the details of the proposed property transfer to the RDC, the RDC's intended use of the property, and the transfer's possible effects on economic development in the Riverfront district.

“My colleagues and I reached this decision after careful consideration of depressed nature of the property, the potential economic impact to the region, and the complementary nature of the endeavor to the other venues located at the Riverfront,” said DEDO Secretary Alan Levin. “The multiplex theater will create new jobs and attract tourists to the area who will dine in local restaurants, shop in area retail stores and visit the city’s museums,” said DEDO Secretary Alan Levin. “The sale of the property supports our commitment to grow the local and state economy, while contributing additional quality of life value to a vibrant arts and entertainment community.”

Penn Cinema will be required to use local Delaware contractors on 75 percent of the construction work. Of that percentage, it is the goal that 25 percent of those contractors will be certified Disadvantaged Business Enterprise companies. In addition, Penn Cinema must be in full operation within two years of the date of transfer to the RDC. DelDOT will have the right to repurchase the property if the company fails to establish operations within that time.

The total 4.57 acre property was appraised for \$5.9 million in May, 2010 by Douglas L. Nickel, MAI, FRICS. Also in May, 2010 the 2.236 acre proposed theater footprint was appraised by The Reynolds Appraisal Company for a lower value of \$1.75 million. The theater project will require an estimated \$25 million capital investment.

According to the agreement, RDC will also transfer to DelDOT a 6.23 acre parcel, located at 707 S. Market Street to be used in conjunction with a future bridge project. This property is valued at \$1.4 million.

“DelDOT is pleased with the decision to sell the property to Penn Cinema in the hopes of spurring greater economic activity for the Riverfront area. We are also pleased with openness, transparency and timeliness of the process,” said DelDOT Secretary Carolann Wicks.

About the Delaware Economic Development Office

DEDO is an executive state agency responsible for attracting new investors and businesses to the state, promoting the expansion of existing industry, assisting small and minority-owned businesses, promoting and developing tourism and creating new and improved employment opportunities for all citizens of the State. Visit dedo.delaware.gov. Follow us on [Twitter](#).

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