

Why Cadillac Building (514-518 Washington St.) was sold by Michigan Theater

Last month, the Michigan Theater Foundation closed on the sale of a building we have owned for about 22 years. Known as the Cadillac Building, it is located at 514-518 E. Washington Street (roughly behind the Michigan Theater) and houses two retail spaces, along with our restrooms and offices, and a temporary screening space called the Annex Cinema. It is a creaky, unremarkable old building that is very expensive to maintain and is not considered to have historical significance.

The buyer of the Cadillac Building is a developer who had already bought four houses on Washington Street between the University of Michigan's Lane Hall on State Street and our building. The developer approached us several years ago with an opportunity to relieve us from the burden of this problematic building. However, we were reluctant sellers and only sold the building after long consideration and careful negotiations to assure enhancement of our mission and the community purpose of the Michigan Theater.

The Michigan Theater Foundation had acquired the Cadillac Building in 1997, via the good offices and with the financial support of the KMD Foundation – a philanthropic family foundation. We acquired it in order to:

- Enable the construction of the Screening Room, to further our cinema arts and cultural mission
- Add restrooms to meet audience expectations and modern code requirements
- Provide office and storage space for the effective operation of the Michigan Theater

The sale will not affect the Michigan Theater itself and will provide tangible benefits to our members and customers:

- The buyer is obliged to construct **new, more modern restrooms** (located immediately next to the Michigan's Grand Foyer) with an additional gender-neutral and family restroom. The new restrooms will be built before the Cadillac Building is demolished.
- **The Screening Room, will be preserved** and continue as an excellent cinema space. Opened in 1999, the Screening Room is a modern, well-constructed, technologically advanced building, which will continue to operate as a home for fine cinema.
- **The problematic Cadillac Building will be a problem no more.** It was cheaply built as an automobile dealership in the mid-1920s and is not structurally robust because (like the truly historic Notre Dame Cathedral in Paris) it has a wooden roof structure vulnerable to fire and structural failure.

Proceeds from the sale of the building will:

- **Provide efficient, modern office and support space for the Michigan Theater** – our current office space is elliptically organized and inefficiently cramped.
- **Enhance the cultural and educational mission** of the Michigan Theater, the State Theatre and the Cinetopia Film Festival. After acquiring new office and support space, the Michigan Theater Foundation hopes to retain about \$1 million from the sale in our Capital Reserve Fund. This will provide financial resources to support our ongoing historic preservation of the Michigan and State Theaters, improve our programs, organizational diversity and enhance the educational outreach we provide nationally and to our local and regional communities. This is in keeping with the original intent of acquiring the Cadillac Building in 1997.

The Michigan Theater Foundation has no interest in any future development planned by the buyer. The building to be built on this parcel must meet all zoning regulations established by the City of Ann Arbor and must be approved by the City of Ann Arbor.

After long and careful deliberation on this matter, our Board and staff felt the sale of the Cadillac Building to be a prudent and beneficial tactic. It does not solve all our ongoing historic preservation, financial, programmatic and mission challenges. However, we strongly believe it will be generally beneficial for the Michigan Theater and the communities we serve.

If you wish to learn more about the sale of the Cadillac Building or more generally the Michigan Theater Foundation, please contact Russ Collins, rcollins@michtheater.org or 743-646-0528.

