Iconic Times Square Theater–In Deeply Distressed Census Tract–Gets NMTC Boost to Fund Programs

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The first response was disbelief: Could The Town Hall in New York City–a historic theater on West 43rd Street in midtown Manhattan–use new markets tax credits (NMTCs) financing?

"A theater in Times Square? I don't think so, it's not going to be eligible," Ashley Dills, senior vice president at United Fund Advisors, remembered saying when she heard about the possibility. "Also, theaters aren't the typical business type or investment under the NMTC program. Arts and culture don't generate typical community outcomes that folks are looking for."

Understanding The Town Hall is in an NMTC-eligible census tract–and recognizing the community work done there–quickly led to a $15 million NMTC allocation from New York City Regional Community Development Entity (NYCR-CDE), money that will help fund educational and civic efforts for the nonprofit organization that owns and operates a national historic landmark.

Image: Courtesy of The Town Hall
The Town Hall is a site for public concerts and public forums to educate and enlighten the public. A new markets tax credit allocation will allow it to expand the programs.

Image: Courtesy of The Town Hall
The Town Hall in 1933, 12 years after it opened. The iconic New York City theater, which also is a site for public education, is growing thanks to an investment of new markets tax credit equity.

Remarkable History

The Town Hall was built as a site for public education in 1921 by The League for Political Education, a group of suffragists. The theater was designed to reflect the democratic principles of the founders, with no box seats and no obstructed-view seats.

Margaret Sanger, founder of Planned Parenthood, was arrested on the stage during a 1921 public meeting on birth control. For the 100 years, The Town Hall has been a site to see some of the world's greatest creative minds, thought leaders and musicians.

The Town Hall list of performers reads like a who's who of modern music and entertainment history: Pablo Casals, Billie Holiday, Sergei Rachmaninov, Langston Hughes, Dizzy Gillespie, Igor Stravinsky, Bette Davis, Bob Dylan, Celine Dion, Robin Williams, Joan Baez, Jack White, Neil deGrasse Tyson and Garrison Keillor among others.

But always–and particularly in the past decades–there has been an educational and public aspect. "What's really attractive to me about The Town Hall is that it has this theatrical element, filling a 1,500-seat theater most nights of the year," said Matt Goldman, interim executive director at The Town Hall. "But also has this educational element, where we educate kids from the primary grades through high school, as well as civic discourse."

Goldman cites four major pillars: The performance side, which he explained is a rental business to entertainers or others; The Town Hall Presents, mission-driven material, "to present diverse artists to a diverse audience;" an educational and civic component; and the preservation of the historic building.

Donna Banks is the director of development. She launched the A Return to Civic Discourse program in October 2024 that hearkens back to the legacy of The Town Hall as a place for civic engagement and discourse. Sessions invite thinkers, experts and visionaries to present ideas about some of the country's most perplexing challenges. Designed as presentations rather than debates, the free panel discussion series aims to engage a broad cross-section of New Yorkers. The sessions include a Q&A from the hall audience and viewers watching via livestream.

The Town Hall Education Outreach Program, launched in 1998, works in partnership with public schools, senior centers and organizations devoted to assisting individuals impacted by the criminal justice system. The Town Hall Bridges Program seeks to empower and amplify the voices of young migrants in New York.

That's not all. Repertory Company High School for Theatre Arts is a small performing arts high school inside The Town Hall, offering a full academic program and a comprehensive group of theater arts classes.

NMTC Transaction

The Town Hall wasn't seeking NMTCs, but a shared board member with The Armory Foundation in New York City–which received NMTC funding earlier–brought the idea to Dills.

Her initial response was skepticism, but by the time she returned to her office, the board member had found the geocoding map and let her know that Town Hall qualified.

"I go in and look at it and am like, 'Oh my God, a 48% poverty rate in the middle of Times Square!' I was flabbergasted," Dills said.

Meetings with Town Hall leadership followed and after Goldman took over as interim director, a September 2024 board meeting was held to discuss NMTC funding.

"As we're going through the motions and explaining to the new folks how [NMTC financing] works, Matt Goldman is almost like a kid," Dills said. "He's giddy. He thinks it's amazing and says, 'We're doing this,' and everyone else agrees. I said, 'If you want to do this, we can.'"

Dills reached out to NYCR-CDE. Unsurprisingly, the CDE assumed the property was ineligible, but once it saw the location, NYCR-CDE, which has allocated $315 million in NMTCs to multiple New York City projects over nine years, was interested.

"In conducting its due diligence, NYCR-CDE determined the project was squarely aligned with its mission," said George Olsen, co-managing principal at NYCR-CDE. "The project is located in a deep-distress census tract with a poverty rate of nearly 50%. Through their education department, Town Hall serves thousands of K-12 public school students, formerly incarcerated individuals and seniors each year the vast majority of whom are considered low-income."

Once the NMTCs were awarded, U.S. Bancorp Impact Finance provided $4.6 million in NMTC equity.

"Financing a large community facility in a dense urban area comes with challenges, but several organizations came together with Town Hall Foundation Inc. and brought the financing behind the project to fruition," said Tom Oldenburg, business finance development officer at U.S. Bancorp Impact Finance.

Image: Courtesy of The Town Hall
The Town Hall in Times Square, New York City, received a $15 million new markets tax credit allocation to fund educational and civic efforts, as well as maintaining the historic facility.

Benefits of Funding

For The Town Hall, the funding is a game-changer.

"Really, what the new markets tax credit funding has done for us is allows us to increase the depth and breadth of everything other than the rental side," Goldman said.

Melay Ayara, artistic director, agreed.

"There's a lot of different ways we can benefit," she said. "Everything I do is in that building and that hall, so anything that goes into the physical structure will help Town Hall Presents. We also have plans to help us with staffing. We're expanding as an institution and putting on more big, one-night-only shows. Not just presenting them, but producing them. ... Of course, any upgrades to the physical plant's technical capabilities helps us immensely."

Image: Courtesy of The Town Hall

The Town Hall's theater is one beneficiary of $15 million in new markets tax credits that were allocated to the iconic theater and nonprofit organization.

Banks mentioned the ability to improve recordings of events, many of which are available for free to educators around the world, while Goldman gave some early examples of using the funding, including the premier of Pops of Color, a 35-piece orchestra under the direction of famed conductor and musical director Sean Mayes.

"If we hadn't known that tax credit money was coming, we couldn't have taken that risk," Goldman said. "Even sold out, there was a little bit of red ink. The tax credit money allowed us to take that risk and be bold."

Goldman said that while Town Hall has a tremendous historic reputation as a venue for musicians, "we don't want to live like we're a historical venue. Pops of Color made their premiere on our stage in New York City and only time will tell, but I think 50 years hence, someone will do an interview and talking about Pops of Color and the rest that happened in '26 and '27 and '28."

The NMTC funding can also be amplified.

"One of the great things about new markets tax credit money is that nothing associated with that money stands alone," Goldman said. "It allows us to flex our muscles and try to have more donated money and state and city funding opportunities. More resources and it all feeds the mission."

It gives The Town Hall room to breathe.

"Some of what we're talking about is the details of what is possible," said Ayara. "It's the performing arts, so you don't always know what's going to sell well and you can't depend on the public to be interested in what you're doing. The legacy of our hall is being at the vanguard and being ahead of the curve. Being able to do that in today's performing arts landscape, you need funding and a bit of a cushion."

Dream Team

Dills called those involved in the transaction a "dream team"–Robert Cowan of Bocarsly, Emden Cowan Esmail & Arndt LLP; leaders of NYCR-CDE; Tim Favaro of Cannon Heyman & Weiss; Dylan Luther of Baker Tilly; investor U.S. Bancorp Impact Finance; Matt Meeker, a partner at Novogradac; and Cody Rogers from Stinson LP.

Goldman agreed.

"This professional team was not only one of the most competent teams I've ever worked with, but so pleasant and patient. Dare I say, they were enjoyable to work with," said Goldman. "That's really rare in the financial world."

Meeker, who provided NMTC modeling and structuring services, said the development reveals the best of the NMTC.

"This is a special NMTC investment," Meeker said. "The work of The Town Hall makes a massive difference in the lives of the members of its community and this investment will allow them to make an even greater impact."