

## Creative financing a godsend to Paramount

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In challenging economic times, creative thinking and sophisticated financing can be a godsend. Just ask the Rev. Dwight Stevens of the Paramount Church.

The Rev. Stevens has been breathing a little easier now that he has secured an unusual funding package — in the form of \$350,000 in two private, low-interest loans — to augment donations to pay for critical railing and roof repairs to the 1928 Paramount Building, which the church owns. Listed in the National Register of Historic Places and landmarked by the town, the converted former movie palace on North County Road houses the church along with stores and offices for businesses and nonprofit groups.

The Paramount's situation was dire. The Rev. Stevens and his volunteers, operating separately from the church, managed to raise only a little more than \$50,000 in donations from more than 100 donors to make the town-mandated repairs. More than \$6,000 worth of code-violation fines related to the deteriorated railings also have accrued.

Meanwhile, preservation grants proved elusive, as did traditional bank loans in a credit-strapped market.

So Palm Beach real estate attorney and local history buff Leslie Evans came up with an innovative approach: Why not seek private loans that could be secured by a second mortgage on the building?

Mr. Evans' plan is one of those "only in Palm Beach" sort of stories. Folks here are famous for their deep pockets. But as nonprofit organizations have learned over the past couple of years, extracting cash gifts out of those pockets isn't easy in uncertain times.

Private loans, however, may be a different animal, offering affluent lenders a chance to help a nonprofit organization in the short term, even as they envision a return on their investments.

The private-loan solution also appears to be an unusual fundraising solution in the realm of historic preservation, where public grants as well as private and corporate donations are the norm.

Town Council President David Rosow and his wife, Jeanne, agreed to loan the first \$50,000; last week saw the announcement of the other \$300,000 loan from an anonymous source.

Mr. Evans, who is providing his services pro bono, and the Rev. Stevens say they are confident that the principal and interest on the loans can be repaid within three years. Their plans include pursuing grants and attracting donations to build an endowment for the building through a new nonprofit entity. Mr. Evans also doesn't rule out repaying the loans by refinancing the debt through a traditional mortgage lender, once the credit crunch eases.

Repaying the loans, of course, is critical, and the building's preservationists must make fundraising a priority to avoid future crises.

But for now, at least, financial peril has been averted, thanks to a committed group of donors, lenders and visionaries willing to think outside the fundraising box. Well done.

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