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Falls theater back on the market

Marcus Corp. has sold it to festival group; those owners asking much higher price

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Menomonee Falls - The Falls Festivals Corp. is abandoning its plans to turn the old Marcus Cinemas theater on Main St. into a performing arts center and has put the building up for sale for \$630,000, more than twice what the non-profit group paid for the building.

Falls Fest bought the downtown building in March 2003 for \$250,000 in a sale that rested on Marcus' winning approval from the Village Board for a four-screen addition to its complex of theaters near W. Appleton Ave. At the time, the Main St. theater was assessed at \$949,200, according to Waukesha County records.

The Village Board, after earlier rejecting Marcus' expansion proposal, approved the addition in early March 2003. By mid-March of that year, Falls Fest became the old theater's owner.

At the time of the deal, several Village Board members also were members of Falls Fest. Current Trustees Jeff Steliga, a founder of Falls Fest, and Jim Jeskewitz, and then-Village President Joe Greco abstained from the vote to approve the Marcus expansion.

Falls Fest, the non-profit organization that runs the village's annual summer community festival, put the building on the market after determining it would cost at least \$2 million to renovate the structure,

Jeskewitz said.

After having engineers look at the building, Jeskewitz said, Falls Fest determined it was "probably cheaper to build new than rehab" the theater.

Ted Klumb, of Equity Commercial Real Estate, said he has been "aggressively" marketing the theater building over the last 30 days.

The theater is in the village's Main St. redevelopment area and is zoned for a mix of residential and retail.

Klumb said the location would be suitable for a high-end restaurant or could be used as a theater again, although a restriction on the property's deed prevents first-run movies from showing there. Others have toured the building to see if it would accommodate a gymnastic facility or another type of supervised physical activity, Klumb said.

At one point before the theater had been sold to Falls Fest, Rich Conley, of Metropolitan Development and the owner of Pilgrim Village shopping center immediately adjacent to the cinema, had offered to purchase the building from Marcus for about \$550,000.

Conley said he had been scheduled to close on the building, but Marcus pulled out of the deal less than 24 hours before the closing was to occur. He said his agreement with Marcus contained a clause that required Marcus' executive committee to approve the sale. That approval never came through, Conley said.

Tom Kissinger, a Marcus Corp. lawyer, said Marcus ordinarily sells its old theaters in downtowns at a discount to local groups to be used for performing arts or other functions.

He did not recall why the sale to Conley was not approved.

When Falls Fest obtained the building, there were claims that the organization got it through a behind-the-scenes deal with the village. A local political action committee registered a complaint in 2004 with then-District Attorney Paul Bucher contending that Greco brokered a deal for a community organization to purchase a Main St. theater from Marcus at a discount. Bucher concluded that Greco did nothing illegal or unethical.

Jeskewitz said in an interview that there was no secret deal.

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