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Raising the Roof

Inside the Palace Theatre's plan to literally lift itself off the ground and bring in billions worth of retail

By Cathy Cunningham

In 1951, Judy Garland broke box office records when she appeared at the Palace Theatre in a celebrated vaudeville show titled *Home at the Palace*. "Miss Garland calls the Palace 'home,'" George Hoefler, associate editor of *Jazz & Pop Magazine*, wrote afterwards in a review. "Her love affair with the 1,700-seated house began in the fall of 1951 when she went in for a four-week stay and remained for 19 weeks." Garland's opening-night performance at the theater is said to have received a 25-minute standing ovation. "If you were 'anybody' at that time and you wanted to be noted as a performer, as a master of the live arts, you weren't really anybody until you played the Palace," said Paul Boardman, a partner and New York development principal for Maefield Development's New York projects. The Palace Theatre gained fame as the pre-eminent venue for vaudeville performances from 1913 until the 1930s. But the grande dame has done some living since then. Over the years, through the many lives of Times Square and amid the Broadway shows that have come and gone from its stage, including *Lo Cage aux Folles*, *Aida*, *West Side Story* and *An American in Paris*, the theater's

grandeur and history have taken a back seat to the bright lights of the square around it, its modest entrance all but eclipsed.

The Palace won't be in hiding for long, however. Thanks to an extravagant redevelopment plan that will elevate it to new heights—both figuratively and literally—the grande dame is scheduled for a \$2 billion facelift and will soon be ready for her close-up.

A joint venture between Maefield and the Nederlander Organization plans to raise the theater 29 feet above ground-level and then build 70,000 square feet of retail and entertainment in the newly formed space underneath it. The Nederlander Organization, which owns the theater, was intrigued when Maefield first put forward the elevation concept. "They were looking at Mark Siffin [the chairman and the chief executive officer of Maefield] and I with pause," Boardman said and laughed. "But we were prepared to be credible."

The colossal plan was first introduced to the Nederlanders using simple shoeboxes as props. Maefield used the boxes to demonstrate to the theater royalty how the Palace is currently encased within the Doubletree Guest Suites Times Square hotel, on Seventh

Avenue and West 47th Street, in its own "shoebox," and how it could be raised into the empty space between it and the hotel above, creating space below.

"We use the analogy of the Fabergé egg, and during the process of construction we want to protect [this egg]," Boardman explained. "We have the ability, using the columns that exist today, to be able to elevate this theater on jacks that go up. The whole box itself stays in place and intact, and it can be moved up structurally very confidently because it is such a strong box. You couldn't design a stronger girder than the façade of this building, which is a wall that is three layers of brick thick, all tied together. When you put a steel band around it, it's as strong as something you could ever build. So we'll use that to pick up the theater and then very slowly in a kind of [slow] way, move it up. Nobody will know it's going up then you'll come by two weeks later, and it'll be up in the air."

The elevation of the theater can't begin until *An American in Paris* finishes its Broadway engagement, and given the production's current success, that could be another two or three years. When started, the elevation and redevelopment project is expected to

take 32 to 36 months to complete.

The project's parties were not at liberty to discuss the development's financing at this stage, but multiple sources confirmed that the debt will be provided by Fortress, and that the overall cost is expected to reach \$2 billion. The initial steps of financing are, however, underway. Maefield acquired the leasehold interest and air rights in the Doubletree Guest Suites Times Square from Sunstone Hotel Investors for \$536 million on Dec. 18, 2015, according to property records. This leasehold interest includes the land and also the air rights. Fortress did not return CO's request for comment.

There were several rights of first refusal, all of which are said to have been bought out by Maefield. One was held by Hilton Hotels, one was held by Goldman Sachs and Highgate Holdings, the third was held by the Nederlander Organization. When the sale was triggered, Maefield stepped up, purchased the property, bought out the other rights of first refusal and then made a deal with the Nederlanders to create a theater unit and a hotel unit, the agreement being that the Nederlanders would own the theater and Maefield would own the hotel.



LANDMARK HQ: The Times Square Palace Theatre was established in 1913 and includes a historic interior that will also be restored.

The New York City Landmarks Preservation Commission unanimously approved the renovation on Nov. 24, 2015. "We're able to serve a cultural purpose by elevating the theater both metaphorically and actually," Boardman said. "We very thoughtfully worked with the Landmarks Commission and the community over a number of months to determine what the best strategy for that was. What we think is kind of cool about this project is that we don't see conflict in any of this. We see community, and this combination of commerce and culture. If you don't have that combination in Times Square, you are missing the opportunity."

Part of the commerce that Boardman refers to is the 70,000 square feet of new leasable space that will be available when the Palace is lifted. "We're in the process of designing the most exceptional retail and entertainment space that you can envision and also an amazing ennobled entrance to the theater. That is all technically and aesthetically being designed right now, so we're not ready to enter the marketplace formally, but there are many unsolicited inquiries into what we're doing just because of its extraordinary location," he said.

Broadway and Seventh Avenue between West 42nd and West 47th Streets command the second highest asking rents for ground-floor retail space in Manhattan, according

to a spring 2016 report from the Real Estate Board of New York. The study found those rents on average to be \$2,363 per square foot—only behind Fifth Avenue between 49th and 57th Streets, which averages \$3,198 per square foot. With 70,000 square feet of retail at the Palace, the space could take in somewhere around \$165 million per year from potential retail tenants, making the somewhat eye-rubbing figure of \$2 billion somewhat more understandable.

The leasing of the retail spaces is not being considered presently, as the building of the project is first priority, said Boardman.

The soon-to-be ennobled entrance exists in something of a modest state presently, however, to say the least. Squeezed in beside a money exchange and ATM, Boardman likens finding the entryway to the book *Where's Waldo?* In addition to the elevating of the theater, the project includes a brand new exterior, entrance and marquee to the theater, which will be created on West 47th Street. The current entrance to the theater will become retail, both below-grade and at street level.

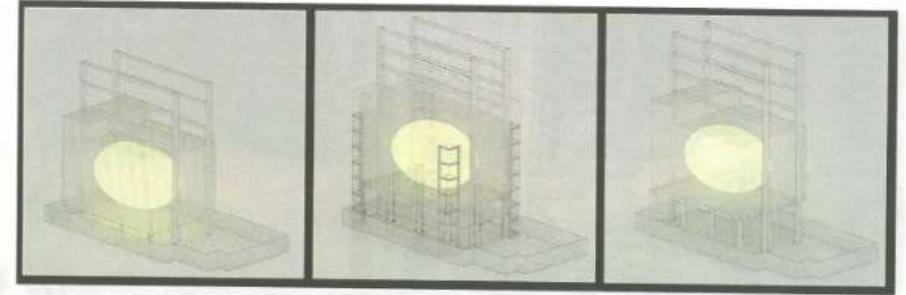
When Commercial Observer asked Boardman whether the goal was to design the new frontage in keeping with the original aesthetics of the theater or create a modern, glitzy exterior, he said, "It's an interesting point. When we presented it to the community board and were working with Landmarks,

there's an intellectual and aesthetic question that asks 'When you preserve something, do you preserve it and present it like a Fabergé egg in a museum case?' which is one aesthetic approach. The other approach is to extend the fabric of the theater downwards and bring it to the front door. Both are perfectly viable. We think there is an interesting place in between, where you're able to not make the theater feel isolated as an artifact, and do so in a way that builds anticipation to the extraordinary historic fabric that is already [inside], albeit in tough shape today. It won't be when we are done."

The new entry to the theater will begin at street level on 47th street with a new 80-foot-long marquee and staging area, according to information from architect PBDW Architects. Patrons will ascend via a series of escalators to the new grand lobby at orchestra level and enter the theater through the original doorways. The historic interior finishes will be restored, and the decorative plaster balcony fascia and chandelier will also be restored.

Additionally, in a move that female theatergoers will almost certainly rejoice, the number of women's bathrooms will be doubled, said Boardman.

The development is about more than simply upgrading the theater, however. The parties involved see it as part of a transformative



PALACE COUP: The theater will be lifted on jacks. Boardman: "When you put a steel band around it, it's as strong as something you could ever build."

transition for Times Square, returning it to a gathering place that even jaded New Yorkers will want to visit. Maefield collaborated on this cultural vision for Times Square with several groups, including Community Board 5, Times Square Alliance and Manhattan Borough President's Office, as well as City Councilmen Dan Garodnick and Corey Johnson.

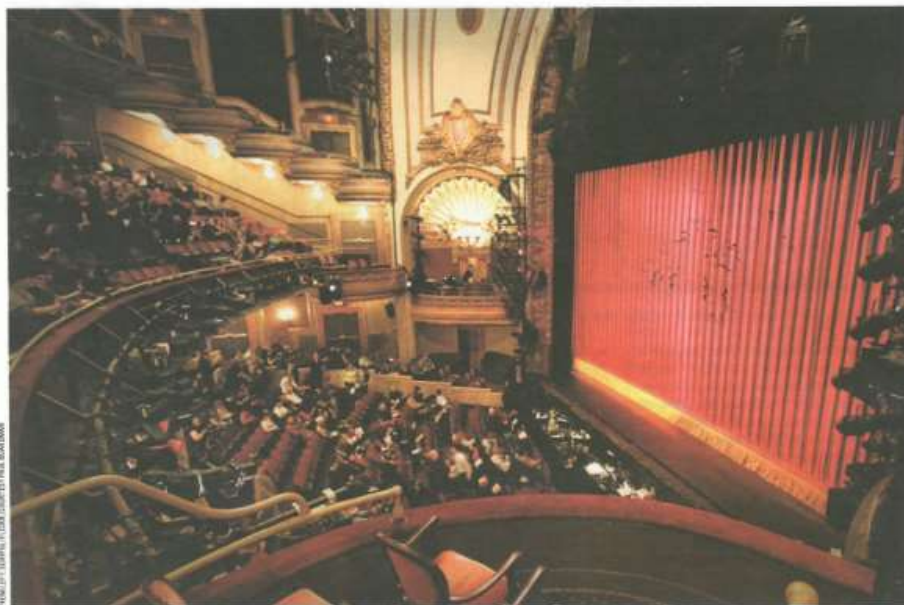
Sherry Dobbin, the creative director at Times Square Alliance, said that the renovation complements her organization's vision

for Times Square. "Four or five years ago, Tim [Tompkins, the president of Times Square Alliance] and I worked together to come to a strong vision for Times Square Arts, which is the public program for Times Square," she said. "What we were thinking about is, How do we turn it into one of the strongest cultural districts in the world? And how do we allow New Yorkers to claim it back as their city center?"

Boardman believes that one of the barriers to New Yorkers enjoying Times Square is the

absence of a *Via Condotti*. A passeggiata will rarely be taken to 47th Street when it involves walking past fire escapes and 100-foot dark facades, but that will soon change.

The drawing of New Yorkers back to one of the most avoided spots in the city is no mean feat, however—Times Square is most commonly sought out by tourists and aggressively avoided by New Yorkers, who consider the activity of traversing it or walking its sidewalks, ground to a halt by gargantuan and slow-moving crowds, as a legal form of



STAGECRAFT: Paul Boardman (above right) of MaeField used shoeboxes as props to demonstrate how the theater (left) at the Palace could be raised 29 feet above streetlevel.

unnecessary torture.

"The partnership [of those involved in the project] comes from a place of having an extraordinary commitment and passion about Times Square in general, because we think it's one of the most marvelous places in the world," said Boardman, comparing it to the Place de la Concorde in Paris, the Piazza della Signoria in Florence and the Piazza Navona in Rome. "What makes them wonderful spaces? First, they are pedestrian. But also they serve a specific purpose—they are gathering places. If you can add culture to that, it can become this magical place that lives for centuries. Times Square has lived for over a century in that very role here in North America, and it's not a recent phenomenon that Broadway has been a gathering place. Equally extraordinary is that Times Square has been a home for the live arts for over 120 years. It has gone through ups and downs and represents, what I would say are the weaknesses of humanity, but at the same time all of the brilliance of humanity. That's the beauty of a public space—you see all sides."

Boardman has worked on design projects in Times Square for 30 years, most recently on 701 Seventh Avenue, a Witkoff-MaeField hotel and retail tower development between 47th and 48th Streets that broke ground in October 2015. He acknowledges that Times Square is a curiosity that New Yorkers pass through very quickly but don't necessarily embrace, but he also believes that the city is at a tipping point right now and that Times Square is on the cusp of being fully embraced by New Yorkers.

"That's part of what we want to accomplish, because what New Yorkers want is culture—they want something that is intellectually and aesthetically interesting," Boardman said. "This, we believe, is part of the offering that we hope to deliver to New York, and when we've done that, this 'human weakness' side of Times Square becomes eclipsed by the power of the cultural side of Times Square."

Dobbin also opined on raising the cultural bar in the square. "Times Square has always been a symbol of the epitome of the city, and people come from all over the world to be energized by it," she said. "What we're looking to do is raise the aspirations of the experience that people will have in Times Square. What's been great about Paul [Boardman] and MaeField working on this is that they are completely in line with this vision, and from the private development perspective they're really putting forward their own vision to realize it."

Perhaps another factor in MaeField's investment in the project is Boardman's very personal connection to the performing arts—two of his sisters were high-level ballerinas, and one was a prima ballerina for 25 years. "I've probably seen *The Nutcracker* 250 times—without exaggeration," he said and laughed. More than half of these performances were viewed from backstage or side stage, however, where he would see the effort of preparation—the wardrobe and makeup people, the directors and the lighting calls, the musicians and everyone who created a moment for the audience. "That window has been something

that has always stayed with me—how hard it is to be the dancer or actor that is on that stage and all of the support that is required for that person to stand out there. So we aren't sitting in that seat to sit in the seat—we're honoring all of the things that are going on behind the scenes and reciprocally hopefully giving a great performance."

The overarching purpose of the project, for Boardman, is therefore for it to be a ladder for those who are passionate about the arts and also to provide the ultimate presentation of the elite of Broadway. "This facility, from the bottom up through all the public levels, supports this purpose," he said.

The Palace's redevelopment will support both short-term union labor, in the context of construction of the project, but also long-term in creating and sustaining jobs in the arts for organizations such as Local 1 and Actors Equity.

Gary LaBarbera, the president of the Building and Construction Trades Council of Greater New York, estimates that the project will create 400 to 500 construction jobs. "We think it's a monumental project for New York City. MaeField is committed to building and operating this theater-hotel with 100 percent union," he said. Despite the project's kick-off still being a ways away, the construction manager has already been selected, said LaBarbera, although he could not name it at this time. LaBarbera views the renovation as being transformative for Times Square and adding to what is already occurring there

development-wise. "Times Square is just popping—day or night," he said.

Accomplishing a project of this magnitude in Times Square, which literally never sleeps, is not going to be easy, however. Any development in Times Square will mean closures of lanes or portions of lanes in order to bring steel and materials in and extra safety measures being put into place to protect passersby. Construction will always impact the surrounding area, LaBarbera said, but is something that "won't be a major problem."

For Dobbin, the project is something of a symbol that combines the history of Times Square with the future of the district. "The idea of acknowledging the incredible cultural assets that historically have been in Times Square, the ones that have been added recently and the vision of future developments really do position it as one of the world's most iconic places and one of the world's most cultural districts. And I think it's about time that we claimed that," she said.

As for Boardman, it isn't the biggest project of his career, but it's certainly one that is being talked about and marveled at—a lot. "Some people say, 'Well, it's an extraordinary renovation. Why would you do all that [work]?' " he said. "But it's down to our belief in the Nederlander Organization and our belief in the Palace Theatre with a particular connection to the beginning of Times Square. If you go back to the root of the root of the root, the celebration of the live arts—it all started right here [at the Palace]."