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Final Holdout of Times Square's Rejuvenation to Get \$100 Million Makeover

Developer seeks to make The Times Square Theater, closed for nearly three decades, the entertainment district's latest retail center

By **Keiko Morris**

Impressions 67,490,000



A New York developer is planning to restore The Times Square Theater's historic architecture, add a fresh design and lease the property to retailers. A rendering of the theater after renovation. PHOTO: STILLMAN DEVELOPMENT INTERNATIONAL

One of the last remnants of Times Square's past of dilapidated store fronts, sex shops and crime is about to get a \$100 million makeover.

The Times Square Theater on West 42nd Street has been closed for nearly three decades, detached from the transformation of the blighted area into a tourist destination with Hershey's Chocolate World, an Old Navy clothing store and the Nasdaq Stock Market.

Now, a New York developer is reviving it. Stillman Development International LLC, which last year signed a lease for up to 73 years, is planning to restore the theater's historic architecture, combine it with fresh design and lease the entire property to retailers.

Stillman is betting that the former theater's high ceilings, views of the Times Square neighborhood and large outdoor space will appeal to brands that want a store that can double as an attraction and lure online shoppers from their couches.

It is a formula that has been used by other retailers nearby. Recent offerings include interactive retail and entertainment concepts such as the NFL Experience Times Square, which allows football fans to simulate calling a play in a team huddle. Another attraction from National Geographic animates ocean life in an immersive exhibit using advanced digital technology, 3-D imagery and other special effects.

"We wanted to design a project that would be insulated from the risks of e-commerce," said Roy Stillman, president of Stillman. Restoration and the theater's conversion are expected to begin this year and be completed within two years, the company said.



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A 1930s view of the marquees of the 42nd Street Apollo Theatre and the Times Square Theater.

PHOTO: HULTON
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While vacant storefronts pockmark many New York City shopping corridors, Times Square has remained busy. The six-block stretch received nearly 419,000 average daily visitors in August, up 13.7% from a year earlier, according to the Times Square Alliance, a nonprofit that advocates for neighborhood businesses and public improvements.

Vacancy rates in the second quarter dropped to 15.6% from 22% in 2016, according to Cushman & Wakefield . Average ground-floor asking rents in the most coveted six-block stretch along Seventh Avenue and Broadway are nearly \$2,000 a square foot, according to the real estate services firm.

“Times Square’s purpose for 120 years has been to entertain, so it’s not surprising to me that entertainment themed retail and food and beverage are driving the bulk of leasing there,” said Steven Soutendijk, an executive managing director at Cushman.

Stillman, which has formed a partnership with South Korean financial firm Daishin SecuritiesCo. for this venture, is spending \$100 million for the makeover.

The developer hired Beyer Blinder Belle, an architecture and design firm with an expertise in historic preservation. Its plan involves lifting the theater’s limestone facade by 5 feet to create higher ceilings on the ground floor. The colonnade on the second floor will be encased in glass to overlook 42nd street. Stillman is also adding a glass box of two additional floors and outdoor space.

The grand dome of The Times Square Theater on West 42nd Street will be restored.

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It said it would also restore the large, decorated plaster proscenium arch that once framed the stage, the opera boxes flanking the arch as well as a 35-foot diameter dome, moving these features to the upper floors.

Stillman said it has received approval from the city historic preservation committee overseeing these theaters for its preliminary design and is preparing its final submission.

Opened in 1920, the Times Square Theater was one of several Broadway playhouses clustered on the block between Seventh and Eighth Avenues. The theater was a showcase for live productions until 1933, said Cora Cahan, president of the New 42nd Street, a nonprofit charged with the restoration and reinvention of seven historic theaters on this block. The Times Square is the last to be revamped.

The Times Square Theater and the others later were converted into movie theaters, attracting soldiers on leave to West 42nd Street during WWII.

In the 1970s, adult-entertainment shops and go-go bars took over the block. Historic theaters, including the Times Square, mostly ran third-run movies, slasher and action films, Ms. Cahan said.



A view from the stage of the Times Square Theater during renovation.

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The Times Square Theater's revitalization has had several starts and stops. Fashion retailer Ecko Unltd. signed a lease in the mid-2000s but never opened a store. An immersive film and theatrical experience called Broadway 4D and a Singapore-based entertainment and event company also had plans that fell through.

The costs associated with the complex renovation of the building were too high for many retailers, said Brad Mendelson, vice chairman at real estate services firm Colliers International , who is marketing the project for Stillman. Strict requirements to refurbish and restore specific features also posed a challenge. But Stillman said it is addressing these issues, easing the path for a new tenant.

Stillman is targeting major global brands such as Apple Inc., Amazon.com Inc. and Coca-Cola Co. , pitching the historic theater's overhaul as unique way to tap into Times Square foot traffic, Mr. Stillman and Mr. Mendelson said.

"The trick is you have to give the shopper a reason to go," Mr. Mendelson said. "Otherwise the internet is easy to work."

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