

**REBUILDING THE GREAT WHITE WAY:  
URBAN RENEWAL IN NEW YORK CITY**

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**ABSTRACT** For over fifty years not a single building has been built on Forty second street between Seventh and Eighth Avenues. It is called the most dangerous street in New York, an area that requires over fifty officers a day to patrol (1). It is an area filled with drug pushers, prostitutes, pornographic movie houses and sex shoppes.

But amidst all this decay lie seven jewels, memories from an era long forgotten. An era of Ziegfield Follies, Douglas Fairbanks, The American Musical and the Marx Brothers. An era of penny arcades, and Burlesque now no more than pictures in history books.

Now, due to private enterprise working with the City of New York, Forty second Street is about to undergo a monumental overhaul. A rich example of planned urban renewal, it will be given new life and a new image. Forty second Street will once again be known as the Great White Way.

**PART ONE - GROWTH OF "THE DEUCE"**

Times Square owes its beginnings to Charles Frohman, who in 1893 erected the Empire Theater on Forty first Street and Broadway. Until then, Manhattan's theatrical district was nested along Broadway between Grand Street and Bond Street, but Frohman's theater introduced the area to a future of magnificent theater (2). Oscar Hammerstein was next to enter the area with the building of his Olympian Theater in 1895. Located between Forty fourth and Forty fifth Streets, while it closed down only two years later, it too was a major pioneer in theater growth between Forty second and Fiftieth Streets.

By 1930, the theater district's boundaries had become more or less defined whereby the southern boundary was marked by the old Metropolitan Opera House, the northern by Carnegie Hall, the western by the old Madison Square Garden, and the eastern by the Ziegfield Theater (3).

**DECLINE**

Few areas were hit harder in 1929 than Times Square. The Stock Market crash left dark theaters, unemployed performers, and soon to be closed productions in its wake. By 1932, most of Broadway's leading producers were bankrupt (4). With the wealth of the 'Roaring Twenties' gone, theater became a luxury that few could afford.

Times Square's entertainment value was reduced further with the enactment of Prohibition. Now the theaters that had barely managed to stay open were denied their chief source of revenue - alcohol (5). Theater ceased to be economical even at a high \$6.60 a ticket (6). From here the attrition worsened each decade. The theaters which housed such great productions as the Marx Brothers and Franz Ziegfield's Follies finally became twenty four hour movie houses specializing in first-run action and pornographic movies. Their clientele the travelers who ended their journeys from all over America (and even the world) at the great 'Crossroads'. Forty second Street itself went from great dance halls, restaurants and penny arcades that were "wholesome family entertainment" to "an open cesspool that all but the most adventurous citizens would come to shun," (7). Such examples of the deterioration are seven theaters - the Victory, New Amsterdam, Lyric, Apollo, Harris and Selwyn.

**SEVEN JEWELS**

The Victory Theater, located at 207 West Forty second Street was the first legitimate theater on the 'deuce'. Opened in 1900 by Oscar Hammerstein its first production was Sag Harbor, later housing such talent as Harry Houdini. The theater was first known as the Republic and later changed to the Belasco before finally becoming the Victory when it devolved into a first-run action movie theater in 1942. For a short time during the thirties the Victory produced Burlesque until that was declared illegal. Architecturally, the Victory was hailed as a "masterpiece of decoration" when it first opened, and was the oldest continuously operated theater in New York (8). Currently the theater is owned by Clark's Cine 42d Corporation and was condemned by the State Supreme Court on April 18, 1990. It now stands boarded up and collecting dust awaiting renovation into a not-for-profit theater.

The New Amsterdam Theater was built by Klaw and Erhanger in 1903. Located on 214 West Forty second Street it was known as the "Queen of the Street" (9) because of its ornate stage decoration. In fact, the New Amsterdam is the only remaining example

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of an Art Nouveau theater in the United States (10). In 1937, the theater converted to movie house. It now stands condemned, boarded up and awaiting renovation by the Nederlander Family which owns many theaters throughout the city.

Directly across the street stands the Lyric Theater, also built in 1903. The Lyric was a joint venture between the Schubert Family and then famous composer Reginald DeKoven who headed the American School of Opera for which the theater was built. In 1933 it turned movie house and continues to do so today. The Lyric is reserved for restoration into another not-for-profit theater and to be operated by the Forty second Street Entertainment Corporation (a subsidiary of the Urban Development Corporation created to landlord and oversee theater use) (11).

In 1904, Klaw and Erhanger opened another house - the Liberty Theater. Built to stage the Roger's Brothers musical comedy it also showcased such talents as Lillian Russel and Janeate Macdonald. It turned vaudeville in 1932 and not long afterward to motion pictures. After a short period of disuse, the Liberty reopened on July 19, 1990, although being condemned. The Liberty is reserved to be renovated with one possible use as a permanent circus (12).

The Apollo, first known as the Bryant Theater, was opened in 1910 exclusively as a motion picture house and vaudeville. The Selwyn Family later bought it and joined its facade with their newly completed Times Square Theater next door (13). It then housed such productions as George White's "Scandals" until 1931 when it returned to motion pictures. Condemned in 1990, it is currently operated by the Cine 42d Corporation and awaits renovation into legitimate theater.

The Harris Theater, located at 226 West Forty second Street was built by the Candler Family and opened in 1914. The theater first opened showing motion pictures but soon converted into legitimate theater producing musicals. The Harris returned to motion pictures in the early thirties and continues to do so today. Also condemned by the State Supreme Court, it is reserved for renovation into legitimate theater.

The Selwyn Theater, opened in 1918, was home to scores of hit shows before the Depression forced it into motion pictures which it continues to run. The Selwyn was condemned and is awaiting restoration into not-for-profit theater.

Forty second Street was the hub of theatrical life in the early twentieth century. As the Depression drained the wealth of the nation, entertainment here became too expensive for the masses needed to bring in the necessary revenue for operation. In order to survive, the theaters opened their doors for whatever could fill their spaces. Unfortunately, cheap, sleazy entertainment catering to the twenty four hour arrival of travelers became the most viable business. It was a self-defeating solution that slowly deteriorated the image and character of the area and has left its mark for over sixty years.

### **PART II - 42ND STREET REDEVELOPMENT PROJECT**

In June of 1980, a "Memorandum of Understanding" was signed by the City of New York and the State Urban Development Corporation (UDC) to jointly prepare a redevelopment/renewal plan to end blight and social deterioration on Forty second Street (14). Under this plan, UDC would acquire property under the power of Eminent Domain (15), a power most commonly identified in New York with Robert Moses who, in the late 1930's and 40's, used it for the construction of a multitude of beaches, bridges, and highways.

Four years later, the New York Board of Estimate approved UDC's comprehensive plan and Environmental Impact Statement (16). The plan called for construction of four high-rise office towers, a multilevel wholesale retail mart, a new hotel, a complete overhaul of the Times Square Subway Station, and the restoration of seven historic theaters.

In order for the Urban Development Corporation to use public money and the power of eminent domain it must be proven that there is such need. According to Gallon and Eisner:

Blight is the critical stage of urban obsolescence. Defining an area as blighted serves as the basis for redevelopment. Its elimination and prevention are justifications for using eminent domain to acquire and assemble sites for private development, for the expenditure of public funds including tax increment moneys, and for the imposition of controls in the project area...Such conditions must cause a reduction of, or lack of, proper utilization of the area to such an extent that it constitutes a serious physical, social, or economic burden on the community, one that cannot reasonably be expected to be reversed or alleviated by private enterprise acting alone (17).

In 1990, 2306 crimes were committed on Forty second Street between Seventh and Eighth Avenues, the project area (18). Twenty percent of these were murders, rapes, robberies or assaults (19). The two block area is packed from end to end with a myriad of sex shoppes, pornographic movie houses, prostitutes and drug pushers, attracting an 84 percent (20) male pedestrian presence. The entire project area employs only three thousand people (21) and the combined property tax is under six thousand dollars, less than what one standard office building pays (22).

To end this social and economic blight, the renewal project will replace the shoppes with retail space catering to tourists. The pornographic theaters will be replaced by legitimate theater and performance space. With the planned office towers, mart, hotel and

theaters, sixteen thousand construction jobs and twenty thousand permanent jobs are expected (23). After the fifteen year tax abatement period, the area is expected to bring the City over a quarter of a billion dollars.

#### **ACQUIRING THE LAND**

One of the proposed stipulations of the project stated by the Board of Estimate required that developers selected for a site are obligated to pay for all costs related to the acquisition of that site. Most of the cost is title purchase (offset amount), but other costs are involved such as relocation of tenants, and rent (24). However, rent and or property taxes can be redirected in the form of PILOT - payment in lieu of taxes (25). In Syracuse, New York, a similar program of PILOT is in effect for Carousel Mall. Proceeds paid by the mall are put directly into the rebuilding of 'Oil City', the completely destroyed area in which the mall is located. On Forty second street, PILOT will be used for the restoration of the seven theaters, subway and also placed in a public trust (26).

The offset amount for all land in the project area totalled \$88 million (27). Due to inflation this number continues to rise. Since the developers had no control over this, due to court delays, all additional costs regarding acquisition of property will be reimbursed by the city at a later date (28). This is referred to as Excess Acquisition Costs or ESAC (29).

#### **THE LAND BATTLE**

Unfortunately, acquiring most of the land through eminent domain was a lengthy and difficult task. Many tenants initiated law suites against the Urban Development Corporation. All cases however were decided in favor of UDC and the City (30). Eminent Domain was not used in acquisition of theater parcels.

Instead, the Urban Development Corporation had the City Board of Estimate Designate the theaters as landmarks (31). Again, this caused legal retaliation due to the fact that landmark status reduced the land value of their parcels. As expected, on December 7, 1988, Justice Irma V. Santella upheld the landmark status stating in her decision that the theaters "are an integral part of the American cultural fabric and the economy of New York," and that "their preservation is a legitimate interest which is substantially advanced by the landmark law," (32). Additional acquisition of land came two years later with another State Supreme Court decision in the form of a condemnation order (33).

#### **RELOCATION**

Relocation of displaced tenants through urban renewal has been a federal requirement since section 221 of the 1954 Housing Act. All the retail tenants removed from the project area qualified for "relocation allowances to help defray the costs of moving," (34). Each tenant was allowed up to \$15,000 in moving costs (35), thirty three percent more than the City and Federal Government provide (36). In addition, UDC made available professionals and information offices to aid dislocated tenants.

The Urban Development Corporation made available the services of an on-site relocation team that actively sought out new sites for the displaced businesses and residents (37). Of the businesses that have already relocated, most of them did so within ten blocks of their original sites (38). Sixty percent relocated to the garment district (39). Residents were not as fortunate.

With the condemnation of the National Hotel, located on Seventh Avenue and Forty second Street (facing Seventh Avenue), all its residents were forcibly evicted. John "the mayor" (affectionately called so by his peers due to much organization of area neighborhood watch programs ) is caretaker of the David T. Nederlander Theater (41st Street between Seventh and Eighth Avenues). John had resided at the National Hotel for nine years and was happy there ("all the crack addicts live in the Carter"). The Urban Development Corporation relocated John to City Housing on Nineteenth Street. Along with relocation, he was provided a check for \$5,000 (40). He now lives in an area where he feels less safe, and in building ridden with drug dealers (41).

#### **ATTRACTING REPLACEMENTS**

Due to the already present glut of office space in New York City, the Urban Development Corporation and the City had to employ new methods for attracting replacement tenants for the new office towers, retail stores and theaters. Along with PILOT, the City offered special zoning incentives to make the area more economically attractive.

The most notable of these is the Theater Retention Bonus (42). While created in order to preserve the theaters it allows full land value even though air rights are limited due to landmarking. With the Theater Retention Bonus, theater owners may sell their unusable air rights to buildings within the area but outside the district core (43). Buyers of these rights would be allowed to increase the size of their buildings beyond that which is allowed by zoning on their lots (44). In 1983, an estimated 3.9 million square feet (45) of space was available at a value of \$40 to \$160 million (46). The only stipulation is that the theater use continues to be maintained.

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### CONCLUSIONS

Although this project had made little gain in the last twelve years and since plans for Times Square Center (the four office towers) have been temporarily suspended due to our present economy, it has not been shelved. Interim plans are still concentrating on revitalizing the shops and theaters. At best this continued interest will finally bring new life into the area. At worst, the desire for quick and tangible renewal will allow for compromise and the project will not live up to its original conception. Most would agree, however, that any positive change in the area is welcome.

### Notes

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