

About Real Estate

Times Square Site Undergoes a Gradual Conversion

By ALAN S. OSER

The term that describes what is happening between 44th Street and 45th Street on the east side of Seventh Avenue is "interim operation."

Some of it the attentive passer-by may already have noticed. The Hudson Theater on 44th Street, for example, has stopped playing pornographic films. James Bond is holding forth instead in that Times Square landmark, where Ethel Barrymore opened in "Cousin Kate" in 1903. The theater has just undergone a renovation that cost nearly \$200,000.

A pebble's throw to the west, one of the neighborhood's better restaurants, the Blue Ribbon, has closed. So has another nearby restaurant, the Rustic.

It is all part of a gradual readjustment to the new facts of real-estate life in town. The biggest element in that adjustment on the Times Square site — the transformation of a former Woolworth's store on the corner of 44th Street at Seventh Avenue, now vacant — is still in the study stage.

One of the new facts is the indefinite postponement of office construction on sites painfully, lengthily and expensively assembled for that purpose a decade or more ago. Another is the gradual conversion of large retail spaces in high-traffic locations into small stores conducted by enclosed arcades. These have been christened "minimalls," probably by the same name-creators who gave the world "shopping malls"

worth was a tenant. Since then, Woolworth has moved out.

In Mr. Dwyer's view, the inescapable condition of operating the property successfully on an interim basis is the demolition of the small, older buildings. One of these was the Lenox Hotel, now vacated. The Blue Ribbon closed when the operator chose not to continue in business on a month-to-month basis, and retired, Mr. Dwyer said. It took five months of legal action to oust the pornography operator from the Hudson theater, even though he had no lease. All these smaller tenants were subordinate to the master lease that the Durst interests held, Mr. Dwyer said.

The centerpiece of the Dwyer plan is the creation of a covered pedestrian space where the old buildings now stand and the construction of small stores in the Woolworth space, with access to the lobby of the Criterion theater. The plan is under study by James D. Landauer Associates, advisers to the pension fund.

One of the keys to commercial success in Times Square, the real-estate specialists say, is security, and with increased police surveillance that situation has improved. Another key is the 1,700-apartment Manhattan Plaza housing development at Ninth Avenue and 42d Street. If it opens as a middle-income development as intended, the Times Square and west midtown areas will be strengthened.

Meanwhile, there will be "interim solutions."



The New York Times/Carl T. Gossett

A view of the east side of Seventh Avenue between 44th and 45th Streets

construction plan for the Times Square district is the hotel that the Atlanta-based architect, John Portman, hopes to build on the west side of Broadway between 45th Street and 46th Street.

Just such a major redevelopment is what the United States Steel Corporation and Carnegie Pension Fund anticipated when in buying the assembled Seventh Avenue site between 44th Street and 45th Street from the land assembler and developer, Seymour Durst, in 1968. Mr. Durst then leased the site from the pension fund, intending to redevelop it.

But when the market soured, the lease was transferred to a dummy corporation that then declared bank-

ruptcy, leaving the pension fund in the role of active rather than passive investor. It hired William J. Dwyer & Co. to manage the property.

The site includes the Criterion theater on 45th Street, which is entered from Seventh Avenue; the Hudson theater; a handful of older buildings on the side streets with tenants on a month-to-month basis, and a block-long commercial building on Seventh Avenue in which Bond's, the clothing store, occupies 40,000 square feet of retail space.

When Mr. Durst held the site, the total rents coming in were \$500,000 a year, he said, and real-estate taxes alone came to \$600,000 a year. At that time Wool-