

# The Weekly Take

## Give My Regards: The Shubert Organization and Mary Ann Tighe on Broadway's Return

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### **Spencer Levy**

With the inviting sound of a cocktail shaker filled with ice and the clinking of martini glasses, we take you on location with a toast to an American institution: Broadway. We've reserved the table at Sardi's, an iconic 100-year-old restaurant in the heart of New York City's theater district, for a show about the real estate business that raises the curtain on the real estate side of the business of show. On this episode, a conversation on Broadway with two stars whose work has made an impact on the transformation and future of the Great White Way.

### **Julio Peterson**

This is the golden goose of New York of Broadway. This is why people come here for the most part, and I think we have to protect that.

### **Spencer Levy**

That's Julio Peterson, vice president of the Shubert Organization and a native New Yorker who runs the real estate business of America's oldest professional theater company. Shubert owns and operates the largest portfolio in town, including 17 of Broadway's 41 theaters, with other properties off-Broadway and beyond.

### **Mary Ann Tighe**

If you spend any time in a Broadway house, as they call it, and you go backstage and whatever, you realize that they were not made for the 21st century, I don't even think they were made for the second half of the 20th century. And there was enormous cost involved with keeping these theaters operational.

### **Spencer Levy**

And that's Mary Ann Tighe CBRE's chief executive officer of New York Tri-State Region, a broker by trade who played a starring role in the redevelopment and transformation of the theater district in Times Square. It's hard to look anywhere in this neighborhood without seeing the projects she's worked on. Coming up, our long awaited Broadway debut, a conversation where real estate takes center stage. I'm Spencer Levy, and that's right now on The Weekly Take.

### **Spencer Levy**

Welcome to The Weekly Take and I have been looking forward to this episode for a long, long time because we're talking Broadway. And to talk about Broadway, and the business of Broadway – specifically the real estate business around Broadway – Julio Peterson. Julio, thank you for joining the show.

### **Julio Peterson**

Thank you. Thank you for having me.

**Spencer Levy**

And then one of my I'm really privileged to have her as my colleague, my friend. I've known her for almost 30 years, Mary Ann Tighe who needs no introduction. Mary Ann, thank you for joining the show.

**Mary Ann Tighe**

Thank you. And I'm such a Broadway fan since childhood, so this is a treat for me too.

**Julio Peterson**

And I'm a big fan of Mary Ann.

**Spencer Levy**

Oh, well, there you go. Well, you know what? We could talk about our Broadway experiences, and we will. I can't wait to tell the story about my grandma Bess when she was taking me here when I was a little kid. But to start, why don't you just tell people who you are and what you do? Starting with you, Julio.

**Julio Peterson**

I've been here 23 years. Born and raised New Yorker, Upper West Side. Before it was really nice. And I remember coming to Times Square when it definitely was not nice. But with folks like Mary Ann and a lot of other individuals and obviously the Shubert Organization, we really changed Times Square. We want to keep it that way. So I'm just really excited to be here and be part of the Broadway community. And I'm just, you know, a lifelong New Yorker who really loves the city. I want to see the best for the city.

**Spencer Levy**

That's great. Thank you. Julio and Mary Ann, though you need no introduction, tell us a little bit about who you are, what you do.

**Mary Ann Tighe**

So I'm basically a New York City real estate, commercial real estate broker. And I've spent an extraordinary amount of time actually in the Times Square area because I was on the board of the new 42nd Street that was tasked with basically transforming the theaters on 42nd Street from porno houses to the marvelous theaters that they are today. And I also did the very first building of the redevelopment. It used to be called four Times Square. It's now called 151 West 42nd Street – why you would have that name? I have no idea – and I also did the last building of a redevelopment, which was The New York Times building. So I feel very close to the street, to the bow tie, as we call it, and to the whole district.

**Spencer Levy**

Mary Ann, how did the district have the vision to be able to do these great developments in what was an underdeveloped area?

**Mary Ann Tighe**

Well, you have to really go back to The New York Times. They moved up from downtown and they anchored what was then called Longacre Square, and it became Times Square, named for them. So the building that sits right in the middle of Times Square at 42nd Street to 43rd now is nothing but a holder for billboards was the New York Times first building. And then they proceeded to move to what we call to 229 West 43rd Street. And Times Square has seen so much change and it's had its ups and downs. And the

organization that Julio leads, whose real estate Julio leads, has been instrumental in this. So you want to talk about the Shuberts.

### **Julio Peterson**

Sure. I remember right out of Cornell, I went to work at the New York City Economic Development Corporation, and that was in 1990. And that's really when a lot of the development was going on in Times Square. But a lot of the stakeholders, such as the theater owners, were really concerned because what was happening in the city at that time, if you remember, there was a lot of crime and there were a lot of vacant lots and all kinds of really bad things happening. And people were skeptical, kind of like they are a little bit now of coming to Times Square. And so it's just been a big effort from the public private perspective and also a lot of the lenders that really felt like they could invest in this area. So it's been really amazing.

### **Spencer Levy**

So, Julio, let's set the table. We are sitting here at Sardi's. I'm looking on the wall at the portraits, and I see portraits of Richard Burton, Mary Tyler Moore, Brooke Shields. I can go right down the line. Liza Minnelli, the list, Robert Goulet. I mean, I could just shout out names of what's in the room behind me right now. Vincent Price is over there. But Julio, I think that people understand the gravitas of the area of Broadway generically, but I don't think people understand specifically the role of the Shubert Organization in maintaining and creating that gravitas. Tell us a little bit about that.

### **Julio Peterson**

Sure. The Shubert organization has been around for over 100 years, funded by the Shubert brothers, Lee and J.J. Shubert. And we presented shows during the vaudeville era. The Shubert brothers were very aggressive buyers of theaters. They were not the most loved individuals in the world. However, they were able to build this amazing company and later on, as time passed. Gerry Schoenfeld and Bernie Jacobs, who were lawyers for the Shubert Brothers, wound up running the organization over time. In the 60s 70s, 80s, it was a really difficult time in New York, and Times Square was definitely losing its steam. There was a lot of violence and other activities. Being a New Yorker, I can tell you that I used to go and watch the karate movies on 42nd Street, and it wasn't always an easy walk. But as a New Yorker, I could still feel like I could come down here. The Shubert Organization was really instrumental, and Jerry was really at the forefront of bringing together city government, civic organizations, the business community, Broadway and people followed him and his agenda because they knew that Broadway was the heart of this area. So he was able to rally folks to put pressure on the city, the state and initiatives like the Times Square redevelopment project where Disney came were started. I remember Gerry Schoenfeld telling me that he went to Mayor Koch one time and said to the mayor, "You have to do something about Times Square." And the mayor had supposedly said to him that, "I'm not going to do anything because you can't leave." And Gerry kept on pushing and a lot of people were annoyed because of the way he pushed. But he really understood the importance of the theaters, and he wanted to preserve the American theater. He was a very big fan of that. And so he really was able to do that in a way that not too many people were able to galvanize all that support.

### **Mary Ann Tighe**

One of the things that has really been transformational for this district is an idea that the Shubert Organization generated, which was at some point, I don't know if you remember Julio, I don't remember when the theaters were landmarked. Now, these are old theaters. And if you spend any time in a Broadway house, as they call it, and you go backstage and

whatever, you realize that they were not made for the 21st century, I don't even think they were made for the second half of the 20th century. And there was an enormous cost involved with keeping these theaters operational. And somebody at Shubert, I know it was you guys, had the idea of taking all the air rights that rest over the theaters because you can't build on them their landmarks and creating a district into which you could float those air rights.

### **Julio Peterson**

Correct.

### **Mary Ann Tighe**

By the way, this is a business Julio can tell us in-depth about because he's the merchant of the air rights. But by doing that, what happened with Broadway is it became nestled in the midst of a residential and commercial district that didn't exist till the air rights could float to those locations.

### **Julio Peterson**

Correct. And so this was in the 80s The Helen Hayes Theater had been demolished. And there was a big outcry because theaters is not the best and highest use of real estate. You may have eight shows a week. You're not generating revenue off that real estate like you would in a hotel or an office building throughout the day. And so when the Helen Hayes Theater was demolished, there was this big, huge outcry that Broadway was going to disappear, in that sense, because you can knock down one of these theaters and build a hotel. And that's the highest and best use. Or knock down a whole block of them and build an office building and get really nice rents with people like Mary Ann negotiating the lease. So the city imposed this landmarking restriction on us, in addition to the fact that they required our use to be established for the presentation of legitimate theatrical attractions. Meaning that not only was our structure landmarked and we didn't have an ability of altering that structure, but we also had to present legitimate theater within those buildings. So that was kind of like a double whammy on our real estate. So we actually sued the city, the three largest theater owners, Nederlander, Shubert and Jujamcyn. And at that time, because we didn't feel that it was the right thing to do as part of the process, we came up with this concept whereby we couldn't transfer the unused development rights from our theaters throughout the theater district. From 40th Street from 8th to 6th, to 57th Street and the northernmost point is Carnegie Hall, which is ironic. Given the ability to float these air rights, developers would come to us, obviously they can build taller buildings, have economies of scale. There was a demand for office space. And over time, we've done a significant number of these transactions. Myself, I've done close to a million square feet worth of air rights transactions since I've been at Shubert. These have been what are called floating air rights, where you can float them within the district and they don't have to be contiguous to an actual receiving or development site. We're one of the few districts that can do that. Landmark buildings can float across the street, so a receiving site, but they can float throughout a district.

### **Spencer Levy**

So most of our listeners probably aren't familiar with the economics of air rights. Now, I don't need to know exactly what you got paid for them, but just give us a ballpark how it works.

### **Julio Peterson**

Most theaters take about 20 to 25 thousand square feet of floor area. FAR , for you real estate folks. On a lot we can build, let's say, 100,000 square feet or 120,000. So the

balance of those development rights, let's call it 80,000 square feet, we can take those and float them through a process called a certification by the Department of City Planning to the development site. So that's how it physically works. Most air rights are done as zoning lot mergers where it's two pieces of property next to each other that are merged, and the unused development rights – air rights – from one lot gets transferred to the other. When I first started at Shubert, air Rights were approximately 50% the value of the land. Right. So I try to work on that and we've got it closer to 80% of the value of the land. That's just to give you sort of a little rule of thumb.

**Mary Ann Tighe**

Can I tell an air rights story? This is not a Broadway rights story. This is Saint Patrick's Cathedral.

**Julio Peterson**

More complicated.

**Mary Ann Tighe**

So we're trying to do a deal actually modeled on the Theater District air rights transfer. We're trying to do a deal to sell Saint Patrick's air rights. And the Midtown East rezoning, I always say, was inspired by the fact that Saint Patrick's has almost 1.2 million square feet of air rights that you can't do anything with, to Julio's point, because the streets that surround it are fully built. So now, of course, with our wonderful new district, as I say emulating yours, we're floating. And now we're going to do a transaction. So we have to send to the Vatican to get permission to sell the air rights because they're assets of the archdiocese back. They come. You're selling Saint Patrick's cathedral? Oh, no, no, no. We're selling the air above St Patrick's Cathedral. And this went back and forth. It was hilarious because it was hard to express to them that, no, it's just the air we're selling.

**Julio Peterson**

We're selling it very difficult.

**Mary Ann Tighe**

We'll get that one. But eventually they came to us.

**Spencer Levy**

Fantastic. And I just want our listeners to rest assured. Saint Patrick's Cathedral is not for sale, never gonna be for sale. And that is not something we should be worried about.

**Mary Ann Tighe**

But CBRE is watching over it.

**Julio Peterson**

Exactly. Exactly.

**Spencer Levy**

So let's talk a little bit more now in nitty gritty theater economics. How does it work when you bring a big show into a theater? Any show, any theater, they pay you rent. You get a percentage of the gate? Talk to us just a little bit about that.

**Julio Peterson**

Every deal is different. Yeah. Okay. So primarily we have the theater owners, the three largest ones being Shubert, Nederlander and Jujamcyn. Disney owns its own theaters and

it provides the producers, the shows and all of that. Traditionally, we are a landlord of a theater space, so a producer would come to our creative folks at Shubert and say, "We have this amazing production that we want to put forth on Broadway." Typically would be at a regional theater, not for the like the public theater, or maybe it's in London somewhere or some other regional theater in the U.S. and it has a buzz and are able to raise the capital. Sometimes a Shubert Organization will invest in a show. Sometimes we will be a co-lead producer or a lead producer like we're doing with *Some Like It Hot* that's coming soon to the Shubert Theater. So it runs the gamut. We do have situations where we sort of, I'll use a real estate term, we do percentage rent. We call it a different thing here. And then Shubert, we own Telecharge, which is the ticketing company that was created actually when Gerry Schoenfeld was here, owned by Bob Wankel, who's now our current chairman of Shubert, really helped create the Broadway ticketing environment. So we try to generate revenue from those different aspects of the business, and also merchandise. So we have the alcohol that's sold in the theaters. That generates a lot of revenue depending on the show. So it's a mixed bag. They would pay us rent in certain situations if a show doesn't really generate the ticket sales that it's supposed to, there's a stop clause in the contract whereby we can ask and sort of terminate their occupancy in that theater, and phase it out because the theater is not making any money. We're not getting a percentage rent. We're not selling tickets. So we do incorporate those types of clauses into our agreements.

### **Mary Ann Tighe**

Can I just ask Julio to expand on something? The theaters are different sizes and they're always known by the seat amounts.

### **Julio Peterson**

Right the seating capacity. Some theaters are straight plays. Typically they're going to the smaller theater venues and then you have the bigger musicals, kind of like *Music Man*. *Music Man* is at the Winter Garden Theater. That's one of our theaters. That's a larger show, big production, big money, big set. So we have different types of houses. What's been happening now is that musicals tend to make more money than straight plays. But musicals cost more money than straight plays. So a lot of the houses that we built were playhouses, not musical houses. So a lot of it is trying at reinvesting the monies that we generate to make these theaters, even though they're in a limited sort of volume of space. So sometimes we have to excavate underneath the theater itself to create lounge areas or to open up orchestra pits or to create trap areas underneath the stage to bring up props and things onto the stage. So it's a really complicated endeavor, just the physical structure. But on the business side, we have to look at all kinds of different types of plays. So right now, a big trend is star driven plays. Right. So like a Hugh Jackman, right? So right now there's this big move when we're right after COVID and we want to get people excited about, so we want them to come see Hugh Jackman or come see this person. We have a lot of stars coming to Broadway this Fall. Samuel L. Jackson just opened up in *The Piano Lesson* that's been very, very good for us. So it's a matter of the right timing, making sure now that it's sort of a star driven play, unless it's a really great story like a *Hamilton* was, which wasn't star driven. But that's where we are in the business cycle now and trying to get that energy back.

### **Spencer Levy**

So let's talk about that very issue because it really has two parts to it. One is just the theater business, how many people are coming back, but the other is really to you, Mary Ann, I think it's fair to say, you know, New York is coming back from your perspective,

Mary, from a real estate perspective, then we'll ask the theater perspective. Are people coming back? Will they come back? Where are we with our tenants?

**Mary Ann Tighe**

So I do think that the energy of the city is returning. We are not at our pre-COVID level. And I think that there are several different ways to answer it. The first is the workforce, the people who are office population. I would tell you that the consensus is we're somewhere in the 60-70% range of return to work. But it's much more like four day, three days a week, four days a week, etc.. I mean, we're all thinking that Friday is going to become the work at home day, is what we think. But these are just – at this point, we're still in a mode of development. The next aspect, of course, is the tourist business, which is a huge part of Julio's stock and trade here. And there, there has been also a significant recovery. But I think the last year, the top year that I recall was something like 69 million tourists, something like that – I could be making up this number – and I think we're maybe going to cross 50 million this year or something. Do you have numbers on it?

**Julio Peterson**

I have numbers on that. But yes, you're right about the tourist numbers. I definitely have numbers and grosses. I can tell you in 2018, 2019 we grossed \$1.829 Billion gross ticket sales over a 52 week period.

**Mary Ann Tighe**

And this was just for Broadway.

**Julio Peterson**

This is just for Broadway. And then 2021, which is right now we're at the 42nd month, we're at \$845 million. So you can see that we're lagging. Some of the ticket prices have gone down per show. Plays in particular. But people are coming back to see the shows they want to see, paying money to go see the M.J. show, Michael Jackson. And people are going to see Hugh Jackman, and are going to see shows like *Leopoldstadt*, which is a more intellectual Tom Stoppard play. Growing up in New York City and being here on Times Square, I remember seeing you know a lot of the older grandparent types and so far from Westchester, my Westchester grandmas, I call them. And they would come and have lunch together at Sardi's, group of ten. They made sure they split the bill in ten. And and they would go to a show. And you don't see those folks as much. They're starting to come back. So shows like *Leopoldstadt* trying to bring them back. And we have Neil Diamond. If Neil Diamond doesn't bring them back, who will? Yes. So, yes. So I think we're seeing that recovery. But to the office space, I'm a big believer that people should be at work. I like to enjoy myself going to the theater, going to concerts, going to Knicks games, which you don't always enjoy. But if folks can do that, why can't they go to the office? It just boggles my mind. And then it's sort of selfish from my perspective because the New York City economy relies on people buying a bagel in the morning and a coffee and buying a sandwich and some chips and a soda for lunch. And you think about the hundreds of thousands of people that are doing that every day. And those businesses employ folks and they create economic activity. So it's like we all have to participate in this process in order to get the city back and going. I'm a big believer that people should be in the offices and we have to. We've been in the offices because to us we can tell people to come to the theater and we're working remotely, so we show up.

**Mary Ann Tighe**

Let me point out, one of the successes of New York real estate in the last two years has been residential. To the point where we have real constraint on availability in residential.

And we are seeing really the highest numbers we have ever seen for market rate rental and in certain markets condominium. And I do think that if we look at what was transformative here in this district, in the Times Square district, where we see so much residential having bloomed. If we look at downtown post 9-11, where again we see tremendous conversion having taken place, I think we're going to see more of that. It takes time, however, to enter sort of the bloodstream of the industry. But people may not always be coming to work, but they sure as shoot and want to live here. So there's a whole lot of that going on. Some hotels have not reopened. We have a very strong hotel workers union here. It has to be economical for the hotels to operate. And so as a consequence of that, we've had constraint, but the pricing of hotel rooms has held strong and is going on.

### **Spencer Levy**

A certainly has for me because I no longer reside in New York. So I stay at the finest Courtyard by Marriott for quite a bit more money than I did before. Mary Ann Let me just say it's a St. Regis-type prices. Speaking of the St. Regis who we are, the best story I can give you about Broadway was about my Jewish grandmother who used to take me here to Broadway within blocks of year, used to work for the Department of Transportation and she would get tickets. I guess they got a deal on tickets. She'd take me to lunch at the St Regis. She didn't have two nickels to rub together. Don't know how she pulled it off. I must have gone 50 times to Broadway. Best memory of my life. So.

### **Julio Peterson**

Amazing. I wanted to say something about that. The first show I went to was *Annie*, and we had free tickets for the New York City Public School Kids. That was the first show I went to. I was a little kid, but I grew up in public housing, and one of the things that we have to do is that we have to make New York City affordable for folks. And I know that the real estate community is big on, you know, maximizing how much they're going to get in rents for this and that. But I think part of the real estate community's obligation is that, as I tell a lot of developers, you can't always hit a home run. Maybe you hit a single on this transaction and a double and steal third, or you get a sacrifice fly and you'll get home. We need to work on affordable housing in a real way, that's housing where people are proud to be in their house and they're going to clean the sidewalk and make sure it's not dilapidated. And I think there's an opportunity for us to do that now in some way. I think we have to really make an effort to make people find good, affordable housing that's clean, that's nice, and they feel proud of it so their kids can feel proud of themselves.

### **Mary Ann Tighe**

You know, Broadway has been such a leader in making the theater accessible. I think that very early on, Broadway's leadership came to recognize that they wanted to fill the theaters, but they also wanted to build the next generation of theater goers. So the TKTS booth that's out here in Times Square every day sells tickets, basically that haven't been sold, at deeply discounted prices. A show like *Hamilton*, I forget how often they do this very—

### **Julio Peterson**

For public school kids.

### **Mary Ann Tighe**

What do they do?

### **Julio Peterson**



They have a whole but a whole program where they bring kids from the public schools all the time. Lin-Manuel and his dad, Luis Miranda and Miranda family have been very good in that way because they grew up here, you know. And so there's a lot of initiatives. We've had initiatives through the Broadway League, which is the umbrella organization for Broadway, and we work with a lot of other not-for-profit organizations. Actually, the Shubert Foundation is the largest funder of not-for-profit theater companies in the country. We've provided over \$35-36 million in last year, per my recollection, but it's very close to now for private theater companies throughout the country. Part of it is to help build a new audience, right? Because the grandmas from Westchester, they're not going to be here forever. And we have to be able to make sure that the younger generation really sort of grasp on to Broadway once the kind of Broadway. But the other important thing is that you have to have the discretionary income to pay for the ticket to go to Broadway. And that's why it's also important for society to help them be cultivated and get good jobs and they can buy their own tickets.

### **Mary Ann Tighe**

Just to also bring our industry, the real estate industry, into this picture. We have a string of not-for-profit theaters that are along 42nd Street now. And including one building, the 42nd Street building that has the Duke Theater in it, which is a rehearsal building. That building has half of its floors devoted to for profit productions; half of its floors devoted to nonprofit productions. And on any given day, you can go in there and watch people performing musicals. I mean, it's an extraordinary building to go floor to floor. It's pretty amazing. But I think it's a little known fact that the buildings that were built under Times Square redevelopment, starting with what was once called 4 Times Square, obviously 3 Times Square of Times Square Tower, 5 Times Square, and now The New York Times building. All of them contribute a few cents per square foot, in their operating expenses to the not- for-profit theaters of Broadway every year. So they effectively subsidize the nonprofit theaters of Broadway.

### **Julio Peterson**

And we in fact, when we float our air rights to noncontiguous parcels, we have to put a portion of the proceeds into what's called the Theater Subdistrict Council Fund. So right we've raised in that fund over \$10 million that would go to not-for-profit theater companies again. And part of the thought was to build a new generation of theater goers. And that's been in the mind of folks for a long time. I know ever since I've been here. And the Shubert Organization provides a lot of funds to arts, education and things of that nature.

### **Spencer Levy**

Let's go back to the real estate, big picture real estate angle for just a moment. Live work, play environments, experience environments. And what I've seen now globally is the new hub of these areas are theaters, not always Broadway or live performance theaters, but it could be Madison Square Garden. It could be another type of entertainment venue. Mary Ann, were you, I hesitate to say ahead of your time, but did you form the model of what might be a successful thing nationally or internationally?

### **Mary Ann Tighe**

I do think that the vitality of Broadway has really been an international attraction for over a century. I mean, I think I always think of when I meet a company that's new to New York and coming in and I ask them, where do they want to locate their offices? I'm always amused because frequently I get the answer, "Oh, Park Avenue or Broadway would be good." And I want to say to them, "there's no resemblance between those two locations." But it's because Broadway and Park Avenue in a different way have this global brand.

Now, that brand comes from the theaters, even when Mr. Sulzberger or Mr. Ochs actually is the one who brought the New York Times and made it the Times Square. He was coming here and the theaters were already here. And so I do think that the energy that that creates, if you just think of the nature of the people who work in live theater, there's kind of nothing like it in terms of sheer diversity of talent. And also these are people who do it for the love. You're not doing this because you think you're going to become super rich by performing on Broadway. You're doing it because the thrill of performing live before an audience is so empowering. And I think that that has to spread into the district. I mean, I want to raise the ongoing discussions we're having about what's happening with the district now. And I think the discussion about the casino coming here is part of that. And I think the reason it's being raised is because they want to feed off the energy the Times Square already has and by the way, Times Square has from the theaters, and part of what I think the casino environment wants to take advantage of is the energy that emanates from it. And whether that's the right use or not is going to be mightily debated.

**Julio Peterson** Oh it will be.

**Mary Ann Tigh**

Oh, yes. But it speaks to the idea of the ability of the neighborhood to morph and to become a variety of different things. Just the way, by the way, Times Square retail. Whoever thought of shopping in Times Square? We used to joke that we couldn't understand the Gap that was over on 42nd Street was the highest producing Gap in the United States. I would say, too, I remember saying this to Douglas Durst, "Why do you think that Gap is so?" He said, "because people from all over the world come and visit Times Square. They get here. And if they're not going to the theater, there's nothing else for them to do with shops. So they go to the gap in Times Square and they buy whatever." Well, that whole retail presence is huge. And even as the retail market has suffered in recent years, as the whole industry has morphed, Times Square has remained pretty strong in that regard. So I think that we're going to continue to see uses here mutate.

**Spencer Levy**

And I think that's the story of New York period, but having this theater hub here is the energy. Maybe that's Mary Ann's term that drives everything else. And that's the same phenomenon I see for other forms of entertainment throughout the world.

**Julio Peterson**

No, absolutely. We think that this is the center of New York. And so we're always working to make sure that we promote Times Square. And as it is going right now, we're working with the city to make sure that the quality of life issues are addressed. And because there have been some issues there and we need for the city to step it up. We also, frankly, are opposed to a casino in Times Square. We don't think it's needed. We think there's too much congestion. And we've come out publicly, the industry, against the casino. It would be located here at 1515 Broadway, which is right on 44th Street, right at the center center of our theater block. We think it's going to be disruptive to theatergoers, and we don't think it's the best thing for our district. We do agree that it's fine for it to happen in New York City, and we understand it generates tax revenue and it generates job opportunities and so forth. But we're staunchly coming out against the casino in Times Square. So the thing is that it does evolve. Times Square does evolve. And I think we have to protect it and not get lost in sort of the immediate gratification of one thing and not think of long term solutions and sustainability of Broadway.

**Spencer Levy**

Well I'm glad to use the word sustainability because I think that we can talk about ESG a little bit here now about real estate. But what I really want to focus on is the "S" the social. And I think, Leo, you did a terrific job bringing that up about not just affordable housing, but making tickets affordable for everybody. So from your perspective first, and then Mary Ann, I would love yours on the whole ESG thing as well. How do you look at ESG, environmental, social and governance? Is it through the "S" lenses, through the "E" lens, is it through all of it? Because I heard a lot of "S" and I'm actually gratified to hear that because I mostly "E".

### **Julio Peterson**

I would say for me, as a African American Latino man from New York City, I have to focus on the "S". Because I work in two of the most homogeneous industries. Real estate and theater. And quite frankly, people don't think of theater in that way. But if you think of the ecosystem that makes what goes on on the stage happen, that's all homogeneous. The lighting designers, the set designers, the PR firms, the lawyers, the caterers, the photographers, the you name it. On stage, it's a different story. You see more diversity. And so one of the things that I know over the last two years, three years, I get a lot of calls. And my thing is that I'm more focused. Again on making sure people of color can afford to buy the Broadway ticket and have a good job and an apartment to live in. And they don't have to get free tickets like I had to when I was a kid. And that's what I'm focused on. So here on Broadway, we just went through what's called ULURP, you know, uniform land use review process, which developers hate. But I'm kind of a ULURP pro. So we just named one of our theaters after James Earl Jones. That was one of the initiatives that I worked on here at Shubert, you know, equity type of things. And then the industry in general. Nederlander is naming one of their theaters after Lena Horne. We're working on more productions, including people of color, more internships and not just what I call, you know, the tap dancing and singing, but I'm talking about like real technical skills that are associated with putting on these productions. So when somebody can't dance and sing anymore, they can still work. It's been a big challenge because things are structurally set the way they are. And so whether it be in the real estate industry, where I've spoken to many people about not just having internships but with the internships, bring them a job, right? Or how do you work with a masters, somebody is getting a master's in urban planning and bringing them to your real estate company and teaching them about finance so their skills are complementary. Like we have to step up our play in the real estate community and Broadway community to really create more equity. And that doesn't mean that it's taking jobs away from white people. I just believe in building a bigger pie. This is America. And so we can't build it here. Who can, who else can build it? So that's how I feel.

### **Mary Ann Tighe**

Julio is so articulate on this subject, and really beautifully said. The one thing I would say about New York City that I think is as much as the bedrock is part of our foundation, so is this: New York City has the gift of embracing all kinds of people. I'd have to say the theater community is front and center on that. And I think all the time you can have the most obscure interest in the world, the most obscure background, and you will find a community in New York City that will surround you, embrace you, support you. So we have the natural tools, if you will, on the social side to keep building and to be in our own way an exemplar of what it should be because it's natural to the city.

### **Spencer Levy**

Terrific. I'd like to end on that point, but I do want to give you the opportunity for final thoughts. We've covered so many topics, starting with you, Julio.

**Julio Peterson**

Thanks.

**Spencer Levy**

That's a good final thought.

**Julio Peterson**

I guess for mine, I'm just always optimistic about New York City. You know a lot of people were leaving New York when COVID hit. I don't I'm not going to make any judgments about people, but my philosophy was, let them leave. If those people want to be here when in New York is only good. And then when, pardon of my French, the shit hits the fan, they're going to leave. They're not real New Yorkers. So I believe that because we're always going to come back. We came out of the 9-11. When we came back after this, we came blackouts. We seen it all. And so I just believe in New York. And we're going to keep on doing whatever we can to make the city better and bring people back to the theaters. And Mary Ann is going to bring them back to the offices.

**Mary Ann Tighe**

And just just to say a thought or two on Broadway, I think many times that there is almost nowhere else in the world that I have had as many indelible experiences as I have had on these few blocks that we sit today where I can call up from different parts of my life a moment, a night, you know, a performance, and remember it vividly. I think that's true for millions of people. And I think if you have that and you have that energy, you can survive anything.

**Spencer Levy**

So I said the same thing about my first memory of Broadway when I was a kid. And I know, Julie, you talked about your childhood memories. Mary Ann, if you don't mind me asking, do you have your first memory of Broadway?

**Mary Ann Tighe**

Well, I'm not going to give you my first memory of Broadway, except to say I just want to say this to show you how very old I am; It was Mary Martin and Theodore Bikel singing in *The Sound of Music*. I mean, my – exactly. Julio is like freaked-out when he hears this. But can I tell you, I most what I always think of as my most memorable night of all time. On Broadway, which is saying something because I've had some spectacular experiences. I was privileged to be in the Shubert Theater the night that *A Chorus Line* broke the record for Excuse me, I'm getting weepy thinking about it for the most performances by a play. And what Michael Bennett – genius that he was– did is that he brought in *Chorus Line* from all over the world, and they performed in unison. In Japanese, in everything. It was a night out, never forget.

**Julio Peterson**

And that - it was amazing. And I remember Gerry Schoenfeld always talking about the importance of *Chorus Line*, because it was *Chorus Line* that really was the show that brought Broadway back. And it's just great being here with Mary Ann.

**Mary Ann Tighe**

Same here, Julio.

**Julio Peterson**

Thank you so much.

**Spencer Levy**

Well, thank you. And I can't end on a better note. On behalf of The Weekly Take, Broadway, spoken by not just two experts, but two New Yorkers. Julio Peterson, Vice President of Real Estate and Corporate Relations, The Shubert Organization. Julio, fantastic job. Thank you.

**Julio Peterson**

Thank you.

**Spencer Levy**

And Mary Ann, every time I'm with you—

**Mary Ann Tighe**

I promise not to weep next time.

**Spencer Levy**

No, Mary Ann, every time I'm with you—

**Mary Ann Tighe**

I can assure you, when I do business I typically don't.

**Spencer Levy**

There's truth there. We'll talk about that on the next show. But Mary Ann Tighe, the Tristate Region CEO, CBRE, so much more for New York. Thank you.

**Mary Ann Tighe**

Thank you.

**Spencer Levy**

Bravo to our guests and thanks to you for joining us. We hope you enjoyed the show. Instead of a curtain call, we'd love for you to help us build our audience by sharing the program. And don't forget to subscribe, rate and review us wherever you listen. For more, please visit our website, [CBRE.com/TheWeeklyTake](https://www.cbre.com/TheWeeklyTake). We'll be back next week for an encore with more stories from the grand stage of commercial real estate. Thanks again for joining us. I'm Spencer Levy. Be smart. Be safe. Be well.