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A Real-Life Happy Ending For a Displaced Theater

By CAMPBELL ROBERTSON

Far, far underground, beneath an enormous brick building in Chelsea, the Atlantic Theater Company has been quietly working to fill the fourth and last slot of its 2006-7 season. Which is why, in the middle of July, on a stool in a mostly empty theater, there sat Sutton Foster. Singing.

Yes, the Atlantic is doing another musical, only one season after presenting "Spring Awakening," the first in its 21-year history. The show, still untitled, is based on the music of Patty Griffin, the folk singer whose songs have been recorded by Emmylou Harris, Reba McEntire and the Dixie Chicks. The opening date, probably in early June, is far away, and the musical is still very much in development.

But the book, so far about a couple on a road trip from Florida to New York, is by Keith Bunin, author of the recent play "The Busy World Is Hushed," and the director is to be Michael Mayer, who directed "Spring Awakening." There is no cast yet, though there has been a workshop, with Ms. Foster, Linda Emond and Matthew Morrison.

It has been an unusual year for the Atlantic. As medium-size nonprofit theaters go, it has been unusually successful. Two of its shows -- half of its season -- were picked up for commercial runs on Broadway: "Spring Awakening" and "The Lieutenant of Inishmore." The jury is still out on how well these transfers will do financially ("Lieutenant" has had trouble filling the seats at the Lyceum since it reopened in May; "Spring Awakening" opens at the Eugene O'Neill this fall), but the publicity has been good for the Atlantic.

"It's a huge positive," said Neil Pepe, the theater's artistic director, "not only because the work was successful enough to get a larger audience, but also because more people will know about the Atlantic." The company has a paid membership of 3,500.

Back to that underground theater. How the Atlantic found itself there is a tale of nimble negotiating and real estate jujitsu that could almost be the subject of a David Mamet play, albeit one in which the little guys come off pretty well in the end.

For most of the last decade, the Atlantic has occupied two locations in Chelsea: a converted church at 336 West 20th Street, where the main stage and some offices are, and 13,000 square feet in a building at 453 West 16th Street.

The Atlantic moved into the West 16th Street space, a charming if bizarre maze of offices and studios with bad plumbing, the occasional rodent and walls as soundproof as lace, in 1997. It housed a 65-seat theater and the studios of the Atlantic Acting School, where roughly 300 students a year came to learn Practical Aesthetics, the acting technique formulated by two of the Atlantic's founders, Mr. Mamet and William H. Macy.

Roughly speaking, Practical Aesthetics teaches that acting is about knowing your character's objective, and what specific action you must induce another character to perform to fulfill that objective.

Take a real-world example: in 2004 a pair of developers bought the building on West 16th Street, planning to tear it down to make way for a 26-story luxury condominium tower called the Caledonia. What did they need to fulfill this objective?

Well, they needed the Atlantic to get out of the building.

But the Atlantic, one of three tenants, had a little more than two years left on its lease. For real estate developers, two years can be a terrifying eternity. For the Atlantic, said Mary McCann, the executive director of the acting school, who is married to Mr. Pepe, those two years were terrifyingly brief.

Thus began a game of real estate chicken.

As an opening move, Taconic Investment Partners, one of the developers and one of Atlantic's landlords at the West 16th

Street building, offered the theater company \$500,000 to leave early. The Atlantic turned them down. Three months later Taconic doubled the amount. Turned down again.

"I don't know why we felt so confident to say, 'No way,' " Ms. McCann recalled.

One reason was that money was not the main problem. If there were no place to go, said Paul Wolf, of Denham Wolf, a real estate consulting firm that was helping the Atlantic search for new space, no offer would have been acceptable.

The search was almost quixotic, given the requirements. For the acting studios, where classes are taught, the Atlantic needed large, open areas free of support columns; for a theater, unusually high ceilings were vital. The quarters had to be close to the company's main theater. And, with a \$5 million annual budget, the rent couldn't break the bank.

Good luck.

In the middle of their search, Andrew D. Hamingson, the Atlantic's managing director, and Mr. Wolf asked Taconic about one of their other properties, the square-block former Port Authority building at 111 Eighth Avenue, between 15th and 16th Streets. In recent years the building, which has 2.9 million square feet and industrial flourishes like truck elevators and sub-sub-basements, has become a fashionable office space, with tenants like Sprint, Nike and Google. Taconic has been a manager and part owner of the building since 1998.

It was a perfect location for the Atlantic, four blocks from the main theater, and it fit all the specifications.

"When they saw our interest," Ms. McCann said, "they realized the only way to really make a deal with us was to figure out a way to do it in this building."

And so they did. Though negotiations were tough and lasted for months, in the end, Mr. Hamingson said, the Atlantic got almost everything it asked for. In January it moved into a fifth-floor, 13,500-square-foot space containing seven spacious studios and offices with river views. In June it moved into its 10,000-square-foot share of the sub-sub-basement, with a scene shop, dressing rooms, more studios and a 99-seat black box theater called Atlantic Stage 2. (The main stage remains on West 20th Street.)

The cost of developing the spaces was \$4 million, Mr. Hamingson said, of which \$1 million was covered by a grant from the city and \$750,000 by the theater company. But -- and here is the clincher -- most of the cost was borne by Taconic.

Charles Bendit, one of the founders of Taconic, said it was the best option. "It keeps them in the neighborhood, fulfills our requirements at 111 Eighth and fulfills our timing requirements for vacating the existing site," he said. The windowless basement, he added, would have been difficult to lease.

Thus the tale ends. And, Ms. McCann added, "We're still good friends, which is the amazing thing."

It's enough to make a Mamet character wince.

Photo: Andrew D. Hamingson, left, and Neil Pepe of Atlantic Theater Company in their new space in the former Port Authority building. (Photo by Sara Krulwich/The New York Times)