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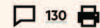
How a Frankfurt theatre became a PR disaster for Commerzbank

Bank's efforts to evict tenant has sparked outrage in Germany



The theatre, whose lease ended last year, says it does not have to move © Arne Dedert/picture-alliance/dpa/AP

Olaf Storbeck in Frankfurt JUNE 18 2023



A Frankfurt skyscraper that is home to the largest English-speaking theatre in continental Europe has turned into a public-relations nightmare for Germany's Commerzbank and one of Singapore's largest real estate investors.

This month, the country's second-largest lender asked a German court to evict the English Theatre Frankfurt — a charity that performs to 70,000 people a year — from a downtown 38-storey office block dubbed "Gallileo".

The expanding legal fight has seen a local dispute go national, dragging in politicians and campaigners and threatening to undermine Commerzbank's two-decade-long sponsorship of the theatre.

"Thanks to its extraordinary profile, the English Theatre Frankfurt is not only enriching the cultural life of Frankfurt and the Rhine-Main area but all of Germany's theatre landscape," a spokesperson for Claudia Roth, Germany's minister for culture and the media, told the Financial Times.

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As part of a deal with the city, Dresdner Bank had to include a playhouse with 300 seats in the building. Dresdner has since been folded into Commerzbank and Gallileo has been sold — first to South Korean investors in 2013 and then to CapitaLand for €356mn in 2018.

Throughout, Commerzbank has retained a long-term lease that has seen it sublet the basement rent-free to the theatre, covering electricity, water and other ancillary costs. However, now that the bank says it no longer needs the office space, CapitaLand wants to start refurbishments in an empty building and the theatre, whose lease ended last year, says it does not have to move.

The government in Berlin was "very disappointed" by the recent escalation, Roths's spokesperson said and urged CapitaLand to enter talks on securing the theatre's future. Boris Rhein, the prime minister of Hesse, the German state containing Frankfurt, will reach out to CapitaLand to "explain the significance of the English Theatre Frankfurt", according to his spokesperson.

"It would be a scandal if such a fantastic playhouse in the heart of Frankfurt was closed down because of corporate greed," said the theatre's artistic and executive director Daniel Nicolai, adding that the new owner CapitaLand needs to understand "that it will have sorted its corporate social responsibility demands for all of Europe if they treat us well".

The theatre's chair Christine Graeff, former head of communications at the ECB, said it was "essential for such an international city as Frankfurt".

The outrage is fuelled by a widespread perception in Germany that Commerzbank and CapitaLand are flouting commitments that the first owner of the office block gave to the city of Frankfurt some 25 years ago.

"The city planners did not want to have only office towers but were looking for ways to inject life into the banking district," said Frankfurt lawyer and theatre board member Steffen Paulmann.

The planning permit was awarded under the condition that the basement would always be dedicated to a cultural purpose, say people familiar with the case. This restriction was still part of the legally binding land-use plan and did apply to any owner, said Paulmann.

Ina Hartwig, Frankfurt City's official in charge of culture, said that the city thought that "the contract that was signed by Dresdner Bank in 1999 is still valid", arguing that Commerzbank was obliged to ensure new owners provide space for the theatre.

Commerzbank says its lawyers see no legal obligation to provide a venue for the theatre in perpetuity, and that it warned the charity eight years ago it would have to move out when the building was handed over to CapitaLand.

The bank, which over the years supported the theatre with €10mn, says that it "very much regrets the current development" and stressed it "has done its utmost to ensure the theatre can remain in the Gallileo building". It argues that it is legally required to evict the theatre if it does not move out voluntarily, as CapitaLand insists on taking ownership of a completely vacated site.

CapitaLand said it was planning for 18 months of "extensive refurbishment" on the 20-year-old building. "During this time, safety is paramount and the building should be vacant," the fund said, adding that it would afterwards "explore the options for the space set aside for public use in the building."

The fund added that it understands "the value of culturally rich and diverse cities" and that since "CapitaLand's contract is with Commerzbank, [they] are not a direct party to any dispute".

After the publication of this article, CapitaLand underlined that it is "open to explore options for Gallileo" and that it understands its importance "as a commercial and cultural landmark in the heart of the city centre." The fund added that it is committed to work with the City authorities to plan an upgrade to Gallileo".

With its future on the line, the Frankfurt Theatre on Saturday celebrated the premiere of what may be one of its final productions: "Now and Then."