

# The Flatiron District for the Left Brain

One year ago, the Flatiron/23rd Street Partnership was celebrating the achievements of its first five years. Today, as we look back on the past 12 months, we take pride in the knowledge that our effort to make Flatiron one of New York's most exciting neighborhoods is as vibrant as ever.

We welcomed nearly three dozen new ground-floor businesses in FY12, including the NoMad Hotel, which instantly became the anchor of Flatiron North, and Marimekko, Finland's gift to textile and apparel design, and notable upper-floor tenants such as Vera Wang, one of the world's best-known fashion names. We continued to see an outpouring of new restaurants, from casual eateries to such upscale dining spots as the NoMad Restaurant and La Mar Cebicheria Peruana, all of which embellish Flatiron's reputation as a hot destination for those who enjoy good food.

In FY12, the BID launched its biggest streetscape expansion to date, a beautification of the district's tree pits with custom guards and plantings that will eventually encompass the entire neighborhood. It's all part of our overall effort to keep Flatiron blooming, an initiative that began in 2008 with the Public Plazas and continued in 2009 with the beautification programs: the hanging baskets,

the Park Avenue South malls, and the tree pits. The past year also saw new marketing efforts by the BID, including a revised newsletter that now appears weekly instead of monthly, and the preparation and dissemination of important neighborhood economic data reports.

Culturally, Flatiron continues to grow. The attractions range from contemporary music (the Gramercy Theater) to classical (WMP Concert Hall); from the Museum of Sex to the upcoming Museum of Mathematics; from the Baruch Performing Arts Center to the People's Improv Theater; from the Flatiron Prow Artspace to the newly named Creative Arts Building at 300 Park Avenue South, now home to the offices of the Smithsonian Institution, the New York State Council on the Arts, and the Whitney Museum. This report seeks to pay tribute to the vast array of cultural destinations throughout the neighborhood, some well-known, others hidden treasures.

Looking to FY13, the BID remains committed to making Flatiron the city's best place in which to live, work, visit and enjoy. As we look to the future and consider rising costs along with our desire to continue to expand programming, in FY13 the BID is planning to seek its first assessment increase since its inception in 2006. Stay tuned.

The members of the BID's Public Safety Team remain a powerful force for keeping Flatiron safe and secure. Their presence on the streets, in their easily recognizable blue uniforms with the BID logo, helps deter quality-of-life violations and adds a comforting sense of security to everyone in the area.

The six full-time and one part-time Public Safety Officers (PSOs), contracted through ABM Security Services, patrol the district, including the Public Plazas, from 9 a.m. to 7 p.m. on weekdays and from 10 a.m. to 6 p.m. on weekends. They are the BID's ambassadors of good will, dispensing information and directions to tourists as well as locals; they serve as extra eyes and ears for the New York Police Department; they keep the BID informed about any emergencies or situations that need attention; and they assist district retailers by distributing vital information to them concerning the work of the BID and local ordinances.

In FY12, the PSOs recorded 6,599 unique conditions or incidents, from non-functioning street lights to illegal flyers and stickers, and responded to 15,776 requests for information, directions or other kinds of assistance. The most common conditions addressed by the PSOs are flyers or stickers on public or private property, infractions and complaints about bicycles, and reports of homeless individuals possibly needing assistance.

Nearly 80 percent of the respondents to the BID's Community Survey rated the Public Safety Program as "good" or "excellent."

Every day at 7 a.m., regardless of climate or conditions, the team, hired through a contract with Atlantic Maintenance, gets going, working in two shifts until 7 p.m. Special attention is given to the Public Plazas. In FY12, the Clean Team collected 152,538 trash bags from the nearly 200 BID trash receptacles that dot the district. Continuing its war on graffiti, litter and other forms of urban blight, the team cleaned, painted, power washed, repaired or removed over 11,000 such conditions from sidewalks, street furniture, buildings and other public and private property. In the first three quarters of FY12, the Flatiron district received ratings of 100 percent acceptable on the Mayor's Office of Operations Scorecard, which rates the cleanliness and conditions of City streets and sidewalks by neighborhood.

The team ranges in size, depending on the season, with bigger crews out there for eight months of the year, from mid-March through mid-November, when winter schedules begin. Prior to FY12, expanded crews were on the job only seven months a year. The Clean Team has 18 full and part-time workers for the winter months, increasing to 22 the rest of the year. Also new in FY12, the team works on winter weekends from 7 a.m. to 5 p.m., instead of 3 p.m.

In November 2011, the Clean Streets Program celebrated its five-year anniversary. Since its inception, the diligent work of the BID and its Clean Team has had a dramatic impact on the district. In May 2011, a follow up to the initial street level conditions assessment survey that was taken in 2006 was performed and revealed astonishing results. Instances of graffiti were down 93.8 percent, bills and stickers were down 98.8 percent, and litter was down 97.9 percent.

The BID again participated in the eighth annual Homeless Outreach Population Estimate (HOPE), an initiative of the Department of Homeless Services. Working through the night, HOPE teams—including BID staffers who inspected the Flatiron district—canvassed streets, parks, subways and public spaces in

## Public Safety Program

**52%**  
of respondents think the BID is cleaner than most neighborhoods in Manhattan

**84%**  
would like to see an expansion of the streetscape beautification program

**APPROVE**  
83% of respondents approve or strongly approve of the job the BID is doing

**93%**  
rate the impact of the public improvement program as "good" or "excellent"

**90%**  
of respondents rate the impact of the clean streets program on the district as "good" or "excellent"

since 2006  
**93.8%** less graffiti  
**98.8%** less bills / stickers  
**97.9%** less litter

## Clean Streets Program

All five boroughs, counting the homeless and collecting data later used by outreach teams to help the unsheltered leave the streets for a better life.

The BID continued its participation in the East Side Alliance, an effort that involves the Manhattan District Attorney's office, the New York Police Department, local community organizations and area methadone clinics. Working together, these entities strive to fortify the lines of communication that link the clinics with their immediate communities, as well as to take proactive steps to confront and reform illegal activities and conditions that negatively impact quality-of-life conditions. Working together in a community-wide effort, participants in the program conduct regularly scheduled meetings to assess results and to exchange the latest information about evolving conditions.

## Marketing, Communications and Events

The story of the Flatiron district's real estate market for 2011 and first half of 2012 is one of dynamic growth. The booming tech sector and supporting industries have driven the vacancy rates to new lows. Businesses of all sizes have seen the inherent value of the commercial office market and made the district one of the most desirable locations in New York City. Retailers have also recognized this dynamic and pushed retail vacancy rates to low single digits. Residential developers are moving ahead with adding or converting nearly 1 million square feet of space to residential use in and around the district.

A wealth of information on the district is presented in the BID's suite of publications on neighborhood market data, released throughout the year. The second edition of the "Flatiron: Where Then Meets Now" report, which highlights important data on the district, was published in April 2012. Two new sources of real estate information were launched in FY12: "Market Snapshots," a quarterly report about general conditions, trends and analyses in the retail and commercial office-space markets, and the BID's monthly "Retail Opportunities Maps," which depict available street-level retail space, with square footage and broker contacts.

## Neighborhood Economic Data and Reporting

Whether online or up close and personal, the Flatiron Partnership continued to engage the community.

**Website and Newsletter:** Enhancing its website with more user-friendly features, the BID also created major changes in "The Intersection," its highly regarded e-newsletter. It now appears weekly, not monthly, in a redesigned format with tighter and timelier items. Once a month, an expanded version carries traditional features such as Discover Flatiron, plus new ones. Flatiron Faces is a Q&A with some of the district's most prominent people, from NBC's Lester Holt to Marimekko's Lynn Shanahan, and from restaurateur Danny Meyer to Barbara Murphy-Warrington, CEO of the Girl Scouts of Greater New York. Another new feature, Social Media Shout-Out, spotlights local businesses that effectively use web-based media tools.

**Social Media:** The Partnership's Facebook and Twitter pages have more BID-generated content than ever, more photographs, and more of an interactive nature. Content includes regularly scheduled notes and news about the BID's five major program areas.

**Programming and Events:** From producing forums for small businesses to providing free gift wrapping for the holidays, the BID continued to be involved in the life of Flatiron. Its "Intersections" programs included a forum at Baruch College called "Small Business Rising: Leveraging Technology to Grow Your Business" that, with the support of General Assembly, helped guide local entrepreneurs in the ways of Google, Twitter, Facebook and other vital elements of new media. The popular Speaker Series, again held in partnership with TD Bank, featured appearances by Deputy Inspector Ted W. Bernsten, Commanding Officer of the 13th Precinct, and City Council Speaker Christine C. Quinn. "Retail & Residential Development in Flatiron," a breakfast event tailored for the real estate community, offered a panel discussion and Q&A at Almond Restaurant.

In October, more than 200 people attended the BID's annual Celebrate Flatiron Partnerships party, at 230 Fifth, the Rooftop Garden Bar & Restaurant at 230 Fifth Avenue. Among the goodies in gift bags made from recycled BID streetlamp banners were specially printed postcard books, published by the BID, which included images of the Flatiron district past and present, depicting the neighborhood's remarkable transformation.

On four Fridays in December, shoppers brought purchases from district stores to a wrapping station on one of the Public Plazas. Almond, Birch Coffee and Benvenuto Café provided warm beverages. The Public Plazas were also the site of a "Deal Wheel" promotion on July 26 in conjunction with the BID's fifth-year celebration. Passersby could spin a wheel and win prizes provided by neighborhood merchants.

**Sponsorships:** To its traditional portfolio of sponsorship opportunities such as banners, litter baskets, "Greening the District" and the Park Avenue South malls, the BID added the opportunity to sponsor its new free Wi-Fi service on the Public Plazas.

**Collateral and Print:** The BID printed 75,000 updated Discover Flatiron Maps, the fifth edition, and 25,000 new Shopping Guides, 5,000 of which had special holiday covers.

**Business Outreach:** There were increased mailings to new businesses and a greater effort to reach new upper-floor businesses. Special welcome packets for major new tenants such as the Whitney Museum, whose administrative offices are now in 300 Park Avenue South (the Creative Arts Building),

## Public Improvement Program

as its use by the community continued to rise, the Flatiron district kept on expanding and developing the BID's Master Plan for Streetscape and Beautification. Launched in 2008, the plan is a multi-purpose blueprint that adds to the physical beauty of the neighborhood.

**The Public Plazas:** The four discrete plazas, created by the Department of Transportation (DOT) and maintained by the BID, along Broadway from 21st to 24th Streets, are more popular than ever, earning an outstanding 92.6 percent approval rating from respondents to the 2011 Community Survey, compared to 89.4 percent a year earlier. The plazas were enhanced in FY12 with the addition of 44 chairs for a total of 164; 20 tables for a total of 60; and a dozen benches. The 24 umbrellas on the plazas have handsome new canopies that display the BID logo. The 148 planters that protect the plazas are beautified with year-round seasonal plantings: tulips, daffodils and hyacinths in spring; Victoria blue salvia, lantana, petunias, coleus, ipomoea, balcon geraniums and hibiscus in summer; ornamental cabbage and kale in autumn; and blue star junipers and gold thread cypress in winter. FY12 was also the first full year of free Wi-Fi availability on the plazas. To date, more than 17,700 unique visitors have logged on. More and more, the plazas have become a popular spot for promotions, commercials and movie and television productions. BID events on the plazas included a free gift-wrap service last December and a "Deal Wheel" event last July. Sponsorship activities included a week-long display of branded umbrellas by Marimekko, and a generous sponsorship by Tiffany & Co. Both companies are located at 200 Fifth Avenue, adjacent to the plazas.

**Beautification and Streetscape:** The Park Avenue South malls underwent a revamping, adding flowers and foliage, new soil and 14 crisp cypress trees. The district's 39 hanging baskets, which like all the BID's streetscape projects are maintained by the landscape firm Frank Bullfamante & Sons, were graced by white begonias and red coleus in warm weather, gold-thread cypress in fall and winter. An expansion plan for the BID's tree-pit guards and seasonal plantings that will encompass the entire BID district is under way and will continue through October 2013. Currently, the BID maintains 77 tree pits, an addition of 28 in FY12. They, too, are treated with seasonal plantings: Dragon wing begonia for spring and summer; ornamental cabbage for fall; and daffodil bulbs planted in winter that will blossom in early spring.

Working with CityRacks, the DOT's bike rack program, the BID added three more for a total of 48 and, in conjunction with the City's MillionTrees effort, added one tree for a total of 41.

## Social Services Program

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Christopher Kay

Baruch College  
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Jennifer Brown  
Executive Director

Scott Kimmins  
Director of Operations

Eric Zaretsky  
Director of Marketing and Economic Development

Scott Lamkin  
Program Manager

Sabrina McFarland  
Staff Writer

**2012 Annual Meeting Award Recipients**

**Outstanding Service Award**  
Michael Black  
BID Public Safety Officer

**Partnership Award**  
General Assembly

**Sponsors**

**\$20,000+**  
Colliers International  
Meringoff Properties  
Tiffany & Co.

**\$10,000+**  
ABS Partners  
Real Estate  
Newmark Knight Frank

**\$5,000+**  
Calumet Photographic  
Cor (Sydell Group)  
Pan Am Equities  
Madison Green Condominium  
New York Life Insurance Company

Lois Lane Travel

Swann Auction Galleries  
Wyndham Garden Hotel

**\$500+**  
Regus  
Ace Hotel  
(Sydell Group)

**Greening the District Sponsors**  
Con Edison  
Tiffany & Co.

**Friends of the Flatiron/23rd Street Partnership**  
Teloserve  
Ace Hotel

**Credits**  
Design  
Pentagram Design

**Illustrations**  
Peter Arlike

**Text**  
Mort Sheiman

**About us**

The Flatiron/23rd Street Partnership Business Improvement District, formed in 2006, is a nonprofit organization whose mission is to enhance the area's reputation as one of New York's most vital and exciting neighborhoods. This is accomplished by maintaining a clean and safe environment for the district's businesses, residents, and visitors; by spearheading area improvement projects; and by marketing the diverse business and retail options in this vibrant and historic neighborhood.

## Statement of Financial Position

ASSETS	2011	2010
Cash	256,894	943,162
Prepaid assets and receivables	8,664	6,702
Investments	1,199,796	399,760
Property and equipment	802	2,320
Security deposits and other	11,587	35,787
<b>TOTAL</b>	<b>1,477,743</b>	<b>1,387,731</b>

  

LIABILITIES/NET ASSETS	2011	2010
Liabilities	104,011	79,446
Net assets	1,373,732	1,308,285
<b>TOTAL</b>	<b>1,477,743</b>	<b>1,387,731</b>

  

SUPPORT AND REVENUES	2011	2010
Assessment revenue	1,600,000	1,600,000
Contributions and other	324,440	300,738
<b>TOTAL</b>	<b>1,924,440</b>	<b>1,900,738</b>

  

EXPENSES	2011	2010
Marketing	307,470	239,438
Safety	269,310	242,485
Sanitation	646,225	548,975
Social services	63,543	60,429
Public improvements	300,862	294,716
Administration	271,583	284,637
<b>TOTAL</b>	<b>1,858,993</b>	<b>1,670,680</b>
<b>INCREASE IN NET ASSETS</b>	<b>65,447</b>	<b>230,058</b>

Summary of Financial Statements dated September 13, 2011, prepared by Skody Scott & Company CPAs PC. A copy of the complete audited financial statements is available upon request.

## FY 2013 Approved Draft Budget

	ADMIN	MARKET	PUBLIC SAFETY	SANITATION	SOCIAL SERVICES	PUBLIC IMPROVE	FY13 BUDGET TOTAL	FY12 BUDGET TOTAL
ASSESSMENT REVENUE	—	—	—	—	—	—	1,600,000	1,600,000
Contributions	—	170,000	—	5,000	—	215,000	390,000	325,000
Interest Income	—	—	—	—	—	—	10,000	10,000
<b>Total revenue</b>	—	—	—	—	—	—	<b>2,000,000</b>	<b>1,935,000</b>
<b>PROGRAM EXPENSES</b>								
PERSONNEL COSTS								
Total salaries and payroll taxes	52,793	154,084	58,382	58,405	14,073	117,003	454,718	427,336
Health and benefits	6,767	9,999	3,608	3,608	1,399	12,952	38,334	40,829
<b>Total personnel costs</b>	<b>59,560</b>	<b>164,083</b>	<b>61,970</b>	<b>62,013</b>	<b>15,472</b>	<b>129,955</b>	<b>493,052</b>	<b>468,165</b>
DIRECT EXPENSES								
Outside contractors	5,000	31,000	250,000	700,000	60,000	250,000	1,296,000	1,165,000
Program equipment	—	—	1,000	10,000	—	1,143	12,143	12,500
Program supplies	—	40,000	—	1,000	2,500	5,000	48,500	46,000
Tree pits	—	—	—	—	—	60,000	60,000	—
Project expenses	—	151,000	—	—	—	3,500	154,500	98,336
<b>Total direct expenses</b>	<b>5,000</b>	<b>222,000</b>	<b>251,000</b>	<b>711,000</b>	<b>62,500</b>	<b>319,643</b>	<b>1,571,143</b>	<b>1,321,836</b>
<b>Total program expenses</b>	<b>64,560</b>	<b>386,083</b>	<b>312,970</b>	<b>773,013</b>	<b>77,972</b>	<b>448,598</b>	<b>2,064,195</b>	<b>1,790,000</b>
Total general operating							185,000	185,000
<b>Total expenses</b>							<b>2,249,195</b>	<b>1,975,000</b>
Contingency							0	0
Excess revenues over expenses							(249,195)	(40,000)

**Total Projected Surplus as of 6/30/12** **1,140,000**

Planned public improvement expenditures **—**

Operating reserve (600,000)

Current year excess revenues (249,195)

**Available for future operations as of 6/30/13** **290,805**

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Sabrina McFarland  
Staff Writer

**RETAIL DATA**

National retailers, service or food businesses make up 30% of the district's ground floor businesses. Locally based independent retailers, service or food businesses make up 70% of the district's ground floor businesses.

**Retail vacancy rates for the last 6 months of 2011**

- July 9.2%
- August 8.2%
- September 6.5%
- October 7.1%
- November 7.4%
- December 7.4%

**COMMERCIAL OFFICE DATA**

Asking rent range: \$22 to \$57/SF  
Overall vacancy rate of 4.19%

**Commercial office vacancy rate**

- Manhattan 8.9%
- Midtown 9.4%
- Midtown South 6.3%
- Downtown 9.3%
- Chelsea 4.5%
- Village 7.4%
- Hudson Square 11.7%
- SoHo 3.9%
- Garment Center 10.4%
- Flatiron/Madison Sq. 5%

**Q4 2011 Leasing by sector**

- 45% Tech, Marketing and Creative Design
- 9% Health and Medical Practitioners
- 18% Manufacturer/Distributor of Goods
- 5% Music and Publishing
- 23% Finance, Insurance, Real Estate and Service

**TRANSPORTATION DATA**

Average weekday ridership for the Flatiron districts seven local subway stations has been on the rise, growing 27% since 1998 to 135,871 in 2010.

**Percentage change in subway ridership 1998-2010**

- 23 St (I) +24.6%
- 23 St (6) +24.5%
- 23 St (N,R) +25.9%
- 23 St (FM) +44%
- 28 St (I) +37.7%
- 28 St (6) +16.5%
- 28 St (N,R) +14.3%

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