



# Flatiron: Where Then Meets Now

**Today's Mixed Use District**  
September 2013

## Contents

- 3 What is a Business Improvement District (BID)?
- 4 About the Flatiron/23<sup>rd</sup> Street Partnership BID
- 8 Flatiron Now: Today's Mixed Use District
- 23 Neighborhood Connectivity

## Business Improvement Districts: Public-Private Partners

A Business Improvement District is a formal organization made up of property owners and commercial tenants who are dedicated to promoting business development and improving an area's quality of life. BIDs deliver supplemental services such as sanitation and maintenance, public safety and visitor services, marketing and promotional programs, capital improvements, and beautification for the area – all funded by a special assessment paid by property owners within the district.

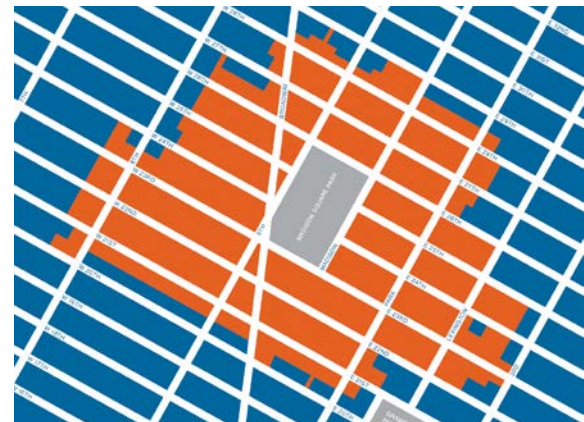
There are 67 BIDs operating in New York City who invest \$105 million to serve over 3,100 block faces in all five boroughs. The BID program in New York City is overseen by the NYC Department of Small Business Services.

## About the Flatiron/23<sup>rd</sup> Street Partnership



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.

- Assessment Budget: \$2,000,000.00
- Service Area & Constituents:
  - 21<sup>st</sup> to 28<sup>th</sup> Streets, 6<sup>th</sup> Ave. to 3<sup>rd</sup> Ave.
  - 103 block faces
  - 21,000,000 commercial square feet
  - Over 4,500 commercial tenants & 550 ground floor businesses



## About the Flatiron/23<sup>rd</sup> Street Partnership BID programs

### **Clean Streets**

Clean Team workers scour the District seven days a week starting at 7 a.m. year round, keeping it free of litter and graffiti, clearing puddles and snow, and scraping bills and stickers from street furniture. The Clean Team also services and maintains over 200 custom BID and other trash receptacles. One night per week, a specialized crew with power-washing equipment scrubs sidewalks and removes graffiti in areas throughout the District.

### **Public Safety**

The BID's Public Safety Team, dressed in blue uniforms, with badges and Flatiron patches, is on patrol throughout the District seven days a week serving as ambassadors of goodwill to visitors, and acting as the eyes and ears of the BID by observing and reporting conditions around them.

### **Public Improvements**

The BID maintains District-wide horticultural elements such as hanging baskets, floral tree-pits and custom tree guards, as part of the BID Streetscape and Beautification plan. The adopt-a-mall beautification program along Park Avenue South adds flowers and greenery to a once lifeless thoroughfare. The BID also coordinates the installation of new bike racks and tree plantings throughout the District. At the center of the District are the Flatiron Public Plazas. These public spaces are maintained by the BID, and are embellished by lush plantings, bright blue umbrellas, silver-toned tables and chairs, and the BID's Visitor Information Cart.

### **Marketing & Communications**

The program includes a website, electronic newsletter, a neighborhood map and shopping guide, social media, a free weekly walking tour, and sponsorship opportunities. Its Intersections program includes a speaker series and business forums that have addressed challenging local and national issues as well as cultural events and exhibits highlighting the Flatiron District.

### **Social Services**

The BID's Social Service program focuses on homeless outreach through a contract with Urban Pathways. The BID is also a founding member of the East Side Alliance, an effort geared toward fostering communication and accountability among area methadone clinics, law enforcement, and the community.

## ✦ BIDs Are a Valuable Partner in Tenant Attraction

### Tenant Attraction & Relocation Support

- BIDs are valuable partners in assisting new companies and their employees become acclimated to their new neighborhood.
- BIDs can meet with current and potential tenants to provide information about the area and its amenities and advise potential tenants on a variety of neighborhood issues.

### Information, Insight and Access

- BIDs act as a liaison with community boards, and City government on behalf of member businesses and property owners.
- BIDs are an excellent source for information about an area gleaned from community outreach and surveys.

### Business Assistance

- BIDs provide continual support for tenants to help them grow and expand.
- Business events provide access to services and information.
- Robust marketing programs promote local businesses through a variety of channels and initiatives.





YOU DESERVE TO WAKE UP HAPPY  
penney

NO STOPPING ANYTIME  
←

BIKE LANE  
BIKES ONLY



# A Neighborhood Transformed

## Flatiron District key facts

### LOCATION

- Neighbors include: Chelsea, Union Square, Gramercy, Herald Square, Murray Hill
- Boundaries: 21<sup>st</sup> to 28<sup>th</sup> St., 6<sup>th</sup> to 3<sup>rd</sup> Ave.

### MAJOR ATTRACTIONS

- The Flatiron Building
- Eataly
- Madison Square Park

### TRANSPORTATION & ACCESS

- Six subway lines, nine bus lines, PATH
- Five main thoroughfares: Sixth Avenue, Broadway, Fifth Avenue, Park Avenue South and 23rd Street
- Close to Penn Station and Grand Central Terminal

### DEMOGRAPHICS\*

- Residential population of 240,036
- Annual spending power of \$9 billion
- Median household income of \$90,246
- Over 645,600 daytime workers

### COMMERCIAL REAL ESTATE

- Over 200 commercial office buildings
- Rentable building area of 22.2 million SF
- Asking rent range: \$30 to \$79/SF
- Overall Vacancy Rate of 6.96%
- Major Commercial Tenants: Credit Suisse, Grey Group, Tiffany & Co., New York Life, Macmillan, Digitas, Quinn Emmanuel, Leo Burnett, AppNexus

### MAJOR INDUSTRIES

- Technology, new media, creative design, publishing, marketing/advertising/public relations, insurance, finance, apparel

### RETAIL REAL ESTATE

- Over 550 ground floor businesses
- Vacancy rate of 4.5%
- 28% national, 72% locally-owned independent business
- Major Retailers: Best Buy, Home Depot, Eataly, Marimekko, Trader Joe's, Restoration Hardware, P.C. Richard, Crumbs



Source: US Census (\* 1-mile radius), ABS Partners Real Estate Office2Q13 Report, CBRE.



## A Revitalized Broadway Corridor Public & private investment

One of the most transformative changes in the District has been through the public and private investment along the Broadway corridor.

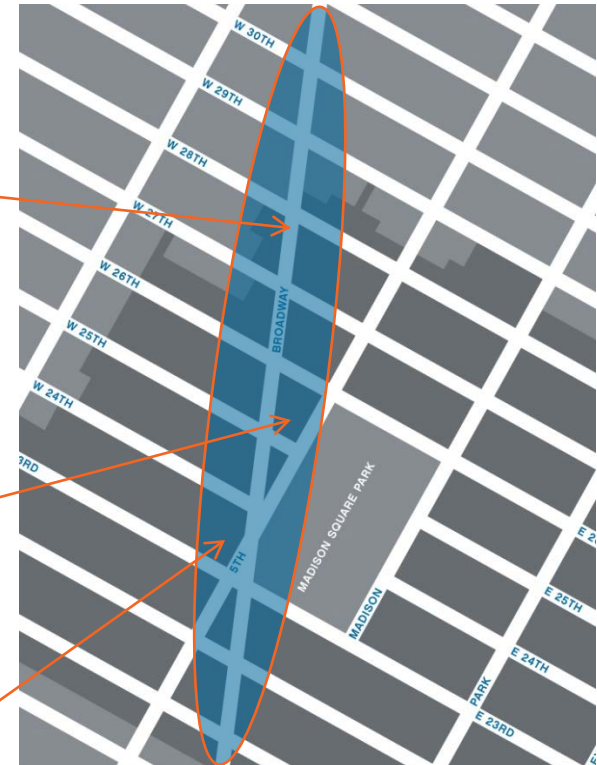
### Public Investment

In 2008, working with NYC DOT and the Public Plaza Program, over 30,000 square feet of public space was created at the intersection of Broadway, 23<sup>rd</sup> Street and Fifth Avenue. DOT further addressed traffic flow and safety on Broadway by creating new space for pedestrians and bicyclists with protected bike lanes. To date, the Flatiron BID has invested over \$1.1 Million in the Public Plazas.

### Private Investment

In 2009, the Sydell Group's creation of the Ace hotel, later followed by the NoMad hotel in 2012, sparked an interest in Broadway north of 26<sup>th</sup> Street. Further down the Broadway corridor in 2010, L&L Holding Company's adaptive reuse of 200 Fifth Avenue brought new life to the former Toy Center. Today, residential development at 1107 Broadway by the Witkoff Group is underway as well as Spanish kitchen and bathroom tile company Porcelanosa's renovation of 202 Fifth Avenue, the Commodore Criterion, designed by Pritzker Architecture Prize winning architect Lord Norman Foster.

The positive impact of a revitalized Broadway is felt throughout the Flatiron District as new retail and development is seen in areas adjacent to the corridor.



## Dining Destination New corridor emerges

With over 185 food establishments in every cuisine, style and price point the Flatiron District has long been considered a culinary destination.

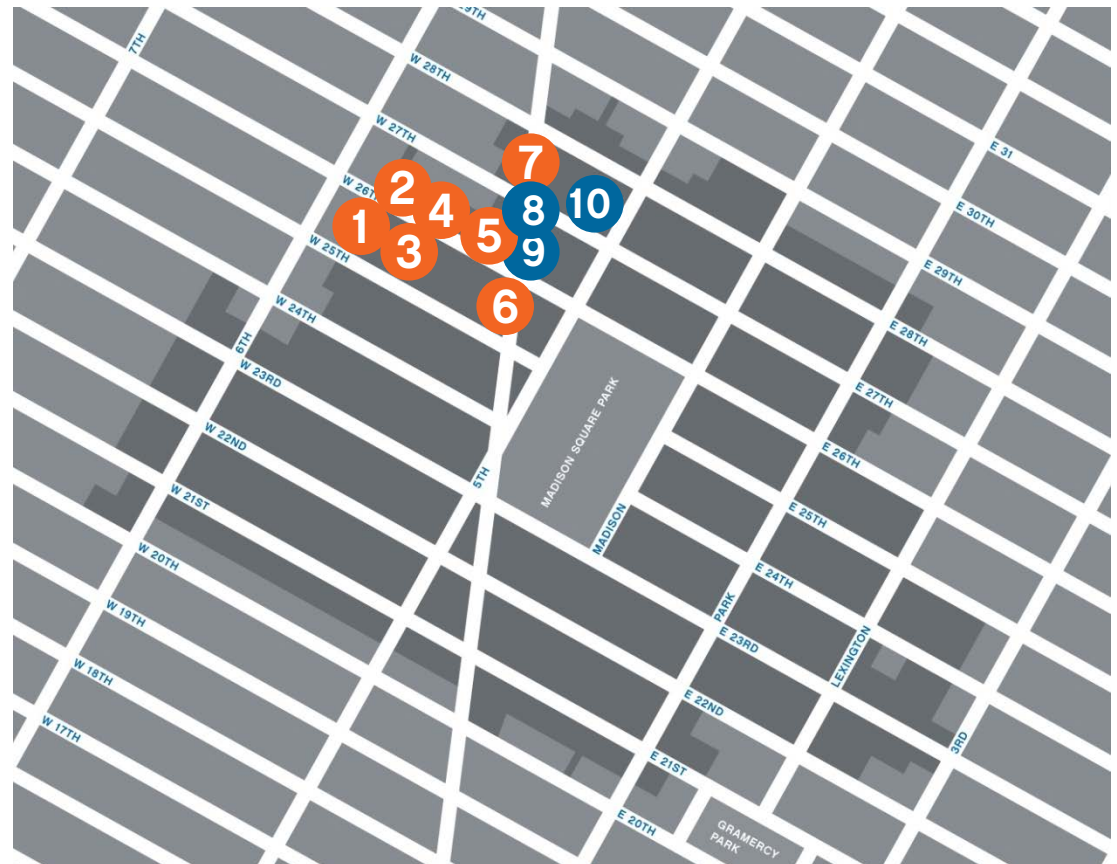
Over the last year, tremendous growth in restaurant openings was seen in the NoMad section of the Flatiron District, specifically along the West 26<sup>th</sup> Street and Broadway corridors.

### 2012-2013 New Restaurants

- 1 Flatiron Hall
- 2 Grey Bar
- 3 Hanjan
- 4 The Flatiron Room
- 5 Maysville
- 6 Num Pang
- 7 Sweetgreen

### Opening Fall 2013 & Beyond

- 8 The Smith
- 9 Vin Sur Vingt
- 10 Belgian Beer Cafe



Source: Flatiron BID

## Cultural Attractions

### Well known destinations & hidden gems

Culturally, the Flatiron District continues to flourish with a wide variety of attractions ranging from academic to entertainment. The most noteworthy addition of the last year to Flatiron's cultural scene was the National Museum of Mathematics at 11 East 26<sup>th</sup> Street.

- 1 Van Alen Institute
- 2 The Masonic Hall
- 3 Flatiron Building & Prow Artspace
- 4 Madison Square Park
- 5 Jazz Gallery
- 6 TADA! Youth Theater
- 7 Museum of Sex
- 8 National Museum of Mathematics
- 9 Appellate Division Courthouse
- 10 Jazz Standard
- 11 Park Avenue Armory
- 12 Swann Auction Galleries
- 13 Baruch Performing Arts Center
- 14 Gramercy Theater
- 15 Theodore Roosevelt Birthplace National Historic Site



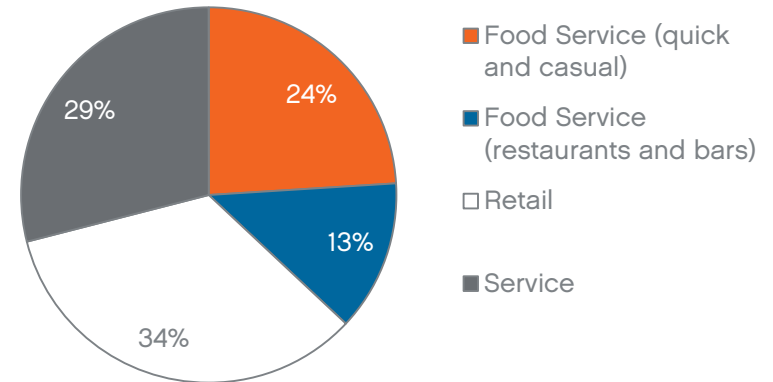
Source: Flatiron BID

## ✦ Retail Space By the numbers

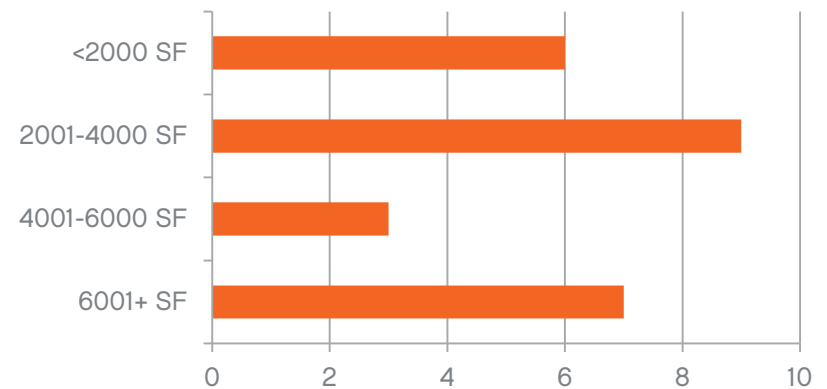
- 124,880 square feet of retail space is available in 25 locations\*
- Average asking rent: \$192 per square foot
- Retail vacancy rate: 4.5%\*

	Average Asking Rent**
Avenues	\$201 psf
23 <sup>rd</sup> Street	\$300 psf
Side Streets	\$110 psf

Ground Floor Business Composition



Retail Space Available\*



\*Flatiron BID research based on 9/13 Retail Opportunities.

\*\* Average asking rent does not include properties owned by FM Ring.



## Vibrant Commercial Tenants Real estate and community

While commercial space in the Flatiron District is favored by creative tenants for open, loft-like spaces and floor plans, another attractive quality of the District is the proximity to like-minded companies and individuals, as well as venture capital firms.

The Made in NY Digital Map shows over 220 digital and startup companies concentrated in the Flatiron District. Joining these companies in calling the neighborhood home are eight venture capital firms: 500 Startups, MI Ventures LLC, Landmark Ventures, Founder Collective, Quotidian Ventures, IA Ventures, Metamorphic Ventures and Union Square Ventures.



Source: <http://mappedinny.com/>

## Influential Tastemakers Work & play here

Successful entrepreneurs and companies seeking like-minded neighbors is not only a startup mentality; well known names across many industries are drawn to do business in the Flatiron District.

### Celebrity Entrepreneurs

- Batali & Bastianich Hospitality Group, **Eataly**
- Danny Meyer, **Union Square Hospitality Group**
- Tyler and Cameron Winklevoss, **Winklevoss Capital**
- Shawn Carter (Jay-Z), **40/40 Club**
- Rachel Zoe, **Dream Dry**

### Crain's New York 40 under 40

- Katia Beauchamp, **Birchbox**
- Andy Dunn, **Bonobos**
- Manisha M. Sheth, **Quinn Emanuel Urquhart & Sullivan**
- Ben Smith, **Buzzfeed**
- April Bloomfield, **John Dory Oyster Bar**
- Jed Walentas, **Two Trees Management Co.**

### Flatiron Companies Funded

AppNexus	1stdibs.com	NewsCred
\$75M 1Q 2013	\$42M 4Q 2012	\$15M 1Q2013
Series D	Series B	Series B

Source: TechCrunch, Crain's New York Business, Business Insider

### Flatiron Companies Acquired

Tumblr	adap.tv	Ziff Davis
\$1.1B	\$405M	\$167M
Acquired by Yahoo!	Acquired by AOL	Acquired by J2 Global

Source: CNN, TechCrunch, Forbes



The Flatiron District is home to three of TimeInc.'s 10 NYC Startups to Watch in 2013

Custora  
Hukkster  
Kloof



## Commercial Real Estate Selected tenant roster

Appco Group U.S.	Earsnova	Jump Associates	Rich, Intelisano & Katz
AppNexus	Enterpoid	Leo Burnett	Saks, Inc.
Arenson Office Furnishings	Eveo Communications	M. Booth and Associates Inc.	Select Office Suites
Artscroll Printing	Extrovertic	Macmillan	Slalom
Aruliden LLC	Forrester Research, Inc.	Marimekko	Smithsonian Institution
Autodesk	Fred Alger Management	Mashable	Sugar Publishing
Avenues: The World School	Function(x) Inc.	Media Planet	Sydell
BaubleBar	General Assembly	Micro Office Solutions	TargetSpot
Bedford, Freeman & Worth	Gersh Agency	NewsCred	Institute for Integrative Nutrition
Bluewolf Inc.	Gestalt Associates	New York Life	The Simons Foundation
Bonobos	Gresham Risk Partners	NY School of Interior Design	Tiffany & Co.
BrainPOP	Grey Group	NYS Council on the Arts	Tremor Media
Buzzfeed	Grohe America	Next New Networks	Trident Media Group
C.Wonder	HELP/PSI	NYU Langone Medical Center	TUMBLR
Cramer-Krasselt	HFP Capital Markets	Paper Magic Group	Vera Wang
Creative Realities Inc.	High Five Games Corp.	Pentagram	Water Island Capital
Credit Suisse	Hirsch Construction Corp.	Perfect Fit Industries	Watermill Institutional Trading,
DeSantis Breindel	IA Ventures	Project:Worldwide	Whitehall Advisors
Digitas	Int'l Cosmetics & Perfumes	Prophet Brand Strategy	Whitney Museum of American Art
Dragon Rouge	Israel Berger & Associates	Quinn Emmanuel	William Grant & Sons, Inc.
Drummond Framing	JLA Home	RDA International, Inc.	Zemoga

## Coworking Spaces

### Flexible & affordable spaces for startups

With commercial rents in the Flatiron District on the rise, coworking spaces offer startups and small companies affordable space, flexibility and room for growth. Coworking spaces in the Flatiron District have varied application processes, services and types of spaces. It is also not uncommon for shared space arrangements to occur organically when a larger company sublets desk space directly to smaller companies. Both environments foster creative communities.

- 1 In Good Company
- 2 Studio Guild
- 3 General Assembly
- 4 Micro Office Solutions
- 5 Regus
- 6 Quick Suites
- 7 500 Start-ups
- 8 Grind
- 9 NeueHouse



Source: Flatiron BID, <http://mappedinny.com/>



## Commercial Real Estate

### Commercial Building Transactions

920 Broadway	30 W 21 <sup>st</sup> Street	225 Fifth Ave	304 Park Ave S
110,000 SF	60,000 SF	40,000 SF (retail portion)	215,000 SF
\$58.8 Million	\$38.5 Million	> \$78 Million	\$135 Million
Sold by Yeshiva University to ClearRock and the Carlyle Group	Sold by Kimco Realty Corporation to Skyway Development Group	Sold by Ceres Real Estate to CIM Group	Sold by a partnership led by David Berley of Walter & Samuels Inc. to SL Green

### Commercial Buildings on the Market

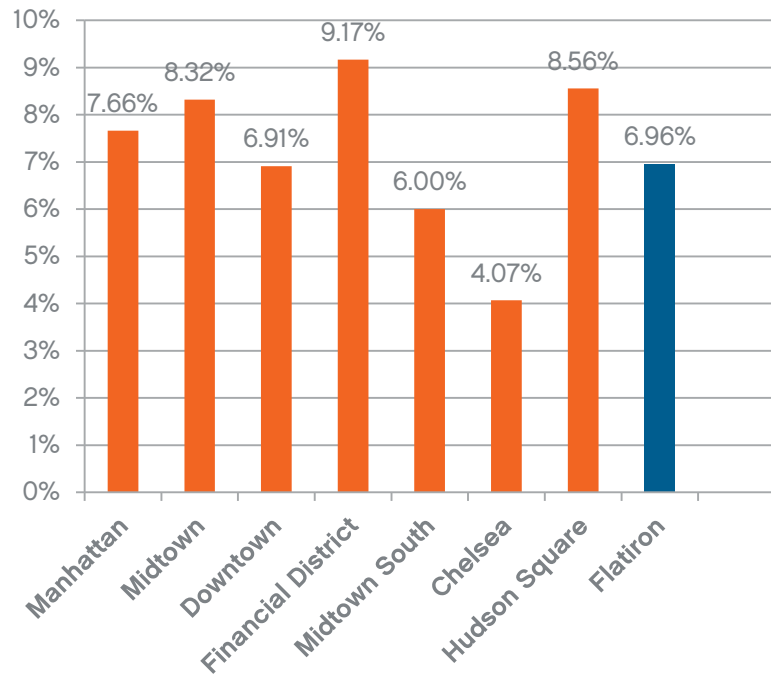
122-130 E 23 <sup>rd</sup> Street	206 Fifth Ave
60,000 SF	18,078 SF
For Sale Est. \$80 Million	For Rent \$650,000
Seller is non-profit United Cerebral Palsy	Triple Net Lease, exclusive agents Massey Knakal

# Commercial Real Estate

## How the Flatiron District compares

- Rentable space of 22.2 million square feet
- 1.55 million square feet available for lease
- Overall vacancy rate of 6.96%
- Average price per square foot \$49.10

Comparative Total Vacancy Rate for 2Q2013



Comparative Average PSF for 2Q2013



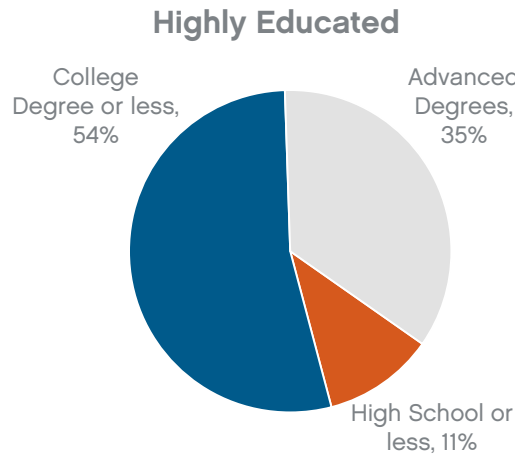


Rendering courtesy of 10 Madison Square West

# ✦ Residential Population

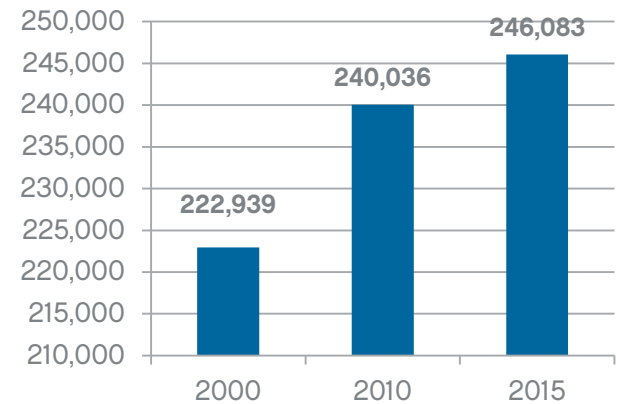
## A growing residential community

- The population of the Flatiron District grew by nearly 8% between 2000 and 2010, compared to 4.8% in New York City as a whole.
- Additionally, the District's population is anticipated to increase another 2.5% by 2015. There are currently over 800 residential units planned or in development.

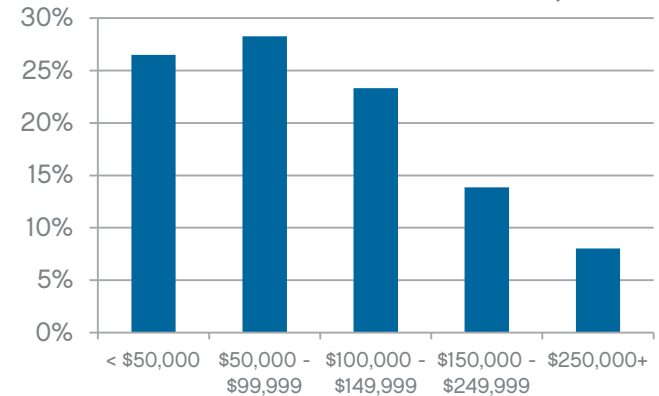


- **White Collar Workers: 88.46%**
- **Nearly \$9 billion in consumer spending each year**

Projected Population Growth



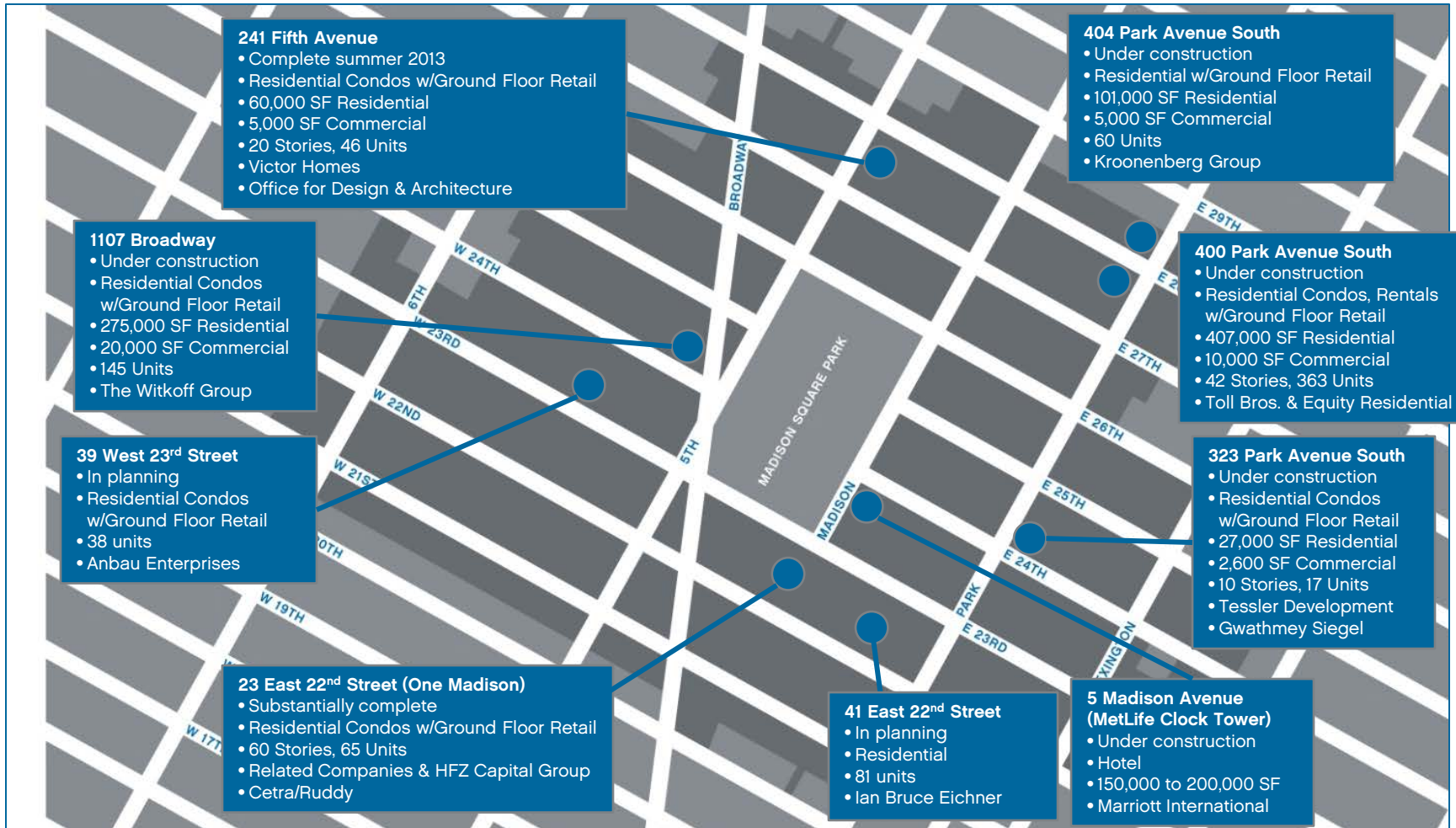
Median Household Income of \$90,246



Source: U.S. Census, 1 mile radius of address located at center of Flatiron District



# Planned & Active Development







W 23 St  
WESHOULD  
KEEP RIGHT

ONE WAY

5 W

Information @ W 23 St Street  
Personal Contact  
citi bike

iPad

jc

citi bike

citi bike

citi bike

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citi bike

ONE WAY



## ✦ Transportation & Access

### A public transportation hub

With seven subway stations, nine bus lines, and a PATH station, people come to the Flatiron District from all parts of the City and New Jersey.

- Over 42 million people rode the neighborhood's subways in 2012.
- Approximately 44 million people rode the nine bus lines that served the District in 2012.
- 2.28 million passed through the 23<sup>rd</sup> Street PATH train entrance in 2012.



## ✦ Transportation & Access

Multiple transit options and a central location

6 Subway Lines + PATH

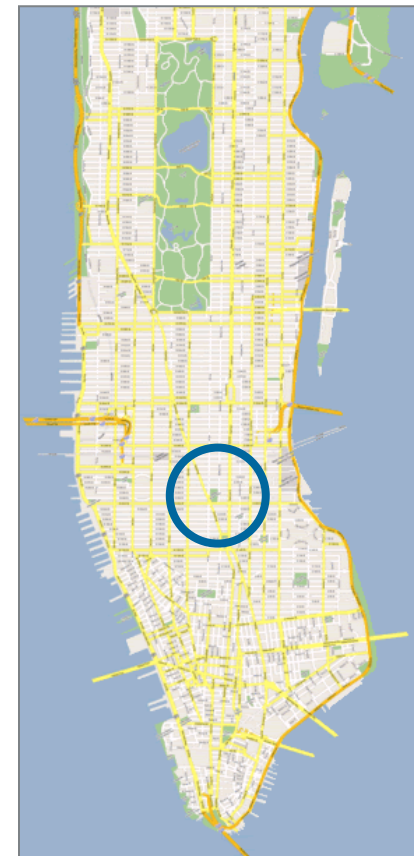


9 Bus Lines



Travel Times - Flatiron Building to:

	Automobile	Public Transport	Walking
LaGuardia Airport	18 to 23 min.	59 to 69 min.	NA
John F. Kennedy Airport	26 to 30 min.	57 to 78 min.	NA
Port Authority Bus Terminal	7 to 10 min.	10 min.	24 to 26 min.
Penn Station	4 to 7 min.	11 to 18 min.	16 to 17 min.
Grand Central Terminal	5 min.	12 to 14 min.	24 to 25 min.

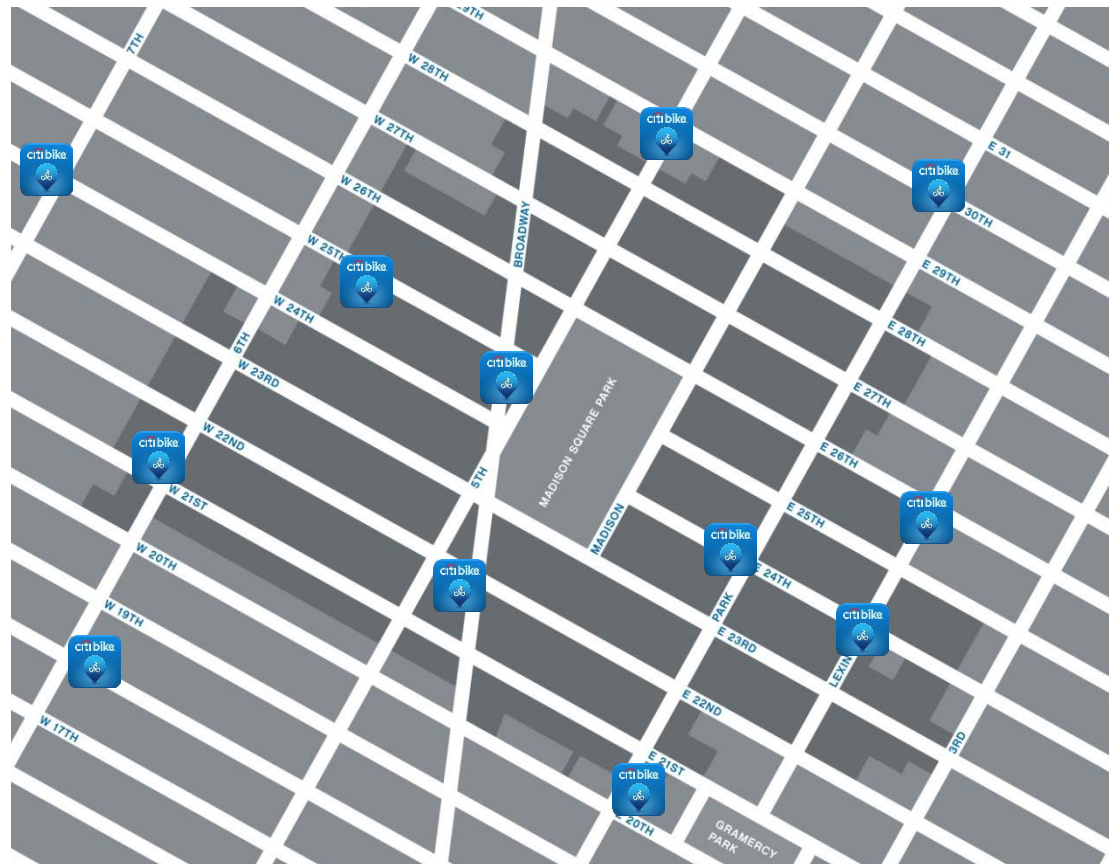




## ✦ Transportation & Access NYC Bike Share

NYC Bike Share launched in May 2013. There are 86 Citi Bike docking spaces available at two Flatiron Public Plaza locations, and an additional 251 spaces in and around the BID boundaries.

Each day, an average of 1,604 trips begin at stations in the Flatiron District and an average of 1,563 trips end in the Flatiron District. The most active stations within the BID are on the Public Plaza at West 24<sup>th</sup> Street and Broadway and on West 21<sup>st</sup> Street, just west of Sixth Avenue.



Source: NYC Bike Share

## Transportation & Access Taxi drop-off

- On a typical weekday in the Flatiron District, a total of nearly 16,000 people arrive by taxi.
- Morning drop-offs in the District are 4x higher than in the Union Square, and on par with 34th Street and Times Square.

### Weekday Drop-offs in Area BIDs

	Flatiron	14th Street	34th Street	Times Square	Grand Central
AM Peak	755	184	778	709	2,727
PM Peak	504	144	634	526	1,063

Source: NYC Dept. of Transportation, Taxi & Limousine Commission

## Pedestrian Foot Traffic

- Throughout the summer of 2013, BID staff conducted pedestrian counts at the intersection of 23<sup>rd</sup> Street, Broadway and Fifth Avenue. We conservatively estimate that more than 50,000 people travel east-west on foot through the intersection each day.

## Contact us

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