



**Flatiron:**  
Where  
Then  
Meets  
Now

A presentation on  
New York's  
Flatiron district

## Contents

- 4 The Flatiron/23<sup>rd</sup> Street Partnership  
Business Improvement District
- 12 A Neighborhood Transformed
- 21 Why Flatiron?





## What is a Business Improvement District (BID)

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.

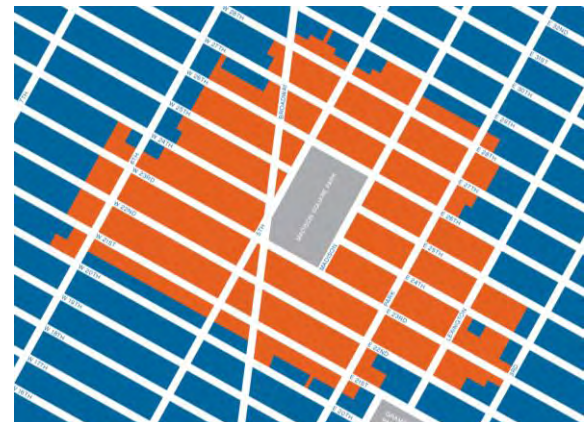
There are 64 BIDs operating in New York City; investing nearly \$100 million in serving over 3,100 block faces in all five boroughs. The BID program in New York City is overseen by the NYC Department of Small Business Services.

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

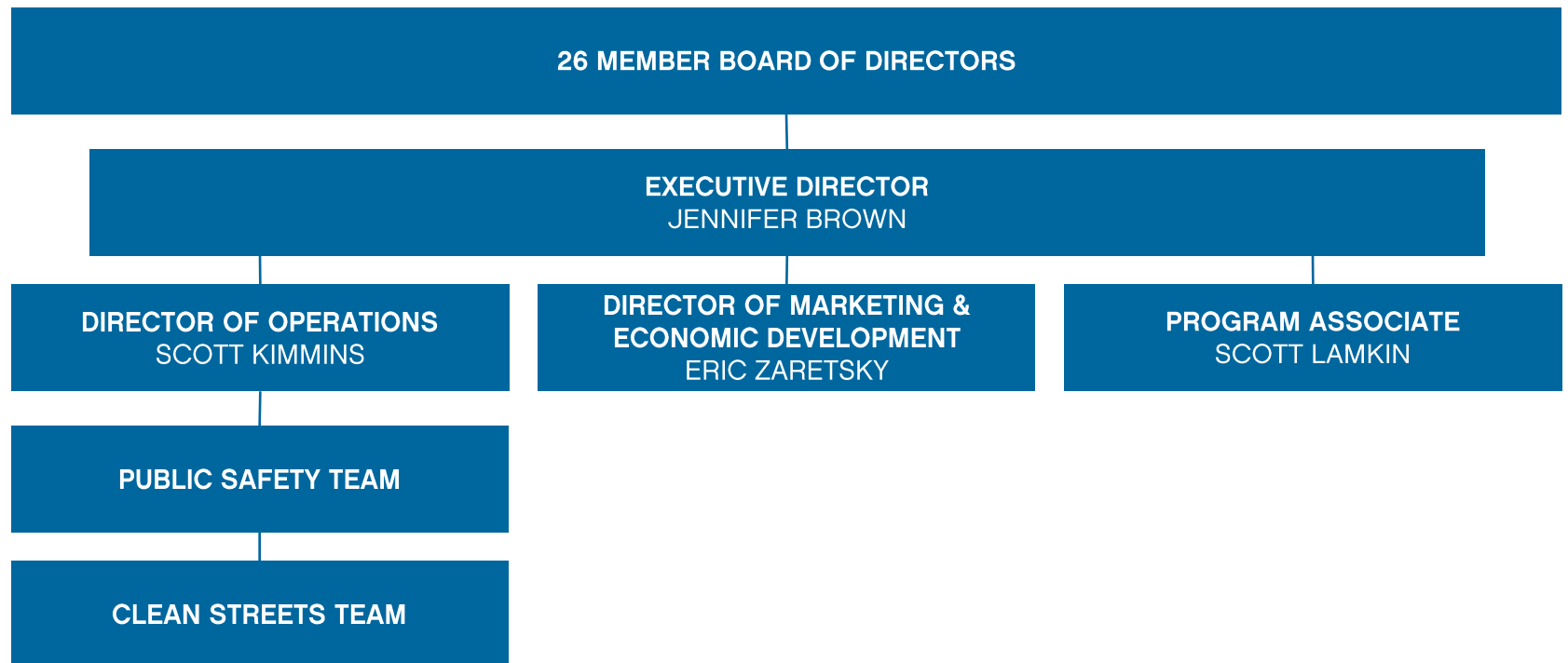


The Flatiron/23rd Street Partnership Business Improvement District, formed in 2006, is a nonprofit organization whose mission is to enhance the area's reputation as one of New York's most vital and exciting neighborhoods. This is accomplished by maintaining a clean and safe environment for the district's 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: \$1,600,000.00
- 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
  - 20,000,000 commercial square feet
  - Over 4,500 commercial tenants & 500 retail businesses



# Organizational Structure



## Core Services – Street Operations

### 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. Since the program's inception the team has assisted countless visitors and documented or addressed tens of thousands of conditions and quality-of-life issues.



## Additional Programs

### **Marketing & Communications**

The BID's Marketing program promotes the BID as the go-to source for information on the Flatiron district. The program includes a website, a monthly electronic newsletter, a neighborhood map and shopping guide, e-mail alerts, Facebook and Twitter pages, the popular 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.

### **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.

### **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.



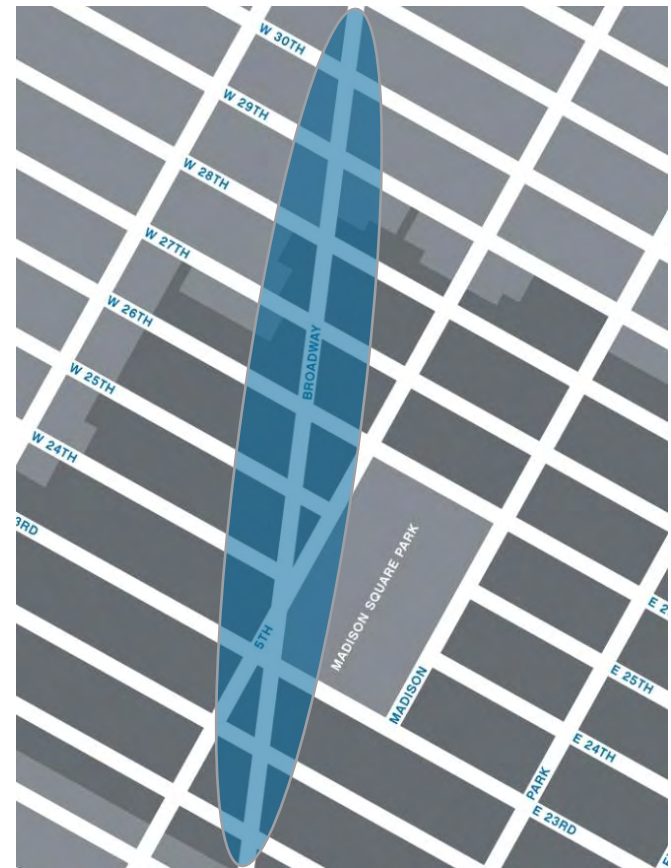
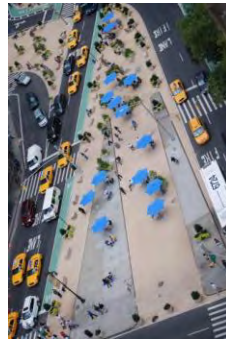
# A Neighborhood Transformed

## A Neighborhood Transformed

Since the formation of the BID in 2006, the Flatiron district has undergone a dramatic transformation to a safe, clean and desirable neighborhood sought out by all types of people, businesses, industries and interests. This section highlights several notable developments and projects that have that have made significant contributions to shaping the Flatiron district today.

## ✦ Public and Private Investment in a Revitalized Broadway Corridor

- \$240 million private investment by GFI Development in two hotel properties, the Ace (2009) & the NoMad (2012)
- Recast the area as an up-and-coming neighborhood, home to creative, hip and avant garde businesses
- Public Plaza Program: NYC DOT initiative to reclaim roadbed and rationalize dangerous traffic patterns
- Created over 30,000 SF of space - managed by the BID for public use and enjoyment
- Broadway improvements included new bike lanes and median trees and plantings

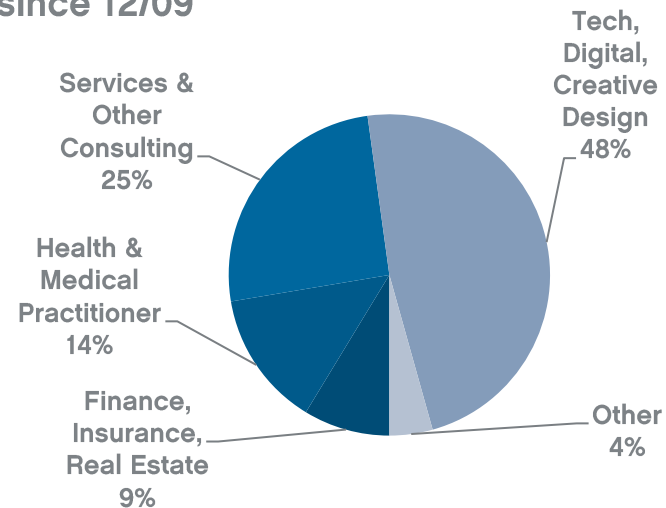


## ✦ Next Generation Industry Hub: Tech & New Media Start-Ups

The district and surrounding areas are increasingly popular with creative and tech design firms, emerging media companies and start-ups in a variety of industries

- Area's commercial space is favorable to needs of small firms and start-ups
  - Substantially lower rents than other office neighborhoods
  - Lease terms commonly shorter and more flexible
  - Open-plan, loft-like spaces are attractive to creative firms and more conducive to their way of working
- A supportive community
  - Like-minded individuals and firms located nearby
  - Proximity to supportive organizations like incubators and venture capital firms

**Percentage of leases by industry, since 12/09**



### Recent Headlines

*The Real Deal: Not Just Google: Tech firms gobble up office space; 3/1/2011*

*New York Times: Manhattan's Tech Start-Ups Settle in the Flatiron District and Chelsea; 4/19/2011*

## ✦ A Culinary & Hospitality Destination

- Over 170 food establishments in every cuisine, style and price point
- World renowned chefs & restaurateurs
  - Danny Meyer/Union Square Hospitality Group
  - Steve Hanson/B.R. Guest
  - Batali & Bastianich Hospitality Group
  - April Bloomfield/Ken Friedman
- Nationally recognized cooking schools
  - Institute of Culinary Education
  - Natural Gourmet Institute
  - La Scuola di Eataly
- Gourmet markets
  - Eataly
  - Trader Joe's
  - Whole Foods





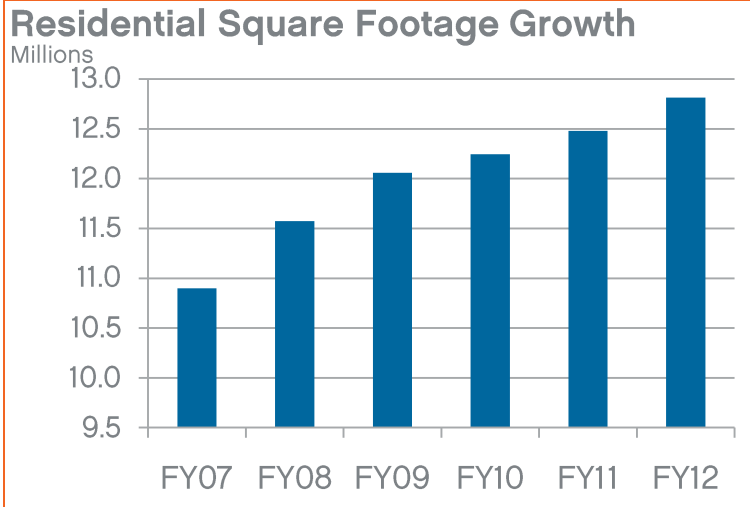
## ✦ A Culinary & Hospitality Destination

- In the last three years seven hotels have opened in the Flatiron district, with more planned
- Hotels range from high-end luxury to bed and breakfasts, boutiques to chains
- Over 2,400 beds in 19 hotels in and around the district
- Many offer a full range of services, including wi-fi, restaurants, room service, gyms, business centers, and meeting and event space.
- Notable hotels include:
  - The Ace Hotel, 20 West 29<sup>th</sup> Street
  - The Carlton, 88 Madison Avenue
  - Gansevoort Park, 420 Park Avenue South
  - Hotel Roger Williams, 131 Madison Avenue
  - Hotel Giraffe, 365 Park Avenue South



## ✦ Residential Development for a Growing Community

- Over 4,700 residential units in 42 new or converted properties came online in and around the district since 2001
- Since 2006, nearly 2 million square feet of residential space has been created or converted to residential in the Flatiron district



## ✦ 200 Fifth Avenue – A Benchmark for Adaptive Reuse

- Formerly known as the International Toy Center
- 2007- L&L Holding Company purchased the building and began renovations to become LEED-certified, class A office space
- Notable office tenants
  - Grey Group, 480,000 SF
  - Tiffany & Co., 286,000 SF
- Ground floor retail
  - Eataly, 50,000 SF
  - Marimekko, 5,000 SF (2011)





# Why Flatiron?

## ✦ Why Flatiron?

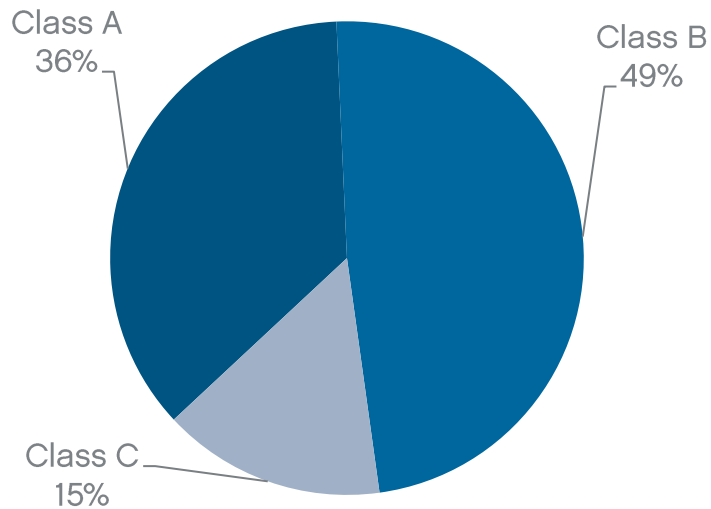
- **Abundant commercial office space** opportunities in Flatiron meet the diverse needs of different tenants
- **Ideal retail expansion setting** – available space and a growing consumer base
- **Multiple transit options** and a central location means getting here is easy



## Commercial Real Estate Diverse and affordable

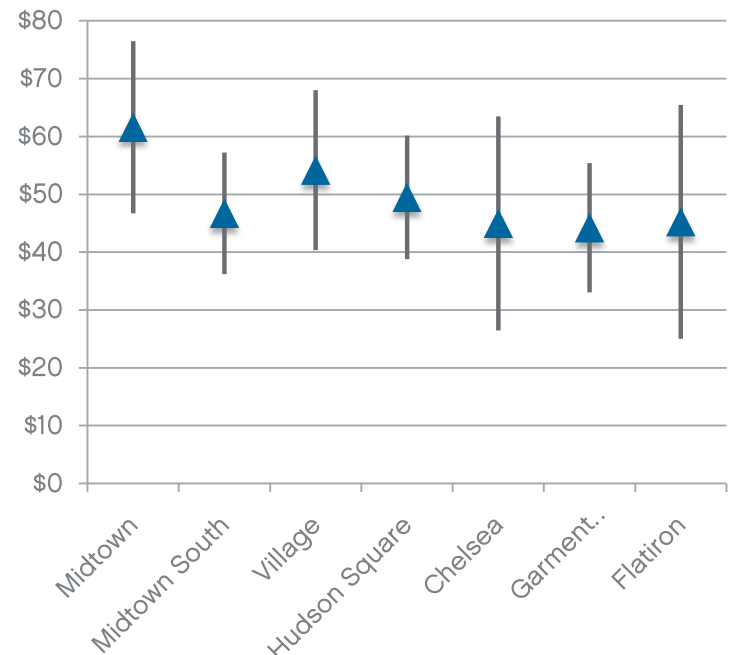
- Variety of office space class, layout and type to meet the needs of diverse tenants

Types of Office Space



- Wide range of asking rents; lower than Midtown

Range of Asking Rents, psf



# ✦ Commercial Real Estate

## Flatiron district office space – by the numbers

- Rentable space: 23 million square feet in 212 buildings
- 2.7 million square feet available for lease
- Overall vacancy rate of 8.65%

### CLASS A

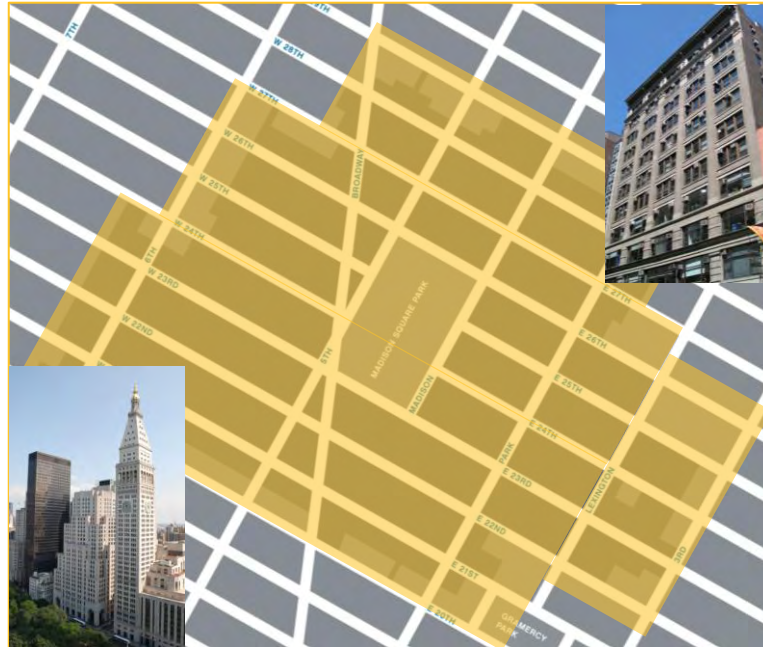
Rentable Building Area: 8,154,339SF

Number of Buildings: 11

Vacancy Rate: 10.85%

Space Available: 985,113 square feet

Vacant Space: 884,606 square feet



### CLASS B&C

Rentable Building Area: 15,028,312SF

Number of Buildings: 200

Vacancy Rate: 7.47%

Space Available: 1,733,667 square feet

Vacant Space: 1,122,232 square feet



 **Commercial Real Estate**  
Diverse tenant roster



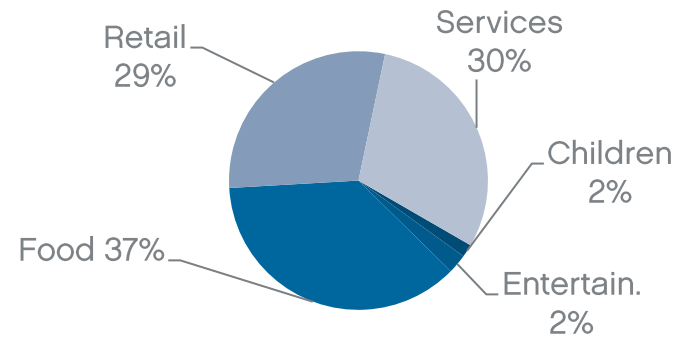
## ✦ Retail Growth Opportunities – Available Space

Tremendous potential for retail expansion

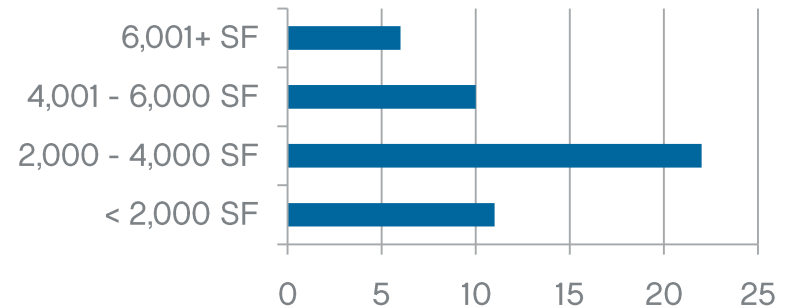
- The daytime population of the Flatiron district swells to 645,600.
- Nearly 200,000 square feet of retail space is available in 49 locations.
- Average asking rent: \$104 per square foot

	Average Rent
Avenues	\$138 psf
23 <sup>rd</sup> Street	\$143 psf
Side Streets	\$67 psf

District Retail Mix



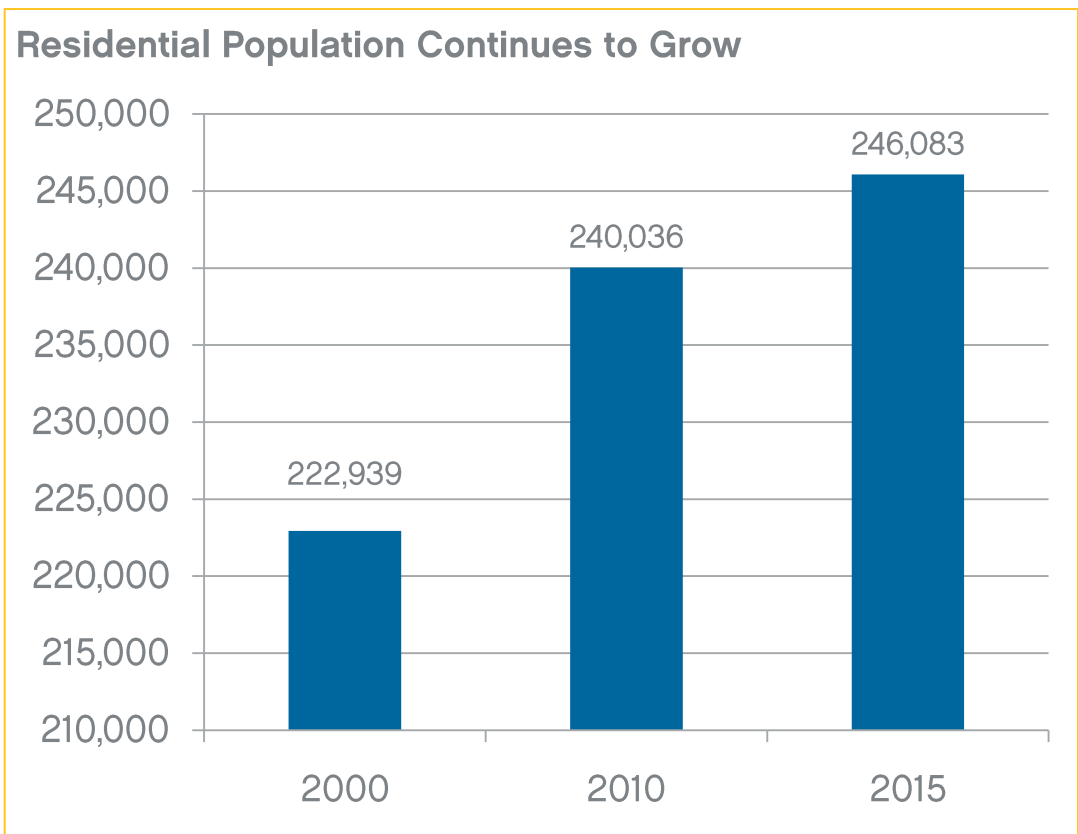
Retail Spaces Available



## ✦ Retail Growth Opportunities - Population Demographics

### A growing residential community

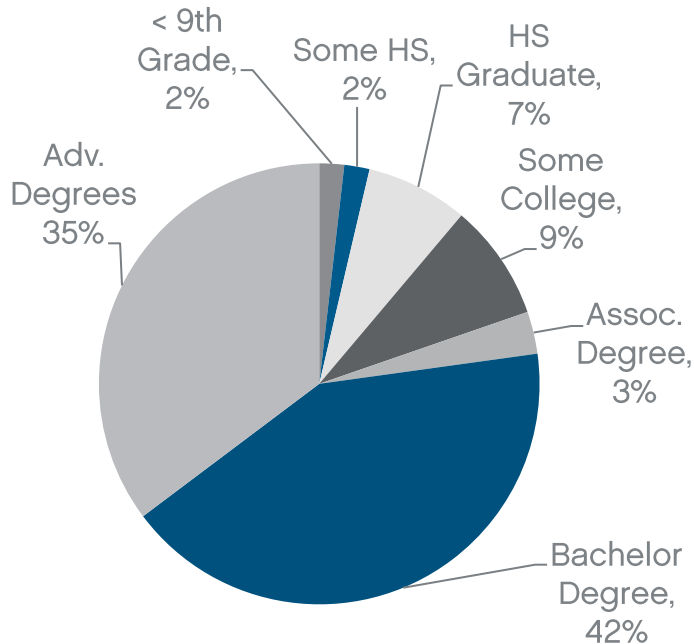
- The population of the Flatiron District grew by nearly 8% between 2000 and 2010, compared to 4.8% in New York City as a whole.
- Additionally, the District's population is anticipated to increase another 2.5% by 2015.



# ✦ Retail Growth Opportunities - Population Demographics

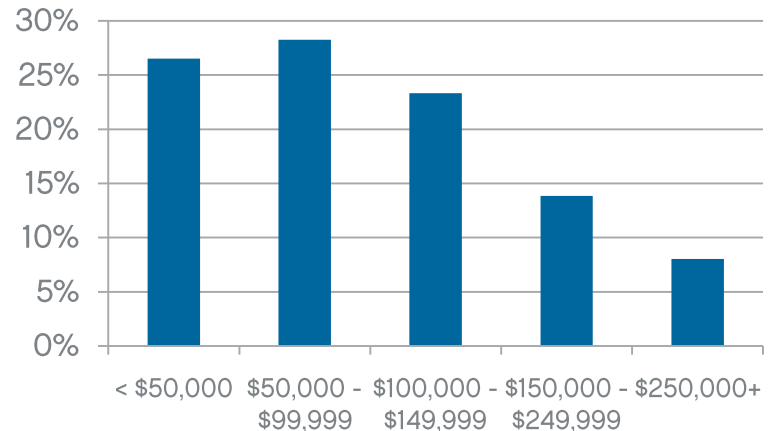
## An educated and high earning population

### Highly Educated Residents



- Median Age: 38.5 years
- White Collar Workers: 88.46%
- Nearly \$9 million in consumer spending each year.

### Median Household Income of \$90,246



## ✦ Transportation Access

Multiple transit options, central location and ease of access

6 Subway Lines + PATH

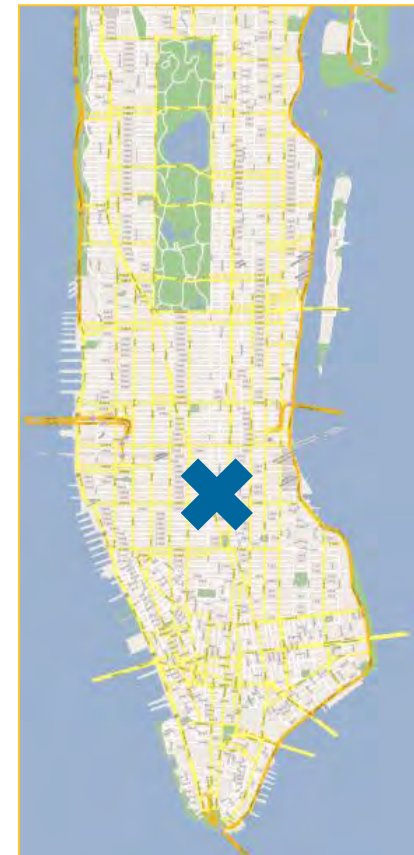


9 Bus Lines



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 Busy public transportation hub

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

- 39.6 million people rode the neighborhood's subways in 2009
- Over 52 million people rode the nine bus lines that served the district in 2009
- 2.05 million passed through the 23<sup>rd</sup> Street PATH train entrance in 2010

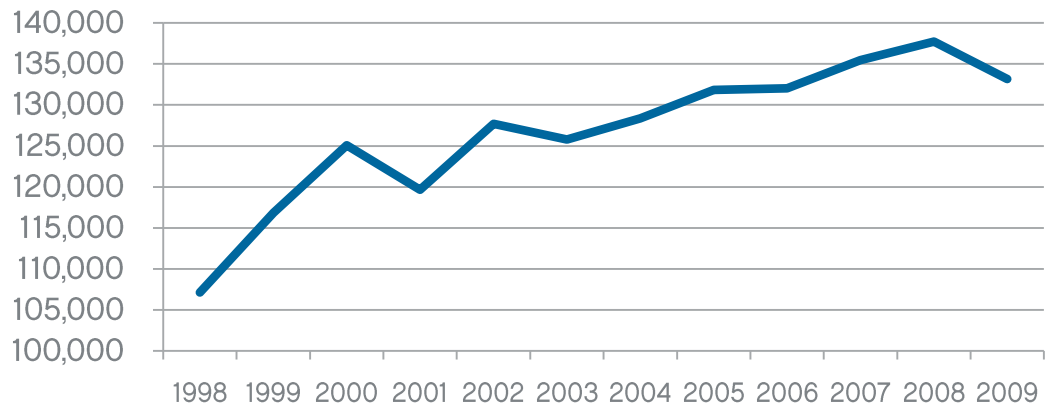


## ✦ Transportation Access

### Busy public transportation hub

- Average weekday ridership for the Flatiron district's seven local subway stations has been on the rise, growing 24% since 1998 to 133,169 in 2009.
- The 23rd Street F/M train station saw a 40% increase in ridership between 1998 and 2009, the largest jump of all the local stations.
- The 23rd Street and 28th Street 1 train stations also experienced substantial gains of 24.9% and 33.3%, respectively.

**Average Weekday Ridership for All District Subway Stations**



**Percentage Change in Subway Ridership, 1998-2009**

Station	23 St (1)	28 St (1)	23 St (6)	28 St (6)	23 St (N,R)	28 St (N,R)	23 St (F,M)
Change	+24.9%	+33.3%	+24.5%	+15.3%	+19.9%	+10.4%	+40.0%

## ✦ Transportation Access

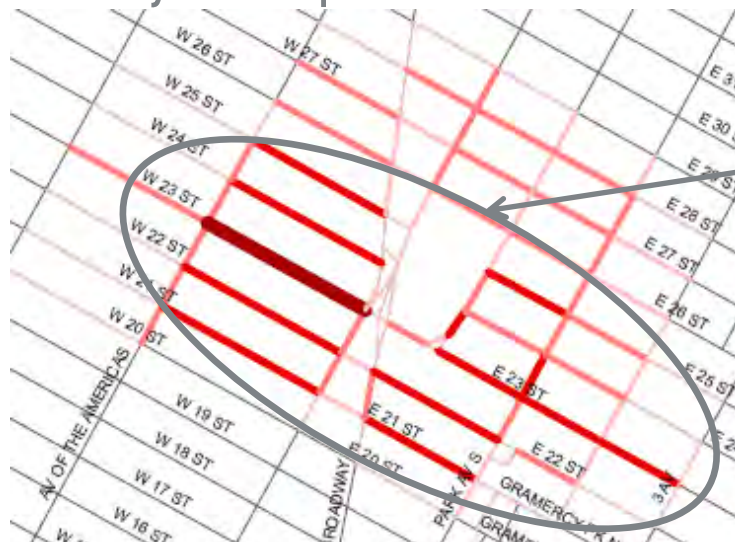
### A destination in every way

- On a typical weekday in the Flatiron District, a total of nearly 11,000 people arrive by taxi.
- With peak drop-off times of 9am on weekdays and 8pm on weekends, the neighborhood is constantly bustling with workers, shoppers, and diners.
- 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	897	223	911	989	2,837
PM Peak	694	376	1,619	1,189	1,313

### Weekday Taxi Drop-offs in the District



Area of increased frequency in drop-offs and pick-ups





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