



Biz & Broker Quarterly

July 2011

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Union Square's Creative Economy Booms

Thanks in large part to the deal-making of commercial brokers and property owners, an influx of technology companies locating in the Union Square district this year has elevated our position as a major hub for internet startups and creative professionals. Since January, over 135,000 square feet of office space in the Union Square district has been leased to at least 10 different technology and creative companies; combined, these companies employ over 500 professionals.

From Apple (100-104 Fifth Avenue) to JIBE (26 West 17th Street) to Mr. Youth (225 Park Avenue South), technology companies have been flocking to Union Square to tap into the neighborhood's ever-expanding network of talented people and innovation.

Speaking at NYC's Internet Week in June, USP Executive Director Jennifer Falk commented that, "the Union Square Partnership embraces the development of Union Square as a creative center, and we're committed to working with the community and the City to promote and encourage its continued growth as a great place for startup businesses to make their home."

Please join us in welcoming the following companies:

- Apple, iAd, 100-104 Fifth Avenue
- YELP, 100-104 Fifth Avenue
- Net-A-Porter, 100-104 Fifth Avenue
- Gorilla Nation Media, 215 Park Avenue South
- Mr. Youth, 225 Park Avenue South
- Freewheel Media, 235 Park Avenue South
- Savored, 37 West 17th Street
- GroupMe, 26 West 17th Street
- JIBE, 26 West 17th Street
- eMusic, 39 West 13th Street

Startup Spotlight: JIBE

Founded in 2009 by CEO Joe Essinfeld, JIBE is a fast-growing technology company that recently opened its headquarters in the Union Square district. Described by TechCrunch as a company "designed to bring the power of social networking to online career search, JIBE integrates Facebook Connect and LinkedIn to enable employers and applicants to leverage the overlap of their social graphs."

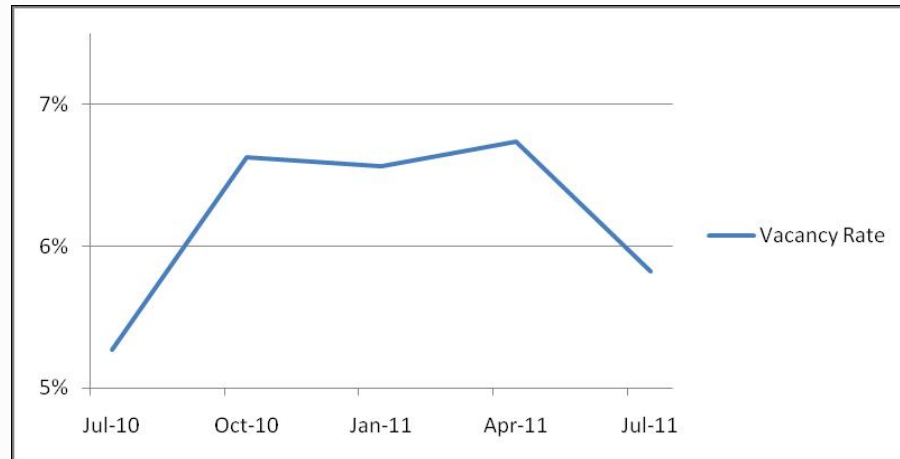
JIBE's office migration in the past two years is fascinating. In 2009, Joe Essinfeld and business partner Peter Margulies launched the business (then known as Local Bacon) in an East Village apartment. In January of 2010, they moved into a flexible space at Dogpatch Labs--the incubator space at 36 East 12th Street created by Polaris Venture Partners. By early 2011, after receiving seed funding from Polaris, JIBE relocated to General Assembly, described on their website as "an urban campus for entrepreneurs seeking to transform industry and culture through technology and design."

In May, JIBE earned a strong vote of confidence by securing over \$6 million in its

Series A round of funding. The company hired 15 more employees and, with tenant representation from Jason Schwartzberg of Studley, moved into a 2,600 square foot office space at 26 West 17th Street. "Our goal now is to take our product to the next level, to build the brand, and to make JIBE a household name," says Essensfeld.

Sign-up with [JIBE](#).

Q2 Ground Floor Vacancy Report



Above: Union Square district ground floor retail vacancy rates, July 2010 to July 15, 2011

Each quarter, the USP conducts a vacancy survey of the ground floor retail spaces in both the BID district (see map below) and the larger Union Square area (1st Avenue to 6th Avenue, 12th Street to 20th Street.) We are excited to report this quarter that the BID vacancy rate is 2.6%, down slightly from the last quarter, while the district-wide vacancy rate is 5.8%, its lowest level since July 2010. About half of the 53 vacant storefronts are in the 1,500-2,500 square foot range, and there are nine locations larger than 4,000 square feet. In addition, there are at least 28 spaces in the district that are under construction or have businesses due to open in the fall (these spaces are not factored into the vacancy rate.)

To view the latest map of vacant storefronts in the Union Square district, please click [here](#).

Q2 Notable Retail Lease Transactions & Store Openings

Even more exciting than our low vacancy numbers is that the greater Union Square area has thrived despite the downtown in the market, with tenants scooping up space as soon as it becomes available. Here is a list of retail lease signings and store openings in the 14th Street - Union Square district from April to July 15, 2011:

- Little Town NYC, 120 East 15th Street
- Soulmade Furnishings, 21 West 19th Street
- Michael Kors, 133 5th Avenue
- Madewell Jeans Co., 115 5th Avenue
- Hampton Market, 217 1st Avenue
- Flavaboom, 600 6th Avenue
- Atmananda Yoga Sequence, 67 Irving Place
- Soft Serve Fruit Co., 25 East 17th Street
- Cigarville, 51 West 14th Street
- Spring Star Nail, 490 6th Avenue
- Ann Gish, 4 West 20th Street
- Beecher's Cheese, 900 Broadway
- Blitz Brasserie, 504 6th Avenue

NYC Business Solutions Assists IHOP with 14th Street Opening

In late August, IHOP plans to open the doors to its new 171 seat restaurant at 235 East 14th Street, between Second and Third Avenues. The 24/7 establishment known for its friendly service and delicious pancakes is expected to hire 250 to 275 employees for positions ranging from line cooks to hosts and servers.

Ed Scannapieco, Director of Operations for Trihop Management LLC., the franchisee, has been working closely with New York City's Department of Small Business Services (SBS) over the past several months as he prepares for the grand opening. "The quality of service provided to us by SBS and the NYC Business Solutions team has exceeded our expectations; working with them has been a wonderful experience. They are a solid, intelligent, and energetic group of individuals," said Mr. Scannapieco.

In a statement, SBS said: "NYC Business Solutions is a set of services offered by the Department of Small Business Services to help businesses start, operate and expand in New York City. They provided IHOP with no-cost recruitment services, as well as assistance on permits and licenses. Thanks in part to this assistance, IHOP was able to create over 250 new hospitality jobs in New York City."

For more information on NYC Business Solutions, please click [here](#).

Union Square District (BID boundaries are shaded). To enlarge, click on the map.



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