

Reaching Out to Tech and Creative Tenants, Starting With Lunch

By ALISON GREGOR

A factory district does not typically spring to mind as a prudent location for retailing, but some of Manhattan's successful food vendors have chosen the Falchi Building in a spartan part of Long Island City, Queens, for their next retail ventures.

The 658,000-square-foot building at 31-00 47th Avenue was bought in 2012 by Jamestown Properties, which also owns Chelsea Market, the popular food marketplace in Manhattan that has become a tourist destination and neighborhood landmark.

While Chelsea Market has evolved into an office building with a ground-floor market of dozens of food shops, it originally began as a place for food vendors to house their manufacturing facilities, with perhaps a small retail operation.

Jamestown has plans to transform the Falchi Building into something resembling Chelsea

a line of wooden kiosks facing customer seating.

Started in November, the Food Box, which has been popular with the district's office workers and students at nearby LaGuardia Community College, has rotating vendors and may move around the building, Mr. Phillips said. Currently, it offers Thai food from Khao Man Gai NY; Caribbean food from ReCaFo; Paraguayan delicacies and empanadas from Karu Café; soups and sandwiches by Mrs. Soupy and Friends; and baked goods by Made From Scratch.

A former owner of Chelsea Market, Irwin Cohen, developed the idea of food-manufacturing businesses anchoring a thriving market and once owned the Falchi Building, Mr. Phillips said.

Eventually about 70 percent of the space on the ground floor may be dedicated to food uses, he said.

Jamestown has also made facade and lobby renovations, adding tables and seating for visitors along with art installations throughout the ground-floor concourse.

Current tenants include the United Nations, the watchmaker Tourneau and the document processor Swiss Post Solutions, along with jewelry-making businesses, among others.

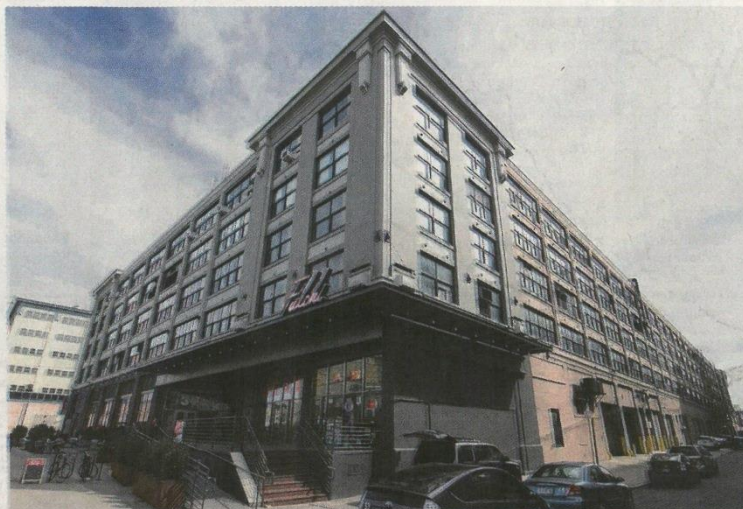
With asking rents ranging from \$20 to \$40 a square foot, Mr. Phillips said, the building has features that could serve a variety of tenants, from showrooms to research and development to warehouses. Jamestown's plan is to attract more technology, media and creative companies with the new amenities.

The Coalition for Queens, a nonprofit group supporting technology entrepreneurs, will be opening offices in about 4,200 square feet on the concourse.

The factory district has seen an influx of technology companies in recent years, said Jukay Hsu, one of the coalition's founders.

"We've seen tremendous growth in the tech community here," he said. "It's so raw and industrial, which is something tech companies are attracted to."

At the incubator, Mr. Hsu and co-founder David Yang have installed a giant sliding garage



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Jamestown Properties bought the Falchi Building, above, in Long Island City, Queens, in 2012. The first floor houses a retail artisanal food fair called the Food Box. Among the shops is Made From Scratch, which sells bakery items and puddings.

door, which can be rolled open to the concourse for tech gatherings.

Nearby, Artisanal Premium Cheese, which imports cheeses from around the world and ages them in high-tech cheese caves, is building out 10,500 square feet for its production and offices, and it is already holding cheese and wine tasting classes.

At the Falchi Building's main entrance at 47th Avenue and 31st Street, Artisanal will open its cheese shop cafe behind large display windows, probably sometime this summer, said Daniel W.

Dowe, the chief executive of Artisanal.

"We thought we would do it in Manhattan," Mr. Dowe said of the cafe's opening.

"And if you had to make a pure retail decision, you probably wouldn't say 47th Avenue in Long Island City is the place you have to be, but I think there's enough population in the building to make it work."

As Artisanal's first cheese shop cafe, the site can be used as a training facility for employees who will eventually work in future cafes, Mr. Dowe said.

Island and Brooklyn-Queens Expressways) was advantageous for distribution into Manhattan.

With Falchi's workers, office workers in the neighborhood and students, the retailing should work — particularly if some customers figure out they can stop at the store on their way out to visit the Hamptons, Mr. Antebi said.

"I'm a gambler, so I'm willing to gamble that when they see my offerings, people are going to say, 'It's expensive, but I'll spend more on it,'" he said.

The immediate neighborhood is in the process of transforming from traditional light manufacturing uses to more creative trades, such as architecture, magazine publishing and technology companies, said Mitch Arkin, an executive director with the commercial real estate firm Cushman & Wakefield, which is leasing the Falchi Building.

The No. 7 subway train is about a five-minute walk from the building and it takes 10 minutes to arrive in Midtown Manhattan, he said.

"We've spoken to technology companies that want to have their work force in Long Island City, because the rents are half of what they are, particularly in Midtown South, where you find similar types of properties," Mr. Arkin said.

While the Falchi Building may be at the forefront of the neighborhood transformation, particularly with the retail food uses it offers, some owners of nearby buildings are beginning to follow suit or are at least watching closely, he said. Besides offices, hotels being developed in the Court Square area of Long Island City may eventually be a source of customers.

Jamestown is trying to pull off a similar repositioning of a much larger formerly industrial complex called Industry City in Sunset Park, Brooklyn. There, the company is working with partners to convert the six-million-square-foot, 16-building complex into a hub for technology and manufacturing, also using food vendors.

"This is a unique concept, and it's a Jamestown brand that they bring to any of these kind of adaptive reuse projects that they do," Mr. Arkin said.

In Long Island City, low rents and artisanal food.

Market in its earlier years, said Michael Phillips, the chief operating officer of Jamestown.

"At Chelsea Market's roots, that's what I think it was: food production with a small retail component," he said. But as Chelsea grew more residential and the elevated High Line began drawing visitors from all over, "it quickly became more retail and less production," Mr. Phillips said.

The five-story Falchi Building, which has offices and light manufacturing on its upper floors and a street-level cafe, will soon have ground-floor production facilities and retail shops for Artisanal Premium Cheese, L'Arte del Gelato and Juice Press.

To spur the repositioning of the building, Jamestown has also created an "artisanal food fair" called the Food Box in about 2,000 square feet. A handful of food purveyors that prepare their food off-site sell their goods over