

Is Midtown finally developing a restaurant scene?

An influx of quality eateries has given foodies a reason to stick around Park Avenue

April 18, 2017

By Daniel Geiger

http://www.crainnewyork.com/article/20170418/REAL_ESTATE/170419884/is-midtown-finally-developing-a-restaurant-scene-urbanspace-has



The long-planned rezoning of Midtown East aims to remake the district with modern office towers, better transit infrastructure and streetscape upgrades such as wider sidewalks and pedestrian plazas. But a recent influx of upscale and casual restaurants is introducing a more basic amenity the neighborhood has long lacked: a vibrant food scene.

At least three high-end restaurants are set to open along Park Avenue, and several other notable eateries are on the way—arrivals that could change the vibe and desirability of a neighborhood that has become less appealing to office tenants than Midtown South, Hudson Yards and Lower Manhattan.

RXR Realty, for instance, is planning to open a roughly 5,000-square-foot Asian-themed eatery at 237 Park Ave., along an outdoor pedestrian corridor between East 45th and East 46th streets that the company recently spent millions of dollars renovating. The firm is also working to bring a restaurant tenant into retail space in the neighboring office building it owns, at 230 Park Ave., that is soon to be vacated by Duane Reade.

Last year RXR opened a well-received food court at 230 Park Ave., on the corner of East 45th Street and Vanderbilt Avenue. Dubbed Urbanspace Vanderbilt, the eatery attracted several brand-name food purveyors including Toby's Estate, Roberta's and Liquiteria.

“It’s become clear that the right type of experiential food place energizes a building and a neighborhood,” said Scott Rechler, RXR’s chairman and CEO. “For the 21st-century worker, having food experiences is a key amenity. Until now there’s been a scarcity of high-quality food alternatives in Midtown East.”

Rechler said the food hall has been profitable for RXR because the lease was structured to let the developer share in the market’s earnings. Most restaurant deals, however, are not cash cows, yet landlords in Midtown have been increasingly eager to bring in food tenants because they enhance the image of their buildings and, over time, potentially boost the office rents upstairs.

Turning the tables

John Powers, an executive vice president at Boston Properties who manages the company’s New York assets, said it is close to announcing the opening of an approximately 15,000-square-foot food hall in the base of 159 E. 53rd St. The firm owns adjacent office buildings at 601 Lexington Ave., 599 Lexington Ave. and 399 Park Ave., and Powers said the food hall will be a perk for tenants in all the properties, which together total more than 4.4 million square feet.

Landlords have been under increasing pressure to make Midtown East hip as big tenants in the neighborhood, like BlackRock, Major League Baseball and Citigroup, have made plans to move elsewhere, and growing industries such as tech have largely millennial workforces that want better food options.

“Restaurateurs want to open where their customers are spending time, so for the same reason I don’t want to hang out in Midtown, they don’t want to open in Midtown,” said Shane Davis, a food and beverage adviser to landlords. “But now some brands are realizing they can come to Midtown and be the coolest kid on the block, and they’re taking advantage of that.”

next on the menu:

280 Park Ave.

- The ultimate power-dining spot, the Four Seasons will reboot here after 50 years at the nearby Seagram Building.

375 Park Ave.

- Two restaurants operated by Major Food Group are set to open in the old Four Seasons space.

425 Park Ave.

- Daniel Humm and Will Guidara, the team behind the newly crowned “world’s best restaurant,” Eleven Madison Park, are planning a 14,000-square-foot eatery in the under-construction tower slated to open in 2019.

One Vanderbilt

- Daniel Boulud will open an 11,000-square-foot restaurant at the base of SL Green’s on-the-rise tower. Andrew Mathias, the firm’s president, told Crain’s a marquee chef will “provide an unmatched culinary component.”