

CRAIN'S

FEBRUARY 22-28, 2016 | PRICE \$3.00

NEW YORK BUSINESS®

GHOST RESTAURANT

Order online, but don't try
to show up for a meal

PAGE 13

ALSO

Closing Rikers [in 5 steps] P. 6

MEATPACKING DISTRICT GROWS UP P. 8

THE LIST: NEW YORK'S TOP VC FIRMS P. 11

VOL. XXXII, NO. 8 WWW.CRAINSNEWYORK.COM



NEWSPAPER

CRAIN
1916



Presents
The Inaugural

Heritage Healthcare Innovation Awards 2016

Innovation. Commitment. Community.

Join us in celebrating the healthcare leaders in the New York metropolitan community*.

This May, Heritage Provider Network honors the exceptional leaders, pioneers, and trailblazers in New York healthcare in the first ever Heritage Healthcare Innovation Awards. These prestigious awards recognize the best of today's healthcare clinicians, administrators and researchers who are pioneering new modes of diagnosis, treatment and care delivery, and also impacting long-term affordability. Their commitment provides our communities, and our society at large, better access to more cost-effective and higher quality care.

Finalists will be honored at a luncheon in NYC on May 16.

Winners will be awarded in the following categories:

Heritage Innovation in Healthcare Delivery

Award: Recognizing an innovator in the development of new modes of diagnosis, treatment and care who actively improves access to services and improves the overall quality of healthcare.

Heritage Technology Innovator in Healthcare

Award: Highlighting an individual or institution that leverages technology to create scalable improvements in healthcare delivery and improved patient outcomes.

Heritage Research Investigator in Translational

Medicine Award: Awarded to an individual or team based on the most significant quantitative results achieved by accelerating the transition of novel and innovative diagnostic tools and treatments to patients.

Heritage Healthcare Leadership Award:

Recognizing a leader in the New York area who has made a significant impact in their healthcare field. This forward-thinker has forever changed the way care systems work through new models, processes and pathways.

Heritage Healthcare Organizational Leadership

Award: Honoring an organization that has fundamentally changed how healthcare is delivered. This organization has created, or championed, new ways of thinking and doing, uniting diverse constituencies to work together.

You work with these selfless individuals, teams and organizations every day. Here is your chance to recognize their efforts and spotlight their accomplishments. Join us by nominating a colleague, organization or peer today.

NOMINATIONS NOW OPEN: February 22 to March 23.

For more information, visit www.craainsnewyork.com/heritage.

CRAIN'S
NEW YORK BUSINESS
CUSTOM STUDIO

*Includes all five boroughs of New York City as well as Nassau, Suffolk, Westchester and Rockland counties.

FROM THE NEWSROOM | JEREMY SMERD

Assault and the Battery



MORE MUST BE DONE to curb the obnoxious, aggressive and sometimes violent sellers of real (and fake) sightseeing cruises and other downtown tourist attractions. These touts stand around Battery Park and prey on unsuspecting tourists to sell them tickets at exorbitant prices. They're bad for New York, and need to be dealt with.

Last week, a tourist from Arkansas told a ticket hawker "no" and was slammed to the ground, fracturing his skull. It was hardly the first violent incident. On Feb. 8, an illegal tout attacked an authorized seller representing Statue Cruises. In late January, a ticket seller slashed a woman at Battery Place.

"When you have people coming from all over the country and the world to see the 9/11 museum, to go on the Staten Island Ferry, they shouldn't be harassed, let alone assaulted," said Jessica Lappin, president of the Alliance for Downtown New York. "The regulations just haven't kept pace."

Ticket selling is illegal on park property, but police have less leeway to make arrests if sales take place on sidewalks. The First Amendment offers some protection for services (but not goods) sold on public space, Lappin said, and ticket sellers are not required to register with the state the same way ticket resellers at ball games are.

"People are more belligerent," said Warrie Price, president of the Battery Conservancy. "Whether it's Times Square or the Battery, these meccas of tourism have attracted more and more illegal work."

The de Blasio administration moved quickly last summer to address an outbreak of aggressive street sellers in Times Square. A task force in October recommended some common-sense solutions: a greater police presence and legislation limiting when and where street sellers can operate. The city says it has met with downtown stakeholders, resulting in an increase of 12 parks enforcement officers.

The mayor must do more. "As tourism has grown in lower Manhattan, so too has this problem," Lappin said. More than 14 million tourists visited downtown last year, up 2 million from 2014. That number will grow. Twenty-one hotels are in development, with 1,540 rooms coming online this year alone.

Given the billions of dollars poured into lower Manhattan to make it more welcoming for New Yorkers and visitors alike, it's disheartening that this problem has been allowed to metastasize.

"We have this incredibly beautiful waterfront," Price said. "It's never been grander than what we have now. We have to ensure that this asset is not tarnished by illegal activity."

“As tourism has grown in lower Manhattan, so too has this problem”

IN THIS ISSUE

- 4 AGENDA
- 5 IN CASE YOU MISSED IT
- 6 INSTANT EXPERT
- 7 TECHNOLOGY
- 8 REAL ESTATE
- 10 VIEWPOINTS
- 11 THE LIST

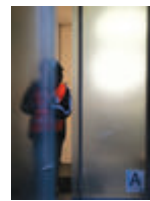
When politicians' eyes are bigger than their budgets

FEATURES

- 13 COVER STORY
- 19 GOTHAM GIGS
- 20 EXECUTIVE MOVES
- 21 SNAPS
- 22 FOR THE RECORD
- 23 PHOTO FINISH



P. 19
Dr. Karen Lee



ON THE COVER

PHOTO: BUCK ENNIS

CONFERENCE CALLOUT



MARCH 22

CRAIN'S BUSINESS OF STARTUPS

LEARN HOW to get startups off the ground and grow them.

Panelists include Howard Lerman, CEO of Yext (pictured left); Rachel Shechtman, CEO of Story; and Small Business Commissioner Gregg Bishop.

JOHN JAY COLLEGE OF CRIMINAL JUSTICE

8:30 a.m. to 10 a.m.

CrainsEvents@CrainsNewYork.com

Vol. XXXII, No. 8, February 22, 2016—Crain's New York Business (ISSN 8756-789X) is published weekly, except for double issues the weeks of June 27, July 11, July 25, Aug. 8, Aug. 22 and Dec. 19, by Crain Communications Inc., 685 Third Ave., New York, NY 10017. Periodicals postage paid at New York, NY, and additional mailing offices. Postmaster: Send address changes to: Crain's New York Business, Circulation Department, 1155 Gratiot Avenue, Detroit, MI 48207-2912. For subscriber service: Call (877) 824-9379. Fax (313) 446-6777. \$3.00 a copy, \$99.95 one year, \$179.95 two years. (GST No. 13676-0444-RT)

©Entire contents copyright 2016 by Crain Communications Inc. All rights reserved.

DIGITAL DISPATCHES

Go to CrainsNewYork.com

READ A joint venture between Northwell and GoHealth Urgent Care plans to add 20 clinics in the area this year.

- Facebook is looking for 500,000 square feet to expand or consolidate its city office, even though the company just took more space at 770 Broadway.

- The city plans to offer visas to up to 80 international entrepreneurs. The Economic Development Corp. and CUNY said the International Innovators Initiative could generate 700 new jobs in the next three years.

LISTEN to a discussion on virtual restaurants, the fate of Fairway and the developer trying to hold on to his Sutton Place super-tower. Music by Relations. CrainsNewYork.com/podcast



AGENDA

WHAT'S NEW FEBRUARY 22, 2016

Fast response to tragedy has unintended consequences

When elected officials respond slowly to tragedy, they get pummeled by the media and the voters. When they act quickly, they reap praise or at least stave off criticism—and, they hope, serve the public interest.

So we understand why Mayor Bill de Blasio took immediate action when an exceptionally tall crawler crane toppled on Feb. 5, killing an Upper West Side resident. The mayor ordered all crawler cranes shut down when sustained winds reach 20 miles per hour. The policy would continue, he said, until a task force could investigate and suggest ways to prevent similar accidents. It worked: The media moved on, and even Gov. Andrew Cuomo didn't have a chance to blame the mayor.

But in his eagerness to be responsive and avoid another incident, de Blasio might have acted rashly.

Consider that the crane fell while being lowered and secured because 30-mph winds were forecast, per longstanding city policy. The new 20-mph rule dramatically increases the frequency of this tricky procedure. That risk must be balanced against that of leaving cranes in place. The accident's cause remains unknown.

Second, crawler cranes vary in height and other ways that demand different responses to windy conditions. Many are designed, built and tested to operate in winds well above 20 miles per hour, and routinely do. If a 20-mph wind creates grave danger, there would have been many crane accidents over the years. Crane manufacturers know their machines better than anyone and should have been consulted, along with trade groups. The mayor's blanket policy appears to be idling some cranes unnecessarily.



THE COLLAPSE of this crawler crane led City Hall to impose rules that have stalled projects.

Shutting down all 380 crawler cranes when winds reach 20 mph has wreaked havoc on developers, contractors and construction workers

It is also wreaking havoc on developers, contractors and construction workers. When a crane is shut down, the ripple effect is vast. Some workers don't get paid; others get paid but can't work. Delays build on each other. With the wind threshold reached on more than 40% of days, according to one industry analysis, and some 380 crawler cranes in use citywide, this is no small matter.

Yet when a union representing idled workers began calling and writing the Department of Buildings about the policy, it was met with silence from the agency, a union official said. Two weeks after the fatal mishap, major construction-industry groups were still missing from the mayor's task force and pleading for meetings. This is unacceptable.

City Hall must promote safety, of course, and take action when problems arise. It must be responsive, yes, but also responsible. — **THE EDITORS**

FINE PRINT New York City still beats runner-up Los Angeles as America's fashion capital. More than 900 fashion companies are based here, and the industry employs 183,000 people, half in retail. Nearly 40% of all U.S. fashion designers work here. The business generates \$11 billion in wages and \$2 billion in taxes each year. L.A. has 99,000 apparel workers, 25% of U.S. designers, and pays almost \$7 billion in wages, a congressional report says.

25 WORDS OR LESS

“We both tried to come back and failed. I don't have any insight or advice for him

—Former Rep. Anthony Weiner, speaking to *The Wall Street Journal* about Eliot Spitzer's latest problem with a young woman in a hotel room

BUCKENNIS

BY GERALD SCHIFMAN

GRAFFITI GROWTH

THE DE BLASIO administration is intensifying its efforts to reverse a rise in graffiti vandalism.

15% Increase in citywide graffiti complaints in 2015 compared with the previous year

5.9M Square feet of graffiti removed by the city's Economic Development Corp. in 2015, a 45% increase from 2013

15% Drop in arrests for graffiti in 2015 compared with 2014

\$1.86M EDC's expenditures on its Graffiti-Free NYC Program last year

\$4.2M FY2017 cost of Mayor Bill de Blasio's graffiti- and litter-targeting CleanNYC program, unveiled earlier this month



STATS AND THE CITY

ADDICTED TO NUMBERS? GET A DAILY DOSE AT @STATSANDTHECITY

Sources: Mayor's Management Report, NYCEDC, NYPD, NYC Mayor's Office, CBS

EDITOR IN CHIEF Rance Crain
publisher, vp Jill R. Kaplan
assistant to the publisher
 Alexis Sinclair, 212.210.0701

EDITORIAL
editor Jeremy Smerd
assistant managing editors Erik Engquist, Peter S. Green

web editor Amanda Fung
copy desk chief Steve Noveck
art director Carolyn McClain
photographer Buck Ennis
senior reporters Joe Anuta, Aaron Elstein, Matthew Flamm, Daniel Geiger
reporters Rosa Goldensohn, Jonathan LaMantia, Caroline Lewis
data reporter Gerald Schiffman
web producer Peter D'Amato
columnist Greg David
contributing editors Tom Acitelli, Theresa Agovino, Barbara Benson, Erik Ipsen, Suzanne McGee, Judith Messina, Cara S. Trager

ADVERTISING

www.crainnewyork.com/advertise
advertising director Irene Bar-Am
 ibaram@crainnewyork.com or
 212.210.0133

senior account managers
 Zita Doktor, Jill Bottomley Kunkes, Rob Pierce, Stuart Smilowitz

account managers Jake Musiker

senior marketing coordinator

LeAnn Richardson

sales/events coordinator Ashlee Schuppius
 212.210.0282
 aschuppius@crainnewyork.com

ONLINE

general manager Rosemary Maggione
 212.210.0237
 rmaggione@crainnewyork.com

CUSTOM CONTENT

director of custom content

Patty Oppenheimer 212.210.0711
 poppenheimer@crainnewyork.com

EVENTS

www.crainnewyork.com/events

director of conferences & events

Courtney Williams, 212.210.0257

cwilliams@crainnewyork.com

manager of conferences & events

Adrienne Yee

AUDIENCE DEVELOPMENT

director of audience & content

partnership development

Michael O'Connor, 212.210.0738

mcoconnor@crainnewyork.com

CRAIN'S 5BOROS

www.5boros.com

Irene Bar-Am, 212.210.0133

ibaram@crainnewyork.com

SPECIAL PROJECTS

manager Alexis Sinclair 212.210.0701

asinclair@crainnewyork.com

REPRINTS

reprint account executive Krista Bora

212.210.0750

PRODUCTION

production and pre-press director

Simone Pryce

media services manager Nicole Spell

SUBSCRIPTION CUSTOMER SERVICE

www.crainnewyork.com/subscribe

customerservice@crainnewyork.com

877-824-9379 (in the U.S. and Canada).

\$3.00 a copy for the print edition; or \$99.95

one year, \$179.95 two years, for print

subscriptions with digital access.

to contact the newsroom:

www.crainnewyork.com/staff

685 Third Ave., New York, NY 10017-4024

phone: 212-210-0100 fax: 212-210-0799

Entire contents ©copyright 2016

Crain Communications Inc. All rights

reserved. ©CityBusiness is a registered

trademark of MCP Inc., used under license

agreement.

CRAIN COMMUNICATIONS INC.

BOARD OF DIRECTORS

chairman Keith E. Crain

president Rance Crain

treasurer Mary Kay Crain, Cindi Crain

executive vp, operations William Morrow

executive vp, director of strategic

operations Chris Crain

executive vp, director of corporate

operations K.C. Crain

senior vp, group publisher David Klein

vp, production, manufacturing David Kamis

chief financial officer Thomas Stevens

chief information officer Anthony DiPonio

founder G.D. Crain Jr. [1885-1973]

chairman Mrs. G.D. Crain Jr. [1911-1996]

secretary Merrilee Crain [1942-2012]

REGISTRATION

VERIFICATION

SCIENCE

THE ALLIANCE

OF AREA BUSINESS PUBLICATIONS

Paid-leave law too generous for biz, but voters love it

THE BUSINESS COUNCIL OF NEW YORK STATE released an analysis last week showing that the paid-family-leave program proposed by Gov. **Andrew Cuomo** would be the most far-reaching in the U.S. “Imposing additional state-level requirements would only add to the perception that the Empire State is hostile to business,” said **Heather Briccetti**, the council’s president and CEO.

The business group says allowing employees 12 paid weeks to care for new children or sick loved ones would put an undue burden on small businesses, though workers would fund the system.

But state legislators who defend that position could face a burden of their own come November, when they all face re-election. According to the latest Siena College poll of New York state registered voters, paid family leave garners 77% support in the suburbs and 69% support among Republicans. Among women, it is viewed even more favorably: 82% like it. Paid leave’s overall 80% approval surpasses another popular Cuomo cause—a \$15 minimum wage—by 15 points.

Democrats trying to win control of the state Senate will campaign on the two measures if Republicans block them. Senate Majority Leader **John Flanagan**, R-Smithtown, has signaled that he is open to compromise. He could look to exempt smaller businesses from paid leave and push the \$15 wage further into the future. — **ROSA GOLDENSOHN**



A lot of lots

The more than 1,000 city-owned vacant lots across the five boroughs could hold as many as 50,000 units of affordable housing, Comptroller Scott Stringer charged in an audit, accusing the city’s Department of Housing Preservation and Development of not acting fast enough to get new homes built. HPD chief Vicki Been shot back that many of the sites are being readied for construction while others are in floodplains.

Net transfer

The Brooklyn Nets have moved their training gym to Sunset Park, Brooklyn, from East Rutherford, N.J. The new facility includes two basketball courts, a theater, a pool and a 3,000-square-foot hospitality lounge.

Times Square cop shop

The New York Police Department plans to spend \$3.5 million to make its Times Square substation more attractive to visitors and recruits, *The New York Times* reported. Locker rooms and a large holding area for detainees would be removed.

Ferry contract

Hornblower Cruises & Events, which runs boats to the Statue of Liberty and Ellis Island, beat out a group including New York Waterway and New York Water Taxi to run new ferry services between Brooklyn, Queens and Manhattan.

DATA POINT

FAIRWAY IS ON THE CUSP OF DEFAULT. THE SUPERMARKET CHAIN SOLD IN 2007 FOR \$150 MILLION. ITS MARKET VALUE TODAY IS \$16.5 MILLION

Hornblower promises to have the needed boats ready to start service in 2017. It must integrate service with the losing bidders, who now run East River ferry services.

Bad Apple

NYPD Commissioner Bill Bratton accused Apple of “corporate irresponsibility” for refusing to help investigators unlock an iPhone that belonged to ISIS supporter Syed Farook, who, along with his wife, killed 14 people in San Bernardino, Calif., in December.

Union Square Café flies Delta

Danny Meyer’s Union Square Café will be making menus for Delta Air Lines’ first-class passengers, including its classic beef short rib staccotto.

Medical startups

The city’s Economic Development Corp. named 11 winners of \$50,000 grants to launch pilot programs with local health care institutions. The products include a peer-to-peer care model for older adults created by AgeWell Global, and a

device by a firm called S.A.L.T. that helps hypertension patients measure their salt intake. Hospital partners include Mount Sinai, Weill Cornell and the insurer Healthfirst.

Stop-and-frisk stumble

NYPD officers failed to document why they stopped New Yorkers for questioning in about 25% of such incidents last year, according to Peter Zimroth, the special monitor appointed to ensure the department doesn’t unfairly target blacks and Hispanics. In most cases, supervisors signed off on the stop-and-frisk paperwork, even when officers omitted required information.

— **PETER S. GREEN**



Piazza on High

The High Line’s last leg will include a 4,500-square-foot piazza over 10th Avenue at West 30th Street, according to new renderings. Construction will begin later this year.

What would it take to close Rikers Island? [in 5 steps]

THE ISSUE

1 The movement to reform criminal justice has taken on Rikers Island as a cause as a result of persistent violence at the massive city jail complex and the logistic and social problems of housing detainees far from their families and courthouses. The isolated island is at the top of the East River, between the Bronx and LaGuardia Airport in Queens. Rikers holds about 10,000 of the city's 13,500 people who have just been arrested, are awaiting trial and unable to post bail, or are serving short sentences. The city has smaller facilities in Brooklyn, Manhattan and the Bronx. Because **88% of the people in the Department of Correction's custody are black or Latino**, the matter has taken on racial overtones.



THE PLAYERS

2 City Council Speaker Melissa Mark-Viverito this month generated interest in the idea of closing Rikers, hailing it as a dream worth fighting for, and Gov. Andrew Cuomo promptly amplified her call. Mayor Bill de Blasio declared it to be "a noble concept, but one that would cost many billions of dollars, and we do not have a viable pathway to that." He added that it's unclear where Rikers' inmates would go. Preet Bharara, the U.S. attorney in Manhattan, sued the city to stop the epidemic of violence at Rikers, notably **correction officers' practice of beating up detainees**, while the officers' powerful union leader, Norman Seabrook, has focused attention on inmates assaulting his members. The mayor's ambitious chief investigator, Mark Peters, showed how easily drugs and other contraband are smuggled in. Minority activists have also emerged as a force. Correction Commissioner Joseph Ponte made his name reforming the jail system in Maine, but New York's is several orders of magnitude more daunting. Giant consulting firm McKinsey is being paid \$9.2 million to craft and implement an anti-violence plan.

YEAH, BUT...

3 With so many chefs in the Rikers-reform kitchen, the issue will be on the front burner for a while. Achieving consensus, however, will be a challenge. Agendas abound: Mark-Viverito can elevate her profile and emerge from the mayor's shadow; Cuomo can burnish his justice-reform credentials and pressure his whipping boy de Blasio; the mayor can deliver for his African-American base. Seabrook's job—at which he excels—is to block pro-detainee measures and crackdowns on officers. **De Blasio has said changing Rikers' corrupt culture will take years**, but Bharara has a federal monitor in place and won't wait that long. Any redevelopment of the island would be constrained by airplane noise and limits on building heights because it's in LaGuardia's flight path.

Political agendas abound. That will ensure Rikers reform stays on the front burner for a while. Achieving consensus, however, will be a challenge

SOME BACKSTORY

4 Martin Horn, the former correction commissioner, tried to expand the city's Brooklyn detention center in the mid-2000s but was defeated by local opposition. **Overcoming such NIMBYism is essential because closing Rikers requires expanding detention facilities** in Brooklyn and the Bronx and building a new one in Queens, where the old jail is shuttered. Mark-Viverito and her fellow council members have not said they would welcome more detainees in their districts, even though borough jails trigger few community complaints. Horn says expansions could add 5,000 beds, and the Rikers population could be reduced by several thousand more through faster processing, more diversion of the mentally ill (who make up 40% of Rikers detainees) to treatment, and removing 16- and 17-year-olds from adult jails—as Cuomo is pushing state legislators to do. New facilities could curb violence and smuggling through better design and programming, experts say.



WHAT'S NEXT

5 The City Council and Police Commissioner Bill Bratton (pictured) have agreed on legislation that could cut down on arrests and reduce pressure on Rikers. But the prospects for "raise the age" legislation in Albany are uncertain because **incumbents fear being branded as soft on crime in an election year**. De Blasio is wary of that label as well, and lets the more conservative Bratton negotiate with the council on arrest policy. Expansion of detention centers in the boroughs is not on the drawing board, let alone funded. And even the reform-minded Horn would leave 800 or 900 convicted prisoners at Rikers to serve out their sentences. The bottom line: Although calls to close the jail complex are growing, Rikers is likely to be with us for years to come.



Startups stumble trying to make it easier to own a car in the city

On-demand parking valets cut service, seek new markets **BY MATTHEW FLAMM**

Maybe New Yorkers don't need three valet-parking startups vying for their business. Zixr, a Silicon Valley-based company that launched a service to park people's cars for them while out on the town, closed its New York City consumer business last month. Valet parking for corporate clients will continue, it said.

"Consumer on-demand parking, while one of those novel, amazing experiences for customers, is a very difficult business to scale," Zixr CEO Sean Behr wrote in a blog post earlier this month.

New Yorkers who need a valet still have Luxe, another Silicon Valley startup, which launched in parts of Brooklyn and Manhattan last July. Its blue-jacket-clad valets will pick up a car, park it in a lot or garage and return the vehicle when summoned.

Luxe shut down its Philadelphia and Boston operations in December, but says its New York business is profitable. But Luxe has been phasing out phone support for its customer service, relying on text-messaging instead.

The company's remaining competitor for the consumer market here, Valet Anywhere, called it a mistake to drop phone support. "If Luxe has your car and you can't get a live person to find out what's going on, [customers] are going to freak out," said CEO Robert Kao.

Launched in 2014, Manhattan-based Valet Anywhere focuses on long-term parking: delivering cars to owners Friday night, and returning them to garages on Sunday.

Valet Anywhere has raised \$2.4 million in

seed funding while Zixr raised at least \$36.4 million, and Luxe has raised \$25.5 million.

Kao says his company found that most New

Yorkers with cars wanted to use them mainly on weekends. Parking a car for people going out to dinner was costly and time-consuming.

Long-term parking "is a much more predictable and scalable business than the on-demand parking business," Kao said. ■



SKATEBOARD SERVICE: Luxe still offers valets in the city but has cut back elsewhere.

Join us for a global meeting of the minds.

PUT OUR TAILORED INSIGHTS TO WORK FOR YOU.

To make confident decisions about the future, middle market leaders need a different kind of advisor. One who starts by understanding where you want to go and then brings the ideas and insights of an experienced global team to help get you there.

Experience the power of being understood.
Experience RSM.

rsmus.com

THE POWER OF BEING UNDERSTOOD
AUDIT | TAX | CONSULTING

RSM US LLP is the U.S. member firm of RSM International, a global network of independent audit, tax and consulting firms. Visit rsmus.com/aboutus for more information regarding RSM US LLP and RSM International.

McGladrey is now RSM. Learn more about our unified global network at rsmus.com/mcgladrey

New York state never used bond quota denied to city

Affordable-housing plan scuttled by subsidy tiff **BY JOE ANUTA**

The de Blasio administration abandoned plans to build 1,200 affordable apartments last year when New York state said it couldn't extend privileges to the city to issue about \$150 million in federal tax-exempt bonds. Albany said it had pressing needs elsewhere and had bumped up against the limit of the subsidy.

But numbers released by the state last week reveal Albany never issued other bonds using that borrowing authority, leaving affordable-housing advocates to believe the city's plans had fallen victim to another chapter in the ongoing spat between Gov. Andrew Cuomo and Mayor Bill de Blasio.

A state finance official, who spoke on condition of anonymity, said the money wasn't available in time for the city to use because it was tied up in projects that fell through at the last minute.

"That's what people say when they are making excuses," said City Councilman Brad Lander, who worked for affordable-housing nonprofits before taking office. "The state needs to stop playing politics."

Alicia Glen, the city's deputy mayor for housing and economic development,

called the revelation "very concerning," in an interview. "At the end of the day, we are trying to build affordable housing at an unprecedented pace."

Affordable-housing advocates were livid that 1,200 units worth of shovel-ready projects went unfunded after the state said it didn't have enough bonds to spare in November of 2015, yet ended the year \$500 million under what's known by financiers as the bond cap.

Last May, the state indicated that about \$785 million in bonds might be available for the city. By Dec. 31, the city had received \$595 million, according to the state—its lowest allocation in five years.

The discrepancy affected seven affordable-housing developments, kicking off a public spat with the Cuomo administration. Albany countered that there were never any guarantees regarding the city's share of the pot, and that the \$500 million in leftover bonds will be used this year. They said the surplus that is now available is the result of projects falling through at the last minute—too late for the bonds to be redirected to the city. An upstate trash-to-energy plant used half the allotment. ■

1,200
AFFORDABLE HOUSING UNITS were left unbuilt

Bauhouse battles back to keep Sutton Place luxury spire

The future of a giant Norman Foster-designed luxury apartment tower on Sutton Place is in doubt. The project's chief lender has scheduled a foreclosure auction for Feb. 29, and its developer is scrambling to find cash to pay off the loan and break ground on the site.

Developer Joseph Beninati's Bauhouse Group sued the lender, N. Richard Kalikow's Gamma Real Estate, in a bid to fend off foreclosure on the proposed 68-story spire at 428-432 E. 58th St. The suit accuses Gamma of rushing through the foreclosure process and dissuading potential bidders who might be willing to pay enough to save Beninati and Bauhouse from losing millions of dollars on the deal.

Bauhouse charged that Gamma purposely structured its \$147.25 million loan to allow it to ask the court to issue a temporary injunction to block the foreclosure auction. A delay could buy time for Bauhouse to sell

or refinance the property to pay off its debt to Gamma.

Bauhouse said it had the site appraised by Cushman & Wakefield for \$269 million. That assessment predicted the project's 113 luxury condos would be worth \$1.045 billion on completion.

Last year, Bauhouse secured a \$127.25 million senior mortgage and a \$20 million mezzanine loan with Gamma to purchase the property and prepare it for development.

Beninati has struggled to secure a construction loan to pay off Gamma and begin building the tower, which neighbors oppose for its soaring height. The debt expired Jan. 19, according to the suit, and Gamma quickly moved to seize the property using the mezzanine loan. Mezzanine loans allow lenders an easier path to foreclosure than conventional debt.

Gamma demanded a \$45 million exit fee to be paid on top of the \$147.25 million loan. — DANIEL GEIGER



SUTTON PLACE TOWER: See you in court.



AS THE MEATPACKING DISTRICT becomes a destination for tech and design firms, a tower changes plans, shifting from a hotel to offices.

Meatpacking district hotel flips to offices

A hotel planned for the north end of the meatpacking district will instead rise as an 18-story office tower with annual rents as high as \$150 a square foot, in the latest sign of a growing market for high-priced office space in one of Manhattan's trendiest neighborhoods.

Boston-based Rockpoint Group is leading a consortium to build the 270-foot-high, 130,000-square-foot building at 412 W. 15th St., between Ninth and 10th avenues. Hotel operator and developer Highgate Holdings remains a partner in the project, along with the Meilman family, which leased the land to Rockpoint. The tower will connect to 85,000 square feet of office and retail space Rockpoint is creating in renovated buildings on West 14th Street.

Rockpoint's decision to convert the project to offices comes as the meatpacking district is attracting a growing number of deep-pocketed tech, finance and creative companies. Several new, small office buildings are being constructed to house them.

Rockpoint recently finished a 100,000-square-foot, eight-story building next door at 430 W. 15th St., where it pre-leased

the entire property to Internet security firm Palantir. The rent here was about \$90 a square foot.

"We get a call a week from tenants looking for high-end boutique office space," said Cynthia Wasserberger, a broker at JLL who specializes in top-of-the-line leasing deals. "Because there are now several buildings being built in the meatpacking district, it could be a little competitive, but the market isn't saturated, and demand right now is robust."

Aurora Capital and Vornado Realty Trust said they will soon begin construction on a \$100 million, nine-story office building at the corner of West 15th Street and Ninth Avenue.

"The average-size tenant in Manhattan is about 5,000 square feet, and there really are not a lot of brand-new state-of-the-art buildings that have been built catering to them," said Paul Amrich, a broker at CBRE who is handling leasing for Rockpoint along with colleague Neil King.

Rockpoint's tower may be the last skyscraper in the area. The company poured its foundations before a zoning change took effect last year that set a cap on buildings in the meatpacking district at 130 feet tall.

— DANIEL GEIGER

From the beginning...

G.D. Crain Jr. knew the value of close and active connections. In February 1916, when he started his first publication, Hospital Management, his aim was to connect hospital administrators with the best practices of hospitals throughout the nation.

“To this end,” he stated in his opening editorial, “we will seek the advice and assistance of all those who are interested in promoting better methods. We shall strive to make Hospital Management a forum for the exchange of ideas on every topic of value” – and that defines the core of what Crain Communications has done for 100 years.

Every month and every day, Crain connects with 4 million people who read one or more of our 22 magazines, newspapers, newsletters and web sites, or attend one of our hundreds of events and conferences. We bring people together in print, digitally and face to face, and they rely on us for trustworthy and actionable information.

For 100 years, Crain has been important to important people.

In 2016 Crain celebrates its centennial, and no matter how much our readers change the way they consume our information, we will continue to do that same job for the next 100 years...connect with the people who count, and who count on Crain.



—
G.D. CRAIN JR.
—

CRAIN
— 1916 —

CRAIN.COM

Question for pols: Who's going to pay for all this?

Talk is cheap. Building projects in New York is not



GREG DAVID

WHEN DID the leaders of New York stop caring about how much their ideas cost?

That's the only real question that ought to be asked—and answered—following City

Council Speaker Melissa Mark-Viverito's embrace of shutting down the Rikers Island correctional complex and replacing it with smaller jails in each borough.

I know people like Gov. Andrew Cuomo would say I should stop being such a Debbie Downer. We are New Yorkers, he likes to say, and we can figure out things like this. Others will say these ideas are just PowerPoint presentations and there's no reason to get excited.

Neither is true. These ideas are a slippery slope to the kind of place where cities and states get in big trouble. Sort of like a Rikers Island

for indebted municipalities.

Let's start with the Rikers "proposal," although that's a pretty charitable way to describe it. How much would it cost to build jails in each borough? Would it be \$1 billion each, or \$2 billion or more? Where would they be built? Name one neighborhood that would volunteer to host a new jail. What would the city be unable to afford to do if it pursued the speaker's dream?

\$4B

REVISED COST estimate of LaGuardia's proposed Central Terminal

It was fitting that the governor came to the council speaker's defense, because Cuomo has become a big advocate of the "propose now, worry later" style of governing. Consider his much-ballyhooed promise in July to overhaul the despised LaGuardia Airport. At the time, his administration said the Central Terminal would be replaced, as would Delta's newly refurbished Terminals C and D, and a new link to the subway would be completed—all for something like \$4 billion.

Last week, *The Wall Street Journal*



THE FUTURE LaGuardia Airport—according to Gov. Andrew Cuomo

reported the cost of the Central Terminal alone had soared past \$4 billion.

Mayor Bill de Blasio was the voice of reason this month in casting doubts on the Rikers plan, but he too has been guilty of this approach—if on a smaller scale. The \$25 million cost of a new barn for carriage horses in Central Park was apparently pulled from thin air. His \$2.5 billion street-car scheme for the Queens-Brooklyn waterfront has more than a few question marks, too.

Why care about this? Because projects like these put pressure on governors and mayors to deliver something. Because they don't like

to raise taxes and because both the city and state have such high debt loads, they will be tempted to make fiscally irresponsible moves to push the costs into future years.

The governor has taken several steps down this road using one-time bank lawsuit settlements to prevent toll increases on the new Tappan Zee Bridge being built and the New York State Thruway.

For decades, the scars of the city's fiscal crisis served to restrain New Yorkers' ambition. It's a shame the history has been forgotten. ■

GREG DAVID blogs regularly at CrainsNewYork.com.

Yes, there is such a thing as a free lunch

For \$3.6 million, the city can end school cafeterias' income divide

BY LETITIA JAMES AND LIZ ACCLES

No child in our city should go hungry at school. Universal free lunch—offered in major cities including Chicago, Boston, Detroit, Dallas and the District of Columbia—is critical to making sure all students are focused and ready to learn. Yet here in New York, efforts to provide children with the universal lunch they need to thrive are stalled at the highest levels of City Hall.

In his 2017 preliminary budget, Mayor Bill de Blasio acknowledged that the city's wage growth has disproportionately benefited the wealthy, leaving low-income New

Yorkers behind. Yet he did not mention anything about universal free lunch, which would be one of the most effective, far-reaching and fiscally responsible anti-hunger initiatives the city could undertake.

Offering free lunch to all New York City public-school students—through a federal incentive program called the Community Eligibility Provision—will end the income divide in cafeterias, ease the workload for school staff and cost the city only an additional \$3.6 million a year after state and federal reimbursements. And for many of our children, it will provide the only

full meal they get all day.

The current, decades-old structure of free lunch sadly reinforces the worst social and economic hierarchies that play out in lunchrooms across our city. Children eating free lunch are taunted by their peers, and many choose to go hungry instead of facing ridicule—especial-

ly as they enter high school.

The current, decades-old structure of free lunch sadly reinforces the worst social and economic hierarchies that play out in lunchrooms across our city. Children eating free lunch are taunted by their peers, and many choose to go hungry instead of facing ridicule—especial-

ly as they enter high school. A startling 78% of New York City public-school students qualify for free school lunch, but close to one-third of those low-income students don't eat it. For many, it is because of the stigma. If no children were paying for lunch, none would be singled out as poor.

“Nearly one-third of students who qualify for free school lunch don't eat it. For many, it is because of the stigma of being poor

ly as they enter high school. Another beneficiary would be the many families who don't qualify for free lunch but still struggle to afford feeding their children. On average, it costs a family nearly \$1,000 per year to feed one child a

daily nutritious lunch. This can be an insurmountable financial burden on working families struggling to meet basic needs in one of the world's most expensive cities. Universal lunch would provide them significant relief.

In September 2014, universal free school lunch was launched in middle schools, and the early results have been promising: An additional 7,300 students are eating every day. This was a great first step, and we must expand on this progress and ensure that students at all grade levels have universal free lunch. We commend the mayor for making public education a cornerstone of his administration, with exciting new initiatives to lift up children living in poverty. But we cannot underestimate the well-documented impact that hunger has on the health, academic success and mental well-being of our students. If we truly want a healthier, more equitable city, we must make the common-sense investment in universal school lunch. ■

Letitia James is the New York City public advocate. Liz Accles is executive director of Community Food Advocates, a Manhattan-based nonprofit that works to improve and expand nutrition programs for children.

CORRECTIONS

The name of the trade group **METROPOLITAN MOVERS ASSOCIATION** was misstated in the Feb. 8 "Teamsters target Sony for using 'wrong' movers," as was the title of **FRANK MCNALLY**, chief operations officer at the Advance Group.

TORYA BEARD is a choreographer and an artistic associate at the Classical Theatre of Harlem. Her given name and title were misstated in the caption of the Feb. 8 "How Ty Jones staged a theater's comeback."

CONSULTECH represents transportation companies when they run into trouble over their use of independent contractors. The firm's name was misspelled in the Feb. 8 "Uber Rushes In." Also, Uber does not carry \$1 million in liability insurance for its drivers in New York City. This information was misstated in the story.

In the Jan. 25 Executive Moves, **LENDING.COM** was referred to incorrectly as a peer-to-peer lending company. It is a lending-as-a-service platform.

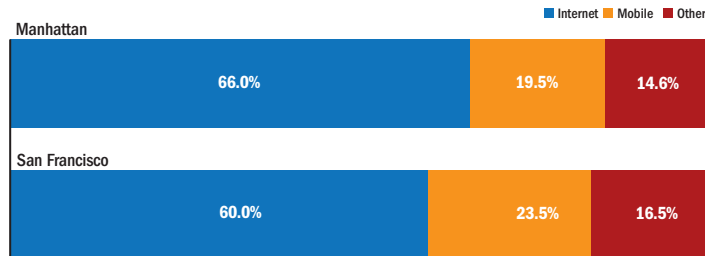
GOVERNOR.NY.GOV

Ranked by the number of investments in New York metro area startups in 2015

TRENDS

APP ALLOCATION

Internet-focused companies net two-thirds of venture-capital deals in Manhattan. In San Francisco, a higher portion of deals go to mobile companies and other firms, such as health care and green-tech startups.



SOURCE: CB Insights

+38.7%

RISE IN THE SUM OF NEW YORK metro area investment dollars in 2015, compared with just a 7.5% increase for Silicon Valley

\$2.4B

TOTAL OF VENTURE-CAPITAL investments in the New York metro area in 2Q 2015, the highest single-quarter amount since dot-com bubble-era 3Q 2000

SOURCE: PwC/NVCA MoneyTree Report

RANK	COMPANY	PHONE/ WEBSITE/ TWITTER HANDLE	SENIOR MANAGEMENT	NUMBER OF INVESTMENTS IN NYC METRO AREA STARTUPS ¹	NUMBER OF AGGREGATE U.S. DEALS ¹	AMOUNT OF AGGREGATE U.S. FUNDING (IN MILLIONS) ²	TOTAL PORTFOLIO OF COMPANIES ³	SELECTED NYC METRO AREA STARTUPS RECEIVING FUNDING ⁴
1	Lerer Hippeau Ventures 560 Broadway New York, NY 10012	(646) 237-4837 lererhippeau.com	Kenneth Lerer, Ben Lerer, Eric Hippeau Managing partners	25	37	\$549.78	147	Oscar Insurance Corp. Casper Sleep Inc. Namely Inc.
2	General Catalyst Partners ⁵ 295 Lafayette St. New York, NY 10012	(929) 223-4800 generalcatalyst.com @gcvp	Managing directors ⁶	16	56	\$1,429.52	171	Oscar Insurance Corp. JAND Inc. Vroom Inc.
3	Thrive Capital 666 Fifth Ave. New York, NY 10019	thrivecap.com @ThriveCapital	Joshua Kushner Managing partner	14	22	\$918.40	48	Oscar Insurance Corp. ClassPass Inc. Compass Inc.
4	Connecticut Innovations 865 Brook St. Rocky Hill, CT 06067	(860) 563-5851 ctinnovations.com @CT_Innovate	Matthew McCooe Chief executive	13	17	\$81.32	136	Arvinas Holding Co. eTouches Inc. Tangen Biosciences Inc.
4	FirstMark Capital 100 Fifth Ave. New York, NY 10011	(212) 792-2200 firstmarkcap.com @FirstMarkCap	Lawrence D. Lenihan, Rick Heitzmann, Amish Jani, Matt Turck Co-founders, managing directors	13	23	\$971.62	61	InVisionApp Inc. NewsCred Inc. Schoolology Inc.
4	Spark Capital ⁷ 51 Astor Place New York, NY 10003	(917) 243-4200 sparkcapital.com @sparkcapital	Partners ⁸	13	27	\$951.15	79	FourSquare Labs Inc. Stack Exchange Inc. Orchard Platform Advisors
7	BoxGroup New York, NY	boxgroup.com	David Tisch Managing partner	12	17	\$241.89	103	Blue Apron Inc. Jello Labs Inc. Estimote Inc.
7	Greycroft Partners 292 Madison Ave. New York, NY 10017	(212) 756-3508 greycroft.com @greycroftvc	Alan Patricof Co-founder, managing director	12	39	\$521.10	114	DineInFresh Inc. BetterCloud Inc. LongTail Ad Solutions Inc.
7	RRE Ventures 130 E. 59th St. New York, NY 10022	(212) 418-5100 rre.com @RRE	Stuart J. Ellman, James D. Robinson III, Jim Robinson Co-founders, partners	12	38	\$1,149.75	111	iBit PTE. Ltd. Business Insider Inc. Giphy Inc.
10	New Enterprise Associates ⁹ 44 W. 28th St. New York, NY 10001	nea.com @NEAVC	Peter Barris, Scott Sandell Managing general partners	11	113	\$3,434.96	332	Wheels Up Partners Casper Sleep Inc. FiftyThree Inc.
10	SBNY 130 W. 25th St. New York, NY 10001	sbny.vc @SBNYvc	Jordan Levy Managing partner	11	15	\$223.58	65	Thrillist Media Group Inc. Work Market Inc. NowThis Media Inc.
12	Sequoia Capital ¹⁰ 2800 Sand Hill Road Menlo Park, CA 94025	(650) 854-3927 sequoiacap.com @sequoia	Doug Leone Managing partner	10	54	\$2,694.64	184	Namely Inc. Percolate Industries Inc. Interlude US Inc.
13	Accel Partners ¹¹ 111 Eighth Ave. New York, NY 10011	(212) 776-1912 accel.com @Accel	Arthur Patterson, Jim Swartz Founding partners	9	64	\$2,337.22	174	SeatGeek Inc. Fiverr International Ltd. InVisionApp Inc.
13	First Round Capital ¹² 60 Madison Ave. New York, NY 10010	firstround.com @firstround	Partners ¹³	9	52	\$1,067.74	187	Blue Apron Inc. Refinery 29 Inc. Percolate Industries Inc.

CONTINUED ON PAGE 12

AGENDA

RANK	COMPANY	PHONE/ WEBSITE/ TWITTER HANDLE	SENIOR MANAGEMENT	NUMBER OF INVESTMENTS IN NYC METRO AREA STARTUPS ¹	NUMBER OF AGGREGATE U.S. DEALS ¹	AMOUNT OF AGGREGATE U.S. FUNDING (IN MILLIONS) ²	TOTAL PORTFOLIO OF COMPANIES ³	SELECTED NYC METRO AREA STARTUPS RECEIVING FUNDING ⁴
13	Great Oaks Venture Capital 660 Madison Ave. New York, NY 10065	(212) 821-1800 greatoaksvc.com @GreatOaksVC	<i>Andy Boszhardt</i> Founder, managing partner	9	33	\$101.69	149	CardFlight Inc. Locket Inc. CoVenture
13	Lux Capital 295 Madison Ave. New York, NY 10017	(646) 475-4385 luxcapital.com @Lux_Capital	<i>Peter Hébert, Robert Paull, Josh Wolfe</i> Co-founders, partners	9	22	\$333.16	49	Kallyope Inc. Shapeways Inc. Hometeam Inc.
17	Bain Capital Ventures ⁷ 632 Broadway New York, NY 10012	(212) 822-2900 baincapitalventures.com @BainCapVC	<i>Matt Harris, Scott Friend</i> Managing directors, New York	8	28	\$1,320.30	86	Jet.com Inc. Billtrust Persado
17	Bessemer Venture Partners 1865 Palmer Ave. Larchmont, NY 10538	(914) 833-9100 bvp.com @BessemerVP	<i>Bob Goodman</i> Founding partner, New York office	8	51	\$1,783.90	133	Blue Apron Inc. Fiverr International Ltd. Betterment Holdings Inc.
17	Canaan Partners ¹⁰ 285 Riverside Ave. Westport, CT 06880	(203) 855-0400 canaan.com	<i>Dan Ciporin, Warren Lee, Stephen Bloch, Tim Shannon</i> General partners, New York	8	43	\$713.18	97	ShopKeep.com Inc. Arvinas Holding Co. Orchard Platform Advisors
17	Forerunner Ventures ¹⁴ 1161 Mission St. San Francisco, CA 94103	forrunnerventures.com @ForerunnerVC	<i>Kirsten Green</i> Founder	8	19	\$225.70	42	Zola Inc. Draper James Outdoor Voices Inc.

Source: DJX VentureSource, with additional research by Gerald Schiffman. Address, contact information and senior management are from Crain's research.

New York metropolitan area includes New York City and counties in New York state as far north as Ulster, the northern half of New Jersey, Pike County in Pennsylvania, and Fairfield, Litchfield and New Haven counties in Connecticut. Venture-capital deals include equity financing (including cash investments by professional venture-capital firms, corporations, diversified private-equity firms and individuals) for companies that have received at least one round of venture funding. Only closed deals are included. Loans or government grants are not included. Tranches are not counted individually as deals. In case of a tie, firms are ranked alphabetically. n/a-Not available. 1-As of Dec. 31, 2015. 2-As of Dec. 31, 2015. Sum of deals in which investor participated. Does not refer solely to amount of investor investment. 3-As of Jan. 29, 2016. Current U.S.-based venture-capital portfolio of privately held companies. 4-Funding may be through any of the venture-capital firm's offices. 5-Firm is headquartered in Cambridge, Mass. 6-Adam Valkin, Bill Fitzgerald, David Fialkow, David Orfao, Steve Herrod, Hemant Taneja, Joel Cutler, Larry Bohn, Phil Libin 7-Firm is headquartered in Boston. 8-Alex Finkelstein, Andrew Parker, Bijan Sabet, Jeremy G. Phillips, Kevin Thau, Megan Quinn, Mo Koyfman, Santo Politi, Todd Dagres. 9-Firm is headquartered in Timonium, Md. 10-Firm is headquartered in Menlo Park, Calif. 11-Firm is headquartered in Palo Alto, Calif. 12-Firm is headquartered in Philadelphia. 13-Bill Trenchard, Chris Fralic, Howard Morgan, Josh Kopelman, Phin Barnes, Rob Hayes. 14-Firm is headquartered in San Francisco.

SHOWCASE YOUR SPACE OR SERVICES TO NEW YORK'S CORPORATE EVENT PLANNERS



COMING APRIL 18TH | CLOSING MARCH 15TH

For advertising information contact: Stu Smilowitz at 212-210-0736 or ssmilowitz@crainsnewyork.com

CRAIN'S
NEW YORK BUSINESS
CUSTOM STUDIO

ASSEMBLY-LINE sandwich-making at Green Summit's basement kitchen

RESTAURANTS IN NAME ONLY

Why bother with tables, waitstaff and huge real estate costs? All you need these days is a kitchen and an app **By Cara Eisenpress**

PHOTOGRAPHY BY BUCK ENNIS

Eight restaurants. Two kitchens. One company. Zero storefronts. That's the formula one food business has used to make and deliver 7,500 meals a week and generate millions of dollars in revenue. "We're fulfilling a demand that's not being filled," said Peter Schatzberg, 39, a founder and partner of Green Summit Group. "Consumer preferences are changing faster than what others are willing to adapt to."

The eight brands exist only online, delivering in midtown Manhattan and Williamsburg, Brooklyn, and are a part of a growing food takeout industry dominated by Grubhub. The delivery platform,

which includes Seamless, served \$2.4 billion of food in 2015 and helped Green Summit grow with a line of financial support.

Without the burden of managing retail spaces, Green Summit can quickly cater to fast-evolving consumer preferences and deliver higher returns to its owners. The company sells its salads, sandwiches, burritos, Pan-Asian rice bowls, meatball subs, milkshakes and juices under brands that exist only as logos on paper bags and websites: Authentic, Leafage, Butcher Block, Maya Blue, Braised, Bushwick, Grind Meatballs and Crust Deli.

Unlike the company's brick-and-mortar competitors, Green Summit can shift menu items and create a branded online-only "restaurant"

CONTINUED ON PAGE 14

A LETTER GRADE ON THE DOOR IS THE ONLY HINT OF THE FOOD PREP GOING ON IN THE 6,000 SQUARE FEET BELOW

that appeals to the flavor of the moment—whether it’s low-carb, low-fat, gluten-free, or all things bacon. “Variety is key,” said Schatzberg. “There’s variety in terms of ethnicity in cuisine types, but also along the healthy spectrum. If you can have vegan, vegetarian, chicken and shrimp, you can cater to a broader audience. It’s a variety of categories, and variety within categories.”

In late February, a ninth “restaurant” will materialize in the same kitchen—a sushi joint called Hummingbird whose wares were market-tested as menu items under two of the company’s existing brands. After that, Schatzberg and his partner, Todd Millman, 45, plan to broaden their geographic reach with kitchens in the financial district in the spring, downtown Brooklyn in early summer, and the Upper East Side and East Village by the end of the year. With these locations, they calculate that 90% of New York’s online food-ordering population will be within their delivery range. (They are scouting a Chicago outpost to open this year as well.)

Schatzberg and Millman built the company for less than \$1 million, and together the brands brought in \$10 million in revenue in 2015. They anticipate their expansion plans will triple revenue to \$30 million this year.

The model has few similar rivals in New York. One, Maple, backed by \$25 million from San Francisco venture fund Greenoaks Capital, has hired Momofuku chef David Chang as its chief culinary officer. It opened last April and delivers sophisticated farm-to-table-style food to homes and offices in lower Manhattan and parts of midtown. (Joshua Kushner’s Thrive Capital invested \$4 million in a seed round.)

Savory, also a kitchen-only caterer, delivers to both individuals and corporate clients in lower midtown. But both are companies with a single identity. Neither has the gamut of brands that Schatzberg says is fueling Green Summit’s success.

Green Summit has no head chef who tests and retests recipes. Instead, Schatzberg racks his brain for names and concepts for the menu and looks to pop culture, sports and music for sandwich and salad titles, quizzing his younger employees for ideas. “The 23-year-olds have a pulse on what’s cool,” he said. “We get a lot of inspiration from Brooklyn.” Puns proliferate: Notorious P.I.G. is a pulled-pork sandwich, and Thai Cobb is a salad with soy-glazed shiitakes and blue cheese.

Steve Zagor, dean of the School of Business and Management Studies at Manhattan’s Institute of Culinary Education, crowns the concept as brilliant. “The question is, will the customer care at the end of the day that you’re not really a restaurant, you’re a delivery opera-

tion? It’s low overhead and high potential sales—but are you being truthful to the public?”

In the two and a half years since the concept’s debut, almost no one has tried to go to a physical location, said Schatzberg, answering a concern about the role of food establishments that offer no storefront, counters or chairs.

TO PASSERSBY, the Manhattan restaurant is nothing more than a pair of opaque glass doors next to a Potbelly sandwich shop on East 44th Street between Lexington and Third



STEPS TO DELIVERY: Food is cooked en masse (left), then assembled (top), bagged according to brand (right) and delivered by bicycle (above).

venues. Health inspectors have given the kitchen an A letter grade, and the grade on the door is the only hint of the food preparation going on in the 6,000-square-foot space below.

There, on a Wednesday earlier this month, two dozen printers at Green Summit’s kitchen began discharging orders in the late morning, when corporations—which account for 70% of Manhattan sales—submitted their group lunch orders. An integrated point-of-sale application connects Grubhub and Seamless to Green Summit. Schatzberg said most individual customers simply find his brands online.

Chefs prepped the meats, vegetables and grains, and cooked them using a single formula—say,

roasting chicken with appropriate spices. That chicken was then used as an ingredient in dishes across many menus. The approach gives Schatzberg an economy of scale that prioritizes freshness and use of unprocessed ingredients over culinary authenticity. “My tacos are not going to taste like tacos from Mexico City,” he said.

By around 10:30 a.m., some 50 prep cooks, line cooks and expeditors on seven lines had assembled the first of 600 daily lunches. Between its two locations, the company employs more than 200 people. While that seems like a lot to feed a relatively small number of diners, it’s the logical number to get food out in a reasonable time, according to ICE’s Zagor, who said the figure jibes with the firm’s ability to make a profit. “This is complex—you’ve got 600 orders to get out,” the professor said.

The lines organize around a menu category: salads, quinoa bowls, sandwiches, drinks. Each brand has an expeditor at a small station who receives the food and packs it. Finished orders go out to the front in paper sacks imprinted with each brand’s logo. They are then stuffed into Seamless bags and organized by customer and final destination. Deliverymen pile a dozen bags into duffels, which they load onto their backs before exiting up the stairs to depart on bikes or on foot.

When business slackens around 1 p.m., workers eat and clean up before the dinner rush between 5:30 p.m. and 8 p.m., when another 600 orders flood in.

Schatzberg was running an organic deli on West 45th Street named FreeFoods when he launched Green Summit with one online-only brand, Authentic. “I observed that half my volume was delivery,” he said. Millman was operating a hospitality consulting company called Blue Radish and owned several midtown

delis that delivered through Seamless.

When Millman frequented Schatzberg’s store, Millman would pepper him with suggestions on improving the business. Their observations sparked the concept of a delivery-only kitchen.

Schatzberg approached contacts at Seamless, then separate from Grubhub, about listing his menu. Only after the merger was he “cleared up the ranks” to go forward, and Authentic’s sandwiches and salads made their way onto the platform. (The Seamless brand still monopolizes New York City’s takeout scene; Grubhub dominates in other locales, such as its Chicago base.)

The duo engineered dishes to survive the rigors of city transportation. “Other people only realize later that delivery will be 35% of sales,” Schatzberg said. “Then you have to bastardize your menu and packaging.” As he introduced more brands, he tried to differentiate them with free, signature offerings: popcorn, candy bars, sides, Mason jars to hold smoothies, juices and milkshakes. “The free slaw is 15 cents of cabbage,” he said.

To launch a concept, Green Summit needs little more than a logo and a menu. The company has taken a brand from origin to market-ready in as little as a week. “Quinoa bowls—I had that epiphany in the morning, and we launched in the afternoon,” Schatzberg said.

The cost of failure is also low. A Mediterranean-food idea that the partners scrapped totaled about



TODD MILLMAN AND PETER SCHATZBERG, partners in Green Summit, came up with their concept after realizing delivery was a huge portion of their deli businesses.

\$25,000 in sunk costs, as opposed to the \$100,000 to \$500,000—plus that a small midtown retail operation would absorb, by Zagor’s estimate. Though it brought in about a half-million dollars, Schatzberg said, he believed that the kebabs and hummus were not maximizing revenue for their square footage. So he shuttered the spot. “What’s the downside?” he asked himself. Very little. Nobody was fired, no leases terminated. He simply had to take the company off Seamless.

Before Green Summit decided to launch Hummingbird, Schatzberg and Millman tested sushi’s potential on the menus of two brands: Leafage and Authentic. They learned how to make rolls on YouTube. “We wanted to see if people were interested in purchasing sushi from a place that’s only upscale and healthy, but not Japanese,” said Schatzberg. “That seemed to be the case.”

ANY RESTAURANT WITH DELIVERY assumes a share of risks. Hot food cools en route. Time estimates are unreliable. Saucy sandwiches get soggy. Dressed salads wilt. “Once the food leaves the facility, [the business] can’t control the experience,” said Alex Perez, chief operating officer at Fresh & Co., whose 16 outlets serve organic, seasonal lunches and dinners to Manhattan office workers. “To me, that’s a tricky business model.”

Not surprisingly, most of Green Summit’s brands have several harsh comments and more than a few one-star ratings on Seamless, Grubhub and Yelp; grievances relate to food temperature, delivery time, ingredient mistakes and high prices. (A “Thrill Cheese” sandwich with cheddar, Gruyere, Parmesan, greens, jalapeños and oven-roasted tomatoes is \$10.75; a sweet cherry pie smoothie is \$8.75.) And lunch can take nearly an hour from order to delivery.

“Reviews are important, but they’re statistically insignificant,” said Millman. Instead, he and Schatzberg concentrate on how much is selling. “We’re getting it right,” Millman said.

Being online-only put the company in ambiguous territory with the city’s Department of Health. Until November, when a WNBC investigation questioned Green Summit’s model, it had used a permit for conducting a nonretail food business. Schatzberg said he believed it was in compliance and had been inspected under that designation by the health agency.

A spokeswoman for the department said it advised the company to get a food-service permit

after complaints in November. “As the food-services industry evolves, the Health Department has continued to keep pace with these changes by amending our permitting requirements to meet business needs and protect consumer health and safety,” she said.

Some of Green Summit’s competitors have backed away from the model. Fresh & Co. is considering replacing delivery—which represents 20% of average store revenue of \$3 million to \$4 million annually—with an online system of pre-orders and pickups. “We’d rather have consumers in our four walls. The consumer wants to engage with the brand,” said Perez. The chain, co-founded by George Tenedios, is part of ST Management, a New York company owned by his father, Steve Tenedios, the man behind Café Metro.

Savory, a Manhattan company launched in 2011, was one of the few competing delivery-only restaurants in New York but has recently shifted its strategy. Instead of distributing miso-glazed Atlantic salmon with shaved broccoli, black barley and butterbean salad to individuals through its app and Seamless, it now plans to focus on group orders, from breakfast for six to dozens of boxed conference lunches and platters for large offices and social events.

“What we found was that ordering for yourself is becoming easier and easier,” said Dhruv Singh, a founder and partner. “There are a lot of people solving this problem for consumers. ... There are boxes, you can get groceries, there’s food you reheat. I thought we were different. But I woke up one morning and thought, ‘People don’t care! It’s ‘push a button, get food.’”

To differentiate Savory, Singh and his partners “decided to go a bit anti-tech.” Instead of the hands-off approach of Seamless, Savory introduced a team of concierges to field questions and customize menus by phone or live-chat during business hours. “You want someone to take care of you,” he said.

Currently, Savory sends out more than 10,000 meals a month from a 10,000-square-foot kitchen on West 39th Street, near Fifth Avenue. The chefs put every dish through a “stress test,” sending bike deliverymen around with containers of sample food that they bring back to the kitchen for tasting and tweaking. Although the company does not have a timeline for shuttering the individual-delivery business, Singh said, it has reduced hours and is reassessing its strategy every quarter.

Grubhub and Seamless, which take at least a 10%

cut of each order (companies can pay a higher percentage to promote their listings), are doing their best to help so-called virtual restaurants succeed. Though Schatzberg and Millman started Green Summit with their own money, they relied on a line of credit from Grubhub to expand.

“We love the innovation and quality they’ve brought to the space,” said Matt Maloney, Grubhub’s CEO. He intended the loan to support Green Summit’s growth but is not looking to acquire a stake in the company or others. “We absolutely want to continue supporting virtual restaurants through our ordering platform, by driving orders their way, and we would seriously consider any other opportunities to directly support virtual restaurants with this structure,” Maloney said.

Institutional investors have approached the team, Schatzberg said, but so far the partners have not been happy with how investors planned to represent the company. Schatzberg does see an exit not too far off, if a large food or logistics company wanted to acquire Green Summit. He imagines that the kind of software that fuels food-delivery platforms could also power extraordinary efficiency and accuracy in the kitchen, with real-time analytics informing purchasing, operations and sandwich assembly.

For now, “I’m just delivering food,” said Schatzberg. He’s doing so against a backdrop of a growing number of players, from Uber to Amazon, who want to join Grubhub in the competition to deliver dinners and lunches to hungry consumers. But someone has to do the cooking. “I field the volume they bring,” he said. ■



DITCHING DELIVERY: Alex Perez, COO of Fresh & Co., and founder George Tenedios are considering replacing delivery with takeout only.

BIG BITES

\$2.4B

SIZE OF GRUBHUB'S food-delivery business nationwide

7,500

MEALS DELIVERED WEEKLY by Green Summit

\$30M

EXPECTED REVENUE this year for Green Summit, up from \$10M last year

Sources: Grubhub, Green Summit

CRAIN'S CLASSIFIED

TO PLACE A CLASSIFIED AD, CALL 1 800 444 6007 OR VISIT CRAINSNEWYORK.COM

ADVERTISING

MILK IT!

The Last Word LLC
Speaking, Writing,
Consulting & Production
646.434.6738 • 734.237.6614
lastword.com



Carol Dunitz, Ph.D.

POSITION AVAILABLE

Consultant (PA Consulting Group, Inc. - New York, NY) Provide research & analysis w/in the life sci sector. F/T. Reqs Mast's dgr (or frgn equiv) in Bus Admin, Bio, Biotech or rel sci fld & 2 yrs exp in job offered or ind exp in life sci sector, spcflly in global pharm firms in commercial ops &/or strategy. 1 yr of stated exp must incl: supprt'g bus ops, writ'g client proposals, & imprv'g bus processes for clients; prvd'g bus strategy, prod dvlpmnt & compliance supprt to life sci & health-care sectors; dsgn'g & implmnt'g customized change mgmt & comm plans for global trnsfrmtn proj; prvd'g structure, construct'g solutions, & cndct'g rsrch (info gather'g, structur'g, analysis & presentation) for address'g cmplx bus probs; & utiliz'g Microsft PwPoint, Excel, Word, Project, Visio & Sharepoint. Exp may be gained concurrently. Resumes: M. Bettencourt, PA Consulting Group, Inc., 10 Canal Park, 4th Fl, Cambridge, MA 02141. JobID: NEWJME2.

REQUEST FOR BID

The Prospect Park Zoo is seeking proposals from firms on Construction Management services associated with 3 roof projects at the Prospect Park Zoo. There will be a site inspection and pre-bid conference at 10:00 AM Tuesday, March 1, 2016. A copy of the RFP document can be made available by emailing purchasing@wcs.org

PUBLIC AND LEGAL NOTICES

City Tails NYC, LLC Arts of Org filed with NY Sec of State (SSNY) on 1/8/16. Office: New York County. SSNY designated as agent of LLC upon whom process may be served. SSNY shall mail process to: 95 Horatio St, #6V, NY, NY 10014. General Purposes.

Notice of Qualification of HHC 33 PECK SLIP RESOURCES, LLC Appl. for Auth. filed with Secy. of State of NY (SSNY) on 01/25/16. Office location: NY County. LLC formed in Delaware (DE) on 01/21/16. Princ. office of LLC: The Howard Hughes Corporation, One Galleria Tower, 13355 Noel Rd., 22nd Fl., Dallas, TX 75240. SSNY designated as agent of LLC upon whom process against it may be served. SSNY shall mail process to: c/o Corporation Service Co., 80 State St., Albany, NY 12207-2543. DE addr. of LLC: 2711 Centerville Rd., Ste. 400, Wilmington, DE 19808. Cert. of Form. filed with DE Secy. of State, Div. of Corps., John G. Townsend Bldg., 401 Federal St., Ste. 4, Dover, DE 19901. Purpose: Any lawful activity.

PUBLIC AND LEGAL NOTICES

Formation of K & M Associates CRE, LLC filed with the Secy. of State of New York (SSNY) on 12/28/15. Office loc.: New York County, SSNY designated as agent of LLC upon whom process against it may be served. The principal business loc. and address SSNY shall mail process to is Leila Kim, 825 3rd Ave., 31st Fl., New York, NY 10022. Purpose: Any lawful activity.

Notice of Qualification of KEY SQUARE GROUP LP Appl. for Auth. filed with Secy. of State of NY (SSNY) on 01/15/16. Office location: NY County. LP formed in Delaware (DE) on 10/01/15. SSNY designated as agent of LP upon whom process against it may be served. SSNY shall mail process to c/o Key Square GP LLC, 650 Madison Ave., 18th Fl., NY, NY 10022. Name and addr. of each general partner are available from SSNY. DE addr. of LP: Corporation Service Co., 2711 Centerville Rd., #400, Wilmington, DE 19803. Cert. of LP filed with Secy. of State, DE Div. of Corps., 401 Federal St., Dover, DE 19901. Purpose: Any lawful activity.

Notice of Qualification of Avalon Yonkers ATI Site, LLC. Authority filed with NY Dept. of State on 1/27/16. Office location: NY County. Princ. bus. addr.: 671 N. Glebe Rd., Ste. 800, Arlington, VA 22203. LLC formed in DE on 1/22/16. NY Sec. of State designated agent of LLC upon whom process against it may be served and shall mail process to: c/o CT Corporation System, 111 8th Ave., NY, NY 10011, regd. agent upon whom process may be served. DE addr. of LLC: c/o The Corporation Trust Co., 1209 Orange St., Wilmington, DE 19801. Cert. of Form. filed with DE Sec. of State, 401 Federal St., Dover, DE 19901. Purpose: all lawful purposes.

Notice of Qualification of Avalon Yonkers Sun Sites, LLC. Authority filed with NY Dept. of State on 1/27/16. Office location: NY County. Princ. bus. addr.: 671 N. Glebe Rd., Ste. 800, Arlington, VA 22203. LLC formed in DE on 1/22/16. NY Sec. of State designated agent of LLC upon whom process against it may be served and shall mail process to: c/o CT Corporation System, 111 8th Ave., NY, NY 10011, regd. agent upon whom process may be served. DE addr. of LLC: c/o The Corporation Trust Co., 1209 Orange St., Wilmington, DE 19801. Cert. of Form. filed with DE Sec. of State, 401 Federal St., Dover, DE 19901. Purpose: all lawful purposes.

Notice of Qualification of Centerbridge Special Credit Partners III-Flex, L.P. Authority filed with NY Dept. of State on 1/8/16. Office location: NY County. LP formed in DE on 1/5/16. NY Sec. of State designated agent of LP upon whom process against it may be served and shall mail process to the principal business address: 375 Park Ave., 12th Fl., NY, NY 10152. Regd. agent upon whom process may be served: CT Corporation System, 111 8th Ave., NY, NY 10011. DE addr. of LP: c/o The Corporation Trust Co., 1209 Orange St., Wilmington, DE 19801. Name/addr. of genl. ptr. available from NY Sec. of State. Cert. of LP filed with DE Sec. of State, Duke & York St., Dover, DE 19901. Purpose: all lawful purposes.

MASDAC, LLC, Art. Of Org. Filed Sec. of State of NY 1/26/2016, Off. Loc.: Richmond Co. SSNY designated as agent upon whom process against it may be served. SSNY to mail copy of process to The LLC, c/o Alain W. Holtz, 1135 Pheasant Lane, Collegeville, PA 19426 Purpose: Any lawful act or activity.

Notice of Formation of ON YOUR MARK NYC, LLC Arts. of Org. filed with Secy. of State of NY (SSNY) on 02/01/16. Office location: NY County. SSNY designated as agent of LLC upon whom process against it may be served. SSNY shall mail process to Mark A. Greenfield, 122 W. 26th St., Ste. 701, NY, NY 10010. Purpose: Any lawful activity.

Notice of Formation of Rosie Posies NY, LLC Articles of Organization filed with the Secretary of State of NY on 5/13/2011. Office location: New York County, SSNY has been designated as agent upon whom process against it may be served. The post office address to which the SSNY shall mail a copy of any process against the LLC served upon him/her is: P.O. Box 198, NY, NY 10101.

Notice of Formation of KOBE 66 LLC Arts. of Org. filed with Secy. of State of NY (SSNY) on 01/07/16. Office location: NY County. SSNY designated as agent of LLC upon whom process against it may be served. SSNY shall mail process to Oren Tepper, 203 E. 72nd St., Apt. 8A, NY, NY 10021. Purpose: Any lawful activity.

Notice of Formation of KLam Broadway LLC. Arts. of Org. filed with Secy. of State of NY (SSNY) on 2/3/16. Office location: NY County. SSNY designated as agent of LLC upon whom process against it may be served. SSNY shall mail process to: The LLC, 202 Centre St., 6th Fl., NY, NY 10013. Purpose: any lawful activity.

Notice of Qualification of AlliedBarton Aerospace and Defense Services LLC. Authority filed with NY Dept. of State on 1/25/16. Office location: NY County. Princ. bus. addr.: 161 Washington St., Ste. 600, Conshohocken, PA 19428. LLC formed in DE on 10/6/15. NY Sec. of State designated agent of LLC upon whom process against it may be served and shall mail process to: c/o CT Corporation System, 111 8th Ave., NY, NY 10011, regd. agent upon whom process may be served. DE addr. of LLC: 1209 Orange St., Wilmington, DE 19801. Cert. of Form. filed with DE Sec. of State, 401 Federal St., Dover, DE 19901. Purpose: all lawful purposes.

Notice of Qualification of Macquarie Executive Holdings LLC. Authority filed with NY Dept. of State on 12/30/15. Office location: NY County. Princ. bus. addr.: 125 W. 55th St., 18th Fl., NY, NY 10019. LLC formed in DE on 12/29/15. NY Sec. of State designated agent of LLC upon whom process against it may be served and shall mail process to: c/o CT Corporation System, 111 8th Ave., NY, NY 10011, regd. agent upon whom process may be served. DE addr. of LLC: c/o The Corporation Trust Co., 1209 Orange St., Wilmington, DE 19801. Cert. of Form. filed with DE Sec. of State, 401 Federal St., Dover, DE 19901. Purpose: all lawful purposes.

Notice of formation of 42 FOSTER, LLC Arts. of Org. filed with the Secty of State of NY (SSNY) on 2/4/2016. Office location, County of New York. SSNY has been designated as agent of the LLC upon whom process against it may be served. SSNY shall mail process to: 77 W. 24th St. Apt 30A, NY NY 10010. Purpose: any lawful act.

Notice of Formation of JTang Broadway LLC. Arts. of Org. filed with Secy. of State of NY (SSNY) on 2/3/16. Office location: NY County. SSNY designated as agent of LLC upon whom process against it may be served. SSNY shall mail process to: The LLC, 202 Centre St., 6th Fl., NY, NY 10013. Purpose: any lawful activity.

Notice of Qualification of BORDEN INDUSTRIAL LLC Appl. for Auth. filed with Secy. of State of NY (SSNY) on 01/05/16. Office location: NY County. LLC formed in Delaware (DE) on 09/29/15. Princ. office of LLC: 450 Park Ave., 4th Fl., NY, NY 10022. SSNY designated as agent of LLC upon whom process against it may be served. SSNY shall mail process to c/o Corporation Service Co. (CSC), 80 State St., Albany, NY 12207-2543. DE addr. of LLC: c/o CSC, 2711 Centerville Rd., Ste. 400, Wilmington, DE 19808. Cert. of Form. filed with Secy. of State, 401 Federal St., Ste. 4, Dover, DE 19901. Purpose: Any lawful activity.

NOTICE OF FORMATION OF Manhattan Mental Health Counseling Services, PLLC. Articles of Organization filed with the Secretary of State of NY (SSNY) on **December 21, 2015**. Office location: **NEW YORK** County. SSNY has been designated as agent upon whom process against it may be served. The Post Office address to which the SSNY shall mail a copy of any process against the PLLC served upon him/her is: **136 Madison Ave, 6th Floor, NY NY 10016** The principal business address of the PLLC is: **136 Madison Ave, 6th Floor, NY NY 10016** Purpose: any lawful act or activity

Notice of Qualification of GOKUL WORKSHOPS LLC Appl. for Auth. filed with Secy. of State of NY (SSNY) on 01/07/16. Office location: NY County. LLC formed in Delaware (DE) on 01/05/16. SSNY designated as agent of LLC upon whom process against it may be served. SSNY shall mail process to c/o Corporation Service Co., 80 State St., Albany, NY 12207-2543. DE addr. of LLC: c/o PHS Corporate Services, 1313 Market St., Ste. 5100, Wilmington, DE 19801. Cert. of Form. filed with DE Secy. of State, John G. Townsend Bldg., 401 Federal St., Ste. 4, Dover, DE 19901. Purpose: Any lawful activity.

Notice of Qualification of Angelo, Gordon Energy Partners Extension Fund GP LLC. Authority filed with NY Dept. of State on 1/22/16. Office location: NY County. LLC formed in DE on 1/20/16. NY Sec. of State designated agent of LLC upon whom process against it may be served and shall mail process to: c/o Angelo Gordon & Co., L.P., 245 Park Ave., 26th Fl., NY, NY 10167, principal business address. DE address of LLC: c/o The Corporation Trust Co., 1209 Orange St., Wilmington, DE 19801. Cert. of Form. filed with DE Sec. of State, Div. of Corps., Townsend Bldg., Dover, DE 19901. Purpose: all lawful purposes.

CRAIN'S CLASSIFIED

TO PLACE A CLASSIFIED AD, CALL 1800 444 6007 OR VISIT CRAINSNEWYORK.COM

PUBLIC AND LEGAL NOTICES

Notice of Qualification of Magnet 360, LLC. Authority filed with NY Dept. of State on 1/7/16. Office location: NY County. LLC registered in MN on 3/25/08. NY Sec. of State designated agent of LLC upon whom process against it may be served and shall mail process to: c/o National Registered Agents, Inc., 111 8th Ave., NY, NY 10011, regd. agent upon whom process may be served. MN and principal business address: 5757 Wayzata Blvd., Minneapolis, MN 55416. Cert. of Reg. filed with MN Sec. of State, 60 Empire Dr., St. Paul, MN 55103. Purpose: all lawful purposes.

Notice of Qualification of OCA POSITIVE FOOD, LLC Appl. for Auth. filed with Secy. of State of NY (SSNY) on 01/25/16. Office location: NY County. LLC formed in Delaware (DE) on 09/22/15. SSNY designated as agent of LLC upon whom process against it may be served. SSNY shall mail process to c/o Corporation Service Co., 80 State St., Albany, NY 12207-2543. DE addr. of LLC: 2711 Centerville, Ste. 400, Wilmington, DE 19808. Cert. of Form. filed with Jeffrey W. Bullock - Secy. of State, Lookerman & Federal Sts., Dover, DE 19901. Purpose: Any lawful activity.

Notice of Formation of HERRMANN ASSOCIATES LLC Cert. of Conversion filed with Secy. of State of NY (SSNY) on 01/04/16, converting HERRMANN ASSOCIATES to HERRMANN ASSOCIATES LLC. Office location: NY County. Princ. office of LLC: 1105 Park Ave., NY, NY 10128. SSNY designated as agent of LLC upon whom process against it may be served. SSNY shall mail process to the LLC at the addr. of its princ. office. Purpose: Any lawful activity.

Notice of Qualification of BAMTech, LLC Appl. for Auth. filed with Secy. of State of NY (SSNY) on 01/07/16. Office location: NY County. LLC formed in Delaware (DE) on 10/19/15. Princ. office of LLC: 75 Ninth Ave., NY, NY 10011. SSNY designated as agent of LLC upon whom process against it may be served. SSNY shall mail process to c/o Corporation Service Co., 80 State St., Albany, NY 12207-2543. DE addr. of LLC: 2711 Centerville Rd., Ste. 400, Wilmington, DE 19808. Cert. of Form. filed with Secy. of State, State of DE, 401 Federal St., Ste. 3, Dover, DE 19901. Purpose: Any lawful activity.

Notice of Formation of ALLYOGA LLC. Arts. of Org. filed with Secy. of State of NY (SSNY) on 03/04/08. Office location: NY County. SSNY designated as agent of LLC upon whom process against it may be served. SSNY shall mail process to: The LLC, 252 West 76th Street, Suite 7B, New York, NY 10023. Purpose: any lawful activity.

NOTICE OF FORMATION OF **Craftily LLC**. Arts. of Org. filed with Secy of State of NY (SSNY) on **1/13/2016**. Office location: **NY** County. SSNY designated as agent of LLC upon whom process against it may be served. SSNY shall mail process to **410 Central Park West, 4E, NY, NY 10025**. The principal business address of the **LLC** is: **410 Central Park West, 4E, NY, NY 10025**. Purpose: any lawful act or activity.

Btas DE 2015-A I L.P. authority filed SSNY 2/5/16 Office: NY Co LP formed DE 12/9/14 exists 200 Bellevue pkwy #210 Wilmington DE 19809. SSNY design agent upon whom process against the LP may be served & mail to Intertrust Corporate Services Delaware Ltd at same address. Cert filed DE SOS 401 Federal St #4 Dover DE 19901 GP name/ address avail at SOS General Purpose

MH LAM, LLC. Arts. of Organization filed with Secy. of State of NY (SSNY) on 12/24/15. Off. loc.: New York Co. SSNY des. as agent of LLC upon whom process may be served. SSNY shall mail process to the LLC, Attn: Beth Thornton, 481 Washington St., #1N, New York, NY 10013. Purpose: General.

**WANT TO GET YOUR COMPANY
IN FRONT OF 250,000 INFLUENTIAL
BUSINESS PROFESSIONALS?**



Contact Joanne Barbieri
at 212-210-0189 for
classified advertising opportunities.

PUBLIC AND LEGAL NOTICES

Name of Foreign LLC: Pennypacker Labs LLC. Authority filed with NY Dept. of State: 10/23/13. Office loc.: NY Co. LLC formed in DE: 8/30/13. NY Sec. of State designated agent of LLC upon whom process against it may be served and shall mail process to: c/o Business Filings Inc., 187 Wolf Rd., Ste. 101, Albany, NY 12205. DE addr. of LLC: 108 W. 13th St., Wilmington, DE 19801. Cert. of Form. filed with DE Sec. of State, 401 Federal St., Dover, DE 19901. Purpose: any lawful act.

Notice of Formation of SELKNAM MANAGEMENT LLC Arts. of Org. filed with Secy. of State of NY (SSNY) on 02/01/16. Office location: NY County. SSNY designated as agent of LLC upon whom process against it may be served. SSNY shall mail process to the LLC, 242 W. 137th St., NY, NY 10030. Purpose: Any lawful activity.

Notice of Qualification of Mobile Leasing Solutions, LLC. Authority filed with NY Dept. of State on 12/1/15. Office location: NY County. Princ. bus. addr.: 850 Technology Way, Libertyville, IL 60048. LLC formed in DE on 10/26/15. NY Sec. of State designated agent of LLC upon whom process against it may be served and shall mail process to: c/o CT Corporation System, 111 8th Ave., NY, NY 10011, regd. agent upon whom process may be served. DE addr. of LLC: 1209 Orange St., Wilmington, DE 19801. Cert. of Form. filed with DE Sec. of State, 401 Federal St., Dover, DE 19901. Purpose: all lawful purposes.

Name of Foreign LLC: Remy/Newman Realty Services, LLC. Authority filed with NY Dept. of State: 12/23/15. Office location: NY County. LLC formed in CT: 3/8/05. NY Sec. of State designated agent of LLC upon whom process against it may be served and shall mail process to: c/o Executive Management Offices, 545 Main St., NY, NY 10044. CT addr. of LLC 138 Goodhill Rd., Weston, CT 06883. Cert. of Form. filed with CT Sec. of State, 30 Trinity St., Hartford, CT 06115. Purpose: all lawful purposes.

Notice of Formation of QUANTUM DIAGNOSTICS LLC Arts. of Org. filed with Secy. of State of NY (SSNY) on 01/15/16. Office location: NY County. SSNY designated as agent of LLC upon whom process against it may be served. SSNY shall mail process to Corporation Service Co., 80 State St., Albany, NY 12207-2543. Purpose: Any lawful activity.

NAME OF FOREIGN LLC: Isle of Wight Holdings, LLC. Auth. filed with NY Dept. of State: 12/29/2015. Office location: NY County. LLC formed in DE on 12/3/2015. NY Sec. of State designated agent of LLC upon whom process against it may be served and shall mail process to: Corporation Service Company, 2711 Centerville Road, Suite 400, Wilmington, DE 19808. Purpose: Any lawful activity.

Notice of Formation of Moxie Communications Group of NY LLC. Arts. of Org. filed with NY Dept. of State on 1/4/16. Office location: NY County. Sec. of State designated agent of LLC upon whom process against it may be served and shall mail process to: Taryn Langer, 2 S. Beechcroft Rd., Short Hills, NJ 07078, principal business address. Purpose: any lawful activity.

Notice of Qualification of BioMed Realty LLC. Authority filed with NY Dept. of State on 1/19/16. NYS fictitious name: BioMed Realty New York LLC. Office location: NY County. Princ. bus. addr.: 17190 Bernardo Center Dr., San Diego, CA 92128. LLC formed in DE on 7/30/04. NY Sec. of State designated agent of LLC upon whom process against it may be served and shall mail process to: CT Corporation System, 111 8th Ave., 13th Fl., NY, NY 10011. DE addr. of LLC: c/o The Corporation Trust Co., 1209 Orange St., Wilmington, DE 19801. Cert. of Form. filed with DE Sec. of State, 401 Federal St., Dover, DE 19901. Purpose: all lawful purposes.

Notice of Qualification of MCP SECURITIES LLC Appl. for Auth. filed with Secy. of State of NY (SSNY) on 02/02/16. Office location: NY County. LLC formed in Delaware (DE) on 12/11/09. Princ. office of LLC: Attn: Ridgely Donohue, 777 Third Ave., 25th Fl., NY, NY 10017. SSNY designated as agent of LLC upon whom process against it may be served. SSNY shall mail process to the LLC at the addr. of its princ. office. DE addr. of LLC: Corp. Trust Center, 1209 Orange St., Wilmington, DE 19801. Cert. of Form. filed with DE Secy. of State, John G. Townsend Bldg., 401 Federal St., Ste. 4, Dover, DE 19901. Purpose: Any lawful activity.

NOTICE OF QUALIFICATION OF Trifera, LLC. Application for Authority filed with the Secretary of State of NY (SSNY) on 07/06/2015. Office location: New York County. LLC formed in DE on 03/04/2015. SSNY has been designated as agent upon whom process against it may be served. The Post Office address to which the SSNY shall mail a copy of any process against the LLC served upon him/her is: 2001 Western Ave, Suite 430, Seattle, WA 98121. The principal business address of the LLC is: 2001 Western Ave, Suite 430, Seattle, WA 98121. Certificate of LLC filed with Secretary of State of DE located at: 401 Federal St., Dover, DE 19901. Purpose: any lawful act or activity.

Notice of Formation of R and R Acquisition Group LLC. Arts. of Org. filed with NY Dept. of State on 12/18/15. Office location: NY County. Sec. of State designated agent of LLC upon whom process against it may be served and shall mail process to: c/o Emmet Marvin & Martin, LLP, 120 Broadway, 32nd Fl., NY, NY 10271, Attn: John P. Uehlinger. Purpose: all lawful purposes.

Notice of Qualification of Centerbridge Special Credit Partners General Partner III, L.P. Authority filed with NY Dept. of State on 1/11/16. Office location: NY County. LP formed in DE on 1/5/16. NY Sec. of State designated agent of LP upon whom process against it may be served and shall mail process to the principal business addr.: 375 Park Ave., 12th Fl., NY, NY 10152. Regd. agent upon whom process may be served: CT Corporation System, 111 8th Ave., NY, NY 10011. DE addr. of LP: c/o The Corporation Trust Co., 1209 Orange St., Wilmington, DE 19801. Name/addr. of genl. ptr. available from NY Sec. of State. Cert. of LP filed with DE Sec. of State, Duke & York St., Dover, DE 19901. Purpose: all lawful purposes.

Notice of Qualification of Centerbridge Special Credit Partners III, L.P. Authority filed with NY Dept. of State on 1/8/16. Office location: NY County. LP formed in DE on 1/5/16. NY Sec. of State designated agent of LP upon whom process against it may be served and shall mail process to the principal business addr.: 375 Park Ave., 12th Fl., NY, NY 10152. Regd. agent upon whom process may be served: CT Corporation System, 111 8th Ave., NY, NY 10011. DE addr. of LP: c/o The Corporation Trust Co., 1209 Orange St., Wilmington, DE 19801. Name/addr. of genl. ptr. available from NY Sec. of State. Cert. of LP filed with DE Sec. of State, Duke & York St., Dover, DE 19901. Purpose: all lawful purposes.

Notice of Formation of ZOIA PROPERTIES LLC Arts. of Org. filed with Secy. of State of NY (SSNY) on 12/18/06. Office location: NY County. Princ. office of LLC: 156 W. 56th St., 4th Fl., NY, NY 10019. SSNY designated as agent of LLC upon whom process against it may be served. SSNY shall mail process to Adam Zoia, 1965 Broadway, PH3C, NY, NY 10023. Purpose: Any lawful activity.

NOTICE OF FORMATION OF REBY ADVISORS LLC. Application for Authority filed with the Secretary of State of New York (SSNY) on 09/25/2015. Office location: NEW YORK County. LLC formed in CT on 05/06/2011. SSNY has been designated as an agent upon whom process against it may be served. The Post Office address to which the SSNY shall mail a copy of any process against the LLC served upon him/her is: 44 Old Ridgebury Road, Danbury, CT 06810. The principal business address of the LLC is: 44 Old Ridgebury Road, Danbury, CT 06810 CT address of LLC is: 44 Old Ridgebury Road, Danbury, CT 06810 Certificate of LLC filed with Secretary of State of CT located at: P.O. Box 150470, Hartford, CT 06115 Purpose: any lawful act or activity.

Notice of Qual. of Coatue CT VII LLC, Auth. filed Sec'y of State (SSNY) 3/13/15. Off. loc: NY Co. LLC org. in DE 3/11/15. SSNY desig. as agent of LLC upon whom proc. against it may be served. SSNY shall mail copy of proc. to Att: Philippe Laffont, 9 W. 57th St., NY, NY 10019. DE off. addr.: CSC, 2711 Centerville Rd., Wilmington, DE 19808. Cert. of Form. on file: SSDE, Townsend Bldg., Dover, DE 19901. Purp: any lawful activities.

Notice of Formation of 505 GREENWICH STREET 3GH, LLC Arts. of Org. filed with Secy. of State of NY (SSNY) on 01/08/16. Office location: NY County. Princ. office of LLC: 505 Greenwich St., Unit #3GH, NY, NY 10013. SSNY designated as agent of LLC upon whom process against it may be served. SSNY shall mail process to the LLC at the addr. of its princ. office. Purpose: Any lawful activity.

Notice of Qual. of Coatue CT VIII LLC, Auth. filed Sec'y of State (SSNY) 4/8/15. Off. loc: NY Co. LLC org. in DE 4/6/15. SSNY desig. as agent of LLC upon whom proc. against it may be served. SSNY shall mail copy of proc. to Att: Philippe Laffont, 9 W. 57th St., NY, NY 10019. DE off. addr.: CSC, 2711 Centerville Rd., Wilmington, DE 19808. Cert. of Form. on file: SSDE, Townsend Bldg., Dover, DE 19901. Purp: any lawful activities.

Notice of Formation of GOV BALL 2016, LLC. Arts. of Org. filed with NY Dept. of State on 11/17/15. Office location: NY County. Sec. of State designated agent of LLC upon whom process against it may be served and shall mail process to: Founders Entertainment, 86 E. 10th St., Suite 1, NY, NY 10003, principal business address. Purpose: any lawful activity.

Notice of Qual. of Crow Hill Fund, LP, Auth. filed Sec'y of State (SSNY) 4/27/15. Off. loc: NY Co. LP org. in DE 4/24/15. SSNY desig. as agent of LP upon whom proc. against it may be served. SSNY shall mail copy of proc. to 256 W. 116th St., 2nd Fl., NY, NY 10026. DE off. addr.: CSC, 2711 Centerville Rd., Wilmington, DE 19808. Cert. of LP on file: SSDE, Townsend Bldg., Dover, DE 19901. Name/addr. of each gen. ptr. avail. at SSNY. Purp: any lawful activities.

Notice of the formation of Cara Dussich, LLC. Arts of Org filed with Secy. of State of NY (SSNY) on 10/14/2015. Office location: NY County. SSNY designated agent upon whom process may be served against LLC to: 7014 13th Ave #202 Brooklyn, NY 11228. Principal business address: 210 E 73 St. #4A NY, NY 10021.

Notice of Formation of COLONIAL CONSULTANTS, LLC Arts. of Org. filed with Secy. of State of NY (SSNY) on 01/05/16. Office location: NY County. SSNY designated as agent of LLC upon whom process against it may be served. SSNY shall mail process to Stephen J. Sheinbaum, 460 Park Ave. South, 10th Fl., NY, NY 10016. Purpose: Any lawful activity.

Notice of Formation of S.H.E. 959 ONE LLC. Arts. of Org. filed with Secy. of State of NY (SSNY) on 1/13/16. Office location: NY County. SSNY designated as agent of LLC upon whom process against it may be served. SSNY shall mail process to: Ivan Moskowitz, Esq., Schiff Hardin LLP, 666 Fifth Avenue, Ste. 1700, NY, NY 10103. Purpose: any lawful activity.

Notice of Formation of Buckner Company of Colorado, LLC. Arts of Org filed with Secy. of State of NY (SSNY) on 12/11/2015. Office location: NY County. SSNY designated agent upon whom process may be served and shall mail copy of process against LLC to: 6550 S Millbrook Drive STE300, Salt Lake City, UT 84121. Purpose: any lawful act.

Notice of Formation of NUTMEG ASSOCIATES, LLC Arts. of Org. filed with Secy. of State of NY (SSNY) on 02/01/16. Office location: NY County. SSNY designated as agent of LLC upon whom process against it may be served. SSNY shall mail process to c/o Timothy P. Terry, 667 Madison Ave., 24th Fl., NY, NY 10065. Purpose: Any lawful activity.

Notice of Qual. of Crow Hill Fund GP, LLC, Auth. filed Sec'y of State (SSNY) 4/27/15. Off. loc: NY Co. LLC org. in DE 4/24/15. SSNY desig. as agent of LLC upon whom proc. against it may be served. SSNY shall mail copy of proc. to Att: Alex Friedman, 256 W. 116th St., NY, NY 10026. DE off. addr.: CSC, 2711 Centerville Rd., Wilmington, DE 19808. Cert. of Form. on file: SSDE, Townsend Bldg., Dover, DE 19901. Purp: any lawful activities.



STEPPING UP: Dr. Karen Lee wants New Yorkers—and all urbanites—to live in cities that encourage healthy choices, from exercise to good food.

Designing a fitter, healthier world

The new face of public health, **Dr. Karen Lee** makes sure every step you take is good for you

Dr. Karen Lee isn't worried about the plague. The Canadian-born physician helps design cities to protect the health of their inhabitants. In the 19th and early 20th centuries, planners and public health experts focused their efforts on infectious diseases. "[They] put windows in every building so that there was light and fresh air, and ventilation," she said. "Buildings [were put up] far enough apart for light and air to enter the streets, which dried up puddles that bred mosquitoes and yellow fever and malaria."

But a century later, local public health departments were still focused on infectious diseases, Lee found, rather than today's top killers: heart disease, cancer and diabetes. So she took it upon herself to bring the nexus of urban health and design into the 21st century.

Lee, a graduate of the University of Alberta medical school, became built-environment director for the Bloomberg administration's Health Department in 2006. She helped develop tactics to get New Yorkers climbing stairs, burning calories and playing outdoors—often with tools as cheap as paint.

"There's evidence that if you paint hopscotch markings and things like that, it will actually stimulate chil-

dren to be more active than if you just had a blank courtyard," she said.

At Via Verde, an affordable-housing complex in the South Bronx that Lee helped design, inhabitants hike up sunlit, brightly painted stairs to rooftop gardens and take advantage of a fitness center and bicycle storage.

These environmental changes spur people to exercise and address the systemic causes of obesity. "A fundamental part of my work has been about creating the options for healthy choices that people don't have," she said. "If you don't have sidewalks, you can't walk to work, you can't walk to school. ... If there are no stores in [the] vicinity, you're not going to walk there."

Lee, who opened a consultancy after leaving city government, created a certification program to help architects design buildings that encourage physical activity. She has advised planners in Singapore and Miami; designed university courses; and organized Fit Nation conferences to spread the word, with backing from the U.S. Centers for Disease Control.

In her spare time, she's turning her attention to the social causes of disease. First up on her list of issues: job stress. — ROSA GOLDENSOHN

"My work has been about creating the options for healthy choices"

KAREN LEE

AGE 46

BORN Penang, Malaysia; raised in Edmonton, Canada

RESIDES Manhattan

TITLE Founder and principal, Dr. Karen Lee Health + Built Environment + Social Determinants Consulting, based in NYC

EDUCATION B.Sc. in genetics and M.D. from University of Alberta in Edmonton; Master of health science, and medical residency in public health and preventive medicine from University of Toronto

PLAY TIME Lee spearheaded the development of "play streets"—temporary street closings that create pop-up playgrounds to lure kids and parents outside

EXECUTIVE MOVES

NORTHWELL HEALTH

DAVID LANGER, 52, was promoted to chair of neurosurgery at Lenox Hill Hospital. He was previously director of neurosurgery.



Grassi & Co.: *Lori Bono, 37,* was promoted to chief financial officer at the accounting and business-consulting firm. She was previously principal of internal operations. *Jacqueline Fackler, 47,* was promoted to tax principal. She was previously senior tax manager.

Shatterproof: *Shannon Hariley, 45,* joined the health advocacy group as chief marketing officer. She was previously managing director at Razorfish Health.

TPG Architecture: *Leslie Jenkins, 42,* joined as chief marketing officer. She was previously corporate marketing director at Perkins and Will.

Stanton PRM: *Karen Wish, 50,* joined the public-relations and marketing firm as chief marketing officer. She was previously a director at New York-Presbyterian Hospital.

Westlake Reed Leskosky: *Thomas Gallagher, 53,* became owner of the New

York Studio for the architecture firm. He continues as principal and director.

Trump International Hotel &



Tower New York: *Kelly Merryfield, 46,* joined as director of sales and marketing. She was previously director of travel-industry sales at Salamander Hotels & Resorts.

Omnigon: *Jake Stone, 25,* was promoted to director at the digital consulting firm. He previously held the position of senior manager of digital sports consulting.

Constellation Real Estate

Advisors: *Leah Balkany, 46,* joined the company as director of investment sales. She was formerly a sales broker at Douglas Elliman Commercial.

Nicole Rabinowitsch, 42, joined as a partner. She was formerly director of investment sales at Eastern Consolidated.

Ryan Reszelbach, 46, joined as director of retail leasing. He was formerly director of retail leasing at Massey Knakal/Cushman & Wakefield.

Rose Associates: *Michael Adamo, 32,* joined the real estate firm as director of development. He was previously development manager at AvalonBay Communities.

Leumi: *Eric Halpern, 54,* was promoted to national head of health care lending for the bank. He was previously group head in Leumi's New York Commercial Banking Division.

Andrew

Franz

Architect: *Jamie Donate, 34,* was promoted to associate. He was previously technical director.

North Keeragool, 34, was promoted to associate. He was previously assistant design director.

Nixon Peabody: *Meghan Altidor, 38,* was promoted to partner at the law firm. She was previously an associate.

Thomas Mealiffe, 35, was promoted to partner. He was previously an associate.

Aaron Yowell, 38, was promoted to partner. He was formerly an associate.

Trustpilot:

Hanno

Damm, 39,

joined the open-

review

community

for online shoppers as

chief financial officer. He

was formerly senior vice

president at Bankrate.



— ERICA DAVIES



Municipal

Art Society:

Gina

Pollara, 54,

joined the non-

profit

organization as president. She was previously an executive director at Franklin D. Roosevelt Four Freedoms Park.

BizBash Media: *Nicole Peck, 41,* joined the media company for event planners as executive vice president. She was formerly executive director at Relevents.

Alexander Anderson Real Estate Group: *Steve Kopf, 45,* joined as vice president of real estate and broker of

record. He was previously executive manager at D.R.I. Real Estate Co.

Cureatr: *Greg Leone, 51,* joined the mobile health-care communication platform as vice president of sales. He was formerly vice president of sales at ZeOmega.

Prager

Metis:

Martin

Greenberg, 58,

joined the

accounting

firm as chief operations

officer and managing partner

of the Westchester

office. He was formerly

managing partner at RSSM.



EXECUTIVE PROMOTIONS

To get your announcement into **Crain's**, please submit it online. Fill out the form at CrainsNewYork.com/execmoves. The Executive Moves column is also available online.

Wednesdays at 8pm

PROFILES OF ENTREPRENEURS

IN THE 5 BOROUGHES

NEW YORK STORIES

Presented by
CRAIN'S
NEW YORK BUSINESS

Tune in for more profiles of entrepreneurs and small business owners in NYC!

All new episodes beginning March 9th

— Hosted by Publisher Jill Kaplan —



NY
CO TV **life**
nyc.gov/life

Crains New York

@crainsnewyork

Verizon FiOS 525 / 25

Time Warner Cable 25

Cablevision 22



AI Roker of NBC's *Today* show and **Deborah Roberts** of ABC News at the amfAR fundraiser.

Foundation for AIDS Research fete brings out the big names

The Feb. 10 gala for amfAR, the Foundation for AIDS Research, was a star-studded event as the organization honored Academy Award-winning producer Harvey Weinstein. Movie stars Uma Thurman, Ryan Reynolds and others mingled with local power players such as shoe designer and amfAR Chair Kenneth Cole at the fundraiser, which raised \$2 million. Weinstein offered one special auction item: a walk-on role in an upcoming movie about Richard Pryor that stars Eddie Murphy, Oprah Winfrey, Mike Epps and Kate Hudson. It sold for \$50,000.



Harvey Weinstein, music impresario **Jay Z**, and actors **Robert De Niro** and **Harvey Keitel** at the amfAR benefit, held at Cipriani Wall Street.

Writers with their eyes on the prizes

Actors **Marin Ireland** and **Tony Goldwyn** at the annual Writers Guild Awards at the Edison Ballroom.



Lowell Peterson, executive director of the Writers Guild of America, East, writer **Alan Zweibel**, Sen. **Al Franken**, D-Minn., **Julie Menin**, commissioner of the Mayor's Office of Media and Entertainment, and **Michael Winship**, president of the WGA, East, at the Writers Guild event on Feb. 13.

Raking in some green for Central Park



Mitchell Silver, commissioner of the city's Department of Parks and Recreation, and **Karen May**, president of the Women's Committee of the Central Park Conservancy, at a Feb. 3 fundraiser at the Rainbow Room. The event raised \$150,000 to maintain Central Park's 21 playgrounds.

SEE MORE OF THIS WEEK'S SNAPS ONLINE AT CRAINSNEWYORK.COM/SNAPS
GET YOUR GALA IN SNAPS. EMAIL THERESA.AGOVINO@TAGOVINO.COM

KEVIN TACHMAN, PATRICK McMULLAN, THEO WARGO/GETTY IMAGES

NEW IN TOWN

■ **Bark Ave.**
167 W. 83rd St.
 The pet groomers opened a shop on the Upper West Side. The venue offers dental and day-care services, and spa options including a hydro-massage bathing system.

■ **Le Botaniste**
833 Lexington Ave.
 The apothecary-inspired restaurant opened on the Upper East Side. A product of Belgian bakery chain Le Pain Quotidien, the organic menu offers items, or "prescriptions," like a brown rice dish with peanut curry sauce, steamed greens and spicy kimchi.

■ **Emmy Squared**
364 Grand St., Brooklyn
 The pizzeria will open in Williamsburg this spring. A spinoff of Clinton Hill's popular restaurant Emily, the restaurant will serve Detroit-influenced square pies and Italian-American sandwiches.

■ **Etsy**
151 W. 34th St.
 The online marketplace opened a store inside Macy's Herald Square. The collaboration includes New York-themed items from local Etsy sellers like Sara Schiwal of Hook & Matter, plus Macy's exclusive items, including an "I Love New York" ring dish for \$42.

■ **Joya**
19 Vanderbilt Ave., Brooklyn
 The fragrance studio opened in Clinton Hill. Its first flagship store offers art installations, master classes with visiting perfumers, and items including a \$250 Oliver Ruuger "In Girum" art print and Joya's signature hand-poured candle for \$78.

■ **Noglu**
1266 Madison Ave.
 The French restaurant opened on the Upper East Side. Its gluten-free-only menu includes quiche, croque monsieur, lasagna and a club sandwich.

■ **Pizzeria Sirenetta**
568 Amsterdam Ave.
 The Mermaid Inn's sister restaurant opened on the Upper West Side. It serves

traditional Italian fare and Neapolitan-style pizzas in an exposed-brick space.

■ **Prawn Shop**
669 Union St., Brooklyn
 The seafood restaurant opened in Park Slope and features a no-tipping policy. The menu offers raw oyster and ceviche, a crab and kale dip appetizer, and a seafood boil, which are sustainably caught from the Gulf of Mexico, New York and New England.

COMPANY MOVES

■ **Fuku Stall**
4 Penn Plaza
 David Chang's fast-casual fried-chicken shop debuted its third location, in a kiosk in Madison Square Garden. The venue is open only during games and events. The limited menu offers a signature spicy fried-chicken sandwich, french fries and a selection of Milk Bar cookies.

■ **Kuro-Obi by Ippudo**
230 Park Ave.
 The Japanese restaurant opened its second location, in midtown. The noodle house spinoff will specialize in chicken broth-based ramen and offer add-ons including basil, bacon and Parmigiano-Reggiano cheese.

■ **12 Chairs Kiosk**
342 Wythe Ave., Brooklyn
 The restaurant, a to-go version of the Manhattan café of the same name, opened in Williamsburg. The menu offers Israeli street food including sabich (eggplant sandwiches), falafel and kebabs.

BANKRUPTCIES

■ **Global Energy Efficiency Holdings**
14 Bruckner Blvd., Bronx
 Filed for Chapter 11 bankruptcy on Feb. 7. The filing cites estimated assets of \$0 to \$50,000 and estimated liabilities of \$10,000,001 to \$50 million. The creditors with the largest unsecured claims are Lumenor Energy Services, owed \$232,909.56; Rockshelter Capital, owed \$150,000; and Selective Insurance Co. of America, owed \$102,765.

■ **Lott 204 Corp.**
204 Lott Ave., Brooklyn
 Filed for Chapter 11 bankruptcy on Jan. 27. The filing cites estimated assets of \$0 to \$50,000 and estimated liabilities of \$500,001 to \$1 million.

GOVERNMENT CONTRACT OPPORTUNITIES

■ **CONSTRUCTION**
 ■ **Department of Design and Construction**
 Seeks competitive sealed bids by 11 a.m. on March 11 for the replacement of water mains and appurtenances along Arcade Avenue in Queens. Contact Yamina Youb at (718) 391-1016 or youbya@ddc.nyc.gov.

■ **Department of Parks and Recreation**
 Seeks competitive sealed bids by 10:30 a.m. on March 11 for the reconstruction of the paths, landscape and staircase in Bronx River Park at East 233rd Street and the Bronx River. Contact Michael Shipman at (718) 760-6771 or michael.shipman@parks.nyc.gov.

■ **GOODS AND SERVICES**
 ■ **Department of Education**
 Seeks requests for proposals by 1 p.m. on April 5 for information-technology consulting services. Contact the Vendor Hotline at (718) 935-2300 or vendor hotline@schools.nyc.gov.

■ **New York City Health + Hospitals**
 Seeks requests for proposals by 4 p.m. on March 2 for pharmacy benefit management services. Contact Kathleen Nolan at (212) 908-8730 or nolank@metroplus.org.

REAL ESTATE DEALS

■ **COMMERCIAL**
 ■ VTS signed a five-and-a-half-year lease for 15,769 square feet at **114 W. 41st St.** The leasing and asset management platform will occupy the entire 11th floor of the 22-story tower between Broadway and Sixth Avenue. The tenant was represented by JLL's Patrick Heeg and Jim Wenk. The landlord, Equity Office, was represented by Newmark Grubb Knight Frank's Erik Harris,

Scott Klau, Ben Shapiro and Zach Weil along with Equity's in-house brokers, Zachary Freeman and Scott Silverstein. The asking rent was in the mid-\$70s per square foot.

■ Alliance HomeCare signed a seven-year lease for 4,985 square feet at **252 W. 37th St.** The health services provider will occupy part of the sixth floor in the 18-story building between Seventh and Eighth avenues. The tenant was represented by ABS' Jonathan Cohen. The landlord, Eretz Group, was represented

by Newmark Grubb Knight Frank's Jamie Jacobs and Brittany Silver along with Eretz Group's Nick Mok, in-house. The asking rent was in the mid-\$50s per square foot.

■ **RETAIL**
 ■ Dr. Martens signed a 10-year lease for 1,000 square feet at **193 Bedford Ave.** in Brooklyn. The British footwear store will occupy the ground floor of the five-story building at North 7th Street. The tenant was represented by Lansco's Robin Abrams, and the landlord, Carnegie

Management, was represented by NGKF's Joseph Colista and Hymie Dweck. The asking rent was \$300 per square foot.

■ Le Troquet signed a 10-year lease for 1,100 square feet at **161 Lafayette St.** The restaurant will occupy a ground-floor space of the five-story building at the corner of Howard and Grand Streets. The landlord, 161 Lafayette Realty, and the tenant were represented by Bertwood Realty's Abe Bichoupan and Bertrand de Soultrait. The asking rent was \$16,000 per month. ■

DEALS ROUNDUP

TARGET/SELLERS	TRANSACTION SIZE [IN MILLIONS]	BUYERS/INVESTORS	TRANSACTION TYPE
ITC Holdings Corp./ BlackRock Advisors; Deutsche Investment Management Americas Inc. (Manhattan); Fidelity Management & Research Co.	\$11,426.9	Fortis Inc.	SB M&A
Opera Software ASA/ Ferd Invest; Folketrygdfondet; JPMorgan Chase & Co., private banking and investment banking investments (Manhattan); Ludvig Lorentzen AS; Sundt AS	\$1,365.1	Golden Brick Silk Road Fund Management (Shenzhen)	SB M&A
Apollo Education Group Inc./ Aronson+Johnson+Ortiz; Fidelity Management & Research Co.; Glenview Capital Management (Manhattan); Robeco Boston Partners; T. Rowe Price Associates Inc.	\$1,085.6	Apollo Global Management (Manhattan); Najafi Cos.; Vistria Group	FB M&A
GLID Wind Farms TopCo Ltd./ EIG Global Energy Partners; GLID Ltd.	\$612.4	BlackRock Inc. (Manhattan); UK Green Investment Bank	FB M&A
Yodle Inc. (Manhattan)/ Hudson River Ventures (NY); Icon Ventures; entorTech Ventures; Stevens Ventures; Stratim Capital	\$342.0	Web.com Group Inc.	SB M&A
Thinking Phone Networks Inc./not disclosed	\$112.0	Bessemer Venture Partners (Larchmont, N.Y.); Summit Partners; Technology Crossover Ventures	GCI
Xenith Bankshares Inc./ Maltese Capital Management (Manhattan)	\$101.7	Hampton Roads Bankshares Inc.	SB M&A

Selected deals announced for the week ended Feb. 11 involving companies in metro New York. SB M&A: Strategic buyer M&A represents a minority or majority acquisition of existing shares of a company without the participation of a financial buyer. FB M&A: Financial buyer M&A represents a minority or majority acquisition of existing shares of a company with the participation of a financial buyer. GCI: Growth capital investment represents new money invested in a company for a minority stake.

SOURCE: CAPITALIQ

GET YOUR NEWS ON THE RECORD

To submit company openings, moves or real estate deals, or to receive further information, email ForTheRecord@crainsnewyork.com.

For the Record is a weekly listing to help businesspeople in New York find opportunities, potential new clients and updates on customers. Bankruptcy filings from the Eastern and Southern districts of New York are listed alphabetically, as are recently announced New York City agency contract opportunities. Real estate listings are provided in order of square footage. Stock transactions at New York's largest publicly held companies were filed with the Securities and Exchange Commission. Listings are in order of transaction value, and the information was obtained from Thomson Reuters.



Idle cabs line the block

A cab made a U-turn at the corner of Green and Provost streets in Greenpoint, Brooklyn, at 10 a.m. one weekday last week, searching for an open space in a sea of yellow. No luck. A line of parked taxis, most of them owned or controlled by McGuinness Management a block away, has been growing in this industrial strip next to the Newtown Creek Wastewater Treatment Plant.

Last year, McGuinness had about 50 of its 341 medallions dormant at any time, according to Gothamist. Now it's common to see more than 100 cabs sitting idle. Owner Gus Kodogiannis blames Uber. Idle cabs mean that every curbside parking spot is filled, and Kodogiannis has even temporarily deactivated some of his medallions. "We have several of our medallions in storage," Hedy Kodogiannis, Gus' wife, told *Crain's*. For any cab sitting idle for 10 days or more, city rules require the medallion to be removed and turned over to the Taxi and Limousine Commission. The owner then has 60 days to retrieve the medallion and reactivate the associated taxi, or risks losing his hack license. — PETER D'AMATO



Powerful security features for a powerful city.*

Powered by Android.™
Available at AT&T.



Unlimited Data

When you have AT&T wireless and DIRECTV.®**

After 22 GB of data usage, AT&T may slow data speeds.



**Req's elig. TV svc. If not elig., AT&T will move you to 10 GB plan (Overage charge \$15/GB) or may move you to your old plan (restr's apply).

866.MOBILITY | att.com/blackberry | Visit a Store



AT&T Unlimited Plan: Select locations. **Eligibility:** Must remain active & in good standing on residential DIRECTV® or U-verse® television svc. (TV) & AT&T Unlimited Plan. Puerto Rico customers must agree to sharing of acct info btwn DIRECTV & AT&T. Customers must meet all eligibility reqmts w/in 60 days of wireless activation. **Lost Eligibility:** You are removed automatically from unlimited plan & moved to another plan if you do not meet all eligibility reqmts. Existing AT&T postpaid customers who have not added any new devices to the unlimited plan are moved to their old plan, if avail. Customers who cannot be moved back are moved to plan w/10 GB of shareable data & overage charge of \$15/GB. Once moved, you can move to any currently avail. plan at any time. **Data Restrictions:** After 22 GB of data usage on a line in a bill cycle, for the rest of the cycle AT&T may slow data speeds on that line during periods of network congestion. **Tethering & Mobile Hotspot use prohibited.** **Limits:** Select wireless devices only (sold separately). 10 per plan. Purch. & line limits based on credit apply. **Discounts:** May not be elig. for all discounts, offers & credits. See att.com/unlimitedplan for plan details.

GEN. WIRELESS SVC.: Subj. to Wireless Customer Agmt (att.com/wca). Svcs are not for resale. Credit approval, activ./upgrade fee (up to \$45) & deposit per line may apply. Fees & other monthly charges apply. **Pricing, promotions & terms subject to change & may be modified or terminated at any time without notice.** Coverage & svc. not avail. everywhere. You get an off-net (roaming) usage allowance for each svc. If you exceed the allowance, your svc(s) may be restricted or terminated. Other restr's apply & may result in svc. termination.

GEN. TV SVC.: DIRECTV & U-verse avail. separately. Term agmt, add'l fees & restr's apply. Visit directv.com/legal or call 1-800-DIRECTV for DIRECTV svc. details. **Geo. & svc. restr's apply to U-verse svcs.** Visit att.com/Uverse to check svc. availability. ©2016 AT&T Intellectual Property. All rights reserved. AT&T and the Globe logo are registered trademarks of AT&T Intellectual Property. All other marks are the property of their respective owners.

*BlackBerry® Priv: The exclusive DTEK™ by BlackBerry® app for Android™ monitors and reports on application access to your microphone, camera, location, and personal information, enabling users to know at a glance when their privacy could be at risk so they can take action to improve it. Visit an AT&T store for more details.