

## Joe cool: Competing craft coffee shops are pouring into the city



Boutique coffee shops are taking over the city, espresso by espresso, unseating Starbucks as the king of coffee corners. New Yorkers' desire for high-end, artisanal coffee continues unabated as shops like Stumptown and Blue Bottle open new spots in nooks and crannies and even atriums.

Curated coffee is also becoming a must have in new residential, retail and office projects, with developers wooing small batch coffee baristas rather than the de facto Dunkin Donuts.

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Developer Jeremy Salzberg, a partner in Sugar Hill Capital Partners, was creating a new residential rental in Harlem at 3610 Broadway between West 148th and 149th Streets. The rental agents — Karen Cantor and Andrew



Jeremy Salzberg of Sugar Hill Capital Partners. Photo: Handout

Ding — suggested adding a coffee shop and The Chipped Cup was born.

“We helped a lot with the build out of The Chipped Cup,” said Salzberg. “More than we would have than if it was a typical chain tenant.”

Since The Chipped Cup opened in the building in July 2012, other outlets in other Sugar Hill’s projects have been introduced. There’s Double Dutch Espresso, which opened in Jan. 2014 in Sugar Hill’s rental at 118th St. and Frederick Douglass Blvd. And a Filtered coffee house is being developed at Sugar Hills’ apartment building at 1616 Amsterdam Ave.

Related Companies recently signed a lease with Think Coffee for a 1,000-square-foot spot at the Robert A.M. Stern-designed Abington House, a new luxury rental

tower at 500 W. 30th St.

Ben Joseph, senior vice president of Related, says because the High Line building has drawn a “very sophisticated, cutting edge tenant population,” they wanted to provide retail stores that complemented their lifestyles.

Think Coffee, with seven outlets in the city, was founded at 248 Mercer St. near NYU and takes a socially responsible stance, with compostable cups and coffee sourced from farms where they try to make an environmental and social impact.

“One thing everyone loves is coffee, and good coffee, but we wanted a custom coffee experience from a smaller operator,” Joseph explained. “People appreciate a more bespoke experience of any sort, and most drink coffee every day, so this better coffee experience resonates with our clients.”

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Fika, a Swedish-inspired coffee bar, is one of two java shops in the massive MiMa rental. Photo: Photo By Zandy Mangold.

At MiMa, a mammoth residential rental project on W. 42nd St. at 10th Ave., Related has installed two independent coffee spots: the Swedish-inspired espresso bar, Fika, at 566 10th Ave., and the West Village's beloved Kava Coffee to 470 W. 42nd St.

To attract tech tenants to the Midtown office building at 530 Fifth Ave., Jamestown added a tiny counter so a barista from Kaffe 1668 could sell coffee in its newly renovated lobby and lounge, thus offering a hipper amenity for the office tenants. Kaffe 1668, which sources its own coffee, has two other locations in Manhattan, both on Greenwich Street.

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Double Dutch Espresso opened in January in a rental building on Frederick Douglass Blvd. Photo: By Zandy Mangold.

Coffee is becoming just as segmented as the beer market, said Louis Puopolo, co-head of operations for Douglas Elliman Commercial. “If they were left to sell just juice, they would probably be struggling, but they have all expanded their offerings and menu items. Like anything that emerges, some will fail.”

“We had this cycle when Starbucks first came in,” recalled Faith Hope Consolo, chairman of retail at Douglas Elliman. “But some fell flat on their faces.”

Yet Starbucks is adapting to the numerous upstarts with new menu offerings, such as its Flat White, and it’s also adapting its once-rigorous store model to the specific locale and foot traffic. A large outlet in Williamsburg, Brooklyn, attracts Mommy and Me meetings — plenty of room for strollers — and a similarly large one has just opened at 875 Third Ave. in Midtown.

“There is lots of seating and people like to be able to sit and talk,” said Starbucks’ broker, David Firestein, managing partner at SCG Retail.

Mark Tergesen, senior managing director of retail leasing at ABS Partners Real Estate, noted that Keurig once created a pop-up shop at their building at 915 Broadway. Now, Tergesen says, 20 percent of his renderings for vacant retail spaces depict a coffee shop.

“It’s relatively endless since you will not walk more than a block for a cup of coffee, but if you prefer one brand, you might walk the extra block,” Tergesen observed.

Firestein thinks bespoke coffee has become a trend but is unsure if all the new brands will make it in the Big Apple.

“Will they last? It will be difficult: New York rents are high and it’s tough to survive,” Firestein observed. “Some of them will but I don’t think all of them.”

## TAPPING IN: Bluestone Lane, a coffee-lovers pub

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When Australian native Nicholas Stone approached RKF’s Jonathan Krieger about an authentic Melbourne coffee experience, Krieger was intrigued. “Coffee to them is a culture thing; it’s more about the energy, atmosphere and the connection between the employees and the customer,” he explained.

Krieger, a managing director of RKF, and now partner and chief development officer of Bluestone Lane, had the retail experience and previously worked with Soul Cycle, Flex Mussels and other retailers. He was in.

Their first location, dubbed Bluestone Lane Collective, at



The Chipped Cup, on upper Broadway, serves bespoke coffee in Harlem. Photo: By Zandy Mangold.



55 Greenwich Ave. at Perry St., opened in 2013 and included outdoor tables and an indoor courtyard. It quickly became a neighborhood fixture and gathering place for the community, akin to an English pub.

Bluestone Lane now has five Manhattan locations — including one at the Grace Building near Bryant Park — and two more on the way. One will be at the Church of the Heavenly Rest at 1084 Fifth Ave. and E. 90th St., one block from the Guggenheim Museum.

The other will be in Brooklyn's Dumbo Heights, where Etsy and WeWork are the anchor tenants and were involved in the decision, along with developers Aby Rosen's RFR Holdings and Jared Kushner's Kushner Cos., to choose Bluestone Lane as the coffee provider.

Photo: By Zandy Mangold