# COMMERCIAL OBSERVER

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POWER 100 ISSUE





# Lights. Camera. Power 100.

David Firestein.

Chase Welles.

Jacqueline Klinger.

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## David Firestein, Chase Welles and Jacqueline Klinger

*Partners at SCG Retail*

**Last Year's Rank: 86**

Not too long into the pandemic, Harry Macklowe, the landlord at One Wall Street, missed a minor deliverable to his tenant Whole Foods.

It was nothing memorable. In another era, it might have meant an annoyed call and a tidy fix. But the tenant seized on this as a chance to ditch an extremely expensive lease.

"They didn't want to be convinced otherwise," said Chase Welles, who represented Whole Foods. "It took some determined calls — of the most annoying variety. It was figuring out other people to call. It was painful."

It would have left Macklowe with a 44,000-square-foot retail hole in the worst retail environment in memory. "With that deal dying, it would have had really bad ramifications for Lower Manhattan," said Jacqueline Klinger, Welles' colleague. "It would not have been good for New York."

But Welles and Klinger put in their fancy footwork, and Macklowe began re-negotiating a lower base rent, raised the percentage rent, and increased the tenant improvement allowance. In the end, Whole Foods went through with the deal — which might be somewhat symbolic of this last year: a painful journey to a decent outcome.

SCG, like other retail brokers, saw their share of deals get shelved in 2020. But other deals went through. Starbucks had been negotiating for a 20,000-square-foot space at the Empire State Building well before the pandemic, and decided to forge ahead even after the city locked down. "The Roastery aside, it will be the biggest Starbucks on the planet when it opens in 2022," David Firestein said.

SCG has the natural advantage of representing some of the biggest and most well-capitalized names in retail — like Starbucks, Whole Foods and Sweetgreen — and they kept inking deals for all of them throughout the pandemic and staking out new areas. At Industry City in Brooklyn, Welles leased 100,000 square feet of space to furniture stores, car dealerships and restaurants. He also struck deals at the American Dream mall in New Jersey.

"Middle-class neighborhoods performed better than upper-class neighborhoods," Firestein said.

Indeed, "if you went to the boroughs, the traffic counts were steady," Welles said. "There aren't these vacancies. That's one thing about the [well-heeled neighborhoods]: the rent is too damn high."—*M.G.*

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## Robert Knakal

*Chairman of New York Investment Sales at JLL*

**Last Year's Rank: 81**

Bob Knakal spent the pandemic driving around desolate Manhattan streets with a Sanborn map in hand, marking the borough's development with a color-coded system that would make any highlighter-enthusiast envious. Now, Knakal's 27-foot-long map shows every property under construction — most potential development sites and potential assemblage sites.

"We have what, I think, is the most comprehensive database of the construction market in New York City that exists anywhere, and I know that because I physically inspected every one of those buildings," Knakal said.

Knakal dedicated 220 hours to his mapping project last year, but still managed to close 11 transactions with a combined value of about $450 million.

His 2020 deals included $49 million for a historic Flatiron building at 56 West 22nd Street for Fifty Six Realty Corp.; $81 million for a Brooklyn development site of more than 380,000 buildable square feet at 98 Dekalb Avenue for the Kotler family; $61.5 million for a development site of more than 200,000 square feet at 29 Jay Street for the Forman Group; and $111 million for the waterfront development site of more than 134,000 square feet at 1 Java Street for JZ Capital Partners and RedSky Capital.

"We did four of the five largest development site sales in New York City," Knakal said. "We're in the process of not only selling sites today, but we're helping developers find their equity. We're using our debt brokers to get financing for those developers. It really has just exploded."

Knakal also put together a study of sales of buildings to user groups — entities buying a building to occupy it with their own business — going back to 1984. He collected a spreadsheet of the 2,180 sales he's made in his 36-year career. The only data he hasn't digitized is his Sanborn map, which he often brings to clients' offices.

When Knakal was first faced with the pandemic, he predicted brokers would leave the business; now, he says he's seen it happen. But Knakal has an optimistic view of the future, predicting a much-higher transaction volume this year.—*C.Y.*

Robert Knakal.