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New York Restaurateur Danny Meyer Pushes Casual-Dining Ventures

Union Square Hospitality Group CEO invests in Joe Coffee chain, to open 'neighborhood cafe' Daily Provisions

By CHARLES PASSY January 24, 2017



PHOTO: CLAUDIO PAPAPIETRO FOR THE WALL STREET JOURNAL

Emma Guthrie, center, and Alex Smith, left, work at Joe, a coffee shop, on Columbus Avenue on the Upper West Side, Manhattan, N.Y., Tuesday, Jan. 24, 2017.

Long regarded as a leader in New York's fine-dining world, Danny Meyer is making moves into the casual ranks of the city's culinary scene. The restaurateur's Union Square Hospitality Group (USHG), which encompasses a range of high-price dining spots such as the Michelin-starred Gramercy Tavern and the Modern, is investing in Joe Coffee, a New York-based coffee chain with 13 locations in the city and two in Philadelphia.

Restaurant-industry insiders and observers say Mr. Meyer's new ventures into casual territory shouldn't come as a surprise. If anything, he is

following an established playbook these days among restaurateurs, who often leverage their status and reputation in high-end cuisine to build brands on the affordable end of the dining spectrum.

The driver, say industry professionals, is that such casual concepts are more easily built and replicated. In other words, this is where a restaurateur can make real money.

"The sweet spot is scalability and growth," said Arlene Spiegel, a New York-based restaurant consultant.

This isn't the first time USHG has put money in an outside company. In 2015, USHG became an investor in Tender Greens, a California-based fast-casual chain. ●