

Residential Real Estate

New Chelsea Rental Complex, and Maybe More to Come

By RACHELLE GARBARINE

A two-building, 337-apartment rental complex beginning to rise on 23rd Street between 10th and 11th Avenues is the third, and the largest, residential project on the block since a 1999 rezoning of a slice of West Chelsea to housing from manufacturing prompted a development spurt.

The current project will take shape by the spring of 2005 on a site at 555 West 23rd Street that extends to 24th Street. The two buildings, one 14 stories and the other 13, will overlook a central courtyard and contain studio, one- and two-bedroom market-rate apartments and a single three-bedroom penthouse. Douglaston Development of Queens is developing the \$120 million complex with the owners of the site, Real Evergreen International and GTM Realty Associates.

The new development follows two others on the block, the Tate, a 313-

A zoning change could expand the move away from manufacturing.

apartment mixed-income rental complex, and the Marais, with 107 co-op apartments. Two more projects, both envisioned as 13-story condominiums, are planned. One is to have 8 apartments, the other fewer than 50.

Further development in the area could be spurred by a proposed zoning change to residential and commercial for a larger manufacturing area around West 23rd Street. The change could lead to construction of as many as 4,200 residences, including some for low- and moderate-income families, said Rachael Raynoff, spokeswoman for the New York City Department of City Planning.

The area is bounded roughly by 10th and 11th Avenues and 16th to 30th Streets.

The rezoning would allow loftlike buildings of 10 to 15 stories along the avenues and on some mid-blocks, Ms. Raynoff said. Buildings of 20 to 30 stories, including some that could contain affordable housing, would be permitted at the area's northern and southern ends. She said the rezoning would also preserve the existing art gallery district by limiting development there and would encourage the reuse of the High Line, the abandoned elevated freight rail line that runs through West Chelsea, as a greenway.

Jeffrey E. Levine, who heads Douglaston Development, said he got involved with the 555 West 23rd Street site in 2002 because of its desirable location in a neighborhood that was "a destination."

Other factors, he added, included the 1999 rezoning, which allowed the current project to be built without

any special permits or variances, as well as the two initial residential projects on the block, which "set the path." The proposed rezoning, he added, would also benefit the 23rd Street buildings because it would add more housing to the area.

Initially, the project was conceived as a so-called 80-20 rental complex. Eighty percent of the apartments would have been leased at market rates, and the remaining 20 percent reserved for low- and moderate-income families in return for tax-free bond financing from the state and a 20-year tax abatement from the city.

The request for public financing prompted a review by the state's Department of Parks, Recreation and Historic Preservation. Catherine Jimenez, a department spokeswoman, said the agency found that two vacant Beaux Arts-style warehouses that occupied much of the development site were deemed eligible for listing on the National Register of Historic Places.

Because the warehouses, built in the early 1900's, could not easily be converted to housing and the process of getting permission to demolish them and still qualify for state tax-free bond financing could have been so lengthy, Mr. Levine said, he chose to forgo the government underwriting.

He said the project still worked economically because he secured conventional financing from the Northwestern Mutual Life Insurance Company at an interest rate of 4 percent, and also had received a 10-year tax abatement from the city.

The apartments at 555 West 23rd Street will have 500 to 1,200 square feet of space. Nancy Packes, president of Halstead/Feathered Nest Leasing Consultant and the project's leasing adviser, said that if leased today they would rent for at least \$50 a square foot or \$2,708 for a typical 650-square-foot one-bedroom apartment.

The complex, designed by the Stephen B. Jacobs Group, will be clad with rusticated brick and feature large industrial-scale windows. The 23rd Street facade also will be crenelated at the upper floors and edged at the roofline by metal grillwork.

Inside, a two-story glass atrium will provide residents access to such amenities as a lounge, a physical fitness room and the landscaped courtyard that will link the buildings.



A rendering of 555 West 23rd Street in Chelsea, designed by Stephen B. Jacobs, to be developed by Douglaston Development of Queens.