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July 27, 2026

Chair, Commissioner Shampa Chanda
New York City Board of Standards and Appeals
22 Reade Street
New York, NY 10007

Re: 511 West 25th Street – BSA Variance Application (BSA Application 2025-05-BZ) To convert existing manufacturing use to residential use in an M1-5 district in the West Chelsea Historic District, contrary to ZR 42-10

Dear Commissioner Chanda:

At its meetings on April 20 and May 18, 2026, Manhattan Community Board 4's (MCB4) Chelsea Land Use (CLU) Committee received presentations by representatives from Empire Capital Holdings and Prime Group Holdings (the "Applicant") for a variance pursuant to Zoning Resolution (ZR) §72-21¹(the "Proposed Action") on their property at 511 West 25th Street. The Applicant seeks a use variance to permit residential use within an M1-5 Zoning District in the West Chelsea Historic District contrary to ZR Section 42-10. If approved, the Applicant would convert the existing nine (9) story former manufacturing and Class B office building to residential use.

At its regular Full Board meeting on August 5, 2026, MCB4 voted 29 in favor, 10 opposed, 1 abstaining, and 0 present but not eligible to vote to **recommend that the Board of Standards and Appeals (BSA) deny the requested variance. Our reasons and conditions are set forth below.**

I. BACKGROUND

The existing building ("Building") is located on a rectangular zoning lot ("Zoning Lot") that totals 9,875 square feet. The Zoning Lot is an interior lot with 100 feet of frontage on the north side of West 25th Street between the High Line and 11th Avenue, and 98.75 feet of frontage on the west side of the High Line between West 25th Street and West 26th Street. The Building contains 74,546 square feet of floor area (7.54 FAR) or 88,970 gross square feet, with nine stories, plus roof and cellar. The Building fronts on West 25th Street with a height of 128'. The Building was constructed by the firm of Francisco & Jacobus between 1915 and 1917 as a brick-and-reinforced-concrete factory building. The Building was used for the manufacture of lead foil bottle caps and then for general "factory purposes and storage"

The Building is located in an M1-5 manufacturing district within the Special West Chelsea District, where residential use is not permitted as-of-right and manufacturing and a broad range of commercial uses are permitted. The property is also located within the

West Chelsea Historic District, making exterior alterations subject to Landmarks Preservation Commission (LPC) oversight. The Building was most recently occupied by a commercial tenant. The Applicant seeks a use variance to permit residential occupancy and requests no bulk or density relief.

In 2014, the Building was purchased (along with the neighboring building at 521-541 West 25th Street) by PGIM (Prudential Financial). In 2018, PGIM leased floors 2-9 to WeWork and invested over \$7 million in renovations, modernizing amenity spaces, including a roof terrace. In November 2023, WeWork filed for Chapter 11 bankruptcy and rejected its lease at the property, vacating the Building. Following WeWork's bankruptcy, the prior owner sold the building at a loss.

Upon acquiring the property at the beginning of 2025, Applicant stated that it had engaged with an unnamed private school interested in leasing the property and that the school determined that its occupancy would require major structural alterations, the cost of which would exceed the existing building's replacement cost. As a result, the applicant states, the unnamed private school declined to pursue a lease.

Under the proposal, the Building will be a mixed-use structure with ground floor Use Group VI commercial space and residential Use Group II and amenity spaces above. The proposal preserves the existing building while making internal modifications to modernize the design and meet contemporary requirements (e.g., relocation of the bulkhead and building core).

The surrounding area of the Building has a mix of uses. Adjacent to the High Line, the Building is across the street from the private school Avenues, and next to commercial buildings. There are also several residential buildings nearby.

II. MCB4 COMMENTS & CONCERNS

MCB4 has consistently prioritized (1) preserving the zoning and character of our historic districts and (2) increasing affordable housing when new housing is built. Unfortunately, the Applicant's proposal is inconsistent with both goals. The Applicant (1) asks us to approve a use variance in the West Chelsea Historic District instead of preserving the zoning; and (2) declines to add any affordable housing in the proposal.

To grant a variance, the BSA must find that each and every one of the criteria has been satisfied. After reviewing the application materials and presentations by the Applicant, we determined that multiple required findings have not been met for the Proposed Action, including:

(a) Uniqueness

ZR §72-21(a) requires that there be unique physical conditions that are peculiar and inherent in the zoning lot (e.g., irregularity, narrowness, or shallowness in size, shape, exceptional topographical or other physical conditions) that create practical difficulties or unnecessary hardship in complying strictly with the Zoning Resolution.

While the Applicant submitted a comparative study of other lots in the area, ZR §72-21(a) requires unique physical conditions particular to and inherent in the zoning lot itself, and comparisons to other properties do not establish such conditions here. Nor has the Applicant demonstrated that the Building's physical characteristics make it unsuitable for permitted as-of-right uses.

The Applicant points to the building's age and configuration, and the lack of a central elevator, as reasons the site is unsuitable for as-of-right uses. However, the conditions raised are common among industrial and commercial buildings in the area and are not unique to this site. In 2018, the previous owner of the Building invested over \$7 million in renovations, modernizing amenity spaces, including the creation of a roof terrace. Floors 2-9 were rented out fully from 2018-2023, and the tenant exited only because it had gone bankrupt. The Applicant said that it negotiated with one possible tenant after purchasing the building (a private school) but has not referenced any further active efforts to lease the space to commercial tenants.

CLU Committee co-chairs received a letter from the owner of a building across the street from the private school Avenues, indicating interest in pursuing a lease in the Building to expand Avenues. In short, the Building was fully rented as a commercial space for five of the last eight years, and at least one large commercial tenant has expressed interest in renting the Building going forward. Thus, the Applicant has not satisfied the criteria required to establish that the Building has unique characteristics that render it unrentable. It is MCB4's position that this criterion has not been met.

(b) Financial Hardship

ZR §72-21(b) requires that, because of the above unique physical conditions, there is "no reasonable possibility" that the property can bring a reasonable return if developed, enlarged, extended, altered, or used in strict conformity with the current zoning provisions, and that the grant of a variance is therefore necessary to enable the owner to realize a reasonable return from the zoning lot.

The Applicant's hardship case appears to be based on very little effort to lease the building commercially. As noted above, the Applicant negotiated with a potential tenant for the space, but the deal fell through. The Application references no other efforts to actively market the building. Also as noted above, the CLU Committee co-chairs received a letter indicating interest in leasing most or all of the building. Thus, the Applicant did not persuasively demonstrate that there is "no reasonable possibility" of a reasonable return under any permitted use or business model. It is MCB4's position that this criterion has not been met.

(c) Neighborhood Character and Public Welfare

ZR §72-21(c) requires that the variance, if granted, will not alter the essential character of the neighborhood or district in which the zoning lot is located, not substantially impair the appropriate use or development of adjacent property, and not be detrimental to the public welfare.

When the Applicant purchased the Building, it knowingly purchased a building zoned in the West Chelsea Historic District. It was not zoned residential. The surrounding blocks are characterized by manufacturing uses, art galleries, and schools — including both a high school and an elementary school — not residential use. The Applicant references nearby residential buildings, but the existence of residential development elsewhere in the area does not establish that residential use is consistent with the essential character of this manufacturing-zoned block, and granting this variance would set a precedent for residential conversion where none currently exists.

The Committee notes that this criterion generated substantial discussion and a closely divided view among members, with some finding that residential use adjacent to existing schools and amid ongoing change in the area would not alter the neighborhood's essential character.

Further, despite requests from the CLU, the Applicant did not adequately gather and address community input, and there has been no written confirmation of the requested community outreach.

(d) Hardship

ZR §72-21(d) requires that the hardship result from the building's physical conditions and not be created by the owner.

As stated above, we do not find that the Building's physical conditions make it unrentable to a manufacturing tenant. Again, the Building was fully rented as a commercial space for 5 of the last 8 years, and we have heard of at least one commercial tenant interested in renting the building, consistent with its current zoning. Any hardship the owner is facing in renting the building to a manufacturing tenant is caused by the owner, not by the building's physical condition. It is MCB4's position that this criterion has not been met.

(e) Minimum Variance

As to ZR §72-21(e) (minimum variance necessary), MCB4 takes no position at this time, as the Committee determined it lacks sufficient information to assess whether the requested relief is the minimum necessary, and requests further clarification from the Applicant on this finding.

III. MCB4 RECOMMENDATIONS

For the reasons described above, MCB4 recommends that BSA deny the requested variance to permit residential use within an M1-5 Zoning District in the West Chelsea Historic District contrary to ZR Section 42-10 at 511 West 25th Street. However, should the BSA nevertheless decide to approve the application, the CLU respectfully requests that the following conditions be imposed:

1. Provide a housing affordability memo that sets forth the cost of developing some or all of the Building into affordable housing, supported by the underlying financial model and detailed assumptions — including the complete, unlocked financial analysis (all worksheets and tabs, not summary outputs alone)
2. Submit a final unit count for the Building (as the Applicant stated at both CLU meetings that the unit count was not yet final)
3. Rent the commercial space on the ground floor to a non-profit or community group.
4. Make a sizable space on the rooftop available to all residential occupants of the Building
5. Donate an appropriate, meaningful contribution to an affordable housing fund benefiting the district
6. Actively seek community input (e.g., beyond mere letters to community groups) to address community concerns, and return to MCB4 to address the concerns set forth in this letter prior to proceeding with any conversion

IV. CONCLUSION

MCB4 appreciates the Applicant's willingness to attend two CLU meetings and to commit to discussing a contribution to the West Chelsea Housing Fund. As explained above, we recommend that BSA **deny** the requested variance for 511 West 25th St., and memorialize the commitments listed above.

Thank you for your consideration.

Sincerely,



Leslie Boghosian Murphy
Chair
Manhattan Community Board 4



Greg Morris
Co-Chair
Chelsea Land Use
Committee

Signed [7/27/26]

Katy Stokes
Co-Chair
Chelsea Land Use
Committee

Cc: Eric Palatnik, Esq., Eric Palatnik, P.C., Attorneys at Law