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## Manhattan Warehouse Overhaul Lands \$1.3B Loan

The historic West Chelsea asset received New York City's largest construction loan of the year.



Rendering courtesy of Gensler/TMRW

By [Beata Lorincz](#)

L&L Holding Co. and Columbia Property Trust have closed on \$1.25 billion in financing for the adaptive redevelopment of the 1.2 million-square-foot historic Terminal Warehouse in Manhattan's West Chelsea neighborhood. The deal marks New York City's largest construction financing package so far this year.

Blackstone Real Estate Debt Strategies was behind the \$974 million senior note, along with Goldman Sachs and KKR, while Oaktree Capital Management, in a venture with Paramount Group, provided the \$274 million junior mezzanine debt. CBRE arranged the deal for the developers.

In January 2020, the New York City Landmarks Preservation Commission approved the redevelopment plans, which call for the repurposing of the property's 550,000 square feet of self storage space into six levels of Class A office space. The project also includes the reimagining of the street-level retail space and common areas, as well as the creation of a new courtyard and double-height spaces in the western part of the building. Manhattan-based COOKFOX Architects is on board for the design, with construction set for delivery in 2023.

## Reimagining history

L&L picked up the property at 261 11th Ave. back in 2018, for \$880 million, along with Normandy Real Estate Partners. The following year, Columbia Property Trust acquired Normandy in a [\\$100 million cash and stock transaction](#). Last summer, Paramus North America Corp. transferred its ownership in the Terminal Warehouse project in a [\\$2 million co-op sale](#).

The warehouse dates back to 1981. The 3.1-acre plot—bordered by 11th and 12th avenues, W. 27th and W. 28th streets—occupies a full city block. As the site offers access to the city's water and rail systems, the property initially served as a transfer point for goods. A twin set of rail tracks, enclosed in a tunnel, cut through the center of the building. The overhaul will restore the 670-foot train tunnel as one of the most distinctive characteristics of the building, and will be flanked by new amenities, such as shops and restaurants.



