

## Partners to transform Terminal warehouse



Apollo, Blackstone and Goldman Sach are among the lenders on the project.

A new joint venture partnership of L&L Holding Company, Normandy Real Estate Partners and an institutional investor advised by J.P. Morgan Asset Management closed on the \$880 million acquisition of Terminal Stores, a 1.2 million square-foot complex in West Chelsea.

The partnership acquired the property, which spans the entire block bounded by Eleventh Avenue, Twelfth Avenue, West 27th Street, and West 28th Street, from Waterfront New York and GreenOak Real Estate Advisors LP.

The acquisition and subsequent redevelopment of the Terminal Stores will be financed in part by \$520 million in equity from Normandy, L&L Holding, J.P. Morgan, and other institutional investors.

In addition, Blackstone Mortgage Trust Inc. has led the \$650 million acquisition and predevelopment loan along with Apollo and Goldman Sachs as co-lenders.

Normandy, L&L and J.P. Morgan will transform the former warehouse complex into a "cutting-edge office and

retail destination."

To do this, the partnership will convert 500,000 s/f of storage space to Class A office use and add modern touches throughout the property.

"The Terminal Stores is a magnificent property that echoes the rich history and authenticity of New York City, while also speaking to the area's current vibrancy and limitless potential," said L&L Holding Chairman and CEO David Levinson.

"Normandy and J.P. Morgan are the perfect partners for this West Chelsea redevelopment, where demand for offices, showrooms, event space, eateries, and high-end galleries continues to grow."

"Normandy Real Estate Partners, along with L&L, have extensive and successful track records of taking historic and underused properties and renovating them to the benefit of the neighborhoods, communities, and all stakeholders involved," said David Welsh, Founder and Partner at Normandy Real Estate Partners. "Together, in partnership with J.P. Morgan, we're excited to begin the transformation process of The Terminal Stores, while paying homage to the original structure."

"Similar to J.P. Morgan's  
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early investments in Hudson Yards and Midtown South, Terminal Stores offered the opportunity to invest in neighborhood-defining, transformational and irreplaceable real estate and work with partners of unquestionable skill and integrity," said Peter Sibilis, Co-Head of the Northeast Region, Real Estate Americas, at J.P. Morgan Asset Management.

L&L is currently undertaking four major redevelopment projects at 425 Park Avenue, 390 Madison Avenue, 150 Fifth Avenue, and the \$2 billion TSX Broadway project in Times Square.

The firm is also widely known for the renovation of 200 Fifth Avenue, the former International Toy Building and the retail redevelopment of the landmarked lobby space at 195 Broadway, which is now home to Nobu and Anthropologie.

The Terminal Stores is also in keeping with Normandy's track record with opportunistic and value-added redevelopment projects. Among some of those projects, the company is the developer at 880-888 Broadway, where it is converting

the upper retail floors at the ABC Carpet & Home building into boutique office space, and is set to begin construction on a new 12-story loft-style building at 799 Broadway.

Constructed in 1891, Terminal Stores originally served the railroad lines that dominated the middle Hudson River waterfront. In 1983, the complex was purchased by Coleman Burke of Waterfront NY and was converted into self-storage space and commercial office use.

Its current tenant roster includes ridesharing giant Uber Technologies Inc., cosmetics company L'Oréal USA, and architectural firm Grimshaw.

Darcy Stacom and Bill Shanahan of CBRE exclusively represented the seller, a joint venture of Waterfront New York and GreenOak Real Estate Advisors LP. There were no outside brokers for the buyer.

The team of James Millon, Tom Traynor, Ethan Gottlieb and PJ Finley with CBRE Debt & Structured Finance arranged the \$650 million acquisition financing on behalf of the sponsorship.