

NEW YORK YIMBY

July 27, 2021

[Link to Article](#)

\$1.25B Financing Package Secured To Complete Terminal Warehouse Redevelopment In Chelsea, Manhattan



Rendering of Terminal Warehouse at 11th Avenue - Courtesy of COOKFOX Architects

BY: SEBASTIAN MORRIS

[L&L Holding Company](#) and [Columbia Property Trust](#) have successfully closed on \$1.25 billion in construction financing to complete a commercial overhaul of [Terminal Warehouse](#) in [Chelsea](#), Manhattan. Led by [COOKFOX Architects](#), the property will eventually house a mix of Class A office suites, retail space, and dining area.

In its existing condition, the building comprises 1.2 million square feet and spans an entire city block between 27th and 29th Streets from Eleventh to Twelfth Avenue. The property was first owned by the New York Terminal Warehouse Company and constructed in 1891 by George B. Mallory and Otto M. Beck. With direct access to the river, streets, and rail lines, the property was a vital transfer point for goods heading into and out of New York City.



Historic photos of Terminal Warehouse – L&L Holding Company / Normandy Real Estate Partners

The structure's most distinctive characteristic is a 670-foot-long tunnel with a twin set of rail tracks that runs through the center. Scope of work includes restoration of the tunnel, which will serve as a retail breezeway similar to Chelsea Market's in the Meatpacking District.

A portion of the structure will be removed to make room for a large central courtyard.



Rendering of Terminal Warehouse – COOKFOX



Rendering of cascading terraces and interior courtyard at Terminal Warehouse – Courtesy of Gensler TMRW



Rendering of work cafe and terrace at Terminal Warehouse – Courtesy of Gensler TMRW

In celebration of the structure’s original design, much of the existing façade will remain, including the shuttered windows, archways, and red brick masonry. The architects will also restore an estimated 1.4 million square feet of wooden boards, an existing chimney, and metal signage among other historic details.

Vehicles managed by the Blackstone Real Estate Debt Strategies platform led the \$974 million senior loan and senior mezzanine loan financing with Goldman Sachs and KKR participating, while funds managed by Oaktree Capital Management, L.P. led the \$274 million junior mezzanine financing in partnership with Paramount Group. CBRE arranged the financing package on behalf of the joint venture.

“The closing of this loan kicks off a new project phase for us,” said L&L principal Andrew Staniforth, who oversees the Terminal Warehouse redevelopment. “The last three years have been one of the most exciting explorations into the history and possibility of this amazing Chelsea landmark, and in the coming months we are going to start seeing it all come to life, transforming a purpose-built warehouse and distribution facility into a modern workplace perfectly tailored for New York’s future generations.”

Construction is expected to wrap by the end of 2023.