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Venture Secures \$1.25Bln of Construction Debt Against Manhattan Office Redevelopment

The venture that's redeveloping the Terminal Warehouse mixed-use building in Manhattan into 1.2 million square feet of office space has lined up \$1.25 billion of construction financing for the project.

The venture is led by L&L Holding Co. and Columbia Property Trust. It lined up \$974 million of senior mortgage financing and senior mezzanine debt from Blackstone Group, Goldman Sachs and KKR & Co., and \$274 million of junior mezzanine financing from Oaktree Capital Management and Paramount Group. CBRE arranged the financing.

The debt allowed the venture to retire [\\$650 million of financing that Blackstone had provided in 2018](#) to help fund the venture's acquisition of the property for \$900 million. It expects to complete the redevelopment in 2023.

Terminal Warehouse, at 261 11th Ave., opened in 1891. It spans an entire city block from 11th to 12th avenues and 27th to 28th streets in the borough's West Chelsea neighborhood, one block from the Hudson River. The facility was the first of its kind in Manhattan to provide direct access to the river and rail lines and served as a transfer point for merchandise into and out of the city.

The venture plans on converting the property's 500,000 sf of self-storage space into office space and will add six floors to the seven-story building. The property also has office and retail space. Once redeveloped, it will include 75,000 sf of retail space.

The New York City Landmarks Preservation Commission in January 2020 approved the venture's plans, which also includes the restoration of a 670-foot-long tunnel with two rail tracks that run through the facility and originally ran from the Hudson River docks to freight lines that ran along 11th Avenue. In 1986, it had housed the Tunnel nightclub.

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