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L&L, Columbia Receive \$1.2B Construction Loan for Redevelopment of Historic Manhattan Warehouse



Terminal Warehouse is a historic building in Manhattan's West Chelsea neighborhood that was originally built in 1891.

By [Taylor Williams](#)

NEW YORK CITY — A joint venture between L&L Holding Co. and Columbia Property Trust (NYSE: CXP) has received a \$1.2 billion construction loan for the redevelopment of the historic Terminal Warehouse building in Manhattan's West Chelsea neighborhood.

The property was originally built in 1891 as the first major New York City facility with direct access to the river, streets and rail lines. A set of twin rail tracks runs through the center of the facility and originally offered a direct connection from the Hudson River's docks to the freight lines operating at street level along 11th Avenue.

Today, Terminal Warehouse consists of 1.2 million square feet of office, retail and self-storage space. The partnership plans to develop the property's 550,000 square feet of self-storage space into modern, Class A office property and reimagine the ground-floor retail common areas. COOKFOX Architects is leading the design of the redevelopment.

In addition, as part of the project plan approved by the New York City Landmarks Preservation Commission, the floor area will be removed to make room for a new courtyard, a series of double-height interior spaces throughout the western portion of the building and six new office levels with floor-to-ceiling glass overlooking the Hudson River.

Lastly, the 670-foot tunnel that traverses the length of the building and that housed a nightclub in the 1980s and '90s will be restored and activated with new retail and restaurant concepts. With financing in place, construction is set to begin immediately. Completion of the entire project is slated for 2023.

“The last three years have been one of the most exciting explorations into the history and possibility of this amazing Chelsea landmark,” says Andrew Staniforth, L&L’s principal who is overseeing the Terminal Warehouse redevelopment. “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 for New York’s future generations.”

Affiliates of Blackstone Real Estate Debt Strategies, in partnership with Goldman Sachs and KKR, served as the senior lender on the deal, funding 82 percent of the capital stack with a \$974 million mezzanine loan. Funds managed by Oaktree Capital Management LP led the \$274 million junior mezzanine financing in partnership with Paramount Group.

CBRE arranged the financing package, which marks the largest commercial construction financing deal to close in New York City in 2021, according to the development team.

The stock price of Columbia Property Trust opened at \$17.14 per share on Monday, July 26, up from \$11.56 per share a year ago.