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New Joint Venture Plans Hotel Redevelopment Of Times Square's Palace Theatre

By Matthew Rothstein



A new joint venture is gearing up for a massive redevelopment of 1568 Broadway in Times Square.

L&L Holdings Co. has been added to the team of Maefield Development and Fortress Investment Group, which will be jointly developing 1568 Broadway into a \$2B hotel and entertainment complex. The address is home to the century-old Palace Theatre, which will be restored and lifted 29 feet, and its lobby renovated and modernized. The Nederlander Organization will continue to own the Palace Theatre.

The hotel, a renovation of the property's DoubleTree Guest Suites Times Square, is planned to contain 700 rooms and be adorned with a 17K SF LED screen. The Palace Theatre will sit above 100K SF of new ground-floor retail and entertainment.

To help finance the project, the JV obtained a \$250M senior mortgage from JPMorgan, which consolidates \$175M in previous financing and adds a \$75M gap loan, according to the Commercial Observer. Part of the \$2B will go to improvements for the subway stop at 47th Street and Seventh Avenue.