

L&L MAG's first development will be a 460-unit resi building in Chelsea

MaryAnne Gilmartin's firm inked 99-year ground lease at Edison Property Group Chelsea site

By [Eddie Small](#) | December 10, 2018 07:00AM



241 West 28th Street and MaryAnne Gilmartin (Credit: Google Maps)

UPDATED, 10:38 a.m., Dec. 10: MaryAnne Gilmartin's [L&L MAG](#) has inked a 99-year ground lease for Edison Properties' [241 West 28th Street](#) for about \$7 million per year with gradual increases, according to sources familiar with the deal. This puts the total value of the deal in the range of \$150 to \$170 million, depending on the cap rate.

L&L is planning to build a 22-story, 460-unit residential project on the lot that will span roughly 372,000 square feet, Gilmartin said. The building will be split between 70 percent market-rate units and 30 percent affordable units and be developed through the Affordable New York program. It will include retail space on the ground floor and parking on the lower level, and COOKFOX will design it.

Gilmartin expects to have the building designed within a year and have the site ready for construction by the end of next year. Aaron Weaver of Level Investments brokered the deal for the developer.

This marks the first major deal for L&L MAG, which Gilmartin launched earlier this year with L&L partners David Levinson and Robert Lapidus after spending 23 years at Forest City. She has brought on Atalaya Capital Management and the Australian firm Qualitas as investment partners.

“For me, it became an opportunity to convince Edison that we were the best team, that we would produce a building of beauty and value,” Gilmartin said.

Young Kwon, managing director of Atalaya, said his company was interested in this project because of the location, the business partners and the chance to develop a multifamily building, noting that the deal “checked all our boxes.”

Edison Properties had [previously filed plans](#) in 2014 to develop a 15-story residential building with 323 units on the site.

The firm had purchased four properties on West 28th Street to create a 30,000-square-foot lot between 28th and 29th streets and Seventh and Eighth avenues.



Aaron Weaver

Robert Scharf, executive vice president of real estate at Edison Properties, said in a statement that while L&L MAG wasn't the highest bidder, the company's project was still the best fit for the site.

“Although we received several higher offers, we chose to ground lease the property to L&L MAG because of the wonderful team that they have put together,” he said.

“They have extensive experience developing some of the most outstanding and transformative projects in NYC.”

Edison Properties is based in New Jersey and is betting big on Newark with its Ironside project near the city's Penn Station. The mixed-use building will have 290,000 square feet of workspaces and grabbed its first big tenant in the spring: Mars Wrigley Confectionery, which will relocate its headquarters from Chicago and take 150,000 square feet in the property.

L&L Holding made its own massive purchase in Chelsea recently with Normandy Real Estate, paying about [\\$900 million](#) for the neighborhood's Terminal Stores warehouse in October. They are planning to turn the building into a property worth

\$1.8 billion, and are reportedly in talks to bring [Allianz Real Estate of America](#) into their partnership.

Clarification: This story has been updated to better reflect the total value of the deal.