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Blackstone, Goldman Sachs, KKR Lead \$1.25B Loan for L&L's Terminal Warehouse

Oaktree and Paramount are the mezzanine lenders.



TERMINAL WAREHOUSE. PHOTO: GENSLER/TMRW

BY [CATHY CUNNINGHAM](#)

L&L Holding Company and Columbia Property Trust are busy closing a \$1.25 billion construction loan for their redevelopment of [Terminal Warehouse](#), Commercial Observer can first report.

The long-anticipated deal on the 1.2 million-square-foot West Chelsea asset is the largest construction loan of 2021, thus far, and scheduled to close this afternoon.

[Blackstone](#), [Goldman Sachs](#) and **KKR** are leading the financing, according to sources, with **Oaktree Capital** and **Paramount Group** in the mezzanine position.

[CBRE Capital Markets](#)' **James Millon**, **Tom Traynor** and **P.J.**

Finley arranged the financing, sources said.

The 1.3 million-square-foot asset occupies the entire block bounded by 11th and 12th avenues (the **West Side Highway**), and West 27th and West 28th streets.

Originally constructed as a warehouse building in 1891— designed by naval architect and engineer George Mallory — Terminal Warehouse is presently undergoing a sweeping transformation and modernization that will restore its infrastructure to its former glory, while meeting the needs of today's creative office and retail tenants.

[L&L](#) and Columbia are investing significant capital into repositioning the property, and converting approximately 500,000 square feet of self-storage space to Class A office use.

Maintaining much of its distinctive original features, the building features ceiling heights ranging from nine to 20 feet and architectural details such as oversized arch windows and exposed brick walls.

The redesign includes a carved courtyard at the center of the property, while a new penthouse addition will add outdoor terraces.

Blackstone Mortgage Trust also led the \$650 million acquisition loan for L&L and **Normandy Real Estate Partners'** \$880 million purchase of the asset from **Waterfront New York** and **GreenOak Real Estate Advisors** (now **BentallGreenOak**) in October 2018, as first reported by CO (Columbia Property Trust later acquired Normandy). Goldman Sachs and **Apollo** were co-lenders in the acquisition financing.

L&L and Paramount officials declined to comment. Officials at Blackstone, KKR, Goldman Sachs and CBRE did not return requests for comment. Oaktree officials could not be reached for comment.