

One of New York's largest adaptive reuse projects turns its industrial past into defining feature

Redevelopment of the year for New York City



New York City's Terminal Warehouse was originally built in 1891 as a freight hub. (CoStar)

By [Andria Cheng](#)

CoStar News

March 25, 2026 | 7:00 AM

Terminal Warehouse, one of the largest adaptive reuse projects in New York's recent history, offers a rare case study in how a historic, landmarked former freight facility can be redeveloped into a modern, mixed-use workplace destination at scale.

Developed by L&L Holding Company, Columbia Property Trust and Cannon Hill Capital Partners, the 1.3 million-square-foot workplace and retail destination at 261 11th Ave. between W. 27th and 28th streets transformed the 19th-century logistics structure, built in 1891 in West Chelsea and integral at the time for shipping goods into and out of New York.

As elevated trains rendered its original use obsolete, Terminal Warehouse was later used for self-storage and became home to the famous Tunnel nightclub from 1986 to 2001.

The redevelopment, located directly off the Manhattan Waterfront Greenway, faced challenges from the beginning. As a designated city landmark, the project required unanimous approval from the Landmarks Preservation Commission. Working with CookFox Architects, the development team advanced a plan to restore many of the building's authentic features, including its mass timber, grand arched brick entrances and a 670-foot-long tunnel featuring a twin set of rail tracks running through its center, while introducing a new structural framework capable of supporting modern office use.

To preserve the landmark facade, more than 350 tons of temporary steel bracing were installed before demolition could begin. The site's location presented another challenge. Built on land that was once part of the Hudson River, the project required a hybrid foundation approach that reused portions of the original perimeter foundations while adding new piles to bedrock. That allowed for the creation of a six-story glass-and-metal overbuild, featuring panoramic river views, terraces and increased ceiling heights, while enabling structural upgrades without compromising the integrity of the historic structure.

The redevelopment also looks ahead in delivering what a coveted office and social destination can be. Twelve modern office floors surround a newly created central courtyard, billed as the city's largest fully interior park in a commercial setting that brings light and air into the building for the first time. The tunnel, meanwhile, serves as a social corridor lined with shops, restaurants and flexible spaces for events such as fashion shows, live music and art installations. The cocktail bar and restaurant Porchlight, part of Danny Meyer's Union Square Hospitality, remains in place after operating in the building's northeast corner for more than a decade.

Among its other tenants, Convene parent CHG [is adding a new independently branded space](#) called The Mallory that spans over 50,000 square feet in its first, and most upscale, venue designed to host social events. Luxury gym operator Equinox plans to open a 53,000-plus-square-foot location.

The development earned a 2026 CoStar Impact Award, as judged by a panel of real estate professionals with knowledge of the local market.

About the project: After securing approval from the New York City Landmarks Preservation Commission in 2019, construction began in 2021 before the redevelopment was completed last year. The team reclaimed and showcased ancient timber from the building's original construction, much of which is over 500 years old. More than half of the

wood was repurposed, resulting in an embodied carbon footprint that the team said is half that of comparable new construction.

The project has immediate access to the High Line, Hudson River Park and the waterfront, with Hudson Yards, the largest U.S. private development, located nearby.

What the judges said: Josh Wein, managing director at RAL, said the project “required immense engineering ingenuity,” adding “the developers have balanced historic preservation with cutting-edge sustainability. The redevelopment, he said, “anchors the evolution of West Chelsea by integrating major retail and wellness amenities like Equinox and serving as a seamless extension of the High Line.”

Elad Dror, president of PD Properties, said “by combining landmark stewardship, structural innovation, sustainability leadership and a forward-thinking tenant ecosystem, Terminal Warehouse does not simply restore a historic asset — it redefines adaptive reuse at institutional scale.”

They made it happen: The development team included Adam Frazier, president and chief executive officer of Columbia Property Trust; David Levinson, chairman and chief executive officer of L&L Holding Company; Robert Lapidus, president and chief investment officer of L&L Holding Company; Jeff Gronning, president and chief executive of Cannon Hill Capital Partners, and Rick Cook, founding partner at CookFox Architects.

CoStar Senior Market Manager Grant Hunt contributed.