



Calvary Baptist Church revives exciting plans for tower



The Calvary Baptist Church at 125 W. 57th St. has won salvation in a difficult real estate market.

By **Steve Cuozzo**

Impressions: **426,129**

The Calvary Baptist Church at 125 W. 57th St. needed a miracle after the pandemic appeared to doom plans for a mixed-use tower that would give its congregants a desperately needed, larger house of worship.

But after a construction lender pulled out in March 2020, the project is born again – thanks to the deeply committed partnership of the church, [developer Alchemy-ABR Investment Partners](#) and its financial partner, Cain International.

Calvary gave the developers time and flexibility to restructure the financing when a loan agreement broke down in March 2020 and the lending market was frozen.

After months of patient strategizing, Cain was able to tap a new funding source from an affiliate, Security Benefit Life, which holds the senior mortgage. The result: Alchemy

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and Cain finally closed last week on the stalled purchase of the church-owned property between Sixth and Seventh avenues. The roughly \$120 million buy is part of an overall project cost of \$350 million.

Now, one year later than first planned, demolition is to start in the fall and vertical construction early in 2022. The new, 26-story, 440-foot-tall boutique office building – which will include the church's new home – is to be completed in 2024.



A partnership with Alchemy Investment Partners and Cain International will enable Calvary Baptist Church to resume ambitious renovation plans.

The church had urgently needed \$15 million-\$20 million to modernize its facilities. It was introduced to Alchemy several years ago by FX Collaborative [architect Dan Kaplan](#), who had worked with Alchemy on several projects and is designing the new building.

Alchemy was comfortable collaborating with the church because, "We had worked with other religious institutions," Alchemy principal Ken Horn said. The church worked closely with Alchemy and Cain on the plans. A deal was announced in October 2019. All seemed well until an unidentified lender pulled out of the deal in late March, 2020.

"No one panicked. We took deep breaths," Horn said.

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Alchemy managing partner Brian Ray recalled, "We worked feverishly through early 2020. We were ready to close in April. Then the pandemic hit. Our lender left us – sorry, guys, we're not closing.' They actually kept our deposit."

The partners and the church were in shock. "They were well-known construction lenders," said Eric Poretsky, Cain senior managing director and head of US equity. "We had term sheets. We were ready to close."



The church falls within the Billionaires Row section of Manhattan.

When the bad news came, "I got on the phone with the church," Ray recalled. "They gave us an incredible set of time to regroup. We rolled up our sleeves, talked to appropriate lenders, and one Cain affiliate came in with the deal."

The project and its timing posed other challenges as well. The church had to close down the dilapidated Salisbury Hotel, part of the building it's owned for more than 100 years.

The partners needed to decide what to build in its place, ultimately agreeing, "Our instinct was not to go residential," Horn said – despite the [Billionaires' Row location](#), where it's bracketed by the soaring condo apartment towers of One 57 and 111 W. 57th St.

Then, "It took a long time to get our plans through the Department of Buildings when nobody was working," Horn said.

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The firm construction timetable is a breakthrough for the two West 57th Street blocks between Fifth and Seventh avenues, where stores, restaurants and office towers stand side-by-side with unsightly empty lots and empty buildings waiting on actual development.



The church project was in peril after a prominent lender disappeared.

Cain will own most of the equity in the 260,000-square-foot tower, which will have 185,000 square feet of office space, most of it with Central Park views. It will boast state-of-the art technology, 10,000-square-foot floor plates that are rare in the area, numerous outdoor terraces, a full amenities floor, floor-to-ceiling windows and 14.6-foot-highs. Rents will top \$100 per square foot.

Calvary Baptist Church will separately own its 180-foot-high base portion of the building, which will double its current space and include a new auditorium and facilities for community and educational use.

"We are excited to see this project moving forward as the next chapter in our continued Christian ministry on 57th Street," said Todd Williams, chair of the board of deacons. "This much-anticipated new facility will provide a larger, flexible and welcoming space for the congregation, the city, and beyond."

Of course, the Midtown market's future is uncertain. But Poretzky, echoing the views of Horn and Ray, said, "New York City's rebound was never in doubt in my mind. We're

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delivering an exceptional project that's differentiated from any other in midtown. Alchemy is a high-integrity partner. The market is starved for this project."



One World Trade Center is getting pre-built suites for smaller tenants.

Meanwhile, down south, the Durst Organization has had great success with its prebuilt program at One World Trade Center, which it owns with the Port Authority. Durst set aside certain mid-tower floors for prebuilt suites designed for smaller tenants likely to expand.

In the latest case of growth, automation software firm Hyperscience, a tenant since May 2019, is nearly tripling its space by moving from 12,700 square feet on the 45th floor to 34,380 sf on the entire 88th floor. The asking rent was \$80 per square foot.

Other tenants that grew from prebuilts into larger spaces at One World Trade include Incandescent Technologies, Kensho Technologies, GroundTruth, ASAPP, Global Risk Advisors, Infosys and MCR Development.

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