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Born-again tower

Church & office project begins

STEVE CUZZO

LIKE a gift from heaven, the shiny new church-and-office building on Billionaires' Row that we first told you about two years ago is finally on the rise. The "boutique" tower at 125 W. 57th St. is soaring toward its 440-foot, 26-story height after it overcame a pair of hellish setbacks.

The project by Ken Horn's and Brian Ray's Alchemy-ABR Investment Partners with financial partner Cain International is shown for the first time on this page. What might be the city's most unusual mixed-use project needed a miracle after its construction lender backed out in March 2020, just when COVID-19 was bringing the city to a standstill.

Situated midway between residential supertalls Central Park Tower and 111 W. 57th St. on the north blockfront between Sixth and Seventh avenues, its lower levels will be a larger new home for Calvary Baptist Church, which owned the property that included the faded Salisbury Hotel for nearly a century.

When the tower designed by architect Dan Kaplan's team at FX Collaborative is done late next year, it will have 12 state-of-the-art office floors comprising 180,000 square feet. The church below it will enjoy a new lease on life with expanded space for its congregation and a community center. The entire building comprises 260,000 square feet.

Back in 2017, the church agreed to sell its land to the developers for \$130 million — part of the ultimate \$350 million total development cost. As part of the deal, Alchemy would

Raising Cain financing



Alchemy-ABR Investment Partners and Cain International, which stepped in after the project's first lender fell through, are creating a mixed-use tower (far right) at 125 W. 57th St. In Midtown that will provide a new home for Calvary Baptist Church and upper-floor space for businesses such as hedge funds (right and above).

replace the old house of worship with an expanded new one.

But the purchase couldn't close as scheduled after the lender's withdrawal. It was born again when Calvary decided to give Alchemy time and flexibility to find new financing. Cain tapped another source and the project went vertical in mid-2021 after the old building was demolished.

Cain will own most of the equity in the office portion of the tower while Calvary will own its floors below. But aren't offices a Hail Mary in today's market, when Manhattan availability is at a record near-20% and high interest rates have squeezed the breath out of companies' growth plans?

Horn isn't sweating. "We've done 30 residential buildings in the city and we realized this is not going to be another residential one," he said. "We determined very quickly that there was too much product in a limited area. But there was a scarcity of new offices and we'd do well regardless of the cycle."

He added, "Our first office floor is 180 feet in the air over the church and [7,000 square feet of] retail" —

guaranteeing open Central Park views. "In most mixed-use projects, it's the reverse, with offices on lower floors and apartments on top," Horn noted.

Ray said, "We felt that our target is hedge funds, private equity and other kinds of firms looking for floor plates of around 10,000 square feet, most with private outdoor terraces."

He added, "This was a very complex deal even before COVID. Our partners fulfilled everything, and the Baptist church are right-eous people in all the right ways."

Cain head of US real estate Eric Poretzky said, "Our underlying premise was that this was very different from just another office building. We invest in premier locations in the US. We know this is an irreplaceable piece of real estate."

Of today's near-paralysis in leasing, Poretzky said, "The question would be important if we had a million-and-a-half square feet," but a

mere 180,000 square feet are a different story.

"Obviously there are a lot of trophy buildings, but we have park views and 145-foot office slab-to-slab floors and two at the top are 16 feet," Poretzky said.

Asking rents "will definitely have three digits," Horn said. A JLL team led by Mitch Konsker has been tapped to find tenants, but the formal marketing campaign won't start until next year.

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Ralph renews

If work-from-home spells the inevitable future, somebody forgot to tell Ralph Lauren Polo. The fashion giant just renewed its lease on a long-term basis for 250,000 square feet of offices at RXR's Starrett-Lehigh Building — more than 10% of the 2.3 million-square-foot, industrial-era leviathan on the far West Side. RXR Managing Director Bill Elder couldn't speak for Ralph Lauren specifically. But he said he's seen a "big population increase" at the entire building this year.

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