

THE COMMERCIAL OBSERVER

Sam Chang Closes on West 37th Street Lot, Will Become a Gene Kaufman Hotel [Updated]

By [Lauren Elkie Schram](#) 4/14 1:08pm

Prolific hotelier **Sam Chang**'s **McSam Hotel Group** secured a roughly \$25 million bridge loan to fund the acquisition of a development site on 37th Street between Eighth and Ninth Avenues.



Rendering of 326 West 37th Street.

The 10,000-square-foot parking lot at **326 West 37th Street** will become a **Gene Kaufman**-designed hotel with 242 rooms, according to the architect's office. At 22 stories, the hotel will have a gym, meeting room and ground-level restaurant/bar. The brand is still to be determined.

McSam purchased the property for \$18.6 million on Feb. 24 and it was recorded with the city on March 11. That same day he closed a \$24.8 million loan from **Pembroke Capital Management**. The 8.25 percent loan matures in 12 years, a spokesperson for Pembroke said.

"In recent months we have responded to the increasing demand for first mortgage bridge financing, both here in New York and in other U.S. markets," **Stuart Boesky**, CEO of Pembroke, said in a prepared statement. "Experienced sponsors are in the market acquiring development sites and looking for debt financing. With this site in particular, we are financing a well-located parcel for a group that has a lengthy track record of development projects in New York."

A street over, Mr. Chang, who has said he will retire this year, is reportedly commencing work on an [18-story, 80-room Comfort Inn](#) or [Days Inn](#) at **337 West 36th Street** as part of a promise to give his business associates a stake in a hotel before he retires, as *Commercial Observer* previously reported.

No one at McSam immediately responded to a request for comment.

Update: This story was edited to include a rendering of the project as well, details from Gene Kaufman's office and the rate and term of the loan from Pembroke.