



Chehade of SoHo Properties led financing efforts for \$270 million construction loan for 560 Seventh Ave.; Backed by Related Fund Management, Angelo Gordon and Hana Financial

March 19, 2019 - Financial Digest

Chase Chehade,
Soho Properties

Manhattan, NY Soho Properties, led by its chairman and CEO Sharif El-Gamal, together with co-developers Chip and Andrew Weiss of Flintlock Construction, closed on \$270 million in construction financing for 560 Seventh Ave., the future home of Margaritaville Resort New York City. Located in Times Sq., the 170,000 s/f, 234-key property, is expected to open late 2020. Foundations were completed in January. Once complete, the \$350 million development will also contain five Margaritaville food and beverage concepts, including an indoor/outdoor poolside LandShark Restaurant, rooftop 5 o’Clock Somewhere Restaurant, retail space and more.

The loan is backed by senior lenders Related Fund Management and investment bank Angelo Gordon, as well as mezzanine lender, South Korea-based Hana Financial Investment.

“We are incredibly excited to bring the Margaritaville state of mind to NYC,” said El-Gamal, who is also currently developing the Jean Nouvel-designed Islamic Museum of New York (IM NYC) and its neighbor 45 Park Place, the condominium tower rising in TriBeCa. “560 Seventh Ave. is a case study in the intricacies of high-stakes real estate in New York.”

“Of the 28 different brands of hotels we have built in Manhattan, Margaritaville stands out as today’s only true and fully conceived lifestyle brand. This urban resort will be built as a complete environment for the visitor whether for the day or an extended stay,” said Andrew and Chip Weiss. “We are building in the fun.”

Rendering of 560 Seventh Avenue - Manhattan, NY

“We are incredibly fortunate to have assembled a lending group that is as excited as we are about the viability of the Margaritaville brand in this location,” said Chase Chehade, head of capital

markets at Soho Properties who led the financing effort.

This complex deal has been a journey for the partnership, led by Soho Properties, who purchased the site in 2014 with a \$63 million loan from Colony Capital and planned to build a mixed-use development anchored by a major hotel brand. This included negotiating to build a new synagogue for the Garment Center Congregation located on the site and temporarily relocating it during the construction phase. “I am the first Muslim I know of to develop a synagogue,” said El-Gamal. “I was attracted to the idea of supporting the development of a house of worship and I actively seek opportunities to build bridges across all faiths.”

“There is an incredible amount of excitement surrounding the new Margaritaville Resort coming to Times Sq. and we’re pleased to see the development is progressing so well,” said John Cohan, CEO of Margaritaville. “This property will be a fun, relaxing and welcome respite for travelers and locals seeking an authentic Margaritaville experience in the heart of the world’s most vibrant city.”

The Margaritaville Resort New York City will provide its guests with a long list of services and amenities including in-room dining, a 24-hour fitness room and room automation. These amenities will be coupled with top-of-the-line Margaritaville food and beverage venues operated by International Meal Company, creating a unique and unrivaled entertainment experience.

Soho Properties, Inc. is a privately held, real estate development and investment firm headquartered in New York City. Founded in 2003 by Sharif El-Gamal, the firm is a market leader in the ownership and development of premier residential, hospitality, office, retail and mixed-use projects in Manhattan. The Soho Properties team arranges and participates in strategic real estate investments, generating opportunities for its clients through the acquisition of both single assets and portfolios. Visit www.sohoproperties.com.

Margaritaville is a global lifestyle brand inspired by the lyrics and lifestyle of singer, songwriter and best-selling author Jimmy Buffett, whose songs evoke a passion for tropical escape and relaxation.

Margaritaville features 17 lodging locations and 24 additional projects in the pipeline with nearly half under construction, three gaming properties and over 60 food and beverage venues including signature concepts such as Margaritaville Restaurant, award-winning JWB Prime Steak and Seafood, 5 o’Clock Somewhere Restaurant and LandShark Restaurant. More than 20 million travelers every year change their latitude and attitude with a visit to a Margaritaville resort, residential real estate destination, vacation club, vacation home rental or restaurant.

New York Real Estate Journal - 17 Accord Park Drive #207, Norwell MA 02061 - (781) 878-4540