

Capital Raise: Closter Plaza Shopping Center



Closter Plaza Shopping Center

\$52,000,000

J-V Capital Raise and
Successful Chapter 11 Reorganization

TRANSACTION SUMMARY

THE PROPERTY

- The Closter Plaza Shopping Center was a 210,000 sq. ft. community shopping center anchored by Kmart and by a vacant Stop & Shop. The property historically generated over \$500,000 in free cash flow. The owner undertook a poorly devised redevelopment plan. The property defaulted on \$700,000 in real estate taxes.

THE SITUATION

- The shopping center filed for Chapter 11 bankruptcy. The mortgage encumbering the shopping center, with a principal balance exceeding \$14.1 million, was sold to loan-to-own investor.

THE TRANSACTION

- The debtor engaged Keen to develop and implement a plan for raising capital and exiting Chapter 11. The debtor's transactional goals were to:
 - Avoid sale and capital gains impact
 - Create j-v to fund plan and redevelop shopping center
 - Provide debtors with income stream
 - Provide debtors with equity kicker
- Keen successfully solicited multiple j-v proposals and negotiated and structured a \$52 million joint venture with Edens & Avant that accomplished all of the debtor's goals.