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American Dream Mall Owner Seeks Payment Extension on \$1.7 Billion Loan.

- **JPMorgan led group of lenders for 2017 construction financing**
- **New Jersey mall recently used reserves to pay municipal bond**

The owner of the American Dream super-mall in New Jersey is seeking a four-year extension to repay \$1.7 billion in construction financing after project holdups and pandemic lockdowns kept shoppers away, according to people with knowledge of the talks.

Triple Five Group, American Dream's owner, is asking a group of lenders led by JPMorgan Chase & Co. for more time to repay loans made in 2017, said the people, who asked not to be identified because the talks are private. The 2017 debt included a \$1.2 billion senior loan and a \$475 million mezzanine loan that was supposed to be repaid last year.

The talks are part of a larger effort to restructure the mall's \$3 billion in debt and avoid bankruptcy for the massive shopping and entertainment complex in New Jersey's Meadowlands, the people said. The mall also has about \$800 million in municipal bonds that are senior in repayment rank to the construction financing. Triple Five said last week that the mall nearly depleted a reserve account to make a \$9.3 million interest payment on another \$287 million of municipal bonds supported by sales tax receipts.

Representatives of Houlihan Lokey Inc. and law firm Weil Gotshal & Manges, the advisers representing the developer, declined to comment on the talks, which are private and still in progress.

A loan extension typically would require the borrower to contribute new equity to the project, pay a higher interest rate and make other concessions to satisfy lenders. The 2017 loans initially required interest-only payments ranging from 6.75% to 9.75% above the benchmark London interbank offered rate, rates that increased by 0.5% in the third year.

The lenders include Barry Sternlicht's Starwood Property Trust Inc., Goldman Sachs Group Inc., CIM Group and iStar Inc., Bloomberg previously reported. The lenders are being represented by Moelis & Co. in the negotiations. Representatives of all the lenders declined to comment.

American Dream's 2019 opening came after almost two decades of development delays, and just months before the arrival of the Covid-19 pandemic, which shut down retail shopping and entertainment venues. American Dream reopened in 2021.

The mall's sales for the fourth quarter, typically the biggest for retailers because of holiday shopping, totaled \$82.4 million, down almost 1% from sales in the third quarter. Its luxury wing, anchored by Saks Fifth Avenue, opened in September.

Don Ghermezian, co-chief executive officer of American Dream, attributed the decline to a confluence of disasters: Flooding from Hurricane Ida in August and September damaged some

shops, followed by an electrical fire that damaged the mall's indoor ski slope and several other stores. The ski hill, which is part of a slew of the 3 million-square-foot mall's entertainment offerings, is expected to reopen in May.

Bloomberg Markets

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February 9, 2022

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