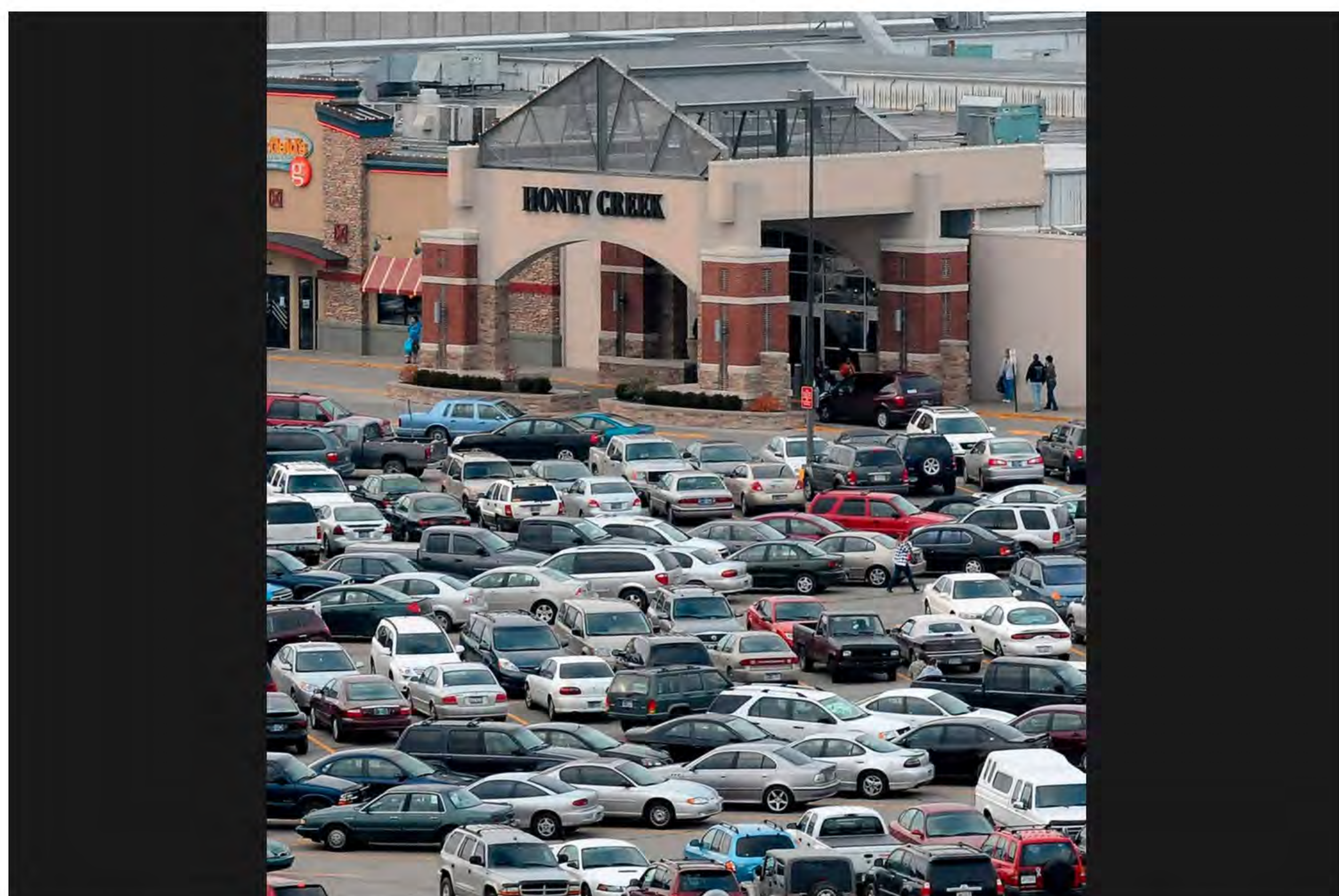


Honey Creek Mall sold for \$14.6M

By Howard Greninger Tribune-Star May 3, 2019 Updated May 4, 2019



Tribune-Star file/Joseph C. Garza The next chapter: Honey Creek Mall's new owners, Out of the Box Ventures, purchased the mall for \$14.6 million.

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The Honey Creek Mall just south of Terre Haute has been sold.

CBL Properties reported the sale in its first quarter report for 2019, which was released April 30. It said Honey Creek Mall sold at \$14.6 million to Out of the Box Ventures, a subsidiary of Miami-based Lionheart Capital.

CBL will provide third party leasing and management services for Honey Creek Mall.

In April, CBL closed a new \$50 million non-recourse loan secured by Volusia Mall in Daytona, Florida, for a term of five years at a fixed interest rate of 4.56 percent.

At the same time, it retired the existing, cross-collateralized loans secured by the Florida mall and by Honey Creek. Those loans had aggregated to \$64 million and bore an interest rate of 8 percent.

CBL said it used proceeds from the new loan and the Honey Creek sale to retire the maturing loans, it stated in its first-quarter report.

The Tennessee-based CBL & Associates last year retained the firm Newmark Knight Frank to sell the mall.



Tribune-Star file photo/Austen Leake

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CBL in 2004 acquired the Honey Creek Mall for \$50 million in cash and the assumption of a \$33 million non-recourse loan.

Ophir Sternberg, founding partner and CEO, Lionheart Capital, said in a statement the company purchase the mall for potential growth.

"With the presence of numerous colleges and universities and the regional draw of Terre Haute, the city is on an upward trajectory for growth and we are excited to be a part of that continued change and expansion with Honey Creek Mall," Sternberg said in a release.

The Honey Creek Mall, like other malls, has seen a loss of major retailers.

Macy's closed its doors in late March 2018, and Carson's did the same in late August, 2018. Sears in October, 2018 announced closing of its store at Honey Creek as that chain attempts to reorganize under bankruptcy.

The 676,322 square-foot enclosed mall's anchor tenants now are JC Penney and Vendors Village. The mall has other national tenants including Victoria's Secret, American Eagle Outfitters, Bath & Body Works, ULTA Beauty, Hollister, Lenscrafters, and Journeys.

The mall is located at the crossroads of Interstate 70 and U.S. 41. on Terre Haute's south side.

The company, in a release, stated it hopes to bring new life to the mall.

"The opportunities to re-tenant the former Macy's and Sears spaces present a plethora of opportunities to bring new and exciting retailers to Terre Haute," said Ashley Thornburg, director of retail operations, Lionheart Capital.

"The mall's presence along Interstate 70 presents a unique opportunity to have a widespread reach and provide distinctive and innovative offerings to those in and around Terre Haute," Thornburg said in a release.

Kim Ingalsbe, Honey Creek Mall's manager, will remain in her role in which she has served for the past 23 years, initially starting as the mall's director in 1988, the company said in a release.

"The team at Honey Creek Mall is looking forward to this next chapter," Ingalsbe said in a statement. "We are confident that Lionheart Capital will be an instrumental part of spring boarding the mall to its fullest potential."

Out of the Box Ventures, a subsidiary of Lionheart Capital, continues to actively expand its presence in the retail market. The portfolio features space in Bangor, Maine – Battle Creek, Michigan – Chicago, Illinois – Fort Gratiot, Michigan – Lakeland, Florida – Mansfield, Ohio – Terre Haute, Indiana – Miami, Florida – Midland, Michigan – Steubenville, Ohio – Syracuse, New York – Pittsburgh, Pennsylvania – Williamsburg, Virginia and Woonsocket, Rhode Island.

"Out of the Box Ventures' vision is to transform these retail spaces into dynamic mixed-use destinations, designed to be as functional as they are impactful in the revitalization of their areas," the company said in a release.

Lionheart Capital is a Miami-based global real estate investment and development firm whose principals have been involved with the successful acquisition, development, repositioning and disposition of real estate assets totaling over \$4 billion in the United States, Brazil, China, the Caribbean and Nicaragua, according to the company's web site.