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Downtown Milwaukee's Boston Store to stay open

By Tom Daykin

Downtown Milwaukee's Boston Store will remain open for at least one more year.

That's what store employees were recently told by their general manager, according to a source familiar with the situation. That source asked not to be identified because of the sensitive nature of negotiations regarding the Boston Store's lease.

The Boston Store chain's owner, Bon-Ton Stores Inc., declined to comment. Mary Kerr, Bon-Ton's vice president of investor and public relations, said the company has a policy of not responding to rumors.

Also declining to comment was Wispark LLC, the development subsidiary of Wisconsin Energy Corp., which owns the Boston Store building at W. Wisconsin Ave. and N. 4th St.

Bon-Ton's store lease runs until Jan. 31, so keeping the store open for at least one more year pushes a possible closing to January 2013.

As a full-service, traditional downtown department store, the Boston Store at the Shops of Grand Avenue is unusual. Downtown department stores in cities comparable to Milwaukee have closed in recent years.

Kohl's and other lower-priced retailers have lured away some shoppers from traditional department stores. Those full-service department stores that have continued to do well are usually in suburban areas, closer to where their customers live.

Bon-Ton operates 276 stores under several names, including Boston Store, Carson Pirie Scott, Elder-Beerman, Youngers and Herberger's. Only about 10 to 12 stores are in downtown locations, said industry analyst Kristina Westura, of New York-based Telsey Advisory Group LLC.

In 2000, the Milwaukee Common Council and then-Mayor John Norquist approved spending \$5 million to help Wispark pay for a \$33 million remodeling of the Boston Store building.

In return for city funds and \$6 million in state grants and tax credits, Saks, which then owned the Boston Store chain, agreed to maintain the store through January 2012, and corporate offices for Boston Store and other department store operations through October 2017. The building also has apartments on its upper floors.

The city funds were provided through a tax incremental financing district that also helped pay for two other projects adjacent to the Grand Avenue: the Marriott Courtyard Hotel construction and the conversion of the former Marshall Field's store into offices, retail space and the Marriott Residence Inn.

Property taxes from those improvements are to pay back \$22.2 million, which includes interest, by 2016, according to the Department of City Development. Through 2010, \$14.4 million has been repaid.

Saks sold the Boston Store chain and other operations in 2006 to Bon-Ton, which since has added about 200 corporate jobs in Milwaukee.

Bon-Ton has about 800 employees at its corporate offices on the Boston Store building's upper floors and in the neighboring Reuss Federal Plaza, and about 85 employees at the Boston Store.

Meanwhile, Shops of Grand Avenue, which is owned separately from the Boston Store building, has announced some new tenants, including American Family Insurance, which will open an office in January near Stone Creek Coffee, and Sprint, which recently opened in the former Lids space.

Also, Fresh Healthy Eatery & Juice Bar will open by Feb. 1, replacing the Chocolate Factory restaurant, said Tracy Korpela, the mall's marketing director.

That restaurant will feature fresh, organic foods that include sandwiches and salads, Korpela said. It will be operated by the same group that owns Fresh Eco Cafe, in the Mequon Pavilions shopping center.