

# Proposal for Boston Store Downtown Retail and Office Operations

# Retail Store

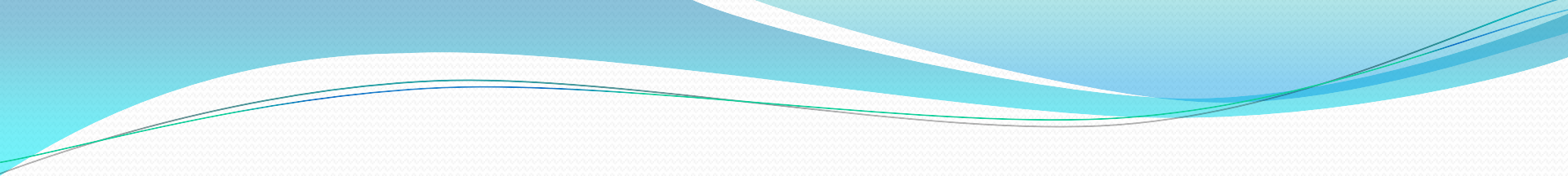
- “Operating covenant” for Boston Store expired January, 2012.
- Store is now on a year-to-year basis.
- Downtown store lost \$600,000 in 2012.
- Store has approx. 100 employees; occupies first and second floors at 331 W. Wisconsin Ave.

# Bon-Ton Regional Headquarters

- Milwaukee office is the 'merchandising' HQ of Bon-Ton. Employs approx. 700. Ave. salary is \$73,000.
- Corporate HQ is in York, Pennsylvania.
- Regional HQ leases floors 3-5 at 331 W. Wisconsin, and 42,000 sf in Reuss Fed. Bldg.
- Lease runs to January, 2018.
  
- Bon-Ton operates 275 stores in 23 northern states.
- Stores include Bon-Ton, Bergner's, Boston Store, Carson Pirie and Scott, Elder-Beerman, Herberger's and Younkers.

# Proposal

- Proposal seeks to extend retail store lease to 2018.
- Would provide nearly 4 years to work with new owner of Grand Ave., and area hotels, retailers, and stakeholders to bring new activity and people to street.
- Wisconsin Ave. Task Force making concerted effort to revitalize street. Loss of Boston Store would be a setback.
- “It’s always better to have an active building, than a vacant building.”

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- Through TID 37 (Grand Ave.), City would contribute to Bon-Ton, an amount up to its real estate taxes, not to exceed \$300,000, annually.
  - Current taxes are \$488,000 (Real & Personal)
  - Intent is to partially offset operating losses.
  - Payments made, annually, in arrears.
  - Payment also tied to maintaining overall employment at not less than 750.

- If employment is less than 750, payment reduced proportionately.
- Additionally: If employment less than 700, no payment due.
- Additionally: If office operation ceases prior to Jan., 2018, all previous payments to be repaid to City.
- TID 37: Total payment of \$1.2 M would extend TID for one year, prior to use for paving or housing.