

Von Maur plans Joliet store, won't open in New Lenox

By Eddie Baeb
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(Crain's) — Von Maur has signed a letter of intent to open a store at a proposed mega-mall in Joliet, while the upscale department store chain has decided against a store at a proposed center in nearby New Lenox.

The Davenport, Iowa-based chain is planning a two-story, 150,000-square-foot Von Maur that would be a key anchor for the massive Bridge Street Town Centre in Joliet. The proposed \$1-billion development at the northeast corner of interstates 80 and 55 is to include 1.7 million square feet of retail along with hotels, housing and some office buildings.

"We feel like we can really make this a regional store," James von Maur, president of the family-owned retailer, says in an interview. "As our momentum picked up with Joliet, our momentum with New Lenox waned ... I feel like the Joliet location will be able to serve those customers because of the easy access from I-80."



The decision comes as a big blow for the Birches of New Lenox, a 1.1 million-square-foot mall proposed by Cleveland-based Forest City Enterprises Inc. Because of the slowdown in the retail and housing markets, the mall's opening was already pushed back a year to 2011.

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A local developer working with Forest City on the project had said Von Maur had agreed to purchase its site there. But Mr. von Maur says the retailer never signed a letter of intent for the Birches project, and never had a binding contract there.

A Forest City spokeswoman and local executive didn't return calls seeking comment.

Mr. von Maur says the company remains "very much committed" to another big, proposed Will County mall: The Shops at the Polo Club in Plainfield. Sources say the retailer has a lease at the proposed 628,000-square-foot center, but that the project's developer has few other leases signed and could lose Von Maur if it doesn't get enough other retailers on board soon.

A spokeswoman for the Polo Club developer, Memphis, Tenn.-based Poag & McEwen, said in an e-mail, "Our deal with Von Maur is firm. They have a totally binding commitment with us." The mall's opening was pushed back to spring 2010 from fall 2009.

Mr. von Maur acknowledged that the retailer's contract with Poag has certain leasing benchmarks the developer must meet, but he declined to provide details.

Von Maur has three stores in Chicago. Its first location here, in the Yorktown shopping center in Lombard, opened in 1994 and is the top-grossing store among Von Maur's 22 locations, which are scattered throughout the Midwest.

The ambitious Bridge Street project is to break ground early next year and open in 2010, Beverly Hills, Calif.-based developer O&S Holdings LLC says. O&S has also previously announced an 18-screen Regal Cinema has agreed to open at the center.

"Getting Von Maur was critical," says O&S co-founder Gary Safady.

Mr. von Maur says the stores in Joliet and Plainfield would be closer together than is typical for department stores, but that he believes both can prosper.

"We think the area around there is really going to fill in," he says. "Chicago is growing so fast."

Of course, there's also a chance that only one of the projects will come to fruition — particularly considering the retail market and struggling economy. Even if both do materialize, Von Maur could still opt to open just one of the locations, says John Melaniphy, president of Melaniphy & Associates Inc., a Chicago-based retail site consultancy.

"I think it's unlikely that both will happen," Mr. Melaniphy says. "They're too close together. It's going to come down to where the specialty stores go. . . . Von Maur will go where they go."
