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Nordstrom Said to Sign Deal for Site in Manhattan

By Charles V. Bagli

After spending the past two decades scouring Manhattan for the right location and the right deal, [Nordstrom](#), the upscale department store, has finally found a home.

The chain, based in Seattle, signed a binding agreement with [Extell Development](#) this week to open New York City's first new full-scale department store in recent memory, a 7-story, 300,000-square-foot behemoth in the base of a planned skyscraper on the north side of 57th Street, east of Broadway, according to real estate executives who have been briefed on the deal.

Nordstrom made it to New Jersey years ago, but it found Manhattan daunting and expensive. The company is known for its customer service, the breadth of its shoe department and its longstanding relationships with designers like Dolce & Gabbana, Hugo Boss, Marc Jacobs and See by Chloé.

"It's a very big deal," M. Ronald Ruskin, managing director of Lansco, a retail broker, and a former chairman of Gimbels, said when a reporter told him of the deal. "It's probably the most interesting thing to happen in retail in a long time."

The location on 57th Street is about 20 blocks north of Macy's and well west of Saks Fifth Avenue and the luxury stores on Madison Avenue. But Nordstrom may be trying to capitalize on the success of the multilevel retailing at Time Warner Center in nearby Columbus Circle, where the sales volume at its shops reportedly runs to about \$1,600 per square foot.

Brooke White, a spokeswoman for Nordstrom, declined to comment, as did Gary Barnett, chief executive of Extell Development. But the real estate executives, who spoke only on the condition of anonymity as they were not authorized to discuss it, said that Nordstrom planned to make an announcement about the store on Thursday with Mayor Michael R. Bloomberg.

Extell plans to erect a one-million-square-foot tower, with a hotel and apartments, on the site of what was once a Hard Rock Cafe. There is currently a supermarket on the parcel and a small store on the 58th Street edge of the property. About a block to the east of the site, Extell is building One 57th Street, a 90-story residential tower and hotel.

Nordstrom has agreed to buy its portion of the building in a deal valued at more than \$300 million. But if the company spent two decades looking for the right site, it will have to wait until 2018 to move in, the executives said.

New department stores have become a rarity, especially with the growth of online shopping. And New York's retail cemetery is filled with those that have expired: Gimbels, Bonwit Teller, S. Klein, Hearn's, Saks-34th Street, B. Altman, Sterns, Alexanders, Orbach's and Abraham & Straus.

Stalwarts like Macy's, Saks and Bloomingdale's remain.

In the early 1990s, Nordstrom considered a move to Lexington Avenue and the site of a former Alexanders department store. More recently, several developers have wooed Nordstrom as an anchor tenant for their projects. The company considered another development site on 57th Street, near Park Avenue, where the developer Harry Macklowe is building a tower. But that project did not work for a large department store.

The developer Stephen Ross of Related Companies had hoped to lure Nordstrom to his 26-acre project over the railyards on the Far West Side of Manhattan. Instead, Mr. Barnett sealed a deal on 57th Street.