

Green Power – Campaign to Fight Retail Redlining Matteson, Ill.

ICMA Best Practices 2004 April 22-23 2004 Annapolis/Anne Arundel County, Maryland

Presenters:

Name: David A. Mekarski, AICP
Title: Village Administrator
Company: Village of Matteson
Street Address: 4900 Village Commons
City, State ZIP: Matteson, IL 60443
Phone: 708-283-4949
Fax: 708-283-4729
E-mail: dmekarski@vil.matteson.il.us

Name: Rives Castleman
Title: Developer/Attorney
Company: Realty America Group
Street Address: 4809 Cole Ave., Ste. #200
City, State ZIP: Dallas, TX 75205
Phone: 214-522-3300 x14
Fax: 214-522-0303
E-mail: RCastleman@RealtyAmericaGroup.com

Name: Hildy L. Kingma, AICP
Title: Director of Community
Development/Deputy Administrator
Company: Village of Matteson
Street Address: 4900 Village Commons
City, State ZIP: Matteson, IL 60443
Phone: 708-283-4940
Fax: 708-283-4952
E-mail: hkingma@vil.matteson.il.us

Name: Robert D. Nadler
Title: President/Midwest Region
Company: Kimco Realty Corporation
Street Address: 10600 W. Higgins Rd., Ste., #408
City, State ZIP: Rosemont, IL 60018
Phone: 847-299-1160
Fax: 847-299-1167
E-mail: rnadler@kimcorealty.com

Name: Andre' B. Ashmore
Title: Village Trustee
Company: Village of Matteson
Street Address: 4900 Village Commons
City, State ZIP: Matteson, IL 60443
Phone: 708-283-4949
Fax: 708-283-4729
E-mail: trusteeashmore@vil.matteson.il.us

Facilitator:

Name: Michelle L. Ferguson
Title: Assistant County Manager
Company: Arlington County
Street Address: 2100 Clarendon Blvd Ste 302
City, State ZIP: Arlington, VA 22201-5445
Phone: 703-228-3911
Fax: 703-228-3295
E-mail: mferguson@arlingtonva.us

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Local Government Data

Form of Government	Village President – Trustee Administrator Form																				
Legislative Body	Elected Village President & 6 member Board of Trustees																				
Population	Village of Matteson 13,000 Chicago Southland 700,000																				
Area (in square miles)	Village of Matteson 10 sq. miles Chicago Southland 350 sq. miles																				
Budget	Matteson, \$20,000,000																				
Major Types of Revenue Sources in FY2003	Sales Tax, User Fees, Property Tax State Shared Revenues																				
Number of Employees	160																				
Socio-Economic Indictors Median Household Income Median Age Homeownership Rate (%) Educational Attainment: % w/ College Degree (or higher)	66,000 37 82% 25.4%																				
Leading Employers	<table style="width: 100%; border-collapse: collapse;"> <tr> <td>Matteson Auto Mall</td> <td style="text-align: right;">900-950</td> </tr> <tr> <td>Elementary School Districts</td> <td style="text-align: right;">550</td> </tr> <tr> <td>Manheim’s Greater Chicago Auto Auction</td> <td style="text-align: right;">450</td> </tr> <tr> <td>Carson Pirie Scott (Lincoln Mall)</td> <td style="text-align: right;">200</td> </tr> <tr> <td>Holiday Inn</td> <td style="text-align: right;">170</td> </tr> <tr> <td>Sears (Lincoln Mall)</td> <td style="text-align: right;">163</td> </tr> <tr> <td>The Home Depot</td> <td style="text-align: right;">150</td> </tr> <tr> <td>Menard's</td> <td style="text-align: right;">140</td> </tr> <tr> <td>Target</td> <td style="text-align: right;">130</td> </tr> <tr> <td colspan="2" style="text-align: center;">Total of approx. 400 retail establishments</td> </tr> </table>	Matteson Auto Mall	900-950	Elementary School Districts	550	Manheim’s Greater Chicago Auto Auction	450	Carson Pirie Scott (Lincoln Mall)	200	Holiday Inn	170	Sears (Lincoln Mall)	163	The Home Depot	150	Menard's	140	Target	130	Total of approx. 400 retail establishments	
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Other Distinguishing Characteristics	<p>Located approximately 28 miles south of downtown Chicago along Interstate 57, near the Cook/Will County line</p> <p>Website: www.vil.matteson.il.us</p>																				

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EXECUTIVE SUMMARY

The village of Matteson, Illinois has exercised a leadership role in highlighting the process of retail redlining, which has hindered the Chicago Southland (43 independent communities immediately south of the city) from achieving its true economic potential. Harnessing a multi-community response, Matteson's administration has designed a retail marketing strategy to draw attention to this process of "unconscious racism." This initiative has effected a behavioral change within the retail sector, creating the potential to mitigate the adverse impacts of this form of economic discrimination.

Characteristic to many regions throughout the United States, the communities of the Chicago Southland experienced a huge swing in demographics during the decades of the 1980's and 90's. With this influx of diversity came the unfortunate consequence of "white flight" from many of the Chicago Southland's economically viable and stable residential communities. While the process of residential "white flight" has been researched extensively, the process of "retail redlining" has largely been ignored, misunderstood and unaddressed with any cohesive community initiatives. Sensitivity in dealing with race issues resulted in a collective apathy within regional organizations to address this issue in any meaningful way. As a result, the village of Matteson, along with the diverse communities of the Southland, suffered tremendous economic losses resulting from the closure of large and small retail centers relocating to homogeneous communities north and west of the Southland communities. Further aggravating the economic distress, new retailers shunned the region, eliminating the opportunity for new economic starts to revive the communities' economic base.

In 1999, the administrative team was charged with the mission to restore viability to the village's retail corridor. Initially employing traditional economic development techniques, the administration soon recognized that the goal to restore high-end retail back to our community was constrained by the perception of our community. The false perception of the community and region is pervasive throughout the retail community and is carried by the decision makers who have control over the retail site locations. After compiling empirical data supporting the contentions that the process of retail redlining was impacting our economic potential, the administrative team sought funding to conduct a market research study to confirm our suspicions. Conducting over 12 scientifically designed focus group studies, evidence was documented to support our hypothesis that new "Class A" retail was not coming to the village of Matteson and many of our neighboring Southland communities due to the process of retail redlining.

Further, a determination was made through demographic research that the economic profile, location criteria, traffic and housing counts and psychographics for our community clearly should support the location decisions, which were not being realized. The analysis confirmed that through the introduction of diversity there came a corresponding increase in average household income, disposable income, median housing values, price point for new home construction, as well as an increase in the

educational attainment of our population. The focus group research supported the contention that there appears to be a large disconnect between the perception of the Southland's market strength and the reality of that strength. This false perception appears to the village to be based on a misunderstanding of our diversity, the stereotyping of our population and/or simply the lack of knowledge of the "true numbers" that demographically define the fabric of our market area.

To combat the process of retail redlining, Matteson launched a five-step process to achieve the true economic potential of its retail market and service area. These steps are as follows:

- Step 1 - Reorganization of administrative capacity to address economic development
- Step 2 - Letter writing campaign
- Step 3 - Kimco/Kmart/Lincoln Mall redevelopment plan
- Step 4 - Promoting sales above corporate projections
- Step 5 - Regional Green Power Day rally

The community response to this initiative was overwhelming. Matteson officials dominated regional headlines, educating our populace to the issues of retail redlining, unconscious racism and the power that individual citizens have to make a difference within their community. "Buy local" initiatives have been advocated throughout the region. Citizens now have a heightened consciousness that their local purchasing power impacts directly to the quality of their schools, parks and municipal services. They further recognize that the concentration of purchases within the newly-opened high-end, "Class A" retailers who have taken a "risk" by locating within the Chicago Southland not only will ensure that center's success but also will encourage other retailers to locate within the retail market area.

The September 6, 2003, Green Power rally hosted hundreds of citizens from across the region. Sales records were established for many of the stores within the center. To date, Borders Books and Music is reporting a 170% increase above its initial sales projections with Sportmart more than doubling its sales projections, and Linens n' Things has exceeded its competing store in a homogenous western community by over 3 times. The retail communities have already taken notice with announcements that another vacant and abandoned "big box" will soon be under contract for renovation and conversion. Retailers and brokers are citing a heightened consciousness of the success of the Borders/Sportmart Power Center and are now recognizing that their concern about market risk may be unfounded. The program demonstrates that while it is difficult to change market attitudes regarding race, communities can act strategically to combat the behavior and impact of prejudice, discrimination and racism.

PROBLEM ASSESSMENT/INITIAL POLICY ENVIRONMENT

The Chicago Southland has been presented with a unique opportunity that could change the course of its future. This opportunity can improve its quality of life, enhance its economic base and begin the process of ensuring that its school systems and local municipalities have the financing to deliver the highest-level of services that can be afforded to the community. The unique element of this opportunity is that the power to make this change is not held by a mayor, council or governing board. The power is vested with the people – citizens acting collectively to make a difference.

The action required to make this change requires no special legislation, petition, candidate selection, protest, vote or financial contribution. It simply requires residents to modify how they shop for goods

and services and in what community they decide to invest their dollars. Everyday citizens are given the choice, a choice to invest in the community and region in which they live, or in the pocketbook of another community, with no interest in the quality of their schools, recreation, roads, police and fire or other municipal services.

The vote for this choice does not come from a punch card at a ballot box, but rather a credit card at a department store. Each day as citizens follow this pattern they enhance the services of others, widening the gap between the Chicago Southland communities and the other communities of the Chicago Metropolitan area. In essence, one community directly subsidizes the tax base of other outlying communities enhancing schools, parks, and services at the expense of their own community. Indirectly residents increase the rate of return on home investment outside their own communities providing a mechanism for competing regions to capture more revenue thus perpetuating and widening the gap.

Geographic Setting

Matteson is a community of approximately 13,000 population in the southwest corner of Cook County. It is bordered to the west by Will County, where much of the new population growth is occurring. Two major highways bisect the community – Interstate 57, which runs north and south, and US Hwy. 30 (the Lincoln Hwy.), which runs east and west. Matteson is also approximately 3 miles south of Interstate 80/94, one of the nation’s busiest east/west thoroughfares, and just 12 miles from the Illinois-Indiana state line. Commuters enjoy a 30 to 45 minute ride to the Chicago Loop, 28 miles to the north.

In terms of its retail market, the village of Matteson competes with two other retail centers within a 15-mile radius. The city of Orland Park, with a homogeneous population of around 51,000 is approximately 15 miles northwest of Matteson’s Lincoln/Cicero commercial corridor. This retail complex has been one of the predominant benefactors of both the residential “white flight” of the seventies and eighties and the commercial “retail flight” within the corresponding period. The second competitive retail center is located approximately the same distance northeast of the Lincoln/Cicero commercial corridor – the River Oaks Shopping Mall in Calumet City. While situated in a diverse region of the Chicago Southland, River Oaks has been resistant to some of the consequences of retail redlining primarily because of the higher population density within its retail market area. This has maintained a higher level of market share and gross sales per square foot, thereby minimizing the economic impacts associated with the negative perceptions connected to retail redlining.

Matteson is one of 43 communities in the South Suburban Mayors and Managers Association – a council of governments representing the Chicago Southland, which extends from the southern most boundary of the city of Chicago, the Indiana border to the east, village of Homer Glen to the west and University Park to the south. While the city of Chicago is one of the most diverse communities in the United States, it is also recognized as one of the most segregated. Historic settlement patterns reveal that the majority of African-Americans located in the area south of downtown Chicago. As suburban ring and outer ring communities developed, a natural out-migration occurred, which created new housing opportunities for the various segregated communities surrounding Chicago’s central core. As a result, the majority of the communities that make up the Chicago Southland are characterized as communities rich in diversity having a strong population base of African-Americans.

Table 1 provides a chart of the major employers within the Chicago Southland area surrounding the village of Matteson. The Chicago Southland as a whole is evolving from an industrial and manufacturing center to a service economy. Table 1 also exemplifies Matteson’s strength associated with its retail base. It is significant to note that the Matteson Auto Mall with 18 dealerships is the fourth largest, employing over 950 individuals. The majority of Matteson residents commute to downtown Chicago, filling an array of professional and middle-management positions.

Table 1: Major Employers – Matteson and Vicinity
(All figures are approximate)

Major Employers	Location	Employees	Services/Products
Ford Stamping Plant - Ford Motor Company	Chicago Heights	1,500	Ford Vehicle Stamping Factory
St. James Hospital	Chicago Heights	1,500	Healthcare
Governors State University	University Park	990	Education
Matteson Auto Mall	Matteson	900-950	Auto Dealerships
Federal Signal Corporation	University Park	800	Emergency Vehicle Equipment Manufacturing
St. James Hospital	Olympia Fields	800	Healthcare
Manheim’s Greater Chicago Auto Auction	Matteson	450	Dealership Auto Auction
Bimba Manufacturing	University Park	400	Pneumatic Actuator Manufacturing
School District 162	Matteson	350	Elementary Education
School District 159	Matteson	200	Elementary Education
Carson Pirie Scott	Matteson	200	Retail Sales
Other major employers among Matteson retailers include: Best Buy, Circuit City, The Home Depot, Menard’s, Sam’s Wholesale Club, Sears, Target, Value City, and Walmart			

Demographic Change/Retail Closures & Vacancies

During the 1970’s, Matteson represented the retail hub of the Chicago Southland. Demographically its population was viewed as a homogenous community, possessing a moderate to average household income. Within the next decades, a dramatic change took place as new families poured into the area. As the new populations pushed up our average household income, our educational attainment also increased. Increases in home value also occurred. Conventionally, the retail market community should have viewed these changes positively.

Ironically, Matteson’s economic strength appeared to have the opposite effect. Existing high-end retail centers lost market share, and other than “big box” discount centers, few retail starts were recorded for the subsequent decade. “Class A retail” opportunities for Matteson and the diverse communities of the Southland were seemingly out of reach. The retail hub of the Chicago Southland was in decline, impacting not only store location, but also overall investment, operation and maintenance budgets and merchandizing at the shelf.

The explanation of this phenomenon may be found in the fact that with our population and economic growth, our community also grew in diversity. Matteson’s percentage of blacks grew from 12.4%, in 1980 to 44.4% by 1990. By 2000 the percent of African-Americans grew to 62.6%. While we, as a community, have recognized this as our greatest strength, the brokerage and retail community appeared to carry a biased perception of the “quality of our community” for new high-end retail investment. Stagnation in

new economic starts eventually resulted in stagnation in existing retail centers. The decline in Lincoln Mall is but one vivid example of this process. A 1,000,000 sq. ft. regional shopping center, the mall currently has two of its four anchor stores vacant, with an additional 40% of its “in-line” smaller retail space vacant.



Property Profile
Lincoln Mall



208 Lincoln Mall Dr., Matteson, IL 60443-2329

Market Specific Criteria	2 Mile Radius	5 Mile Radius	U.S. Profile
Predominant Consumer Lifestyles	33.2% Kids & Cul-de-Sacs	22.6% Kids & Cul-de-Sacs	3.1% Kids & Cul-de-Sacs
	18.9% New Empty Nests	13.2% New Empty Nests	2.3% New Empty Nests
	13.3% Blue Blood Estates	10.4% Gray Collars	1.2% Blue Blood Estates
	12.6% Upstarts & Seniors	10.3% Suburban Sprawl	1.5% Upstarts & Seniors
	9.2% Suburban Sprawl	6.5% Upstarts & Seniors	1.5% Suburban Sprawl
	6.7% Blue-Chip Blues	5.9% Blue-Chip Blues	1.9% Blue-Chip Blues
2002 Population	27,911	148,537	286,781,811
2002 HHs	10,055	53,435	107,745,450
5 Year Market Growth	0.4%	2.4%	4.8%
Business Population	17,399	51,669	141,379,210
Average HH Size	2.8	2.8	2.7
Median Age	37.3 years	36.4 years	36.3 years
Population Age Under 5	6.7%	7.1%	6.7%
Population Age 5 - 14	15.2%	16.3%	14.5%
Population Age 15 - 17	4.7%	4.8%	4.3%
Population Age 18 - 24	8.0%	8.3%	9.8%
Population Age 25 - 34	12.2%	12.1%	13.7%
Population Age 35 - 44	16.3%	15.6%	15.5%
Population Age 45 - 54	16.2%	15.0%	13.9%
Population Age 55 - 64	9.8%	9.5%	9.2%
Population Age 65+	11.1%	11.3%	12.3%
White Collar Employment	69.5%	66.7%	58.5%
Blue Collar Employment	30.5%	33.3%	41.5%
Education Level	29.4% 4+ yrs college	24.9% 4+ yrs college	20.8% 4+ yrs college
	22.3% <4 yrs college	24.5% <4 yrs college	19.1% <4 yrs college
Average HH Income	\$92,644	\$81,698	\$64,339
Median HH Income	\$76,922	\$67,430	\$50,717
Per Capita Income	\$33,375	\$29,390	\$24,172
Income \$35,000-\$49,999	14.0%	14.6%	15.5%
HH Income \$50,000+	68.6%	62.5%	47.4%
HH Income \$75,000+	44.9%	39.4%	27.3%
Homeowners %	75.4%	77.8%	66.3%
Ethnicity	37.4% White	46.1% White	74.5% White
	57.4% Black	45.9% Black	12.4% Black
	1.8% Asian Pac. Isl.	1.3% Asian Pac. Isl.	4.0% Asian Pac. Isl.
Hispanic Ancestry	3.9% Hispanic	8.7% Hispanic	13.1% Hispanic

Focus Group Research¹

In an effort to uncover attitudes toward and experience with the village of Matteson and specifically the Lincoln Mall, a comprehensive research study was undertaken.

The village sponsored a number of town hall meetings to address the retail situation with residents. These meetings were both formal and informal engagements with various stakeholders. As part of ongoing meetings with the Unity Coalition, a regional citizen's organization committed to social and economic development within the diverse communities of the Chicago Southland, members were engaged by the village's administrative team on their perceptions of the marketplace and evidence of retail redlining. Similar sessions were held with the realtor community who expressed both their customers' perspectives and the perceptions that their fellow realtors have regarding our market place. Lastly, the village sponsored an annual Neighborhood Conference, engaging citizens in an array of seminar opportunities on educational topics ranging from local government service delivery to public policy and economic development. In the sessions on economic development, the dichotomy of reality and the perception of our market place was clearly identified. These sessions confirmed our need to do a professional market research and focus group analysis.

The focus group study, conducted in spring 2002, sought to provide information that could assist in village efforts to develop an economic development package, possibly including tax incentives. While the research was qualitative in design, it included a wide variety of consumers, both with and without ties to the village, as well as local retailers and commercial real estate brokers who serve the south suburbs. Specifically, the project was comprised of 12 focus groups of the following types:

- *Eight residential groups* - first separated by race, with four African-American groups and four Caucasian groups, so that the potentially sensitive material could be openly discussed. To further ensure candor, an African-American moderator was used for the African-American groups, and a white moderator for the white groups. In addition to qualifying on a racial basis, these participants had to be at least 21 years of age, with income greater than \$30,000 a year and currently living either ...
 - In the village of Matteson;
 - Within 5 miles of Matteson;
 - Within 5-10 miles of Matteson; or
 - Within 10-15 miles of Matteson.

- *Four business groups* – that were separated by professional distinctions, included...
 - Two groups of experienced decision-makers representing established Matteson retail stores in business for at least three years-some from the mall, some not;
 - One group of restaurant decision-makers, who had been in their position for at least a year; and
 - One group made up of real estate brokers primarily involved in commercial real estate in the south suburbs-some with recent business in Matteson, some without.

A total of 69 consumer respondents were studied, along with 22 business respondents. Two written questionnaires were also part of the research design. One was a consumer survey, developed to generate more quantitative results on key questions. The second was a retailer survey,

¹ Material extracted from Matteson Focus Group Research by American Marketing Services, Inc., June 17, 2002

covering issues of wages and sales that were considered too sensitive to be asked in front of local retail colleagues and/or potential competitors.

All respondents were selected randomly and were given a small stipend for their attendance and participation. Following the questionnaires, the respondents participated in the segregated focus groups where a professional facilitator walked them through a series of questions to solicit their perceptions of Matteson's market place and the opportunities and constraints operating within the Chicago Southland communities. All focus group sessions were conducted in a professional market research facility and lasted in the neighborhood of 1 to 1 ½ hours each. They were also videotaped for later review.

Focus Group Findings:

A. Summary Results

The research revealed a number of findings that cut across any racial, geographic, residential or commercial differences. For instance;

- 1) The image of Matteson is affected by Lincoln Mall. Unfortunately, the mall was seen to be in decline and was criticized for having too many vacancies, a poor selection of stores and merchandise, as well as perceived crime. Further, those who do frequent the mall claimed to buy only specific items there rather than spending time shopping store-to-store.
- 2) Interestingly, the concept of an outlet mall coming to the village was enthusiastically embraced.
- 3) Most perceptions of crime were not based on known or factual accounts but rather on perceptions generated from rumor, visceral feelings or reactions to the mall's outward appearance.
- 4) The racial transition within the village was seen by many as a sign of economic decline. Very few respondents seemed aware, for instance, that the median income in Matteson is quite high.

B: Matteson's Image

During the course of the focus group sessions, general questions about the village of Matteson were posed to both the residential and business respondents. Time and again, their reactions would center on Lincoln Mall. Regardless of respondent type, Matteson was most frequently defined by attitudes toward the Lincoln Mall. Unfortunately, the mall's perceived failure was seen as a significant problem. Some representative comments about the mall regardless of respondent type include:

- *"The mall is bad. There's no restaurant ... If I'm in there and I get thirsty, I just leave."*
- *"The selection there is really bad. I'd like to support my community, but they don't have what I want."*
- *"The upkeep is bad: the bathrooms, dressing rooms...; even some of the ceilings are coming down."*
- *"It's kind of turned into a hang-out for kids."*
- *"The parking lot is not well-lit... If you dropped your keys at night there you'd never find them."*
- *"It's in really bad shape. It has a lot of weeds."*
- *"They really need some decent landscaping."*

C: Merchandise Selection

Connected to these problems was the perception among consumers that the mall lacks not only any restaurants and/or places to sit and meet, but that it lacks a good mix of stores and selection of merchandise. While the majority saw room for improvements, whites by far voiced more criticism in this regard. Commonly heard were reports of merchandise being geared to the African-American customer, whether in terms of clothing or gift items. This perception contributed to white respondents' general impressions of the mall's incompatibility for them.

Interestingly, this feeling of incompatibility was also echoed by many in the black groups. Although being able to find such things as the right color hosiery or shade of make-up was certainly appreciated, other choices were reported to be unavailable by many blacks in the study as well. For example, product selection was sometimes criticized for being too youth-oriented, not upscale enough or "too flashy." As one woman said, "They don't carry anything mature or upscale anymore."

D: Crime and Safety

Strongly associated to perceptions of the mall's decline are fears of crime. Yet, it is important to note here that when pressed, many of the respondents with these negative impressions of the mall acknowledged that they based their reactions on outward signs or *feelings* rather than factual accounts in the news or personal experiences. Typical of these reactions were:

- *"I don't know if there's crime there, but I feel that there is."*
- *"It's scary... I just don't feel it's safe there."*
- *"I wouldn't let my daughter go there... I don't think she'd be safe."*

E: The Racial Component

When discussing attitudes toward crime and the selection of merchandise at the mall, white respondents inevitably raised the issue of the changing racial composition they perceive in both Matteson and its mall. Since the village and the mall were generally thought to be areas in decline *and* increasingly more African-American, Matteson's image cannot be fully understood without discussing its perceived changing racial composition, and the deep-rooted attitudes toward race. The research attempted to meet these sensitive issues head-on and those efforts revealed some interesting findings in this regard.

Although racism was rarely, if ever, mentioned as contributing to Matteson's challenges, it was often exhibited, though sometimes subtly, in the white groups. This fundamental and systemic problem often infiltrated the topics of property values, crime and safety. For many of these whites, economic or class distinctions were often defined in racial terms; crime issues were occasionally perceived as racial trouble; and youth problems were sometimes described as black problems. In other words, race was frequently blamed or at least infused into discussions about Matteson's difficulties. It is important to mention here that these anecdotal findings were not apparent in the group of white consumers who were residents of Matteson.

Other racial differences brought out in the research showed that while the majority of African-American respondents clearly wanted the same improvements as whites, they were more apt to find Lincoln Mall acceptable. Specifically, blacks were:

- Less apt to address the racial mix at mall;
- Slightly less likely to voice safety concerns;
- More likely to feel welcomed at the mall.

F: Perceptions of White Flight

Beyond the parameters of the Lincoln Mall, Matteson's overall racial diversity was commonly considered, regardless of respondent type, to be increasingly African-American. Although the perception of the village becoming less and less white was more often verbalized as "troubling" by Caucasian respondents, some blacks reported a concern with this trend as well. As one African-American respondent from a neighboring suburb noted, "I've been in this area for six years. When I came here, it was a really nice mixed community. Now it's run-down and totally black." The correlation of "white flight" and Matteson's decline was described by a black resident of Matteson who observed, "The whites have gone and so have the services, stores and buses."

Focus Group Conclusions:

The main research findings from this study are:

1. Consumer impressions of Matteson and the mall are more often based on feelings rather than factual accounts or experiences. Further, for many of the whites studied, attitudes toward the village may be influenced by racially biased views that identify areas or stores that are increasingly black as places that are increasingly poor or unsafe.
2. The village of Matteson is greatly affected by Lincoln Mall, which is perceived to be in decline, and less and less populated by Caucasians. Those who frequent the mall are more likely to be African-American rather than white; buy specific items rather than shop there; and describe it as a "hang-out" for young people. For consumers who do not patronize the mall, merely driving by it seems to reinforce the perception that there has been a loss of business, which causes apprehension and breeds rumors. Such rumors, along with the outward signs, convey a negative message to those who do not need to enter the mall to formulate an opinion of it.
3. Retailers with first-hand experience at the mall support the consumer perception of the mall being in an economic struggle, with some ongoing security problems.²
4. The concept of an outlet mall coming to the village was unanimously and enthusiastically supported by both consumers and business professionals, with consumers claiming they would eagerly patronize such an establishment.
5. African-Americans, while still aware of the drawbacks, are generally more positive than whites about Matteson and the mall.
6. Female consumers and retailers voiced the strongest concerns about safety at the mall.

² Evidence collected by the Matteson Police Department revealed that the security problems are now no different from the security issues that other malls of its size face on a regular basis. Crime statistics reveal that the majority of police calls are related to shoplifting and petty larceny. The Matteson Police Department coordinates with mall security on a continual basis and has provided contractual staffing over the weekends to increase the visibility of security. The focus group research revealed that the perception of retailers may be, in part, affected by racial bias.

7. There seems to be a correlation between the perception of the mall being a hangout for teens and consumer feelings of a lack of safety there.
8. The types of stores perceived as lacking in Matteson, regardless of race, were upscale clothing and home furnishing establishments, as well as bookstores. Those chains desired most for Matteson by consumers are Bed, Bath & Beyond; IKEA; Linens 'n Things; Crate & Barrel and Marshall Field's, which each fared equally well among both races. The store specifically named by whites as appealing is Kohl's department store.³
9. Corporations are typically unwilling to put money into stores with low sales volume. Thus, retailers in the mall feel the greatest struggle, as they are often pinched by the mall's economic decline and a lack of their own corporate support.
10. While village officials are thought to be very competent, Matteson's restrictions on certain business practices were criticized, such as limits on signage and merchandise storage.⁴
11. Many retailers, and all of the brokers, are deeply critical of Cook County's high property taxes, with both reporting a negative impact on their businesses because of them. In fact, realtor representatives noted that high taxes often cause them to lose business to Will County, just a few miles away.
12. The commercial real estate brokers are more aware of Matteson's strengths than are the retailers or consumers, citing the excellence of village officials as well as village proximity to important traffic arteries.
13. Although consumers claim that I-57 has no influence on their retail choices, real estate brokers using census demographic data indicate their perception that the area east of I-57 is in decline.

While conclusions #12 and #13 appear to be contradictory, they are symptomatic of the dichotomy that exists within the brokerage community. Those brokers, who primarily work within the Chicago Southland market area, recognize the strengths and amenities of Matteson and its surrounding communities but maintain a misperception and often gross distortion of the true demographics for the area they are trying to market. Interstate 57 acts as a psychological "Berlin Wall," not too dissimilar to 8-mile Rd. within the Detroit metropolitan area. It is a social line of demarcation associated with a perception that you are entering or exiting a predominantly African-American area.

Focus Group Recommendations:

Some of the ways that the village can best utilize these results, and improve current perceptions about Matteson, are to:

- Continue to educate consumers, in order to counter the rumors they hear or the decline they may perceive. Although the village has made efforts to raise awareness of the high quality of life in Matteson, much still needs to be done. Since the enemy in this battle is often white racism that perceives blacks as poor, the village must combat uninformed whites by promoting its high median income and upscale housing in an aggressive public information campaign. In addition to these key features, Matteson should tout its convenient location and economic successes. As part of this campaign, the village ought to ...

³ Lincoln Mall management, Jones, Lang & LaSalle contends that with the exception of destination retail, such as IKEA, the majority of "Class A" retail can co-exist within Lincoln Mall and its two competitive regional malls, as the others are both at the fringe of an overlapping market area.

⁴ This conclusion reflects one of the symptoms of retail redlining in that as demand in diverse neighborhoods is typically underestimated, pro formas are established at low-to-moderate square footage levels, which causes problems for an undersized store to effectively compete in a burgeoning retail market.

- Inform certain corporate retailers about widespread negative perceptions of their locations in Lincoln Mall. Although convincing such corporations to support a store that is not doing well could be a challenge, a grass roots movement, such as a village-sponsored letter writing campaign that targeted a certain store and urged minimal improvements, might succeed.
- Conduct an outreach effort to the real estate industry that capitalizes on the low public awareness of Matteson reported by brokers. Since these brokers are a link to new business and the study shows them generally supportive of the community, they must be highly informed and armed with facts and marketing material that emphasizes village strengths. This communication effort needs its own special outreach efforts so that word gets out successfully and travels through brokers and to other local areas. Even though the brokers are concerned about high taxes and village restrictions, more direct communication that would increase awareness could increase sales.
- Broaden Matteson's neighborhood reach by extending some of its community mailings or newsletters to those areas within a five-mile radius of Matteson. The research suggests there is good potential to be developed, as Matteson is drawing from this group more frequently than from those living further away. Thus, Matteson should also advertise and promote itself in nearby communities to increase commercial and residential traffic in Matteson.
- If an outlet mall cannot be realized, any new retailing effort should not duplicate the stores at Orland Mall or other competing locations. Staying distinctive will give shoppers a reason to drive to Matteson; particularly if the mall has something unique to offer. Important in this regard would be the addition of a food court and more upscale shops.
- Bring fine dining to Matteson, perhaps one of the locally owned eateries like Bogart's or Hobnob, or even an upscale chain like Maggiano's as the findings indicate the restaurant would not only give a visible lift to the community, but such an establishment would be patronized.
- Fix the outward signs of the mall's perceived decline. External enhancements will be signs of economic growth. Focus first on innovative landscaping design, perhaps with public sculpture and an improved parking lot. Any internal design or renovation choices should take into account that the public has come to expect shopping to be fun and malls to be a lively environment.
- Improve the village's relationship with the local business sector by continuing to offer tax advantages or other incentive programs. Such efforts could, at least temporarily, offset the economic slump, particularly for those currently in the mall. Further show village support of business by exploring current restrictions on business, especially those relating to signage, to see if changes are appropriate.
- Since females are the main shoppers, Matteson must take extra precautions to guarantee their feelings of safety if its stores are to succeed. This is particularly true for the mall, where security measures must be heightened and criminals fully prosecuted.
- Address the issue of real estate perceptions for the economic profile east of I-57 by raising awareness of the upscale areas or subdivisions, which are in fact, east of I-57. Perhaps initiate a PR campaign that stresses the quality of housing in the *entire* village or a

campaign that targets troublesome neighborhoods with enhancement programs, possibly including the development of a new park in that area.⁵

- Strengthen youth activity efforts in the village, either by increasing awareness of current park district and library offerings or by creating new programs for young people, perhaps in connection with an organization like the YMCA. This effort could curb the mall's problem of being perceived as a "hang-out for teens," while offering important programs that counter other village problems. For example, job skills and placement programs that respond to retail's desire for better quality help, or recreational activities geared to families and children that answer the call for better entertainment offerings.
- Continue to work diligently to further economic development in Matteson and aggressively promote any and all successes through organized press conferences, press releases, newsletters, advertisements and other communications. Whether it is Starbucks or the large auto mall⁶, residents and the business community need to know that new businesses are, in fact, coming to Matteson. The best vehicle to counter the incorrect perception of "decline" is to show actual additions of new businesses.
- Finally, conduct quantitative research on the idea of Lincoln Mall becoming an outlet mall, as well as adding a higher-end restaurant to the mall environs. Preliminary findings show both initiatives would be successful with the public. This research could be conducted either by phone or mail, and would include a large sample of systematically selected consumers representing all demographics found within the geographic reach, from which the mall would expect to draw. These data could be used as part of a sales presentation that would promote the outlet mall idea first, with other retail and restaurant establishments to follow.

PROJECT DESCRIPTION

Matteson's response to retail redlining and our research findings entailed the following:

- Reorganization of Administrative Capacity to Address Economic Development
- Retail Letter Writing Campaign
- Kimco/Kmart Conversion & Lincoln Mall Redevelopment
- Promoting Sales Above Corporate Projections
- Regional Green Power Day Rally

Step 1: Reorganization of Administrative Capacity to Address Economic Development

Recognizing that new retail starts, and more specifically, high-end "Class A" retail were not entering into the market on their own volition, the Administrator's office, in concert with the Deputy Village Administrator, who serves as the village Community Development Director, reorganized departmental resources to ensure a higher level of municipal intervention into the retail market place. A new

⁵ To encourage property maintenance and neighborhood upkeep, the village has sponsored a "Neighborhood Beautification Program" encouraging participants to compete for the best-maintained property within a subdivision or neighborhood area. The village issues plaques, certificates and award signs to well over 50 homeowners annually.

⁶ The auto mall represents one of the largest conglomerations of independent auto dealerships in the United States. Subsidized with both property and sales tax incentives, the auto mall has grown to host over 18 dealers within a land area of 110-acres boasting a total of 6,000 cars on their combined lots.

division was created within the Community Development Department with two new positions: Economic Development Coordinator and Economic Development Specialist. Reallocation of duties was made in the Community Affairs Department to assist in economic development marketing efforts. In an earlier effort, the Community Development Director reorganized the village's Economic Development Commission, which immediately embarked on a comprehensive strategy of inducing new retail starts through the delivery of tax incentives. The attachments to this case study include a comprehensive set of economic development incentives utilized by the village board to induce economic development.

A lack of detailed and credible demographic and marketing data has made it difficult for the commercial brokerage community to identify the true assets of Matteson's market area population. The unavailability of sound information regarding population characteristics such as median income, disposable income, and projected growth rates for the Matteson market area and the individual sub-communities within the market area has led many potential and existing businesses to use limited or outdated data to make their market decisions. The true economic picture in Matteson is often skewed by the use of limited demographic data, such as population, housing counts, and race. Therefore, our community's ability to take full advantage of the market has been constrained by this lack of detailed, comprehensive, and credible data.

To combat this situation, the village's administrative team proposed the completion of a Comprehensive Economic Base Study, to collect detailed demographic data to assist in changing the perception of our market area. This study is one part of a Comprehensive Economic Development Planning Program, which the village is undertaking. The program has five basic components:

1. Focus Group analysis of the retail market area
2. Collection of detailed demographic data
3. Evaluation of opportunities and constraints in land use regulations impacting economic development
4. Targeted marketing to change market perception
5. Comprehensive economic incentive program

In addition to the basic data gathering and analysis represented by the Economic Base Study, this comprehensive program will enable the village to collect anecdotal data from key stakeholders in the community, examine the land use and other regulations that may impact the success of our economic development efforts, create a marketing strategy to move the economic development program to a more professional level, and develop a package of economic incentives that target the businesses most likely to further Matteson's economic development goals.

The end result of this first element of the Comprehensive Economic Development Planning Program should allow the village to:

- Fine-tune the demographic characteristics of the Matteson area market;
- Identify the gaps in the economic mix within Matteson that can reasonably be targeted in order to increase the economic diversity within the community;
- Conduct a comparative analysis of Matteson versus our retail competition to assess potential differences in retail capital investment, annual operation and maintenance expenditures, marketing and merchandising, and employee wages, retention and training;

- Determine whether the goals established by the village of Matteson are achievable given the characteristics of the market area;
- Analyze the economic mix by business sector respective of its geographic target area, and calculate absorption rates for new economic starts within each sector; (i.e., absorption rates for big box retail within a 15-mile radius from Cicero and Lincoln);
- Identify where gaps in the economic mix can be successfully targeted and where complementary and non-complementary uses within the Lincoln/Cicero corridor can be changed through marketing strategies, regulation, or economic incentives; and
- Identify and analyze traffic patterns to determine the origin and destination of consumers in the local market area.

Step 2: Retail Letter Writing Campaign

Retail redlining is a process that is greatly affected by the prejudices and bias carried by decision makers relative to investing in a diverse community. While there was a need to develop credible and reliable demographic data for decision makers to evaluate, it was recognized that such data would be useless unless we attracted the attention of the very decision makers that were stereotyping our community.

In concert with the Community Affairs Department, the Economic Development division developed an innovative strategy encouraging our community to write to corporate decision makers, explaining why their commercial facility was desired within the village of Matteson or one of the collar communities. Spawned by the earlier focus group research as citizens asked, “What can we do,” the campaign brought citizens and village officials together in pursuit of our economic development objectives.

This letter writing campaign was extended to the village’s homeowners associations, churches, civic groups and area chambers of commerce. Regional organizations, such as the Unity Coalition, Diversity Inc. and Healing Racism were also requested to partner in this marketing strategy. Sample corporate letters and corporate retail contact information were made available on the village’s Web page to allow other communities to replicate our program. The Matteson program targeted a national, high-end book retailer, sporting goods store and major high-end restaurants. Letter writing parties were orchestrated in partnership with the local colleges, using the school information technology laboratories for massive transmittals to corporate retail officials. The program was a resounding success, delivering hundreds of letters to corporate officials encouraging them to look beyond the demographics of race and examine the strong locational criteria of Matteson and its surrounding communities. The initiative was recognized nationally in its receipt of the 2002 3CMA Savvy Award.

Goals & Objectives:

The retail letter writing campaign had, at its core three economic development objectives:

- Draw corporate attention to the village of Matteson and other diverse communities of the Chicago Southland
- Demonstrate customer loyalty
- Encourage decision makers to examine the detailed demographics collected for Matteson and other opportunities within the Chicago Southland

In addition, the campaign created a citizens “Buy In” to the process of economically revitalizing our region. The letter writing campaign was designed to:

- Shape the community toward the residents' vision, dreams and aspirations of what they want in their community
- Improve Matteson residents' quality of life
- Unite a diversified community to accomplish a common goal
- Enhance the impact with retailer CEOs through the mobilization of community volunteers
- Involve residents toward the success of their community
- Demonstrate retail pent-up demand

Matteson residents were first informed about the campaign through the Matteson Monthly Newsletter. The newsletter asked them to e-mail or call with suggestions on which stores they wanted in their community. The response was tremendous. Through the resident's suggestions, a massive list was compiled to kick off the campaign. The attachments include an excerpt from the village's Web page referencing the letter writing campaign and a sample form letter, which can be tailored for use by another community.

Following the introduction of the program through the newsletter, Matteson's administrative team conducted a media blitz to create both citizen excitement and anticipation. The village's cable access channel was used to promote the campaign, with public service announcements scrolled via the cable character generator. Interviews of village departmental personnel were conducted and broadcast as a special feature of the village's regularly scheduled cable access talk show, Matteson Matters. The local and regional newspapers featured articles announcing the campaign to their readership. The most successful part of this process was the series of work parties where "volunteer groups met at the computer center of the local community college to put out a mass mailing of letters to targeted retailers". Borders Books and Music was one such target of the initial phase of this project. The work party idea spawned participation with homeowner associations and various community organizations from surrounding communities to help with the campaign.

The Outcome:

The campaign was very well received by residents and regional community and civic organizations. Residents were excited to be part of a major decision for the greater community.

Various responses were tracked to monitor the success of the campaign:

- Four months into the campaign, over 400 letters had been sent to corporate decision makers
- Several letters were received from corporate retail representatives responding to the initial letters from our residents
- Various targeted retailers on the list have subsequently signed leases and are now operating within the market place. Other retailers are in negotiations with various shopping center owners
- Over 50 phone calls and e-mails came in from residents informing us of their response from the retail stores which they contacted

Following the letter writing campaign and the village's issuance of economic incentives, Kimco Realty announced its decision to open a suite of "Class A" retail at the vacant K-Mart site. Ultimately, the deal closer in locating Borders Books and Music, Sportmart and Linens 'n Things was not tax incentives – it was the expression of the community interest. Retail brokers and retailers took what they perceived as a risk because the people in the community demanded these services. Some in the campaign had even expressed their unwillingness to shop outside their greater "Southland

community”. This outpouring of community support translated into community pride and buyer loyalty factors that acted to further mitigate the negative perception of the marketplace.

Probably the greatest measure of success has been commentary given from corporate officials attending the grand opening of the Borders Books and Music. These officials proclaimed to the regional citizens in attendance, that the “single largest reason why they decided to open a store in Matteson is due to the clear demonstration of customer interest,” exclaiming that they received over 2,000 letters from citizens throughout the Chicago Southland. Prior to the expiration of their first years’ lease, Borders has further announced that they are continuing to trend 200% above corporate projections. They have just announced that in early March of 2004, the Matteson store was recognized as one of the 5 most profitable new stores in the entire chain nation wide. Borders has further announced that they have exercised their option to extend their short-term 10-year lease to 25 years.

Step 3: Kimco/Kmart Conversion & Lincoln Mall Redevelopment

Kimco:

Kimco Realty Corporation owned an approximately 17-acre site in the village of Matteson, which included a former Kmart store, an existing Marshall’s store and an existing Payless Shoe Source store. The former Kmart store occupied the largest space, consisting of 131,154 square feet, which has been vacant since the store closed in November 2000. Kimco retrofitted the former Kmart space, creating 122,822 square feet of leasable space to house three new national retail tenants: Borders Books and Music, Sportmart, and Linens ‘N Things. Corporate representatives confirmed that the letter writing campaign strongly influenced their decision to locate their facilities within our community despite expressing their concerns that these decisions may represent economic risk. Kimco also developed two new buildings on outlots for proposed commercial retail or restaurant use along Lincoln Highway. In addition, Kimco added 14,000 sq. ft. to the building. The estimated total budget for this Project was approximately \$15.2 million.

Based on conservative estimates, Kimco projected that approximately \$10,293,011 in real estate tax revenue and approximately \$7,589,636 in local sales tax revenue will be generated from the site over twenty years, with the combined total estimated to exceed \$17,882,647. The projected real estate tax revenue includes the savings from the Class 8 Incentive, a property tax incentive sponsored by Cook County, Illinois, which essentially cuts the commercial property tax by 50% for an eleven-year period.

In order to develop the site, Kimco requested assistance from the village in the form of a Class 8 property tax incentive, which reduced the assessed valuation of existing structures by 50%. In addition, they requested a pledge of local sales tax revenue generated at the site. The amount of the agreed upon assistance was \$2 million with 8% interest, payable from 60% of the local sales tax generated at the site, not to exceed 20 years. The 60% pledge of sales tax for the improvements is being reimbursed to Kimco from the local 1% municipal sales tax on retail sales made at the site. Capping the requested assistance at \$2 million dollars provided an opportunity for the village’s incentive package to be paid out prior to the end of the 20-year period, which would then unencumber local sales tax generation from this site. Simply put, the greater the amount of retail sales the shorter the period for the 60% sales tax incentive.

The Kimco incentive package provided two inducements:

- The Class 8 property tax incentive reduced the total ad valorem property tax by 50%, and
- The sales tax incentive financed \$2 million dollars in capital improvements and ten build-outs, which normally would be paid for by the prospective retail tenant.

With this package, Kimco created a viable and attractive commercial site by:

- Retrofitting the site to create approximately 122,822 square feet of new retail space for Borders Books and Music, Sportmart, and Linens 'N Things
- Fabricating new façade over the existing Marshall's store, with Marshall's responsible for interior renovations
- Developing outlots, estimated at 5,000 square feet and 3,000 square feet each, for proposed retail commercial or restaurant use as users are secured
- Reconfiguring the existing ring road to accommodate the new proposed outlots.
- Constructing an addition of 14,000 sq. ft. to existing buildings to accommodate 4 additional stores

The redevelopment costs and the return on the investment would have made this project economically unfeasible, but for the property and sales tax incentives.

Lincoln Mall:

Lincoln Mall was built in the early 1970's as a major regional mall constructed in a two-level cross design, which was typical for that era. The design placed focus on the anchor department stores that would surround a covered shopping mall area that housed similar retail tenants. The mall had maximum lease-up activity in the initial ten years of operation.

In the late 1990's two of the four anchor stores were lost due to national corporate decisions, which had an immediate impact on the maintenance of the small retail shops adjacent to the now vacant anchors. Broken co-tenancy requirements in the lease agreements of many of the mall's smaller retail shops were now open to allow the flight of many of the mall's smaller retail shops. Vacancy within the small shops grew to 31%, and when combined with the two vacant anchors, the leasable space under contract never increased above 60%. One of the most critical blighting factors of the mall is the continued decline in equalized assessed valuation of the property in six of the last seven years.

Mall ownership and management changed multiple times. After an initial tax incremental financing redevelopment project failed, due to a dramatic loss in assessed valuation, the mall was put up for sale with little more in prospects other than another sequel to the *Blues Brothers* movie, reminiscent of the scene of Dan Aykroyd and John Belushi driving their squad car through Dixie Square Mall in Harvey, Illinois – an early tragedy of the process of retail redlining.

The California landlords contacted Realty America, a retail properties brokerage firm, to find a new buyer for the distressed commercial property. Following the completion of their due diligence Realty America found a prospective buyer – themselves. Realty America recognized that the malaise of the mall was due to perception and not market reality. The demographic analysis collected by Jones, Lang

& LaSalle clearly demonstrated that the demographics surrounding the mall property exceeded the national baseline to support quality retail. The psychographics collected for the malls market area also supported retail behavioral patterns, which could result in untapped profit potential for the new owners. The stage was set for the development of the new economic development package, which is currently in negotiations.

The village of Matteson is now embarking on a \$45 million dollar redevelopment of Lincoln Mall, combining economic development incentives with marketing ideas gained from the retail success stories being documented throughout our corridor. To combat both the vacancies and decline in assessed valuation, the village has crafted an innovative tax incremental financing strategy, which will immediately transfer \$18 million dollars of liquidity. The revenues will be derived from two successful tax incremental financing districts located adjacent to the new Lincoln Mall redevelopment area. This initial investment, which received the cooperation of two school districts who previously benefited from the annual TIF surplus, will leverage \$35 million dollars in private investment, reimbursed in part by future tax increment from the revitalized Lincoln Mall property. The current plan calls for utilizing TIF dollars to build-out new tenant space or pay for demolition, renovation and reconstruction of existing space to meet today's new retail market.

Architecturally, the mall will evolve as a hybrid enclosed mall with an adjoining open-air plaza, which will incorporate new retail space, entertainment, restaurants and cultural amenities. The plan includes the construction of a new cross/connector roadway, which will open up an additional 40 acres of Mall property to enhance traffic counts, access and visibility. The roadway opens up the property for the creation of new big box retail sights and an array of life-center projects, which will transform the antiquated mall design to meet the needs of today's retail consumer. The ultimate outlook for the transformation of this facility will more than likely resemble an amalgamation of traditional retail stores, and big box retail center, opening the doors for a mixture of price points existing in both traditional malls and outlet centers. The largest challenge that the developers have in the redevelopment of Lincoln Mall is reversing the perception that retailers hold about the viability of retail investment in the diverse communities of the Chicago Southland.

Step 4: Promoting Sales Above Corporate Projections

Underestimating the sales potential within a diverse community is characteristic for retail corporate decision makers when evaluating competitive sites for a new location. If a diverse community is selected as a new retail site, corporate decision makers, following their biases about the community, lay out a pro forma with moderate expectations. These in turn impact capital investment, annual store budget and inventory decisions.

The process of retail redlining affects communities in four ways;

- 1) Corporate decision makers shun new locations in the area.
- 2) If the community is selected as a new site location, corporate investment for the new facility is marginal and sales quotas are correspondingly set at moderate levels.
- 3) New store locations are provided operation and maintenance budgets below their counterpart stores, which may be located in a homogeneous community.
- 4) Merchandising is stereotyped along ethnicity and race, delivering products of lower quality and less variety.

This pattern has been characteristic throughout the diverse communities of the Chicago Southland and was poignantly recognized in the location of the new Starbucks facility within our corporate boundaries. After re-educating corporate decision makers that their location decision would be successful, Starbucks Corporate still attempted to protect their investment by reducing their overall expenditure for the Matteson store and establishing a marginal sales quota for this facility. Within the first nine months of operation, Starbucks continually surpassed its monthly projections, winning awards for this store location and spawning new high-end restaurateurs to enter vacant space within the retail center. Our administrative team recognized that the Starbuck example, if replicated on a larger scale, could send a wake up call to retail brokers and retail decision makers.

Step 5: Regional Green Power Day Rally

Working in partnership with elected leaders and managers from diverse communities within the Chicago Southland, chambers of commerce, the Visitors and Convention Bureau, the Regional Economic Development Corporation and an array of community organizations with the mission of dealing with issues of changing demographics, Matteson officials launched the idea of sponsoring multiple “Green Power Days” to proclaim to the retail community that our money is “not black, not white, but green”. The goals of the program were to:

- Attract high-end retailers and services back to our community
- Enhance and strengthen our quality of life and our local economy
- Launch a sustained campaign to re-write sales projections
- Ensure our schools and local governments have financing to deliver the highest-level services to our children and residents
- Educate and motivate local residents to the importance of shopping locally.

September 6, 2003 was proclaimed as the inaugural event for the Regional Green Power Days. The events celebrated the return of “Class A” retail back to the diverse communities of the Chicago Southland. Coordinated with the grand opening of Borders Books and Music, Sportmart, Linens ‘n Things and Marshall’s, citizens were asked to re-write the projections established for this retail center by setting a new records for the stores’ daily sales quotas and customer traffic. Multiple communities passed governing resolutions proclaiming September 6th, “Regional Green Power Day,” encouraging their citizenry to attend the planned public rally. A media blitz was coordinated to bring attention to the dilemma of retail redlining and establish a strategy for regional attack. The start-up costs for the one-day event approximated \$5,000 and were shared by the corporate partners, which directly benefited from the sales campaign.

The Green Power effort truly represented a multi community response to fight unconscious racism and the process of retail redlining. Congressman Jesse L. Jackson, Jr. assisted village officials by hosting a kick-off rally, which included an invitation to the mayors and managers of all 43 communities that make up the Chicago Southlands government. In addition, the regional chamber of commerce and some 18 subordinate local chambers of commerce, operating within the diverse communities of the Chicago Southland were also invited to attend. John Ostenburg, mayor of Park Forest (the adjoining community to the southeast) was invited as a speaker for the September 6th rally to deliver some remarks on the process of retail redlining and introduce our keynote speaker, Congressman Jackson. Elected officials from around the region exchanged commitments to assist each other in celebrating the return of “Class A” retail to their respective communities.

Congressman Jackson rallied the regional crowd with a chant, “Downtown has enough”, invoking the activism of our citizenry to make a conscious decision on where they shop. In Congressman Jackson’s speech he informed citizens that the Chicagoland area receives over 120 million visitors annually stimulating Chicago’s downtown market as well as the regional retail centers north and west of the city’s center. The goal of the Chicago Southland is to capture even 10% of this economic engine, which could be accomplished provided the communities work together and demand that “Class A” retail centers be constructed within their own back yard.

More than 600 participants filled the parking lot of the Kimco retail power center. Single day sales records were recorded at two of the four stores, which hosted the event. The event captured regional attention leading to the publication of over 30 articles from various newspaper and magazine publications. This event helped sustain sales within the retail power center far in excess of initial retail projections. As a result of these sustained sales, retail vacancy rates have declined and a renewal of retail brokerage interest has surfaced opening negotiations for the renovation of other vacant retail “big boxes” to similar retail conversions exemplified by the Kimco experience. A community “how to” kit was developed to assist other communities in their quest to host similar green power events to sustain the momentum of the Matteson initiative. The case study attachments provide a sampling of that packet with additional items to be found on Matteson’s web page.

“Needless to say, we support this effort”, said Flossmoor Mayor Roger Molski. “Whether it’s Flossmoor, Homewood or Matteson, we’re all in this together.” -- as quoted by John Dobberstein, *The Daily Southtown*

Subsequent to the September 6th rally, Matteson officials have been in attendance at other grand openings, in other towns to spread the Green Power message. The message of fighting retail redlining appears to have transcended the parochial competitiveness that historically existed between our communities, often producing animosity and conflict amongst governing authorities. As one sign of the healing process, communities that had very little dialogue with Matteson officials are now sitting at the table on a regular basis to discuss a consolidation of service operations to assist in budgetary and quality of life objectives.

Requesting citizens from adjacent communities to come out in support your local business may seem like an impossible task. In fact, for elected representatives from an adjoining community to rally behind the economic development of another community may result in political suicide. While this may be true for the majority of communities across the United States, the communities that are facing the problems associated with retail redlining naturally heeded the call from Matteson’s officials to combat this form of racism. The Regional Green Power Days represented the first tangible response to an insidious process that formerly looked as if there were no viable solution to combat. Once the political dialogue was initiated, the wave of support snowballed to include the villages of Park Forest, Richton Park, Olympia Fields, Homewood, Flossmoor, and University Park, and the cities of Chicago Heights and Country Club Hills. In addition, numerous communities in the 43 member South Suburban Mayors and Managers coalition adopted resolutions in support of the event, thus encouraging their residents to shop at the Matteson retail center to demonstrate that the Chicago Southland is tired of being underserved by the retail market.

The synergy behind the retail redlining campaign stems from pent up frustrations, combined with pent up demand, for quality products and services. The issue of race created a discomfort for any meaningful deliberative dialogue. Once Matteson's officials put the factor of unconscious racism on the table, a floodgate of regional commentary and ideas ensued. The regional Green Power rally acted as a community catharsis, releasing a wave of emotion that began to stimulate dialogue, for the first time, on the real reasons, which are holding the Chicago Southland's true economic potential from becoming a reality.

Many communities throughout the region are already replicating the letter writing campaign, and for the first time local chapters of chambers of commerce are discussing retail redlining in their strategic focus and planning sessions. This was clearly evident in a regional meeting that was sponsored by Illinois State Representative Robin Kelly, inviting the members of the Illinois Retail Association to address local community leaders and elected officials that were working toward economic revitalization of their commercial districts. Following a "pat" presentation on strategies to induce retail activity, elected representatives in attendance for the first time stood in unison and asserted that the standard tool box will not bring real change unless there is a commitment by the Illinois Retail Association to educate their members on the true demographic potential of the diverse communities within the Chicago Southland. Community after community in attendance at that meeting, voiced anger at the association representatives that their practices are only reinforcing the stereotyping of our communities and if misunderstanding exists within the association offices how can our communities expect state and national retailers to change their perception. While no consensus was achieved that afternoon, the association returned to the state capital with strong thoughts to reflect upon.

The economic development corporation for the Chicago Southland has recently been reorganized and does not play a current role in retail market research and retail recruitment. This void will need to be corrected should our collective communities desire to continue this campaign on a sustainable basis. As a result of Matteson's campaign to fight retail redlining, and the regional Green Power Day Rally, communities throughout the Chicago Southland have seen renewed retail brokerage interest, most recently in succeeding to lure a Kohl's Department store to the neighboring community of Homewood.

The last area to be tackled will be the sharing of retail sales revenues to assist adjoining communities. Discussions are now being held on the sharing of sales tax incentives to provide a capture of a small proportionate amount of sales tax to be retained within the community that is experiencing the retail loss. This sales tax capture could be utilized by the community experiencing a retail shift to an adjoining community for financing to accomplish short-term marketing objectives. While currently there are no sales tax agreements in place, the fact that this dialogue has been initiated moves us one step closer to regional cooperation to address common economic issues.

Marketing to Change Community Perception

Just as decline begets decline, new high caliber retail will beget more high-end "Class A" retail to return. Matteson witnessed this on a micro scale with the opening of Starbucks. While hesitant of initially locating into our community and "guarding" their investment with a small store, it exploded with market share, overtaking their larger neighboring stores that were located in more homogenous communities. Within the first nine months the Starbucks Manager was recognized as "Manager of the Quarter", one of four Managers recognized annually across the entire 320 Chicago land stores for

individually breaking sales quotas consecutively for each month following its opening. The success stimulated Quizno's and Panda-Express two of the hottest top-ten fast-food markets to locate within the same center.

The rationale for fostering, through economic incentives, the Kimco/Kmart conversion was to repeat the success story of Starbucks, but on a grander scale. It required the community modify their shopping habits and make the conscious decision of where their money is actually going. The goal was to re-write the expectations of these new stores by exceeding the projected sales and growth statistics forecasted by their corporate offices. There were many within the retail community who believed these new stores would fail, confirming their long held perceptions of our area. The village of Matteson's goal was to prove them wrong. By utilizing the Kimco/Kmart conversion as a case study, Matteson officials now had a tangible asset to demonstrate that we are a highly profitable, underserved market. The ultimate goal was to send a wake-up call to the Midwest and Chicago based retail community that "Class A" retail can not only succeed but be highly profitable.

Less than one year into the project, sales are continuing to surpass both the initial pro forma and the individual projections set by the three "Class A" retail. Linens 'n Things has reported sales 37% above projection, Sportmart has reported sales at 100% above projection and Borders has peaked 200% above projection and trending at 170% above projections. Within a week of the release of the Borders projections reverberations were already being felt throughout Chicago Southland's market. In Matteson, the vacant Builders Square facility, which has been abandoned close to 5 years, appeared to not have any takers for purchase or lease. Within weeks after the release of the Borders success story, this vacant big box was purchased by a private party, contracted with Mid-America Realty to convert the 100,000 sq. ft. building for multiple retail uses.

As it is clear that the best marketing of the village's economic potential is empirical evidence, the success stories of Starbucks and the Kimco conversion are being documented by the village's economic development team and forwarded to retail brokers throughout the Chicagoland area. The department has contracted with a commercial marketing firm to package a series of success stories to stimulate new retail starts throughout our commercial corridor. In addition, the village attends the International Council of Shopping Center's annual convention, which brings together over 35,000 delegates from the retail community to participate in three days of deal making, which greatly affects locational decisions. The village provides marketing material independently and also participates as a partner with the new owners of Lincoln Mall in negotiations with retail brokers and retail corporate decision makers.

LESSONS LEARNED

The village's campaign to fight retail redlining and its comprehensive program to address economic development has not been accomplished without mistakes and lessons learned. The following bullet points are but a highlight of some of these lessons.

- Municipalities must take charge of their own future. When fighting retail redlining local communities must be aggressive in making economic development happen. It cannot wait for the marketplace to respond on its own.

- From a purely academic standpoint, it would be valuable for academic researchers or PhD candidates to conduct a formal comparative analysis of retail investment in a diverse community vs. a homogeneous community within the same geographic region. While empirically Matteson's residents have reported anecdotal reports of clear differences in store size, merchandizing display, quality and variety of merchandise, pedestrian amenities, customer service and maintenance and upkeep, it would be extremely valuable to statistically document these anecdotal comparisons. Such an analysis would assist in moving regional government planning and business organizations off the position of apathy and/or motivate them to address this social issue in a strategic fashion.
- Regional organizational buy-in on the impact of unconscious racism and the process of retail redlining must be encouraged and advocated continually. Regional council of governments, regional planning organizations, business chambers and civic organizations all need to address this social phenomenon within their mission statements if meaningful economic development is expected to be realized within communities who are experiencing rapid changes in demography.
- Organizations will never formally address social issues such as retail redlining until they can get comfortable about openly discussing race and race relations.
- Successful economic development is dependent on the development of interpersonal relationships. Local governments must be able to correspond with the business community on an intimate, first name basis. Local government staff assigned economic development objectives, at all levels, must know who are the retail brokers affecting retail decisions, who are both the owners and the developers of the retail complex, what are the retail tenants and who are the local managers and assistant managers of the retail establishments. Personal relationships count and can make the difference between the success or failure of an establishment.
- In fighting perception, detailed demographic data must be collected to provide empirical evidence that the perception held is not consistent with the reality of the market place. Demographic data cannot be simply collected for the jurisdiction but must be collected according to the various market areas for the type of retail or economic activity that the community has targeted. For instance, a retail destination such as IKEA may require a collection of data within a 30 to 45 mile radius, which may overlap in multiple jurisdictions. Another type of retail activity may be more interested in an analysis of retail transportation corridors and not data from the community as a whole.
- In addition to the collection of demographic data, land use, building, and site data must be collected and maintained on a regular basis in order to quickly respond to retail opportunities. This allows the community to identify available sites, building locations, square footages, lease and tax rates.

- Let the public get involved and do not let jaded professionals discourage new ideas as being insignificant or of no consequence to change perception. Many retail brokers and shopping center owners and developers thought little of the village's letter writing campaign until corporate decision makers from Borders exclaimed that the letters "made the community get noticed" and created a sense of buyer loyalty that encouraged decision makers to take a closer look.
- The perception of crime and customer vulnerability can be reduced by increasing the ambient, exterior lighting, giving customers a greater sense of security. While it is important to accentuate the visibility of mall and shopping center security, the frequency and visibility of local police can actually play the opposite effect and increase the perception of crime.
- The organization must dedicate staff and resources to address economic development. In Matteson, the Deputy Village Administrator expends, at a minimum, 60% of her time on economic development. In addition, the department has a complement of two additional staff and maintains contractual services amounting to a minimum of \$30,000 annually.
- Prior to organizing a community letter writing campaign, it is critical to understand your retail targets and know before hand what criteria is important to drive a locational decision. It is obviously advantageous to tailor your letters to this criterion.
- While focus groups are valuable to solicit perceptions from consumers, the stakeholder interviews were not as successful. The original design attempted to dialogue with retail owners, managers, restaurateurs and other individuals in corporate retail that are responsible for locational decisions. This portion of the project did not meet our expectations, as it was difficult to obtain commitments from the retail representatives for an anonymous research study. It has been more successful to solicit proprietary data through the interpersonal relationships that have been created with village officials, staff and the retail owners and managers. The collection of this data is critical to understand your marketplace to tailor an economic development strategy to draw new customers into your community, retain existing businesses and/or create new opportunities for retail synergy.
- As with any economic development effort, getting noticed is the first step. To manage and change perception, a continual commitment and follow-up is required as institutional prejudices and biases continually resurface.
- To sustain a green power campaign, which encourages citizens to buy local, requires an equally sustaining marketing effort, which becomes difficult under periods of fiscal constraint. To encourage regionalism, where communities band together to celebrate the return of "Class A" retail back to an underserved region, requires participants to "Walk the talk." The village of Matteson's history as a competitive, parochial, pursuer of its economic development goals made it more difficult to bring partners into the

regional retail redlining campaign. Village officials are confident that our subsequent attempts will have a greater participation and turnout.

- For the Chicagoland area, part of the problem in breaking down regional misperception requires breaking the “glass ceiling” of the media venues that serve the region. While Matteson and its community partners succeeded in getting its substantial local and Chicago Southland news coverage, it was very difficult to obtain news media attention from the major players that operate within downtown Chicago and the northwestern communities where many of the retail brokerage houses reside. Penetrations to the Chicago Tribune and Chicago Sun-Times were only received after working interpersonal contacts and relationships. Television and radio coverage was largely absent and will require new strategies to peak their interest.
- Lastly, when working on economic development in communities that are experiencing changing demographics, the money has to be on the table. Economic incentives in the form of property tax relief, sales tax rebates and grants for tenant build-out must be available to encourage retailers to take a perceived risk, no matter what evidence you can collect to demonstrate that the perception is in error. The success stories of retail out-performing their own pro formas are the only things that can move a community away from the dependency of economic inducements.

The lessons learned in the Matteson retail-redlining case study are remarkably similar to the agreed discussion points published by the International Council of Shopping Centers and Business for Social Responsibility. In a report entitled, *Development in Underserved Retail Markets; A summary of a discussion of the challenges and recommendations for improving the process of retail development in underserved, urban markets*, individuals who participated in a dialogue on development in underserved retail markets came to an agreement on eleven key points. They are as follows:

- Crime is a significant issue. However, in some cases, it is the perception of crime, rather than actual crime statistics, which influence development decisions.
- It is important for retailers and developers to develop good early working relationships with the community and public safety officials.
- With increasing diversity across America, there was a consensus that many retailers’ traditional target customer profile may not represent the more diverse marketplace of today and the future.
- Traditional market data and analysis may be inaccurate or misrepresent the economic potential and purchasing power of underserved markets.
- Many municipalities would benefit from more targeted marketing and communications strategies.

- It can take longer and may be more complicated to develop in an urban area, which translates to higher costs. Reducing the cost and time it takes to develop can help promote more development in underserved markets.
- Cost of site preparation and rehabilitation can be more expensive in these markets.
- While urban markets are generally more pedestrian friendly, the reality is people still need cars/parking or access to transportation.
- Operating costs are often higher in urban, underserved markets, but this can be offset by the higher sales potential of these markets.
- Accessibility to public transportation, and improved safety and security can help recruit and retain employees.
- Government tax incentive programs can assist in reduction of operating costs.

FISCAL IMPACT

The campaign to combat retail redlining required a substantial financial commitment by our community to market itself back to its true potential. The two member economic development staff and commitment by the Deputy Village Administrator required approximately \$150,000 annually to maintain. Financial constraints last fiscal year required the village to postpone the re-staffing of the economic development coordinator position which was lost due to retirement. To compensate this reduction in internal staff capacity, the village is exploring the possibility of contracting out for marketing services utilizing a proportion of Tax Incremental Financing revenues earmarked for the Lincoln Mall Redevelopment project.

The value of conducting an independent, scientifically conducted, market research focus group interviews cannot be underestimated. The total cost for this analysis was approximately \$45,000 and the analysis delineated clear market strategies to combat the process of retail redlining, which was underestimated prior to the completion of this analysis. This analysis invoked an emotional response from our Board of Trustees, which compelled them to deliver the financial commitment to fight this form of economic injustice.

The retail letter writing campaign was largely a commitment to time and staff coordination. Volunteer groups completed much of this effort and staff time has been limited to a coordination role to maintain resources and logistics to accomplish a work party event. For the sustained campaign soliciting general public responses on the Web or at a community site such as Starbucks or the Borders Café' requires minimal staff coordination resources.

The detailed demographic data collection is estimated to cost \$15,000. In lieu of this expense, the village has relied on collecting proprietary market data from various retail owners and operators under the condition that we would utilize these documents for internal purposes only and/or for the development of strategic marketing initiatives.

Long-term success is dependent on the local government's ownership of this data so it can be transmitted freely in both public documents and private targeting efforts.

In addition to internal staff time, the implementation of market strategies recommended in the focus group analysis costs the village of Matteson \$30,000 annually.

Maintaining the program for economic incentives obviously has the most significant financial impact as they constrain the village's collection of property tax by as much as 50% for periods of anywhere between 11 and 23 years. Additionally, the village has issued sales tax rebates of its 1% sales tax, ranging from 25% to 60% of the total local sales tax collected. Initially, committing sales tax incentives for a specified period of time, the village is now moving toward establishing sales tax caps, which are calculated over a twenty-year period but may come off the books as an expenditure should the success of sales out perform retail's initial sales projections, which has largely been the case.

To outline the cost benefit analysis of the village's campaign to fight retail redlining, three properties can be examined to illustrate the benefits of accruing a portion of your annual budget toward this effort.

- The first is the Auto Mall property. Prior to the economic incentives, this 110-acre property was producing a total of \$2,240 in property tax and the local village share was \$224. The total property tax now paid by the Auto Mall, less the property tax incentives, has grown to \$1,118,622 annually, the village's share alone is \$100,127 with approximately \$350,000 going to our elementary school district and \$375,000 to the high school district. In sales tax, this property before the intervention, was producing \$0, currently, from the Auto Mall, the village's share of sales tax, less the 50 to 60% rebate, is producing \$1,140,203 annually. The intervention has produced \$1,000 of new increment for every \$1 earned prior to the intervention as the difference between pre-intervention and post-intervention is more than 1,000 to 1.
- For the Kimco/Kmart conversion, it is projected that the project will produce over \$10.2 million in real estate tax revenue and \$7.5 million in local sales tax revenue over a twenty-year period, for a combined total, estimated to exceed \$17.8 million.
- The Lincoln Mall Redevelopment project is expected to transform the Equalized Assessed Valuation (EAV) from a total of \$26 million for all properties included in the redevelopment project are to a potential of \$100 million. For the mall property itself, the EAV will grow from \$13.6 million to \$67 million. Gross sales have the potential of growing from its current trend of \$100 million to \$300 million following the completion of redevelopment.

Green Power – Campaign to Fight Retail Redlining Matteson, Ill.

ICMA Best Practices 2004

April 22-23 2004

Annapolis/Anne Arundel County, Maryland

GROUP DISCUSSION EXERCISES

Small Group Discussion #1 – Discuss the following within your small groups:

1. Is there evidence within your communities that overt or unconscious racism is contributing to the process of retail redlining?

2. Do you feel that the process of retail redlining is caused by:
 - a) Consumer bias or prejudice regarding shopping and entertaining in a diverse community or
 - b) Unconscious racism of retail decision makers, stereotyping a diverse community and overlooking the communities' economic development potential, or
 - c) Other causes

3. What is corporate retail's responsibility when evidence shows a clear imbalance between demand and actual retail activity within a marketplace; such as
 - a) A community's average household and disposable income are significant to support "Class A" retail;
 - b) Conditions exist within the marketplace suggesting a lack of new retail and restaurant locations are creating pent-up demand for products and services
 - c) Evidence suggests that regardless of income or demand, consumers are "uncomfortable" in shopping and entertaining in a diverse community?

4. If evidence is gathered to suggest that a form of unconscious racism is resulting in retail redlining, how do you make your community, regional council of governments, planning organizations and business chamber groups comfortable with the discussion of race?

ATTACHMENTS

VILLAGE OF MATTESON FINANCIAL INCENTIVE POLICY

Matteson Economic Development Plan Goals:

- Strengthen and diversify the tax base
- Create employment opportunities
- Create more shopping opportunities for residents and visitors
- Support and retain current businesses
- Promote the positive business environment to both current and prospective residents and businesses, and thereby create value for their real estate and business assets

In order to achieve these primary economic development goals, Matteson may consider the use of a variety of financial incentives. In order for any development project to receive consideration for financial assistance, it must meet the following criteria:

- It must be a new or expanded business. In this case, “expanded business” shall mean either an increase in building size or significant number of new employees, or both.
- If a retail establishment, it must be projected to produce a minimum of \$100,000 in new sales tax revenue to the village annually (this represents the village’s current 1% share of the total sales tax).
- The applicant must demonstrate that the development cannot occur without financial assistance from the village of Matteson.

Examples of Available Financial Incentives:

- Tax Increment Financing District
- Sales Tax Rebate
- Infrastructure Improvements
- Cook County Class 8 (for commercial projects)
- Cook County Class 6b (for industrial projects)

Procedure for Obtaining a Financial Incentive:

- Complete the attached application
- Provide a Financial Analysis which addresses the short-term and long-term fiscal impacts of the project on the village of Matteson and its School Districts.
- Submit application to Director of Community Development*
- If the proposal meets the basic criteria listed above, the application will be submitted to the Economic Development Commission for review and recommendation to the Board of Trustees
- The village’s attorney will prepare a draft agreement based on the recommendations of the Economic Development Commission (note that applicants will be required to pay the village’s legal costs involved in drafting and negotiating an agreement).
- The Board of Trustees will take action at a Regular Board Meeting to grant or deny the request.

*Additional information may be requested and/or meetings held to clarify a specific request for financial assistance. For further information, please contact the Economic Development Office at 708/283-4940.

Adopted 08/18/03





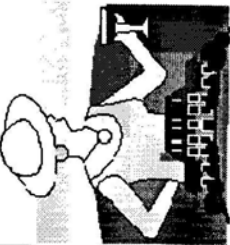


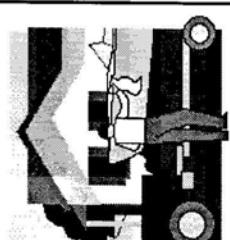
JONES LANG
LASALLE.

Consumer Lifestyle Profile

(2 Mile Radius)

208 Lincoln Mall Dr., Matteson, IL 60443-2329









Cluster Name Socio-Economic Rank % of Total Households	 Kids & Cul-de-Sacs Affluent 33.2%	 New Empty Nests Upper Middle 18.9%	 Blue Blood Estates Elite 13.3%	 Upstarts & Seniors Middle 12.6%	 Suburban Sprawl Middle 9.2%	 Blue-Chip Blues Middle 6.7%
	Predominant Characteristics	Upscale suburban families Ranked first in married couples with children Large 4+ person families Family governs its lives and activities	Upscale suburban fringe couples More conservative than Young Influentials Have achieved affluence through education & career Most are married, in their post-child years	Elite super-rich families Wealthiest execs; heirs to Old Money Luxurious estates, often with servants Often Asian & Arab concentrations	Middle income empty nesters Employable, single and childless Share average educations and incomes Prefer living in condos and apartments	Young midscale suburban couples/singles Self educated, now working as executives, administrators, and technicians Have left America's major metropolitan areas and moved to the suburbs Grew up in multi-racial, multi-lingual neighborhoods
Ethnic Diversity	Dominant White, High Asian Married Couples w/Children Owners Single Unit Under 18, 35 to 64 College Graduates White Collar / Professional	Dominant White Married Couples Owners Single Unit 45 to 65+ College Graduates Professional / White-collar	Dominant White, High Asian Married Couples w/Children Owners Single Unit 45 to 64 College Graduates Professional Elite / \$113,000	Predominantly White Married Couples, Singles Renters Multi-Unit 2-9 and 10+ 25 to 54, 65+ High School, Some College White-Collar Middle / \$35,600	Ethnically Diverse Married Couples, Singles, Single Parents Owners and Renters Single and Multi-Unit 25 to 44 Some College White-Collar Middle / \$46,400	Predominantly White Married Couples with and without Children Owners Single Unit 35 to 64 High School, Some College Blue-Collar / White-Collar Middle / \$47,500
Family Type	Married Couples w/Children Owners Single Unit	Married Couples Owners Single Unit	Married Couples w/Children Owners Single Unit	Married Couples, Singles Renters Multi-Unit 2-9 and 10+	Married Couples, Singles, Single Parents Owners and Renters Single and Multi-Unit	Married Couples with and without Children Owners Single Unit
Key Housing Type	Owners Single Unit	Owners Single Unit	Owners Single Unit	Multi-Unit 2-9 and 10+	Single and Multi-Unit	Owners Single Unit
Predominant Age Ranges	Under 18, 35 to 64	45 to 65+	45 to 64	25 to 54, 65+	25 to 44	35 to 64
Education	College Graduates	College Graduates	College Graduates	High School, Some College	Some College	High School, Some College
Employment	White Collar / Professional	Professional / White-collar	Professional	White-Collar	White-Collar	Blue-Collar / White-Collar
Median Income	Affluent / \$61,600	Upper Middle / \$45,100	Elite / \$113,000	Middle / \$35,600	Middle / \$46,400	Middle / \$47,500
Publications	Skating, Money, Business Week, Working Woman, Baby Talk, GQ, Consumer's Digest, Personal Computing	Weight Watchers, Discover, Architectural Digest, Boating, Food & Wine, Business Week, Parade, Golf Magazine	Travel & Leisure, Fortune, Food & Wine, Business Week, Elle, Money, Smithsonian, National Geographic Travel	Allure, Self, Town & Country, Flower and Garden, Harper's Bazaar, Runner's World, Vanity Fair, Shape	Harper's Bazaar, Entertainment Magazines, Performing Arts, Chicago Tribune, Wall Street Journal, GO, Working Mother, Essence	Elite, Car Craft, Chicago Tribune, Runner's World, Popular Science, Muscle & Fitness, Bride 5, Inside Sports

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www.MarketInsitegroup.com

Data Source: Claritas, Inc.; Market Insite Group, Inc.
Dated: Monday, May 5, 2003

Consumer Lifestyle Profile
(5 Mile Radius)
208 Lincoln Mall Dr., Matteson, IL 60443-2329

Cluster Name						
Socio-Economic Rank	Kids & Cul-de-Sacs	New Empty Nests	Gray Collars	Suburban Sprawl	Upstarts & Seniors	Blue-Chip Blues
% of Total Households	Affluent 22.6%	Upper Middle 13.2%	Middle 10.4%	Middle 10.3%	Middle 6.5%	Middle 5.9%
Predominant Characteristics	Upscale suburban families	Upscale suburban fringe couples	Aging couples in Inner Suburbs	Young midscale suburban couples/singles	Middle income empty nesters	Upscale blue-collar families
	Ranked first in married couples with children	More conservative than Young Influentials	Highly skilled blue-collar workers	Self educated, now working as executives, administrators, and technicians	Employable, single and childless	Dual income, high school educated
	Large 4+ person families	Have achieved affluence through education & career	Kids have grown up and left	Have left America's major metropolitan areas and moved to the suburbs	Share average educations and incomes	Large suburban families
	Family governs its lives and activities	Most are married, in their post-child years	Gray Collars have stayed in the Great Lakes Rust Belt	Grew up in multi-racial, multi-lingual neighborhoods	Prefer living in condos and apartments	Concentrated in the Great Lakes area
Ethnic Diversity	<i>Dominant White, High Asian</i>	<i>Dominant White</i>	<i>Mixed</i>	<i>Ethnically Diverse</i>	<i>Predominantly White</i>	<i>Predominantly White</i>
Family Type	<i>Married Couples w/Children</i>	<i>Married Couples</i>	<i>Married Couples</i>	<i>Married Couples, Singles, Single Parents</i>	<i>Married Couples, Singles</i>	<i>Married Couples with and without Children</i>
Key Housing Type	<i>Owners Single Unit</i>	<i>Owners Single Unit</i>	<i>Owners Single Unit</i>	<i>Owners and Renters Single and Multi-Unit</i>	<i>Renters Multi-Unit 2-9 and 10+</i>	<i>Owners Single Unit</i>
Predominant Age Ranges	<i>Under 18, 35 to 54</i>	<i>45 to 65+</i>	<i>55+</i>	<i>25 to 44</i>	<i>25 to 54, 65+</i>	<i>35 to 64</i>
Education	<i>College Graduates</i>	<i>College Graduates</i>	<i>High School</i>	<i>Some College</i>	<i>High School, Some College</i>	<i>High School, Some College</i>
Employment	<i>White Collar / Professional</i>	<i>Professional / White-collar</i>	<i>Blue-Collar / Service</i>	<i>White-Collar</i>	<i>White-Collar</i>	<i>Blue-Collar / White-Collar</i>
Median Income	<i>Affluent / \$61,600</i>	<i>Upper Middle / \$45,100</i>	<i>Middle / \$31,400</i>	<i>Middle / \$46,400</i>	<i>Middle / \$35,600</i>	<i>Middle / \$47,500</i>
Publications	<i>Skating, Money, Business Week, Working Woman, Baby Talk, GQ, Consumer's Digest, Personal Computing</i>	<i>Weight Watchers, Discover, Architectural Digest, Boating, Food & Wine, Business Week, Parade, Golf Magazine</i>	<i>Popular Hot Rodding, Soap Opera Weekly, Flower and Garden, Jet, Spin, National Enquirer, Stereo Review, Golf Magazine</i>	<i>Harper's Bazaar, Entertainment Magazines, Performing Arts, Chicago Tribune, Wall Street Journal, GQ, Working Mother, Essence</i>	<i>Allure, Self, Town & Country, Flower and Garden, Harper's Bazaar, Runner's World, Vanity Fair, Shape</i>	<i>Elle, Car Craft, Chicago Tribune, Runner's World, Popular Science, Muscle & Fitness, Bride's, Inside Sports</i>

Matteson hopes 'Green Power' can attract business

Leaders plan rally to highlight spending power

By Janice Neumann
Special to the Tribune

August 21, 2003

Matteson officials complain that the south suburbs are overlooked by major retailers and restaurants even though residents clamor for such venues.

But rather than simply complain, officials have organized Regional Green Power Day, a rally for current and future stores led by U.S. Rep. Jesse Jackson Jr. (D-Chicago). They're hoping several thousand people will attend the event beginning at 11 a.m. Sept. 6 at Lincoln Highway and Cicero Avenue in Matteson and spend at least \$10 at one of the stores there.

That corner is significant because it's the site of Borders Books and Music, Linens 'n Things and Sportmart, all new stores. The Marshalls at that location is being renovated.

Those stores were lured to the area partly because of letters written by residents at the urging of village officials, who say the retailers are doing a thriving business. Several hundred people took part in the letter-writing campaign, said Hildy Kingma, deputy village administrator of Matteson, who helped organize it.

It's hoped Green Power Day and future events like it will persuade other retailers to come to the area, officials said.

"People feel very deeply about having quality retail in this region," said Anna Carvalho, executive director of Healing Racism/Chicago Southland, who plans to take part in the event. "It means a lot to residents beyond the convenience and the fact that tax dollars come here. It says something about your environment when you have quality stores."

The village also has enlisted the help of the South Suburban Mayors and Managers Association, which is asking its 42 member communities to pass a resolution supporting the event and urging public officials and residents to attend.

"What gets better or what improves in one part of the region has an effect on everyone else," said Karen Hoffschmidt, deputy director of the association. "We're all in this together."

The organizers are trying to change perceptions, said Village Administrator David Mekarski, who is spearheading the event along with state Rep. Robin Kelly (D-Matteson), who is the village's community affairs director, and Trustees Sam Brown and Andre Ashmore.

"We have strong evidence to support the claim that commercial retailers have redlined the village of Matteson as well as surrounding communities," Mekarski said, "and we believe that that's happened through a process of unconscious racism."

"Unfortunately, too often there are individuals in the decision-making process in the retail community who will look at a stereotype ... that our area is low- to moderate-income, unsafe, does not have the disposable income to support high-end, Class A retail," Mekarski said.

Kingma said the demographics of Matteson show otherwise. Typical household incomes range from the mid-\$70,000s to the mid-\$90,000s, and houses costing \$300,000 to \$400,000 are under construction.

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LETTER WRITING CAMPAIGN - PHASE II

If you sent letters to retailers during the first Letter Writing Campaign, Congratulate yourself. You should be proud of yourselves because partially due to your efforts, new retailers have planted there businesses in town.

We need your continued efforts to make a positive difference in our community. The Community Development and the Economic Development Departments are creating business retention plans with our existing businesses and encouraging new businesses to locate here. We know there is a need for more retail stores and restaurants, judging by the long lines at many of our existing establishments. Below, listed under "Potential Businesses," is a list of retail stores, restaurants, and food service establishments which many of you have identified as your preferred choices. Please use the sample letters or write one of your own to any or all of the businesses on the list. The more letters that are sent, the better results we will receive. We encourage you to modify and customize the letter because the more unique it is, the more it will get noticed by the businesses that receive them.

We have drafted letters to allow you to express your concerns to our existing restaurants. We want businesses to be aware that we value their presence but want to help them to be even better.

After you have sent a letter please e-mail us at econdev@vil.matteson.il.us to let us know who you sent letters to. We are interested in knowing your desires. If you do not have access to the website, we have provided copies in the Village Hall in the Mall, the Matteson Library, Matteson Village Hall Lobby and the Matteson Community Center.

PLEASE EXPRESS YOUR OPINIONS TO MAKE MATTESON A BETTER PLACE.

If you have any questions or suggestions, please feel free to contact the Economic Development Office at (708) 283-4708.

[Potential Businesses](#)

[Existing Restaurants](#)

Sample form letter follows (See Web site at www.vil.matteson.il.us):

(Date)_____

Cheese Cake Factory
Chart House Enterprises, Inc.
640 North LaSalle Street, Suite 295
Chicago, IL 60610
Attention: Timothy Whitlock

Dear Sir/Madam:

I am a resident of the Village of Matteson, Illinois. I patronize your business in other communities, and I would like to compliment you on the quality of your business. The purpose of my letter is to ask you to consider bringing your business to Matteson.

Judging by the long lines at our current retailers, there is a great need for more choices. Matteson is a large retail center in the south suburbs, and we attract shoppers from neighboring communities such as Homewood, Tinley Park, Olympia Fields, Park Forest, Richton Park, Frankfort, Orland Park and Flossmoor.

Matteson is a growing community. The 2000 decennial census placed our population at 12,928. By July 1, 2002, the population had grown to 13,807, an increase of 6.7 percent. This growth is expected to continue unabated for quite some time, as there are eight subdivisions currently under construction, with over 1000 lots available for new homes.

To add to that, a significant amount of commercial development is also underway in Matteson. Those businesses that have recently opened in our community are experiencing unprecedented success and they have out-performed their sales projections. These new stores include, SportMart, Linens 'N Things, and Borders Books and Music, all three of which opened in the revitalized shopping center at the intersection of Cicero Avenue and Lincoln Highway (US30). This same shopping center is being expanded to accommodate two new restaurants, a bank, and several smaller retail stores before the end of 2003.

We would like to add your business to our current mix of retail establishments which serve our discerning public. Our great transportation network and congestion-free traffic patterns make it possible for our businesses to serve a large market area. More than 110,000 vehicles a day travel through our major intersection of Lincoln Highway and Cicero Avenue.

[Writer include your personal touch here: I believe _____,
name of store/restaurant
would be especially right for Matteson, because.....]

We would like to add you as a new chapter in our Matteson Success Story.

Sincerely,