

Economic Development Overview *Village of **Matteson** – 2015*

February 11, 2015

The growth of Matteson

- The growth of Matteson in relation to Economic Development has been slow but consistent with other suburban markets over the last five years.
- The closure of big boxes like Dominick's, the changes in retail through the recession overshadows the progress and traction that has been made by the Village.
- Wage stagnation, economic uncertainty and a move to urban markets have contributed to slow growth in suburban communities like Matteson.
- The following is a recap of all the developments and redevelopments that have occurred during the recession to get a bigger picture of the progress Matteson has made.

Chicago

Economy

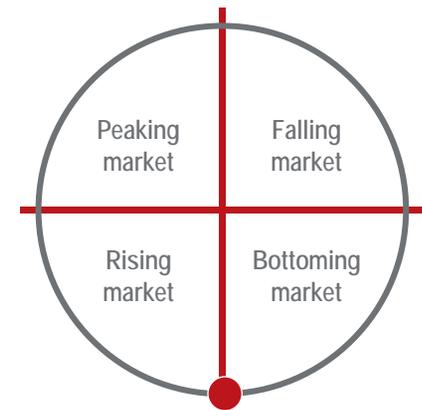
- Chicago's major strengths include its central location for national and international travel and a diverse workforce. The metro is forecasted to create 280,000 new jobs by 2019. It should regain its prerecession peak in 2015.
- Housing and financial services will be slow to improve, keeping job growth below average for at least another year.
- In the long run, its strong talent pool, vast transportation infrastructure and central location will help to prop up the economy.

Market conditions

- Dominick's closure of its 70 stores at the end of 2013 vacated 4.5 million square feet of space. However, the good news is that other grocers have taken the opportunity to backfill the space, including Whole Foods, Mariano's and Jewel/Osco. Unfortunately, nearly half of that vacant space remains to be filled, which will put downward pressure on occupancy and rents.
- Preleased, single-tenant, standalone boxes of varying sizes – including stores such as Walmart and Meijer – comprised the majority of recent deliveries, as well as a good chunk of what's currently underway.
- Two major multi-tenant projects under construction are: the **Fashion Outlets of Chicago** – a 538,000 square-foot enclosed outlet mall, anchored by a Bloomingdale's Outlet, Saks Fifth Avenue Off 5th and Last Call by Neiman Marcus; and, the **New City** project in Lincoln Park – a 420,000 square-foot mixed-use development, featuring a movie theatre, Dick's Sporting Goods and a Mariano's Fresh Market.

Current statistics		12 Month outlook
Stock	508,629,677 s.f.	↑
Overall vacancy	8.5%	↓
Q3 2014 net absorption	1,640,956 s.f.	↓
Under-construction inventory	1,485,822 s.f.	→
Deliveries	612,034 s.f.	↓
Q/Q vacancy chg	▼ 20 bps	-
Y/Y vacancy chg	▲ 20 bps	-
Quoted rent	\$15.62 p.s.f.	↑

Economic Outlook	
Short-term	↑
Long-term	↓



Source: JLL Research



- Hawkinson Kia returned to the Village of Matteson.
- President Ashmore formed the Matteson Business Association after the MACC and continue to provide businesses with a platform and networking organization.



- Ross Dress for Less.
- Shoppers World.
- Among several other smaller businesses.



- Crossroads Plaza opened, home to: Chipotle, Vitamin Shoppe, Five Guys Burger and Verizon. This was a \$3.2 million dollar project.
- The Façade program was able to help Matteson Wine & Spirit with their transformation. Changed the name from Matteson Liquors and sales increased by 10%.
- The Business District helped attract new owners of the Holiday Inn & Bar Louie and transform it into the new prototype of the hotel. This project was \$12 million dollar project.
- Panera Bread underwent renovations adding a drive-thru to help increase sales. Our Panera Bread ranks in the top 5% of the Chicago region in relation to sales.



- Menard has invested \$6.2 million in the store with their expansions, which added a new 23,760 sq. ft. garden center as well as 16,500K sq. ft. expansion to the north of the building to expand their sales footprint.
- University of Chicago Medical Facility located to the Village of Matteson.



- Development of Dunkin Donuts and Wing Stop.
- Xsports Fitness redevelopment of the former Bally's.
- Retained Rogers & Holland Corporation and its employees that are purchasing in the community and adding to the local tax base.
- Red Lobster & Afusion renovated and reinvested in the community.
- Namaste Laboratories distribution center relocated from Blue Island to the Warehouse off Cicero Avenue.
- A vacant gas station on the corner of Rt. 30 and Cicero Avenue reopened and rebranded with the Marathon flag in the gateway of the community.
- Nearly a dozen small businesses have opened.



- The former Knockouts at Rt. 30 & Cicero Avenue was redeveloped into a plaza which most appreciated today with tenants like Star Bucks and soon to be Giordano's.
- The Village gained control of the Lincoln Mall to start planning a better future for the area.
- Village of Matteson adopted the Master Plan for Economic Development and Land Use which will be used to provide a roadmap to further grow the community.
- Bocce's Sports Bar & Grill renovated and reinvested in their establishment.



- Sherwin-Williams Paint Store.
- Mitsubishi Dealership.
- Continuing the efforts of partnering with a reputable developer for the redevelopment of the Lincoln Mall site.

Larry Kilduff
Senior Vice President
Retail Market Lead, Chicago / Midwest



Thank you