

## LISC MetroEdge Finds Pilsen Primed for Business Expansion

*MetroEdge identifies opportunities for commercial development in Chicago's largest Latino neighborhood and spurs the creation of a new business association.*

### **Client and Project Goals**

LISC MetroEdge was retained by the 18<sup>th</sup> Avenue Development Corporation, The Resurrection Project and LISC Chicago to conduct a Retail Scan in the Pilsen neighborhood. By analyzing market data and conducting on-the-ground assessments, LISC MetroEdge identified unmet retail demand and strategies for building on Pilsen's thriving arts and restaurant district. In October 2009, LISC MetroEdge presented the results of its study to its clients and to a dozen small business owners in the Pilsen community. Later that month, the 18<sup>th</sup> Avenue Development Corporation and The Resurrection Project supported business owners in founding the Pilsen Commerce Roundtable which will work to increase business along the 18<sup>th</sup> St. commercial corridor.

### **Findings**

The MetroEdge analysis focused on two trade areas: one immediately accessible to the neighborhood (bounded by 16<sup>th</sup> St. on the north, Cermak Rd. on the south, the Dan Ryan Expressway on the east, and Western Ave. on the west) and the other within a 15 minute drive of 18<sup>th</sup> St. and Blue Island Ave. at the neighborhood's center. In both trade areas, the study revealed potential for expanding commercial growth in a number of categories including electronics and appliances, general merchandise, home furnishings and clothing.

In particular, MetroEdge encouraged Pilsen businesses to build on their strength as a destination for the arts, culture and dining. Pilsen's restaurants are already attracting significant business from outside the community, the study found. The neighborhood is home to the internationally recognized National Museum of Mexican Art as well as numerous art galleries and studios. Visitors are drawn year-round to special events including the Pilsen Arts and Cultural Festival, 18<sup>th</sup> Street Open Studios, Mole de Mayo and Fiesta del Sol. The neighborhood is easily accessible by car and by public transportation with six bus routes and three CTA Pink Line train stops.

The Pilsen community possesses far more buying power than is generally realized. Over the past ten years, the neighborhood has seen a dramatic increase in the number of middle income families earning between \$50,000 and \$75,000 per year. Pilsen now has three times as many middle income families per square mile as the county average. Per square mile, residents in the immediate trade area spend \$341 million annually, placing it 8th out of Chicago's 77 communities in terms of concentrated buying power.

The study suggested a number of strategies for encouraging pedestrian traffic along the 18<sup>th</sup> St. commercial corridor. These include increasing the density of unique, well-operating small businesses open after 6 p.m. and working with the alderman to discourage national chain stores that detract from the district's character. While the city has invested extensively in public art and streetscaping at 18<sup>th</sup> St. and Blue Island, further aesthetic improvements are needed, especially at other key intersections. The study recommends upgrades to building façades, particularly those that preserve historic and Mexican elements. Better lighting all along the corridor is crucial for safety and will help draw both additional businesses and new customers.

Marketing efforts should focus on promoting restaurants and the arts and entertainment which have proven to be the neighborhood's most significant attractions. More regularly scheduled special events would also draw a steadier stream of shoppers. Finally, small business owners need assistance to determine how to adjust their product mix and business practices to take best advantage of their expanding customer base.

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