

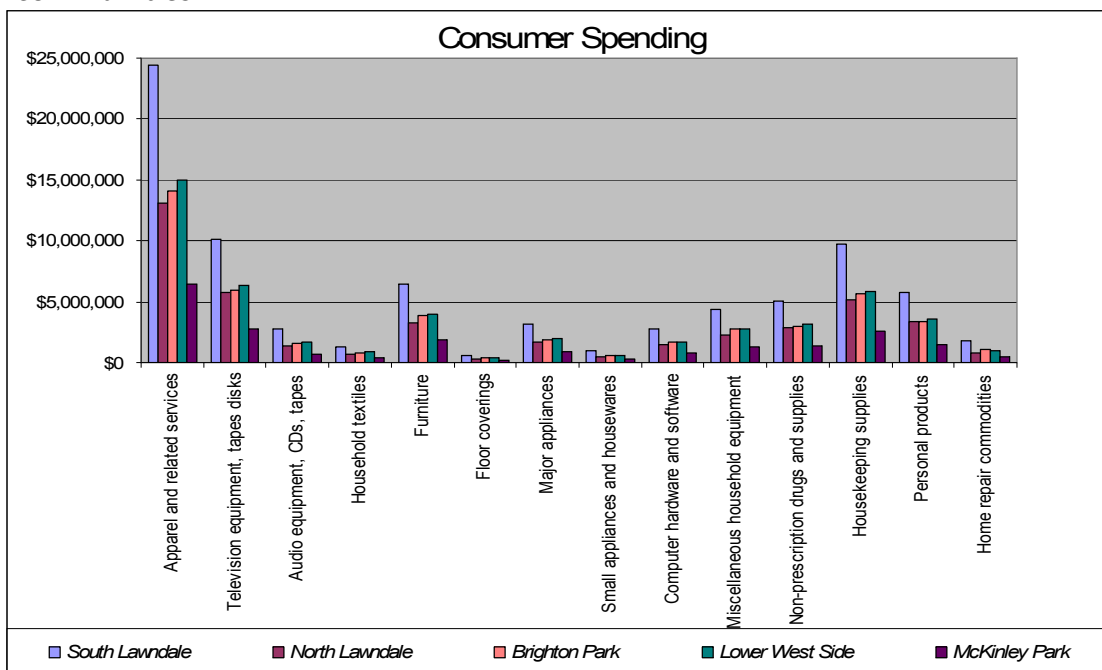
Little Village Market Study Attachment #6

A. Customer Base

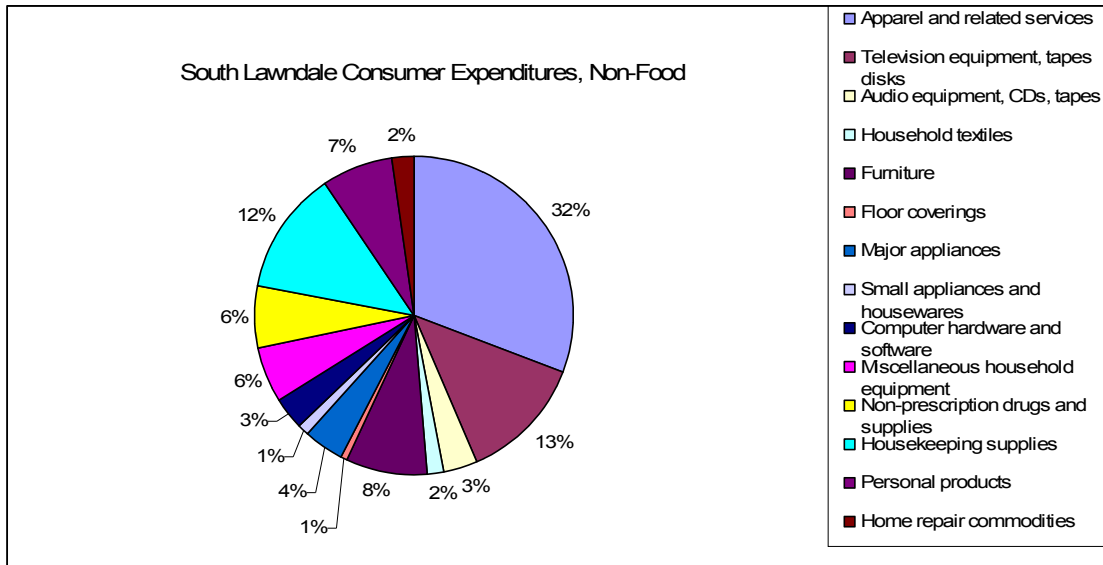
Little Village's immediate customer base is contained within the 10 census tracts which fall within the general study area. 93% percent of residents identify as Hispanic, 3% as African-American (non-Hispanic), and 2% as White (non-Hispanic). The average median household income in these tracts is \$31,776, while the per capita income is \$9,464. Tracts 30500 and 30600 have significantly higher median incomes, \$38,594 and \$36,179. The community as a whole has a median income and per capita income similar to the study area \$32,320 and \$9,413, respectively. While 26% of persons live below the poverty line, per capita income was expected to increase 14% between 2000 and 2008 in South Lawndale¹. Comparatively, in North Lawndale, 45% of the population lives below the poverty line; in Archer Heights, the community area to the south, that figure is 6%.

The dense, local consumer base resides primarily in well-maintained single family homes. In 2000, the population of South Lawndale was 91,071, and at approximately 20,000 residents per mile was more densely populated than all neighboring communities. 36% of local consumers live in owner occupied housing, a figure which falls squarely in the middle of the broader area average. 8.5% of all housing units in South Lawndale are vacant, which is moderately low relative to neighboring areas².

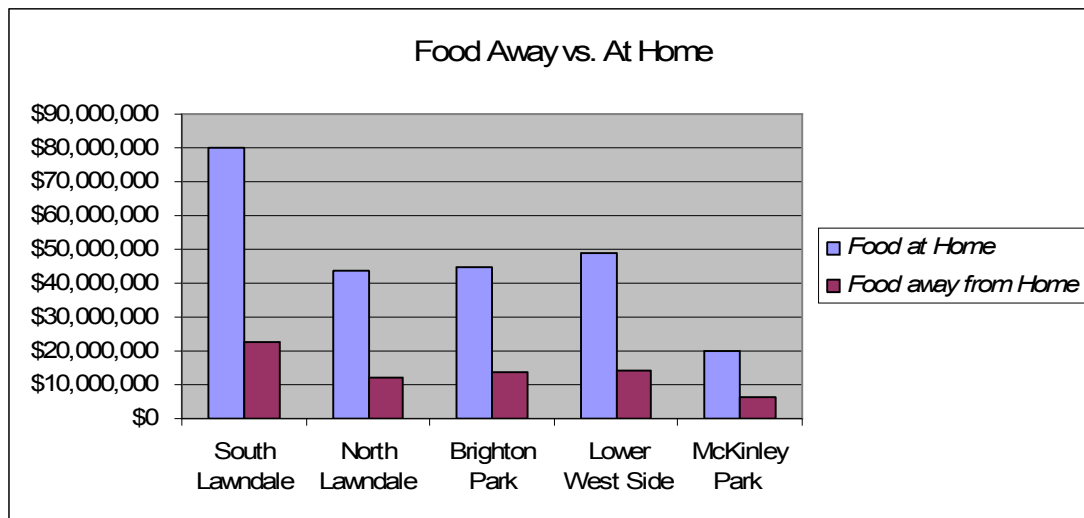
The following chart indicates consumer spending patterns for the top 14 consumer goods (non-food) for South Lawndale* and the immediately surrounding communities.



² Source: Census 2000



Source: University of Wisconsin-Milwaukee Training and Employment Institute, 2004, Econ Census, 2002,



Source: University of Wisconsin-Milwaukee Training and Employment Institute, 2004. Econ Census Data, 2002.

The aggregated expenditure data underscores the purchasing power and consumer preferences of Little Village (closely approximated by South Lawndale) and nearby residents. In 2002 Over \$24 million was spent on apparel, \$10 million on television/electronics, and \$9 million on housekeeping and supplies.³ While consumer expenditures per capita are not significantly higher in Little Village than surrounding areas, the above average density of the consumer base is a critical resource for Little Village businesses.

³ Econ Census, 2002

Among the five communities listed above, consumer preferences are similar; Apparel and related services, housekeeping items, furniture, television equipment (electronics), furniture, and personal products represent the large share of household consumer expenditures.

Food item expenditures represent a significant fraction of total expenditures; Households in South Lawndale spent over \$100 million on food items eaten at home and away from home. In general, over \$237 million was spent on food at home in the 5 community areas and represents the largest consumer expenditure category. Nearly 78% of food purchases were spent on food at home. Little Village has a high concentration of specialty, independent supermarkets, relative to other neighboring markets and captures a large share of consumer expenditures on food at home purchases.⁴

In general, the concentration and diversity of business activity in the Little Village is high when compared with other neighboring commercial corridors, which suggests that the Little Village commercial consumer base draws consumers from surrounding areas. Other local markets, including the Cermak corridor (between Kedzie and Western) as well as the Pilsen corridor (between 16th and 18th from Halsted to Damen) are relatively smaller and less diversified. In Pilsen, for instance, sales at certain types of apparel stores (such as men's clothing) are small or non-existent, while in Little Village there is a local surplus of sales in this area. This is true also for home furnishing shops, suggesting that a percentage of broader area demand is met in Little Village. Likewise, the Cermak corridor contains few music, book or office supply stores, which are a niche specialty in Little Village.⁵

B. Local Strong Markets

Nearby, to the north and the northwest, there are 2 active commercial corridors; the Pilsen Corridor along 18th and the Cermak Corridor along 22nd. Each has moderate levels of sales activities. Like Little Village, these areas include pedestrian-oriented retail streets.

The Cermak corridor falls within the South Lawndale area and is the market nearest Little Village. Part of the Cermak commercial area is pedestrian oriented; however, the area also has a number of large-scale/auto-oriented elements, such as strip malls and gas stations.

The Pilsen corridor falls within Near West Side community area. Traditionally, the Pilsen corridor consumer base has been similar in income and ethnicity to Little Village. However, recent developments along Halsted St. reflect the changing character of the neighborhood, which is becoming commercially, less Hispanic⁶.

⁴ Econ Census, 2002

⁵ Claritas, 2007

⁶ Source: Census 2000

C. Grouping of Products and Services Compared to Other Markets Graphs, D. Business Inventory (Retail Sales)

The Little Village commercial corridor differs in size and retail composition from both the Cermak and Pilsen area corridors. Using Claritas, market data was collected for the each commercial strip and nearby consumer market, defined as the ½ mile area surrounding the corridor.

In certain retail categories, all three corridors have a surplus of retail activity, meaning that local sales exceed local demand. A surplus indicates that a corridor is a shopping destination for that product. The Pilsen and Cermak corridors have relatively smaller and fewer surplus of sales for certain goods; correspondingly, Little Village has many distinct areas of large surplus, for which Pilsen and Cermak have minor or no sales activity.⁷

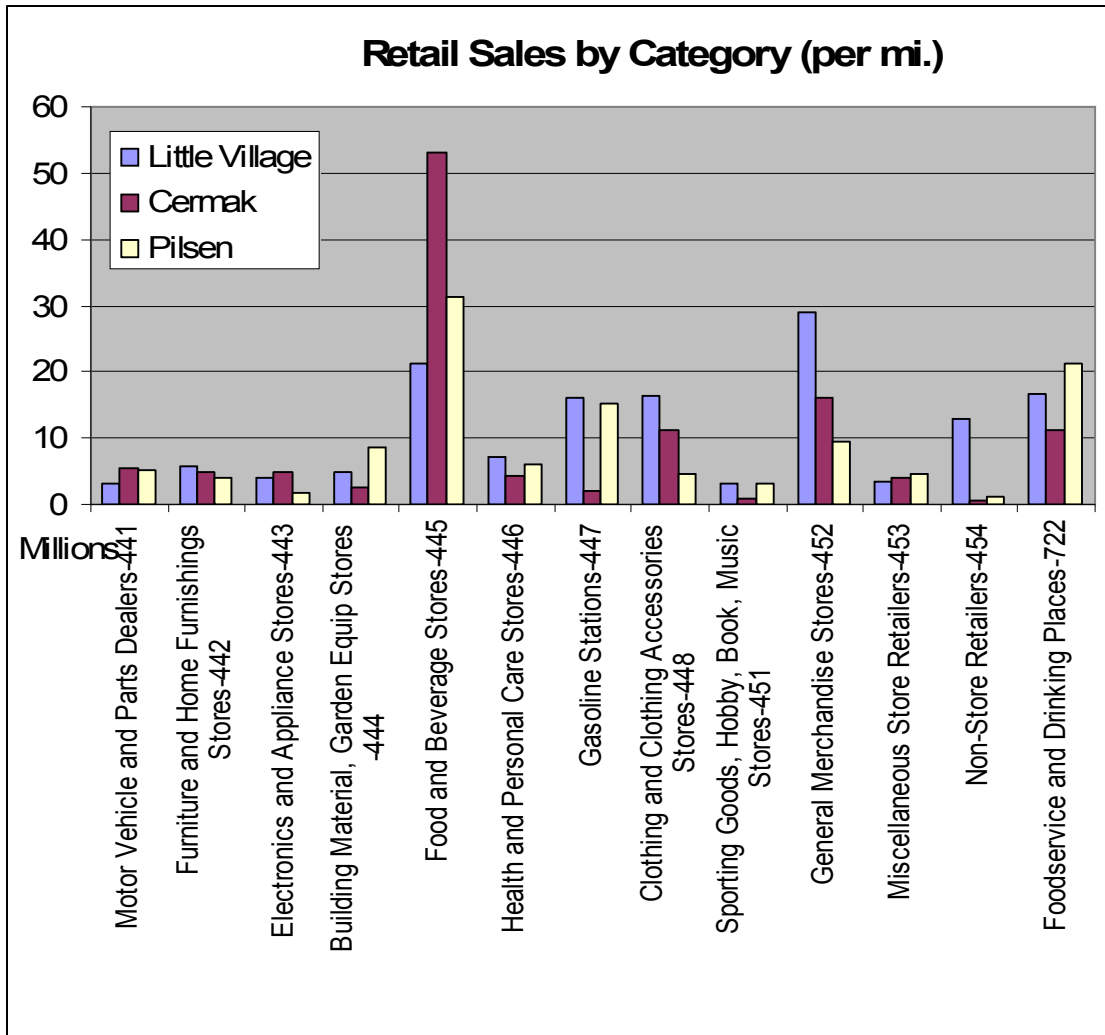
Of the three areas, Little Village is both the largest in sales and area, totaling 358 million dollars in sales during 2007. Per square mile, the Pilsen and Cermak corridor totaled 115 and 121 million dollars in sales per square mi.

	LITTLE VILLAGE	CERMAK	PILSEN
Total Retail Sales	\$358,075,366	\$169,463,408	\$277,287,352
Total Retail (per sq. mi)	\$143,230,146	\$121,045,291	\$115,536,397

Total Sales, 2007. Source: Claritas.com

For instance, the chart below clearly exhibits that food and beverage store sales within the Cermak corridor are particularly strong, as the total number of sales for that area exceeds 50 million dollars/mi. and in total greater than the number of sales in Little Village. Additionally, it is apparent that food service and drinking places as well as gasoline stations have a strong presence in Pilsen. Also, apparent are the lack of certain goods and services in the Pilsen and Cermak corridors.

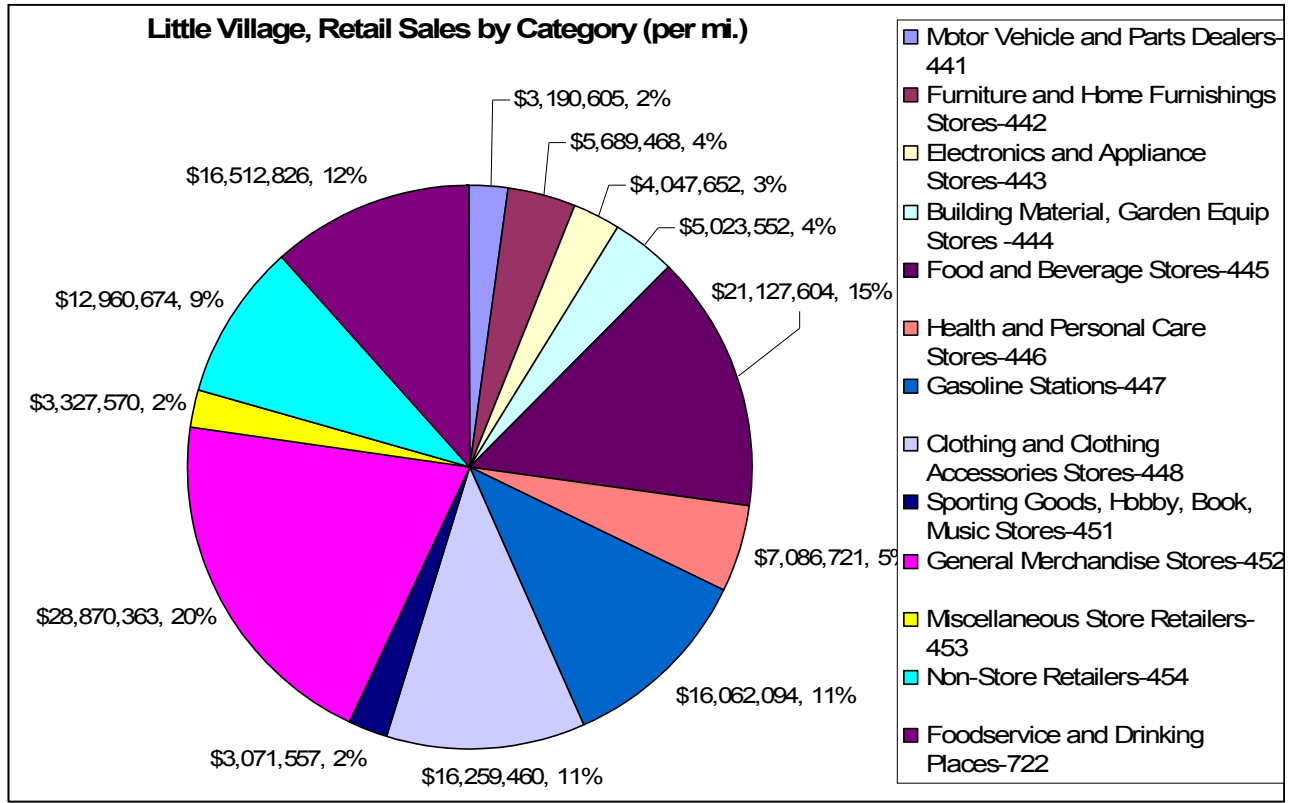
⁷ Claritas, 2007



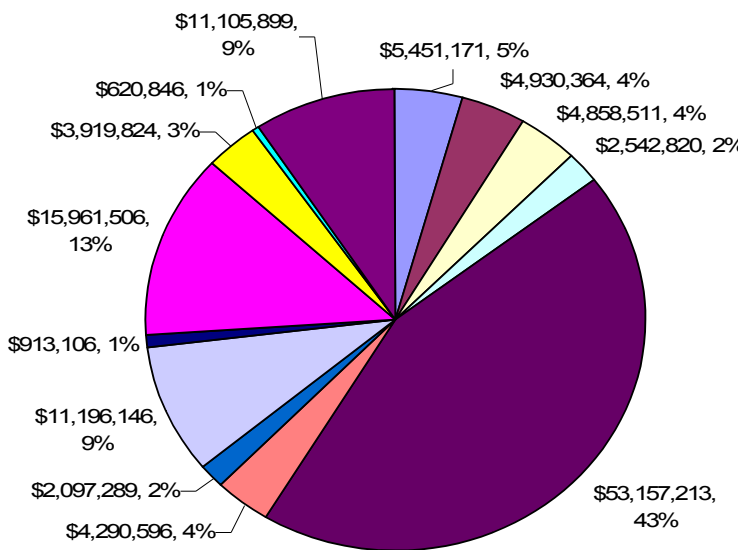
Source: Claritas, 2007.

The pie charts below further highlight varying levels of business diversity within each corridor. Within the Little Village corridor, each of the retail categories comprises between 2-20% of sales and 7 of the product categories account for

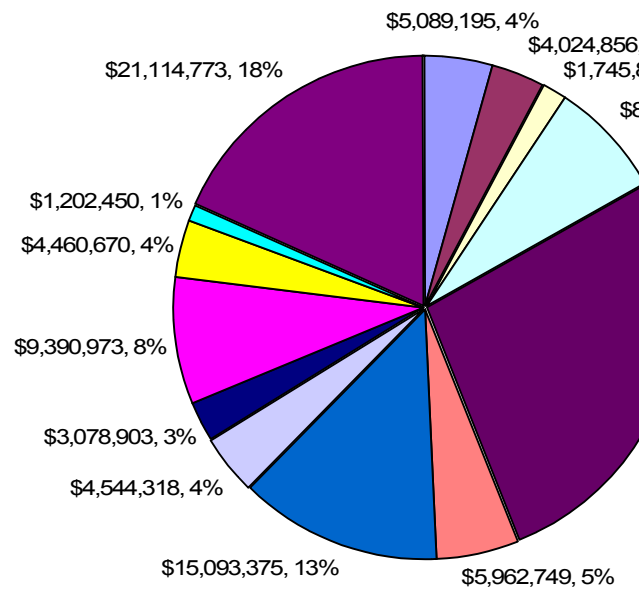
5% or more of total sales.



Cermak: Retail Sales by Category (per sq. mi.)



Pilsen: Retail Sales by Category (per mi.)



Source: Claritas, 2007

In all three areas, a significant percentage of total sales are derived from General Merchandise and Food related categories. In the Cermak and Pilsen areas, these areas account for 65 and 54% of total sales. In Little Village, sales in these areas account for a relatively smaller share, 47% of total sales. In turn, a larger percentage of sales are derived from other retail categories, such as clothing stores, health and personal care stores, and non-store retailers. Alternatively, in both Pilsen and Cermak, there are fewer retail categories which account for 5% or more of total sales.

Retail sales figures reveal particular concentrations of store types. However, sales figures do not detail what level of local demand is being met, or exceeded (a surplus) by local businesses. An analysis of the gap between sales and demand, called the sales gap or sales surplus, details how well an area is meeting the needs of consumers. If local sales indicate that local demand has been met or exceeded, it is reasonable to conclude that consumers from neighboring areas also frequent the commercial area. The surplus table below details the difference between local demand and sales. A higher negative number is associated with a greater surplus. (Surplus figures are per square mile).⁸

SURPLUS RETAIL CATEGORIES AND SUB CATEGORIES (Per Mi.)	Little Village	Cermak	Pilsen
Furniture and Home Furnishings Stores-442	-\$459,666	-\$528,998	-\$289,098
Home Furnishing Stores-4422	-\$874,660		
Electronics and Appliance Stores-443			
Camera and Photographic Equipment Stores-44313	-\$201,283		
Food and Beverage Stores-445	\$15,399,994	-\$19,969,886	-\$4,995,449
Specialty Food Stores-4452	-\$1,211,327	-\$252,665	-\$434,071
Beer, Wine and Liquor Stores-4453	-\$375,712	-\$1,325,861	
Health and Personal Care Stores-446			
Optical Goods Stores-44613	-\$212,925	-\$300,817	
Clothing and Clothing Accessories Stores-448	-\$2,073,551		
Women's Clothing Stores-44812	-\$51,779		
Childrens, Infants Clothing Stores-44813	-\$1,092,116	-\$404,366	
Clothing Accessories Stores-44815	-\$100,569		
Shoe Stores-4482	-\$4,757,364	-\$2,684,899	
Jewelry, Luggage, Leather Goods Stores-4483	-\$2,084,707	-\$1,252,896	-\$125,823
Jewelry Stores-44831	-\$2,187,437	-\$1,337,306	-\$199,235
Sporting Goods, Hobby, Book, Music Stores-451			
Book, Periodical and Music Stores-4512	-\$777,744		-\$932,045
Prerecorded Tapes, CDs, Record Stores-45122	-\$1,277,615		-\$34,610
General Merchandise Stores-452			
Department Stores Excl Leased Depts-4521	-\$10,508,527	-\$693,169	
All Other General Merchandise Stores-45299	-\$698,793		
Miscellaneous Store Retailers-453			-\$668,540
Florists-4531	-\$300,811	-\$664,299	
Used Merchandise Stores-4533	-\$1,018,339		-\$170,596

⁸ Claritas, 2007

Non-Store Retailers-454			
Direct Selling Establishments-4543		-9,627,744	
Foodservice and Drinking Places-722			-1,732,979
Drinking Places -Alcoholic Beverages-7224		-275,158	-280,677 -18,615

Source: Claritas, 2007.

The chart above compares those areas for which Little Village has a surplus to the same categories in Pilsen and Little Village. In several categories, Little Village is the sole surplus area, including: direct selling establishments, drinking places, camera/photography stores, and home furnishing stores. In other categories, Little Village has a larger sales surplus than Pilsen and/or Cermak, including: florists, used merchandise, department stores, and in shoes and jewelry.

Finally, Little Village has large number of retail categories, which do not run a surplus, but have strong sales and have little presence in competing areas. These areas include: tape, CD, and record stores and sub-categories of clothing stores (shoes, men’s clothing, jewelry).⁹

Finally, below is a list of sales, demand, and opportunity gaps within all retail categories in Little Village

Total Retail Sales Incl Eating and Drinking Places	611799955	358075366	253,724,589
Motor Vehicle and Parts Dealers-441	108612752	7976513	100,636,239
Automotive Dealers-4411	94356496	3944311	90,412,185
Other Motor Vehicle Dealers-4412	6322894	0	6,322,894
Automotive Parts/Accsrs, Tire Stores-4413	7933362	4032202	3,901,160
Furniture and Home Furnishings Stores-442	13074506	14223670	(1,149,164)
Furniture Stores-4421	7697606	6660120	1,037,486
Home Furnishing Stores-4422	5376900	7563550	(2,186,650)
Electronics and Appliance Stores-443	14812501	10119129	4,693,372
Appliances, TVs, Electronics Stores-44311	11651671	9075275	2,576,396
Household Appliances Stores-443111	2163278	659616	1,503,662
Radio, Television, Electronics Stores-443112	9488393	8415659	1,072,734
Computer and Software Stores-44312	2620184	0	2,620,184
Camera and Photographic Equipment Stores-44313	540646	1043854	(503,208)
Building Material, Garden Equip Stores -444	46304827	12558881	33,745,946
Building Material and Supply Dealers-4441	41480544	12558881	28,921,663
Home Centers-44411	16203605	0	16,203,605
Paint and Wallpaper Stores-44412	1015510	0	1,015,510
Hardware Stores-44413	3804060	3072590	731,470
Other Building Materials Dealers-44419	20457369	9486291	10,971,078
Building Materials, Lumberyards-444191	6823866	3234932	3,588,934
Lawn, Garden Equipment, Supplies Stores-4442	4824282	0	4,824,282

⁹ Claritas, 2007.

Outdoor Power Equipment Stores-44421	661096	0	661,096
Nursery and Garden Centers-44422	4163187	0	4,163,187
Food and Beverage Stores-445			
Grocery Stores-4451	91318995	52819011	38,499,984
Supermarkets, Grocery (Ex Conv) Stores-44511	83002950	40535368	42,467,582
Convenience Stores-44512	79188758	39350200	39,838,558
Specialty Food Stores-4452	3814192	1185168	2,629,024
Beer, Wine and Liquor Stores-4453	3063850	6092168	(3,028,318)
	5252195	6191475	(939,280)
Health and Personal Care Stores-446			
Pharmacies and Drug Stores-44611	31525918	17716803	13,809,115
Cosmetics, Beauty Supplies, Perfume Stores-44612	27006528	14593621	12,412,907
Optical Goods Stores-44613	1109387	352006	757,381
Other Health and Personal Care Stores-44619	1323185	1855497	(532,312)
	2086818	915679	1,171,139
Gasoline Stations-447			
Gasoline Stations With Conv Stores-44711	64553160	40155234	24,397,926
Other Gasoline Stations-44719	49281273	34787958	14,493,315
	15271887	5367276	9,904,611
Clothing and Clothing Accessories Stores-448			
Clothing Stores-4481	35464772	40648649	(5,183,877)
Men's Clothing Stores-44811	26492928	14571629	11,921,299
Women's Clothing Stores-44812	1728302	798366	929,936
Childrens, Infants Clothing Stores-44813	6328129	6457577	(129,448)
Family Clothing Stores-44814	2248421	4978711	(2,730,290)
Clothing Accessories Stores-44815	14008153	308957	13,699,196
Other Clothing Stores-44819	464770	716193	(251,423)
Shoe Stores-4482	1715153	1311825	403,328
Jewelry, Luggage, Leather Goods Stores-4483	6224514	18117923	(11,893,409)
Jewelry Stores-44831	2747329	7959097	(5,211,768)
Luggage and Leather Goods Stores-44832	2490505	7959097	(5,468,592)
	256825	0	256,825
Sporting Goods, Hobby, Book, Music Stores-451			
Sporting Goods, Hobby, Musical Inst Stores-4511	11080619	7678892	3,401,727
Sporting Goods Stores-45111	8094642	2748554	5,346,088
Hobby, Toys and Games Stores-45112	4072871	1171398	2,901,473
Sew/Needlework/Piece Goods Stores-45113	2507102	965654	1,541,448
Musical Instrument and Supplies Stores-45114	537288	0	537,288
Book, Periodical and Music Stores-4512	977381	611502	365,879
Book Stores and News Dealers-45121	2985977	4930338	(1,944,361)
Book Stores-451211	1679382	429706	1,249,676
News Dealers and Newsstands-451212	1570732	429706	1,141,026
Prerecorded Tapes, CDs, Record Stores-45122	108650	0	108,650
	1306595	4500632	(3,194,037)
General Merchandise Stores-452			
Department Stores Excl Leased Depts-4521	83849641	72175907	11,673,734
Other General Merchandise Stores-4529	38711770	64983087	(26,271,317)
Warehouse Clubs and Super Stores-45291	45137871	7192820	37,945,051
All Other General Merchandise Stores-45299	39692033	0	39,692,033
	5445838	7192820	(1,746,982)

Miscellaneous Store Retailers-453	12843251	8318924	4,524,327
Florists-4531	899675	1651703	(752,028)
Office Supplies, Stationery, Gift Stores-4532	4514406	1071334	3,443,072
Office Supplies and Stationery Stores-45321	2491856	0	2,491,856
Gift, Novelty and Souvenir Stores-45322	2022550	1071334	951,216
Used Merchandise Stores-4533	1277324	3823172	(2,545,848)
Other Miscellaneous Store Retailers-4539	6151847	1772715	4,379,132
Non-Store Retailers-454			
Electronic Shopping, Mail-Order Houses-4541	25389472	0	25,389,472
Vending Machine Operators-4542	2121184	0	2,121,184
Direct Selling Establishments-4543	8332326	32401686	(24,069,360)
Foodservice and Drinking Places-722			
Full-Service Restaurants-7221	27941692	10891090	17,050,602
Limited-Service Eating Places-7222	27445099	26157956	1,287,143
Special Foodservices-7223	5210985	1626869	3,584,116
Drinking Places -Alcoholic Beverages-7224	1918257	2606151	(687,894)

Source: Claritas, 2007.

E. Reasons Why the District Would Attract Customers

Density, variety, ethnic shopping and community events characterize the Little Village area. The presence of murals, signage, and pedestrian amenities encourage pedestrian activity. Together, the mixture of niche businesses and high pedestrian counts makes Little Village a destination commercial area.

The local chamber indicates that shoppers come from all over the mid-west to shop in Little Village, due to its notoriety and concentration of predominantly Mexican-oriented ethnic goods and services. In total volume of sales, the Little Village area has been one of Chicago's major commercial areas for several years.

Neighboring commercial areas differ in scale, volume, and character. While neighboring commercial areas are successful, none of the examined retail areas compares as a pedestrian-oriented, retail destination.

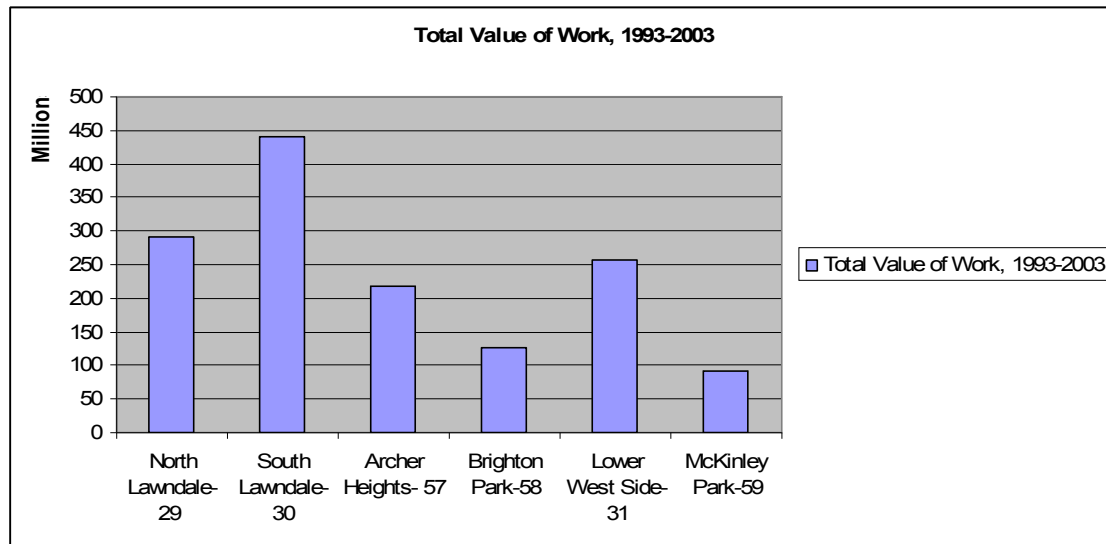
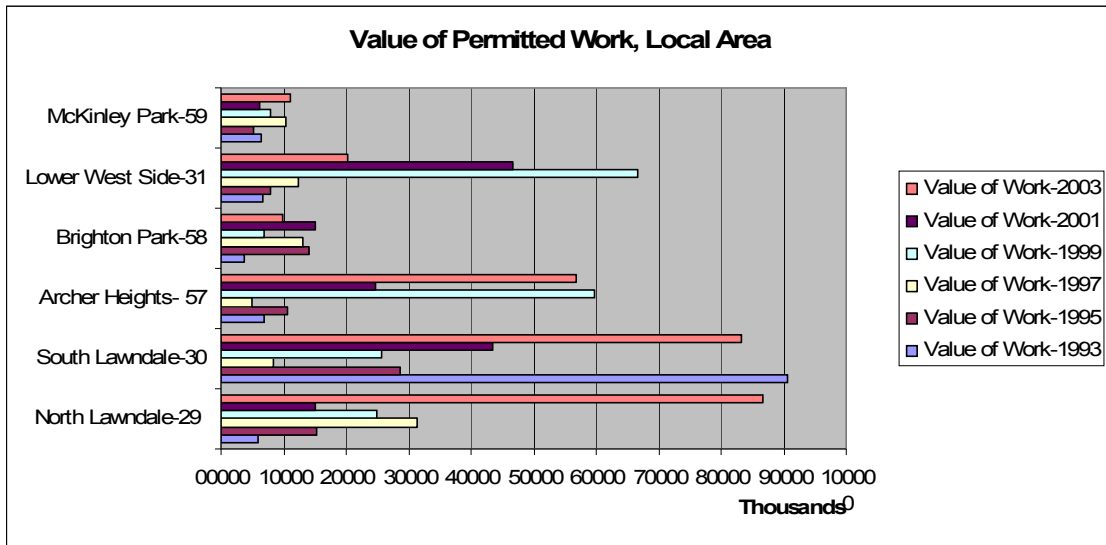
The commercial area is accessible by the CTA (Blue/Pink Line and several buses lines are nearby) as well the I-55.

F. Private Investment Compared to Other Areas

One indicator of private investment and commercial growth is the value of permitted work. For this subsection, the immediately surrounding areas (Brighton Park, Lower West Side, McKinley Park, and Archer Heights) were examined. For contextual purposes, other nearby communities which have seen greater and lesser investment were also examined.

Compared to its nearest neighbors, South Lawndale had the highest total value of permitted work during the period 1993-2003, approximately 440 million dollars.

In both 1993 and 1995, South Lawndale a significant volume of new work was permitted. In contrast, between 1997 and 1999, there was a contraction in the total value of permitted work, which could be attributed to market adjustment. Again in 2001 and 2003, the total value of permitted work rebounded to early 90's levels.¹⁰

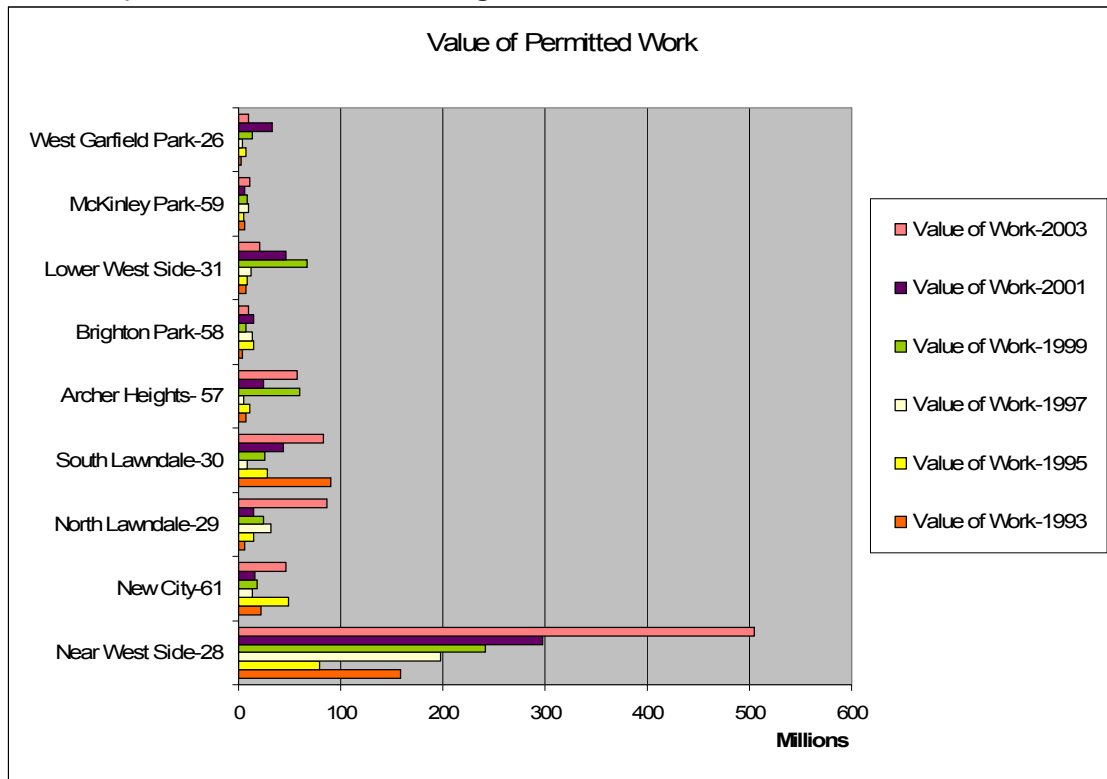


Source: ChicagoAreaHousing.org

Relative to the surrounding areas, the value of permitted work in Little Village has been high. Accordingly, the value of work has also been high when compared with low-growth areas, such as West Garfield Park. Yet, when

¹⁰ Chicago Area Housing, 2003

compared the Near West Side Community Area (which includes Pilsen), the level of activity in South Lawndale, is regarded as moderate.



Source: Chicagoareahousing.org