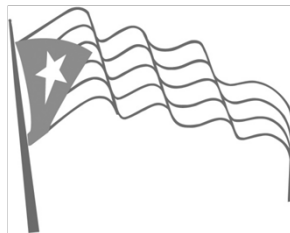


# Current Research

Paseo Boricua:  
*The “Cultural and Entertainment District”*

*A history of community advocacy & partnership,  
A need for investment without displacement*

**A study for the Division Street Business Development Association (DSBDA)**  
November, 2008



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*“Paseo Boricua: The Cultural and Entertainment District, A history of community advocacy & partnership, A need for investment without displacement-A study for the Division Street Business Development Association (DSBDA). November, 2008” by Alisha Garcia Flores, MUPP.*

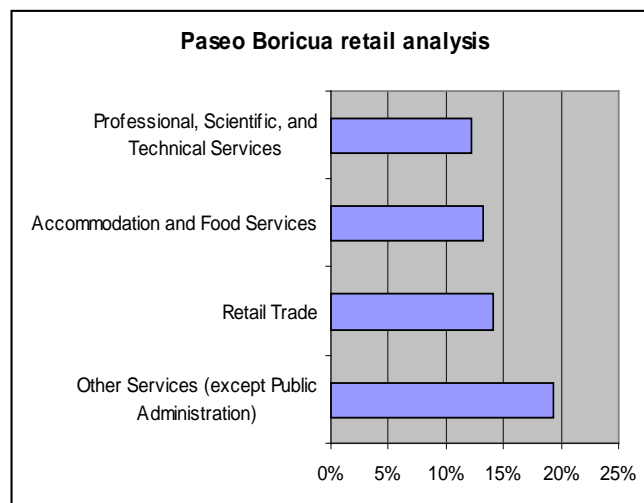
**There are five research components to this study:**

- 1. An inventory /analysis of major community plans for Paseo Boricua since 1994.**
  - 2. A current retail analysis of the Paseo Boricua commercial strip was concluded.**
  - 3. Twenty-three business owners were interviewed on Paseo Boricua with the “Minority Entrepreneur survey”.**
  - 4. A demographic and housing analysis of the study area was completed to show changes from 2000 to 2005 and relative comparisons to the neighborhood survey of neighborhood residents.**
  - 5. A venue-based “Neighborhood Opinion Survey” of the study area was completed to assess resident opinion of the neighborhood, development of Paseo Boricua, and demographic/housing information within the study area. (283 community resident living within the study area)**
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1.

Division Street/Humboldt Park Community Plans		
HPEP (1994)	Bickerdike NCP (2005)	DSBDA (2008) / IRRPP (2000)
<i>Transportation</i>	<i>Parking needs analysis</i>	<i>Parking feasibility study</i>
commuting patterns	North Ave and Division	UIC, NCP, & DSBDA
Partner with UIC	development of corridors	July 2008 meters approved
job opportunities	<i>Land Trust of Chicago</i>	<i>Façade rebate program</i>
<i>Business Steering group</i>	vacant lots built with resident direction	10 façade improvements
increase tax base	<i>Community resource guide</i>	Old San Juan theme
create jobs /technical assistance	<i>Community walk/bike map (tours)</i>	<i>Cultural events</i>
expand business	<i>Economic development summit</i>	Three Kings, Fiesta Boricua,
<i>4 Initiatives</i>	business leaders, residents, policy makers	People's Parade, Haunted Paseo
1. small business support center (BSC)	commercial development	<b><i>Paseo Boricua business center</i></b>
technical services	<b><i>Paseo Boricua</i></b>	fast trac business management
access to credit/capital	physical, economic, social/	technical assistance/marketing
property data bank	marketing, communications, beautification	legal issues/taxes
marketing/branding	maintaining racial & ethnic mix	<i>Property inventory/expediting permits</i>
business incubator	development of cultural district	permits & licenses
2. commercial revitalization	street lighting, sidewalk repairs, sewer	property inventory
expand attract businesses	planters, expand walkway	<i>Branding/marketing/community relations</i>
clean commercial strip	TIF fund investigation	IRRPP feasibility study/market study
residents don't leave for goods	gateway development/	Paseo Boricua restaurant & cultural district
<b><i>Paseo Boricua</i></b>	welcoming & safe	branding
focus on neglected/unattractive	local business development	tours
attractive commercial strip	technical services for small businesses	event production
Clean/Safe strip	<i>Employer assisted housing</i>	<i>Business development restaurant incubator</i>
expand on goods & services	local businesses/subsidies for employees	acquisition of commercial space
symbols-history & culture	<i>Access to small business resources</i>	acquisition of leases/assist businesses
infrastructure improvements	lending institutions/affordable loans	employment opportunities for residents
3 organizers for each strip		<i>Asset/property development</i>
coordinate to city programs		restaurants, clubs, entertainment
façade program/loans		beautification program
3. Brownfield development		valet/employee parking lot
4. developable sites		banquet hall
<i>Business Investment Steering committee</i>		kiosk/multilevel parking structure
loan products		<i>Capacity needs</i>
evaluate borrowing needs		website development/brochures
coordinate with BSC		staff development
relationship with eight local banks		funding/investment capital
micro-loan project		membership
		board development

2. *Paseo Boricua Retail Analysis (2008)*



### **Business categories**

The North American Industry Classification System (NAICS, 2007) was used to classify businesses that occupy *Paseo Boricua*.

“Other services” account for 20% of the 114 business on the street. (Non-for-profit agencies, doctors, churches, etc). Churches and Barber shops account for 68% of businesses in the “other services” category.

### **Buildings**

There are 122 building parcels on the street; 8 of them are apartment buildings and houses. 91 of these buildings are mixed-use with apartments on top, with most varying from two to three floors. Three of these building are completely abandoned.

### **Businesses**

Paseo Boricua has 114 businesses on the street. Of those businesses, 96 are occupied business storefronts and 18 are empty business storefronts, many in mixed-use buildings. Eleven buildings hold multiple businesses. Empty storefronts account for almost 19% of storefront businesses on the street. Only 81 businesses were on Paseo Boricua in 2003. Of those businesses, 39 are still accounted for today. (CCV, 2003) There has been a 30% increase in overall business growth in the past five years.

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### **3. “Minority Entrepreneur survey”**

Latino business owners were randomly selected for this sample from a diverse sample of businesses on the street. (Retail, other services, food, etc) Twenty-three Latino businesses owners were selected, accounting for a 20% sample of businesses on Paseo Boricua.

- Within the sample of 23 business owners on Paseo Boricua, 70% were first-time entrepreneurs when they opened their business on Paseo and 61% were employed in a similar type of business before they started.

- The average business owner in this sample has earned a two-year college degree.
- The average yearly household income for the business owners was rather high. Fifteen or 65% of business owners in this sample have household incomes between \$36,000 and \$74,999 (15); six or 26% made between \$36,000 and \$50,999, nine or 39% made between \$51,000 and \$74,999. However, about one-third of the businesses receive income from sources other than their businesses.
- Fifty-six percent of the business owners were between 23 and 33 age when they got into business. With 22 responses from business owners, eleven or 50% had been in business for ten years or less, and 11 (50%) for over ten years. Six (27.3%) of owners have been in business for 20 years or more.
- The average business owner has been in business ten years.
- 70% were first-time entrepreneurs when they opened their business on Paseo and 61% were employed in a similar type of business before they started.
- The majority of business owners claim high household incomes between \$36,000 and \$74,999 per year and have relatively small household sizes. However, about one-third of the businesses receive income from sources other than their businesses.
- Almost 79% those of business owners who were employed before starting their current business became entrepreneurs because they were “unsatisfied with their earnings” and/or wanted “to be their own boss”.
- Slightly over one half (59%) of owners said they decided to go into their particular line of business simply because they “knew the business”. A fair amount of business owners were employed before they began working in their current business (61%). Thirty-nine percent (9) of the business owners stated that they had had previous employment in a similar business; about twenty-two percent (5) said their family owns or had owned a similar business. A little over one-fourth (26%) said they had no prior experience. Thus, unemployment was not a motivation to start their businesses.
- When businesses were asked how they are treated by clients of their own racial/ethnic background, 87% said they were “very satisfied or satisfied”.
- Eighty-six percent of business owners think that being “Latino” does not make them more vulnerable to threats. When asked as entrepreneurs/business owners if they had experienced any specific instances of discrimination for being Latino, remarkably, 18 of 22 respondents said they had not experienced any instances of discrimination.
- Businesses owners were asked about which capital resources they used in order to start or buy their businesses. Six or 27% of owners said they used “loans from private banks”, but the majority of business owners said they used their own “savings” (72.7% or 16) and to start their businesses.

Therefore, the most common characteristics of business owners in this sample were: entrepreneurs, had previous employment experience in their particular type of business, were employed prior to working in their current business, knew their

business, and wanted “to be their own boss”. These factors point to the positive motivations of business owners while also suggesting a strong commitment to their businesses, personal ties to their trade, and experience in their field.

#### 4. Study Area Demographics

As of 2005, approximately 29% of households in the study area are earning less than \$15,000 per year and 61% are earning less than \$35,000 per year (these statistics have not changed since 2000). However, the study area showed high increases in the number of households earning between “\$100,000 and \$149,999” (13.1%) and “\$200,000 or more” (19.4%) from 2000 to 2005. (These household income categories represent the highest percentage increases during this time in the study area.)

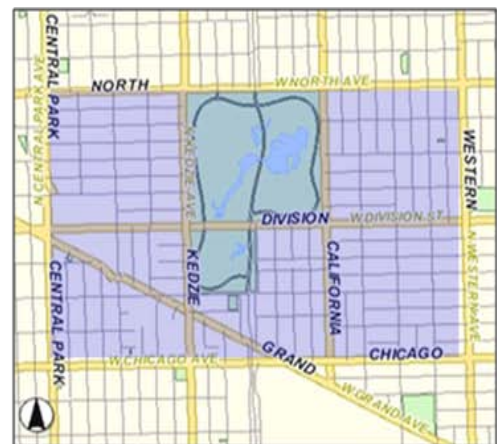
This study area also shows changing housing characteristics. From 2000 to 2005 the number of owner-occupied units increased from 829 to 2,886 (an incredible 71.3%). The median value for owner-occupied units also increased by 31.3%; from \$113,433 (2000) to \$165,157 (2005). (MCIC, 2000 & 2005) The number of owner-occupied units (within categories of value) also increased at an average rate of 79%. The median value of an owner-occupied unit in Chicago was \$132,400 in 2000 and \$245,000 in 2005. (U.S. Census-American Community Survey, 2005)

Renter-occupied units show an opposite trend. On average, monthly rents of renter-occupied units went down in value. Renter-occupied units ranging from \$750 to “\$1500 or more” decreased between 2000 and 2005 at an average rate of -157%. Even more astounding, was the fact that renter-occupied units “less than \$499” increased by 34.4% (the only area of increase within that time frame). The median value for renter-occupied units decreased from \$589 (2000) to \$502 (2005), even though the number of renter-occupied units slightly increased from 7,994 to 8,016. The average rent in Chicago was \$616 in 2000 and \$783 in 2005; hence, the study area is quite affordable in rents.

Profile of General Demographic Characteristics(2005): DSBDA Study area

Subject	Change (2000 - 2005)	
	2005 Estimates Number	Percentage
Total Population	34,495	-0.9
<b>RACE</b>		
White	10,703	-13.5
Black or African American	8,161	-3.4
Asian	391	2.1
Hispanic Or Latino	24,264	12.9
White NonHispanic	4,246	-9.6
Other Population	15,240	12

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**Profile of Selected Economic Characteristics**

**DSBDA Study Area**

Subject	(2000 - 2005)		
	census 2000	census 2005	Percentage Change
<b>Households</b>	<b>10,685</b>	<b>10,902</b>	<b>2.0%</b>
Less than \$15,000	3,140	3,199	1.8%
\$15,000 to \$24,999	1,890	1,986	4.8%
\$25,000 to \$34,999	1,450	1,455	0.3%
\$35,000 to \$49,999	1,513	1,524	0.7%
\$50,000 to \$74,999	1,580	1,529	-3.3%
\$75,000 to \$99,999	642	676	5.0%
\$100,000 to \$149,999	326	375	13.1%
\$150,000 to \$199,999	90	91	1.1%
\$200,000 or more	54	67	19.4%
<b>Median Household Income</b>	<b>26,345</b>	<b>26,499</b>	<b>0.6%</b>
<b>Households earning less than \$35,000</b>	<b>6,480</b>	<b>6,640</b>	
<b>Percentage of total households earning less than \$35,000</b>	<b>61%</b>	<b>61%*</b>	
<b>Middle Income (\$35,000-\$74,999)</b>	<b>29%</b>	<b>28%</b>	

**Profile of Selected Housing Characteristics:  
DSBDA Study Area**

Subject	2000	2005	(2000-2005)
	Estimates	Estimates	Percentage
	Number	Number	Change
<b>Owner-occupied units</b>	829	2,886	71.3%
Less than \$100,000	422	735	42.6%
\$100,000 to \$149,999	214	549	61.0%
\$150,000 to \$199,999	92	696	86.8%
\$200,000 to \$499,999	101	611	83.5%
\$500,000 to \$999,999	0	7	100.0%
More than \$1,000,000	0	22	100.0%
Median (dollars)	113,433	165,157	31.3%

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**Profile of Selected Housing Characteristics:  
DSBDA Study Area**

Subject	2000	2005	(2000-2005)
	Estimates	Estimates	Percentage
	Number	Number	Change
<b>Renter-occupied units</b>	<b>7,994</b>	<b>8,016</b>	0.3%
Less than \$499	2,493	3,803	34.4%
\$500 to \$749	3,551	3,178	-11.7%
\$750 to \$999	1,379	624	-121.0%
\$1,000 to \$1,499	329	169	-94.7%
\$1,500 or more	32	9	-255.6%
no cash rent	210	N/A	N/A
Median (dollars)	589	502	-17.3%

## 5. Neighborhood survey

The “Neighborhood Community Survey” included 283 residents from the study area. A large majority of residents from this sample lived within the “60622” zip code (76%), which directly encompasses the Paseo Boricua commercial strip and the eastern portion of the study area. The remaining residents (24%) lived in the “60651” zip code which covers the western half of the study area (west of Humboldt Park).

Forty percent of the respondents were 26-39 years of age, 26.9% were 18-25, and 26.1% were 40-64. There was a good representation of gender within this sample as 57.7% were female and 42.3% male. Surprisingly, the average participant has lived in the study area or “neighborhood” for 15.8 years. One-third of participants have lived in the neighborhood for 5 years or less, 49.4% for ten years or less, and 50.9% for more than ten years. Incredibly, 36% of participants have lived in the neighborhood for over 20 years. It seems as though most residents have a long history in the neighborhood.

- When asked how comfortable participants felt about approaching and speaking with the neighbors on their block, 59.2% said “very comfortable” or “comfortable”, and 22.7% said “somewhat uncomfortable” or “uncomfortable”.
- Respondents said most of the neighbors on their block have lived there for the past five years (80%). Another question relating to “changes on their block” asked participants if they thought the “racial/ethnic makeup” had changed in the past five years. Sixty-six percent of respondents said “yes”, 26.2% said “no”, and 7.7% said “don’t know”. With a total of 68 respondents who said their block had, in fact, changed in racial/ethnic makeup: 27.9% said it changed from “Latino/Hispanic to White”, 22.1% said “Puerto Rican to White”, and 16.2% said “More White”. Therefore, 80% (55 of 68) or respondents mentioned the racial/ethnic makeup of their block had changed to “White”.
- In order to determine the future stability of current residents in the study area, participants were asked if they planned to live in their neighborhood in the next five years. The majority of residents said “yes” (201 or 70.9%) and 82 or 29.1% said “no”.

### **Division Street/ ‘Paseo Boricua’**

- In regards to how often participants visit Division Street along Paseo Boricua, 61.3% said “daily” and 14.5% said “once a week”. Participants were also asked how they spent their time on Paseo Boricua. With 271 respondents, 56.8% said “shopping/spending money”, 46.1% said “socializing”, and 43.2% said “exercising”. When asked about what purchases they make on Paseo Boricua, the majority of respondents chose “food (groceries)” (74.8%) and “restaurants/take-out” (71%). Both “liquor/wine/beer” & “everyday goods (house wares)” averaged 39% as the third choice of purchases.
- “Café Colao” (#1) and “Papas Cache restaurant” (#2) were the top two places on Division Street/Paseo Boricua participants recommended with the highest frequency. When asked about which “three” stores participants frequented the most (more than 1 mile from their residence) they chose (in order of highest frequency) “Family Dollar”, “Wal-Mart”, and “Jewel”.
- Sixty-eight percent of participants said they attended “Fiesta Boricua”, 60% attended “Festival in the Park”, and 47% attended “Parade on Division Street”. Other events & activities listed in the survey averaged a 29% attendance rating as well. (“Haunted Paseo”, “Three kings day/toy giveaway”, “Barrios arts fest”, “Puerto Rican film series”)
- Participants were asked about their interpretations of the Paseo Boricua business area. Fifty-six percent of respondents (249 respondents) said “yes” they thought Paseo Boricua is a “welcoming business area”, 13% said “no” and 31% said “don’t know”. The following question asked whether or not participants thought the “Puerto Rican cultural identity” of Humboldt Park/Division St. was attractive.

Eighty-nine percent of respondents (246 respondents) said “yes” and 11% said “no”.

- In regards to businesses on Paseo Boricua, participants were asked if they felt that it was important for businesses to incorporate “Puerto Rican culture”. Surprisingly, 67.9% of participants said “yes”, 28.6% said “don’t know”, and 3.6% said “no”. In addition, the majority of participants (85%) agreed that the monuments of the Puerto Rican flags on Division Street/Paseo Boricua were an important symbol of their community.