



## **Pulaski Road Retail Development and Marketing Plan**

**Manheim Solutions, Inc. in  
Collaboration with Hopkins  
Solutions, LLC**

**April 18, 2016**

## **Timeline**

- ✓ Kick Off is scheduled for March 3<sup>rd</sup>
- ✓ Prioritize Key retail sites by March 18<sup>th</sup>
- ✓ Develop a budget and incentive strategy and draft targeting plan by March 25<sup>th</sup>
- ✓ Final targeting and action plan to Village by April 25<sup>th</sup>

## Pulaski Road Corridor Objectives – A Recap

- ✓ Reviewed recent studies conducted on the Pulaski Road Corridor
- ✓ From those plans, updated the retail trade recommendations for retaining existing businesses and attracting new retailers to the corridor
- ✓ Identified retailers to target for Pulaski Road
- ✓ Developed an Action Plan for implementation

## Action Steps

- ✓ Incorporated the recommendations from the *2013 Pulaski Corridor Action Plan & Business Development Program*, the *2013 Alsip Comprehensive Plan*, and the 2013 Consumer Survey – part of the *Business Development Program*
- ✓ Updated the retail market analysis of the Corridor
- ✓ Updated the existing buildings and sites within the Corridor
- ✓ Reviewed the Village of Alsip's existing website, databases and materials

## Action Steps (Continued)

- ✓ Ensures connectivity to Cook County and regional economic development partners' databases
- ✓ Reviewed the comprehensive economic development incentive policy for the Pulaski Corridor
- ✓ Developed a plan for a one-time transfer of surplus funds from the 127<sup>th</sup> Street Corridor TIF district before it expires in October 2016
- ✓ Provided incentive application, decision matrix and score sheet (grading matrix)

## Action Steps (Continued)

- ✓ Developed an economic development marketing budget for the corridor
- ✓ Using work that has already been completed, revised the retail targeting plan and identify prospective businesses and developers for sites in the corridor and contact information for those businesses and real estate representatives
- ✓ Provided other related tracking tools

## TIF Budget Considerations

- Develop a plan for a one-time transfer of surplus funds from 127<sup>th</sup> Street Corridor TIF District:
  - Additional analysis of existing business and prospects, estimating number of projects and/or TIF share of costs of remodeling and expansions
  - Review properties available for redevelopment, estimating number of projects and TIF share of costs for property assembly, demolition and site preparations.
  - Identifying TIF funds for additional streetscaping, utilities, and hard costs, complementing recent investments
  - Identify TIF funds for marketing and professional services

## Remodeling & Facades

- TIF assistance for business retention, remodeling and expansion
  - Based upon \$10 – 80 /SF of building remodeling costs
  - Not all costs TIF eligible (e.g., signage or private parking lots)
- Village may wish to consider 50-50% matching grants
- Results: sustaining or increasing property tax, utility tax and sales tax collections

## TIF Redevelopment Considerations

- TIF Redevelopment Considerations
  - Projects that require property assembly
  - Fill redevelopment gaps
  - Subsidies encourage retail developers to land write down, demolition and similar assistance
  - \$50,000 (\$1 – 2/SF of land) to \$500,000 (\$10 – 11/SF of land)
  - Property sizes of 40-60,000 SF necessary for most restaurant projects

## TIF Application Process

- ✓ Provided draft TIF application
  - Includes TIF eligible projects
  - Includes TIF eligible costs
  - Explains the “But For” clause
  - Explains Project Proposal Process
  - Tentative Application Schedule
  - Simpler application for smaller projects (\$10K – 50k)
- Internal Review Procedure
- Suggest scheduling a TIF application orientation meeting with businesses and property owners

## Other Incentives

- Cook County Incentives
  - Class 6, 6B SER for manufacturing & distribution
  - Class 7 or 8 for commercial projects
- Sales Tax Sharing
- Enterprise Zone Tax credits and other benefits
- Other available incentives, small business assistance, customized training, and referrals

## Website

- ✓ Reviewed recently updated Economic Development website
  - ✓ <http://villageofalsip.org/wp/economic-development/>
- ✓ Provides navigation to Alsip Chamber, Cicero Avenue Corridor, Cal-Sag EZ, Alsip Industrial Assoc.
- ✓ TIF online inquiry form
- ✓ Under the “Business” tab, access to Building & Sites (Location One)

## Website Recommendations

- Use existing website structure (no additional cost)
- Bring up to “Best Practices” standards
  - Develop Location One Community Profile fields
  - Cross-reference with other Village Departments (to ensure inquirers find information)
- Include PDFs downloads for TIF, Facade and other applications
- Better access to dynamic services, such as the SSMMA GIS mapping product
- Marketing and other print literature in PDF format

## Marketing Materials

- Continue use of marketing materials for the Cal Sag Enterprise Zone
- Use existing folder from Cal Sag EZ
- Use Alsip Chamber of Commerce marketing packet
- Continue to review print materials, making revision as necessary
- Most materials for developers, prospects and realtors are customized (little direct cost)

# Pulaski Road Retail & Development and Marketing Plan Highlights

## Executive Summary

- Pulaski Road Retail Corridor
  - Both a community and retail development corridor
  - Alsip part stretches from Cal-Sag Channel on the south to 115<sup>th</sup> Street on the north
  - Comprises approximately 750,000 SF of building space
  - 95 acres of land area, including
    - Commercial sites
    - Redevelopment properties
    - Industrial properties

## Executive Summary

- Serves Community Shopping Needs
  - Three grocery stores that serve as anchors
  - Library and Township facilities make it a natural community center
- Strengths
  - Convenience shopping venues
  - Quick service and sit down restaurants
  - Captures “visitor” spending because Pulaski is a major commuting path to and from local and regional employment

## Primary Businesses

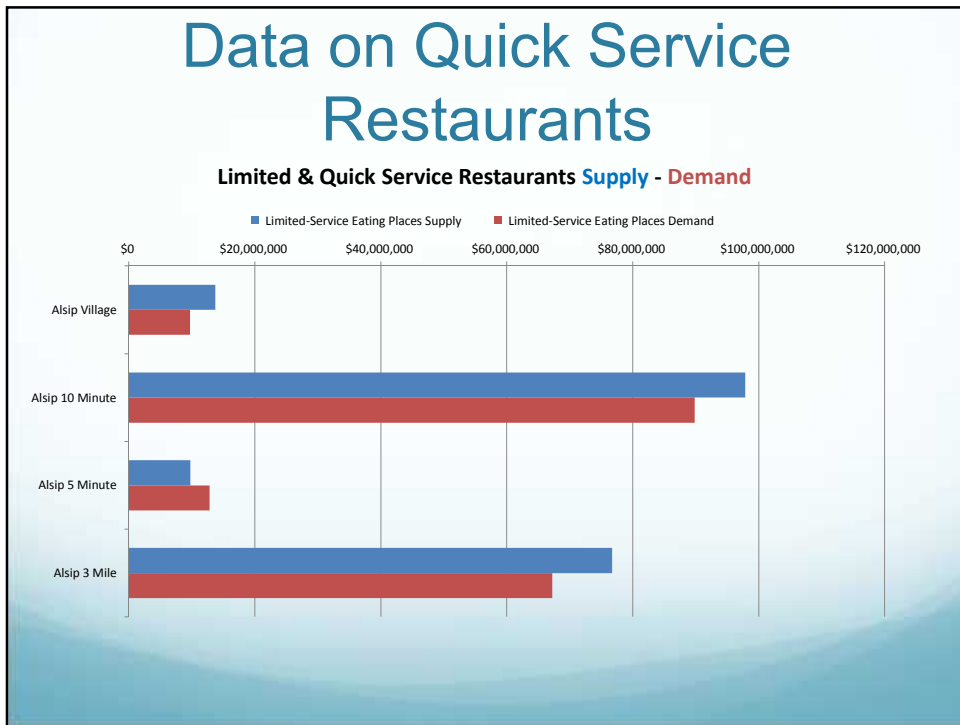
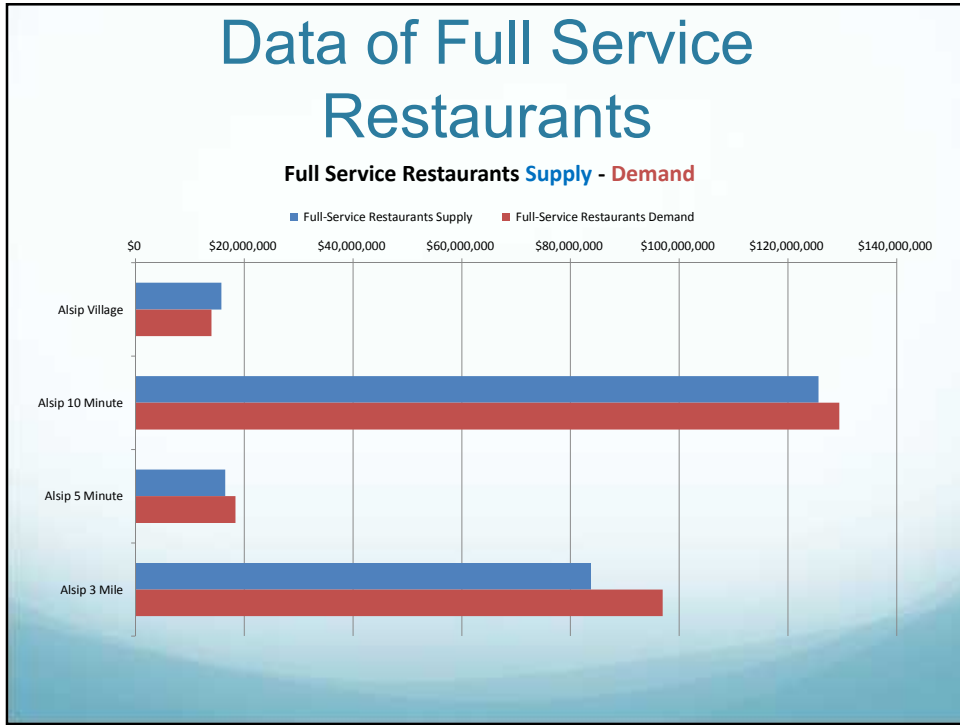
- Convenience stores
- Personal service shops
- Financial offices
- All serve neighborhood and general community for approximately 5-10 minute drive, or a distance of 3 miles
- Mix of daytime and neighborhood employment make it a destination for eating and dining
- Potential of other specialty and local retailers: home improvement and lawn and garden

## Proximity to Tri-State

- 127<sup>th</sup> Street interchanges attractive to hotels
  - Currently, 483 rooms
  - Potential for another 80 – 120 rooms or more; up to 200 – 400 rooms long term
- Potential to attract and retain key businesses, major employers
- Generate needed sales, property, utility and hospitality tax revenues
- The 10 minute trade area has median income 20% greater than community
- Traffic volume range is 30,000 ADT

## Strongest Retailers

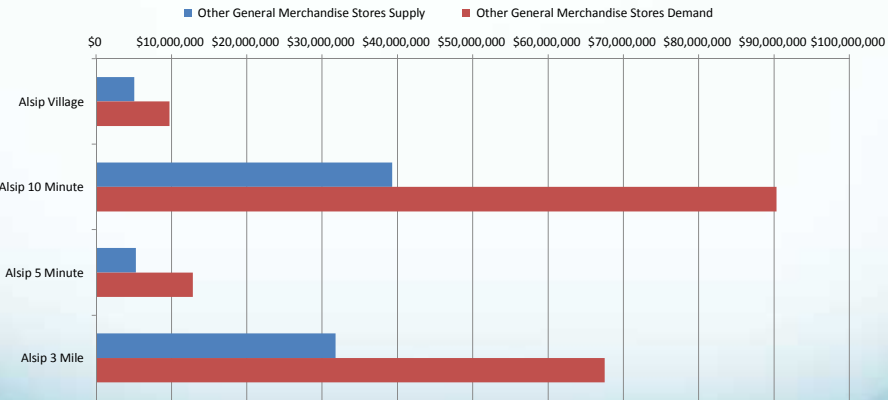
- Grocery
- Convenience Shopping
- Auto Repair
- Quick Service Restaurants
- Potential for Full Service Restaurants
- Targeted to replace title loan, pawn shop and payday loan operators that detract from area





## Other General Merchandise

Other General Merchandise Store Supply - Demand



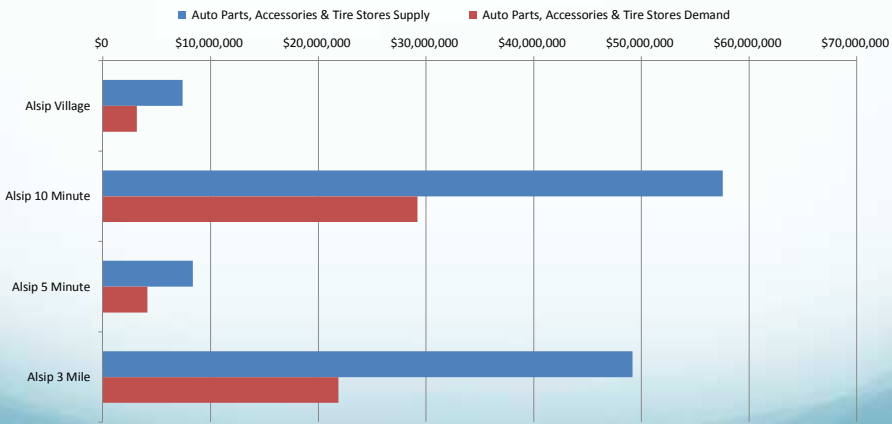
## Lawn & Garden Equipment

Lawn & Garden Equip. Store Supply - Demand



# Auto Parts & Accessories

Auto Parts & Accessories Supply - Demand



# Non-Store Retailers

Non-Store Retailers Supply - Demand



## Market Strengths

- Low overall retail store vacancy
- Concentrated cluster of grocery retailers
- Strong local employment by manufacturing employers
- The Corridor has the high traffic counts in the region; and is a major commuting corridor
- Centrally located to the 3 mile and 10 minute population radius/drive time used by many retailers
- Recognition as a community grocery cluster for neighboring communities within 3 miles/10 minutes north, south and west

## Market Weaknesses

- Weak population and housing growth in the Village and within the critical 3 mile geographic radius
- Limited land sites for major & junior box retailers, especially for store sizes of 20,000 plus square feet, or other businesses requiring 1.5 – 2 acres, and especially for retailers requiring 5 acres,
- Land development and redevelopment costs that are viewed as being high for the market, due to limited choices for sites and existing locations.
- High presence of marginal financial services in payday and title loan space

## Market Opportunities

- Key properties available for sale and consolidation
- Attractive for quick service restaurants due to traffic and daytime employment
- Need to develop incentives that overcome the weaknesses of locating by assisting with redevelopment and development costs, and/or retail sales tax rebates; and/or TIF assistance where available; and/or property tax classification,
- More upscale hotel and restaurants (127<sup>th</sup> Street and Cicero) with spill over to Pulaski

## Market Threats

- Weak population, housing and employment growth in the Village and within the 3-5 mile radius of the development corridor
- Retention of key automobile, hospitality, grocery/food, and retailers
- Need to remodel locally owned business stores & buildings

## Development Goals

- Efforts to attract retail businesses should focus on retention of the grocery anchor stores, the quick service restaurants , and the specialty stores such as
- Redevelopment and assembly of strategically required land parcels may need to be undertaken by the Village to be competitive with neighboring communities.
- Redevelopment of older retail sites may require use of Tax Increment Financing. Sales tax rebates and property tax classifications may need to be considered to address high acquisition and infrastructure costs to make Alsip sites competitive.

## Additional Goals

- Efforts should be undertaken to attract more casual dining, hospitality and similar retailers to the corridor. The Village and the market have a number of hotel rooms, and need more presence of the Hilton and Marriott brands.
- Efforts should be strongly encourage to create attract clothing and apparel retailers to the corridor. These are generally occupancies that accompany the major general merchandise anchors. More occupancies in the range of 4-12,000 square feet are necessary since few currently exist.
- Redevelop the Pulaski Road strip spaces as properties become available for a mix of convenience shopping, restaurants and service business and professional offices.

## Marketing Recommendations

- Retain key retailers – maintain contact with local developers and business owners, and others
- Attract new retailers – develop a targeted attraction and recruitment program
- Generate enhanced retail sales – identify strategic retail businesses for retention and expansion
- Expand Village’s economic development incentive policies – possibly expand TIF Districts

## Market Recommendations

- Schedule annual retention visits of the major retail anchors
- Prepare Quarterly Reports that assess change in retail tax collections and spending patterns, and assess implications
- Annually, update demographic and consumer spending activity
- Annually, update marketing materials to identify key retailers and shopping developments, distributed to brokers, consultants, developers, etc

## Other Recommendations

- Participate in retail trade shows, e.g., Chicago Deal Making Show
- Seek out redevelopment of obsolete, vacant and underperforming properties
- Encourage adjoining residential suitable uses, including pedestrian, bicycle and disabled accessibility to businesses and developments
- Enact policies that assure cleanliness and maintenance of businesses, developments and public areas

Thank you!