

Proposal Summary
Meeting Date: 11/15/2018

The National Main Street Center, Inc.
Request # 115754

Project Title:	Building Entrepreneurial Ecosystems in Urban Chicago Districts (Urban Main program)
Duration:	18 months
Request Date:	9/24/2018
Request Amount:	\$60,000
Recommended Amount:	\$60,000
Program Area:	Education\Continuing Education\Adult\Entrepreneurship
Population Served:	Economically Disadvantaged
Type of Support:	Program Support
Grantee Location:	Chicago, IL
Primary Contact:	Ms. Dionne Baux

Project Abstract

The proposal is to support the development of an entrepreneurship ecosystem plan for three urban commercial corridors in Chicago and to enable a workshop to introduce the concept of entrepreneurship ecosystems to a city-wide network of urban revitalization professionals.

Organizational Background

National Main Street Center (NMSC) was established as a program of the National Trust for Historic Preservation in 1980 to address the myriad issues facing older and historic downtowns during that time. Working with a nationwide network of coordinating programs and local communities, NMSC has helped over 2,000 communities across the country bring economic vitality back to commercial districts, while celebrating their historic character, and bringing communities together. Its UrbanMain program responds to the growing need for specialized services, professional development, networking and advocacy for urban commercial districts. NMSC works in partnership with community-based organizations to implement change in their districts.

Since becoming an independent subsidiary in 2013, NMSC has seen significant growth in revenue and achieved a stable cash flow position. Revenue increased approximately 99% between FY14 and FY17, with an increase in membership (approximately 25%), increased field services, and enhanced philanthropic support, including from American Express, PNC Bank, US Bank and Edward Jones. Expenses have been carefully managed, and a reserve of approximately \$300,000 has been established.

Annual Revenue Sources

Grants	31%	Government	0%	Earned Income	36%
Fees	30%	Private Support	2%	Other	1%

Finances

	Budget	Actual	Actual
	06/30/2019	06/30/2018	06/30/2017
Revenues	\$4,140,592	\$3,511,031	\$3,518,582
Expenses	4,091,433	32,210,091	3,279,113
Surplus (Deficit)	49,159	300,940	239,469
Net Assets		\$1,600,090	\$1,299,152

Program Description

NMSC’s programs have created over \$74 billion in public and private investment in local – primarily rural - economies, resulting in a net gain of 614,716 new jobs and 138,303 new businesses, and catalyzing the rehabilitation of over 276,000 buildings. Recently, NMSC launched the UrbanMain program to apply its approaches in urban settings where, despite demographic shifts bringing population and economic growth, prosperity is unevenly distributed across neighborhoods.

According to the US Census Bureau, Chicago has experienced three straight years of population loss (2015-2017), the only city among the 10 most populous cities in the US to do so. This is amplified in many of its distressed urban districts that are experiencing the hollowing out of the middle-class and professional residents—many of whom have moved to other communities that have robust and rich arrays of businesses located on vibrant retail corridors.

To stabilize and regain its population, Chicago’s urban districts must develop destination retail corridors that have distinct up-market identities and exhibit unique arrays of consumer products and services. This transformation is possible and provides opportunities for self-employment. For example, Woodlawn, a primarily African-American Chicago community gained population in the past few years. Its emerging retail nodes of coffee shops and yoga studios are credited with helping to attract and retain Millennials.

Driehaus Foundation and Groupon funded the first two phases of UrbanMain programming in Chicago which began in April in two commercial districts: 43rd Street (Bronzeville) and 51st Street (Washington Park). A third district was funded to begin in late Fall 2018. NMSC provides process leadership and consulting to community work teams comprised and led by local partner organizations. In Bronzeville/43rd NMSC is working in partnership with the Quad City Development Corporation (QCDC) and on 51st Street will be working with the 51st Street Business Association.

Phase 1 involves a “Fast Track Assessment.” Designed to address the needs of urban commercial districts, it focuses on community visioning and market understanding to determine the best path for a revitalization program. This phase assesses market, organizational, and community assets and aligns these three critical factors to pave the way for the development of a comprehensive revitalization strategy that highlights the district's unique competitive advantage. Local entrepreneurs are surveyed to identify available resources and supports.

Phase 2 results in the development of 1-3 Transformation Strategies which will inform revitalization efforts in the district. A Transformation Strategy articulates a focused, deliberate path to revitalizing or strengthening a commercial district’s economy based on the business mix, community assets, or set of consumer groups that are unique and further differentiate the district from its competition.

In Phase 3, work shifts from planning to implementation and NMSC provides on-going support and project-specific assistance to district managers. This is often in highly technical areas or where additional capacity building will improve roll-out results. A critical element within Phase 3 relies on the development of an entrepreneurship ecosystem that fosters economic inclusion and aligns the neighborhood's entrepreneurship resources in support of the district's transformation strategies. UrbanMain's approach to overlaying entrepreneurship ecosystems with a defined revitalization strategy consists of two primary components:

1. *"Developing Your Entrepreneurship Ecosystem"* - UrbanMain walks the district through the process of designing a local market and place-based entrepreneurship ecosystem. Each neighborhood district will map their local assets (aka their ecosystem), identify gaps, and a work plan for securing resources and/or partners to more fully develop their local ecosystem in support of new ventures. NMSC will also identify and map place-based assets that lend themselves to new self-employment opportunities, such as real estate prospects for adaptive use, existing business incubators (e.g. maker spaces, test kitchens, etc.), natural resources that attract visitors, storefront and outdoor spaces for short-term retail activation (e.g. pop-up stores and night markets), and existing technology infrastructure for online business. Gaps are identified, and recommendations made to craft a successful and sustainable ecosystem that will support local entrepreneurs.

2. *"Supporting Your District's Entrepreneurship Ecosystem"* – Urban main offers a series of technical services that meet the unique district entrepreneurship ecosystem needs. The following represent four technical service examples. One to two are offered, depending on the needs.

a. Place-Based Support Functions: Feasibility Analysis and Development Plans

UrbanMain performs a site visit to assess properties and spaces potentially available for entrepreneurial activity. A written feasibility analysis will be completed with a development plan to detail building functions, resource estimates, user targets, implementation tactics, and metrics.

b. Retailing Analysis Linked w/Real Estate Assets

UrbanMain will lead the community through a brainstorming session that leverages the corridor's market strengths and existing business mix to outline creative retailing and product inventory opportunities. A review of existing, available real estate options is then mapped and connected to the most appropriate location for the newly identified or existing business opportunities. A written summary and recommended strategies for implementation are included.

c. Developing a Small-Scale Production (Makers) Market: Assessment and Development Plan

UrbanMain leads a brainstorming session focused on leveraging the corridor's market strengths and local/regional pipelines for small-scale producers (makers) to assess and outline a development plan for creating an ecosystem conducive to the recruitment and support of small-scale producers. A written summary of opportunities and an implementation plan is produced.

d. Championing a Culturally-Identified Business District

The term “culturally-identified business district” is used to refer to commercial areas with high percentages of locally owned businesses and significant concentrations of socio-ethnic group(s). UrbanMain assists the community and district leaders to understand how to equitably engage all district stakeholders while leveraging distinct cultural assets to grow and promote entrepreneurship within these districts. A written summary of observations and recommendations is included as a follow-up deliverable.

As all three communities create district plans it is important for local leaders to understand the importance of supporting the growth of new and existing small businesses and the entrepreneurs who run them. New businesses, especially those owned and operated by minority groups, immigrants and Millennials, will foster equitable economic development, innovation, excitement and jobs.

As a complementary program, NMSC will conduct the first Phase 3 component, “Developing Your Entrepreneurial Ecosystem”, as a one-day workshop for district managers from across the City of Chicago. In the session, NMSC staff would invite 15-20 district managers from a diverse selection of Chicago commercial corridors to receive training on the process of designing a local market and place-based entrepreneurship ecosystem. This workshop would serve to introduce new districts to the concept of entrepreneurial ecosystems and the role they can play in improving commercial districts and help managers make new connections and networks.

Expected Outcome

Market and place-based metrics will be developed to quantify the impact of entrepreneurial ecosystems in three Chicago neighborhoods. While much of the data will be quantitative, attitudinal changes respective of the participating neighborhood's entrepreneurial culture is also important to creating a sustainable focus on new venture creation long after the project period concludes. To track and analyze those changes, an annual qualitative community assessment will be done. Within 12 to 18 months of completing training, the following short-term outcomes would result:

- 3 commercial districts served
- 3 Implementation/Work Plans Created based on the district’s unique needs
- 100 volunteer hours in each district
- 2-3 new partnerships (entrepreneurship eco-system) in each district
- 10 new businesses created across three (3) districts
- 20 new net jobs created across three (3) districts
- 5% decrease in vacancy rate

Program Budget

CFI would fund approximately 30% of the total project budget, most of which relates to staff time for project leaders to facilitate the process and coach participants (\$47,700 or 80% or request). Additional costs relate to the logistics and administration of the meetings which advance the UrbanMain process.

Prior Grants

This would be CFI’s first grant to The National Main Street Center, Inc.

Recommendation

At the Nov BOD meeting, there was interest voiced in CFI focusing on a particular neighborhood in our effort to advance self-employment. Support for the UrbanMain program in three geographies would place us in context with local actors such as QCDC and 51st Street Business Association which provide direct support to entrepreneurs. Based on NMSC’s work to redevelop commercial corridors, the UrbanMain process involves much research on the local needs of entrepreneurs and the gaps which exist in particular neighborhoods. This proposal would help us to better understand future local funding opportunities through deep focus on three Chicago neighborhoods.

National Main Street Center Inc			
Building Entrepreneurial Ecosystems in Chicago Urban Districts			
September 24, 2018			
		<i>Total Project Budget</i>	
Revenue	Funds Needed	Funds Requested	Funds Committed
Coleman Foundation	\$ 60,000	\$ 60,000	
Private donations/grants*	100,000		100,000
Organizational contribution	-		-
Matching funds (from community org)**	37,500		37,500
Revenue Total	\$197,500	\$60,000	\$137,500
*Includes funds from Driehaus and Groupon for Phase 1 & 2			
**Reflects matching funds committed by districts (est \$12,500 each)			
Expense	Project Budget	Coleman Funds	Other Sources
<i>Services</i>			
Phase 1 and 2	\$ 137,500		\$ 137,500
Phase 3			
Technical Services: Est @ 3 technical visits/per site = 9 distinct technical visits			
Logistics (On-site Per Diem; Meeting Space Rentals, etc @\$200/visit)	1,800	1,800	
Administration (Meeting Set-up; Agenda Review; Marketing @ \$500/visit)	4,500	4,500	
Personnel Prep. On-site and Summary Report (209 hours @\$185/hr.)	38,700	38,700	
City-wide Workshop			
Materials	500	500	
Logistics (Catering, Location, etc)	2,500	2,500	
Administration (Marketing, Registration)	3,000	3,000	
Presenters (48 hours @ \$185/hr)	9,000	9,000	
Total	\$ 197,500	\$ 60,000	\$ 137,500