



Strong Business Corridors: Key Findings

How are businesses and business-related outcomes distributed across the city? How does zoning shape Chicago's business corridors?

Business and commercial activity is inequitably distributed across Chicago. MPC's research finds that South and West side Chicagoans experience greater rates of vacancy and more zoning for car-dominated businesses in their neighborhoods—likely contributing to less walkable, vibrant pedestrian-oriented business corridors. We also find a connection between zoning changes involving Business or Commercial zoning districts and market activity in a given neighborhood, whether adding or removing B or C zoning.

Key data takeaways from our research

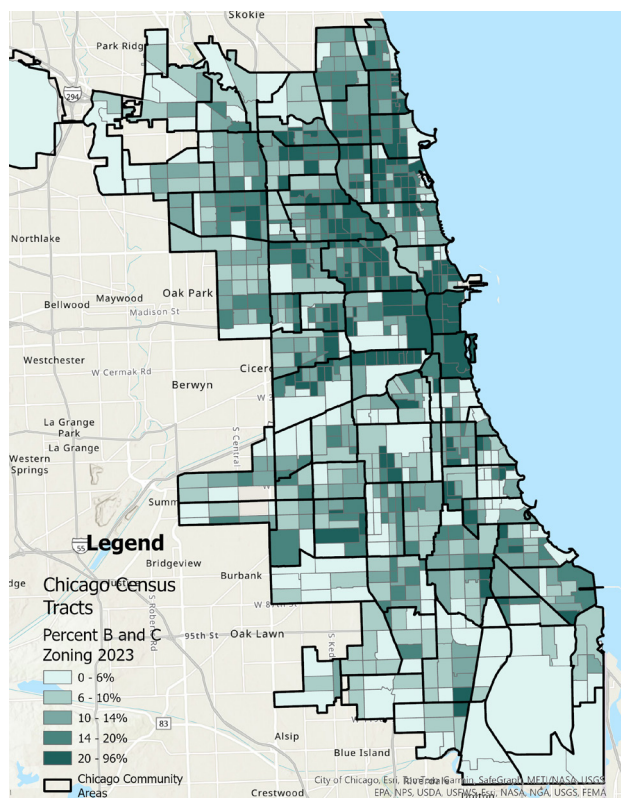
➤ **Businesses are more highly concentrated in census tracts with higher shares of white population and lower shares of Black population**, reflecting yet another inequity related to Chicago's longstanding segregation. In majority-white census tracts, for example, there were an average of 14.7 businesses per 1,000 residents in 2023, compared with 8.6 businesses per 1,000 residents in majority-Black census tracts.

➤ **Property vacancy rates show similar disparities across racial and ethnic groups**, with majority-Black tracts possessing vacancy rates over three times greater than majority-white and five times greater than majority-Asian census tracts during the same timeframe.

➤ **Approximately 9% of City of Chicago land is zoned for by-right commercial (C) and business use (B).** (An additional 13% of the city is part of a Planned Development, another zoning designation that can include business activity.) There are higher shares of B/C zoning downtown and on the North side.

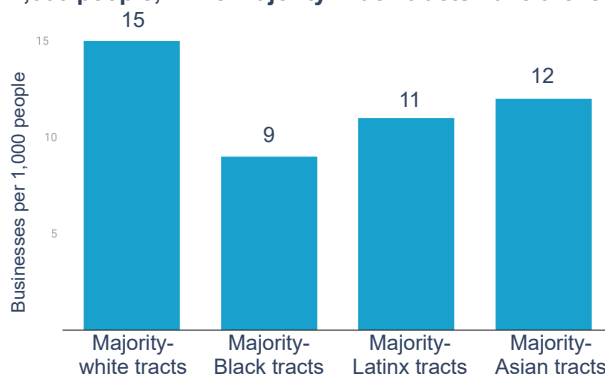
➤ **Within business and commercial corridors (which we defined as Special Service Areas for the sake of simplicity), the economic picture differs depending on the corridor's market profile.** Lower-income corridors have a higher percentage of small business jobs and

Shares of B and C zoning are highest downtown and on the North side



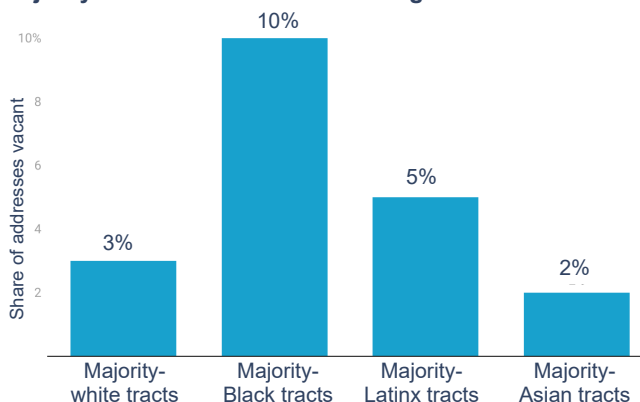
Source: City of Chicago zoning map, 2023.

Majority-white tracts have the most business licenses per 1,000 people, while majority-Black tracts have the least



Source: City of Chicago business license data, 2023 (data quality varies); Census ACS 2018-2022.

Majority-Black tracts also see the highest rates of vacancy



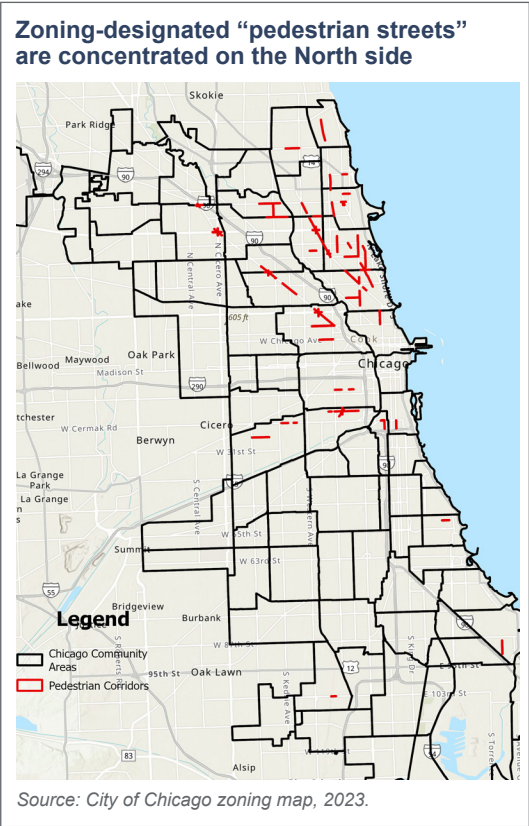
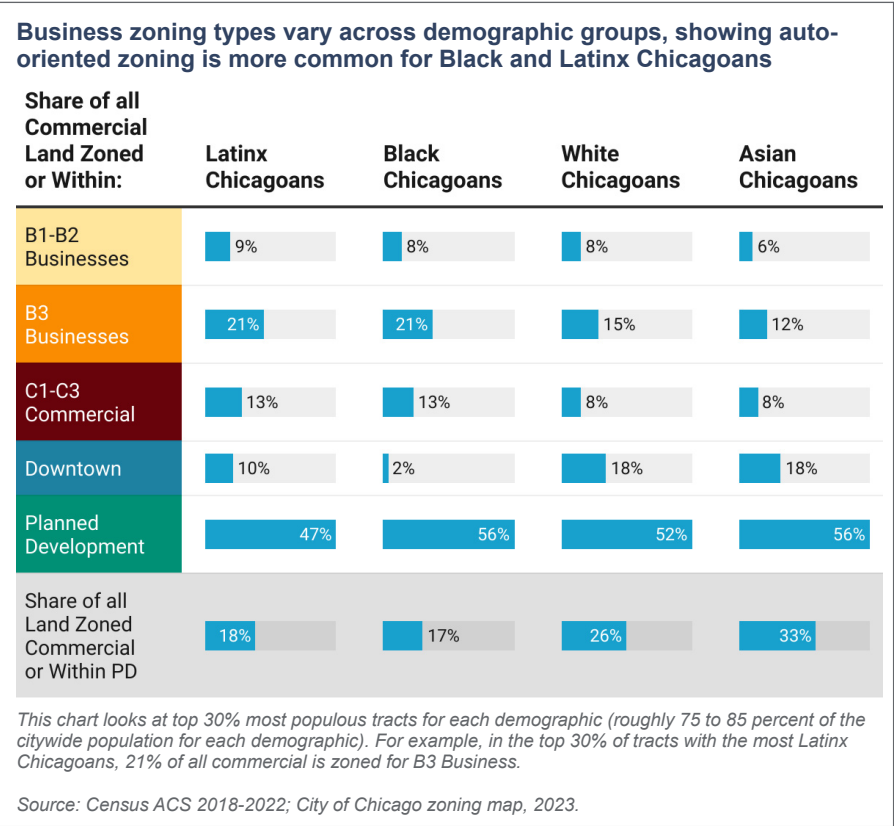
Source: Census ACS 2018-2022; Vacancy rates from U.S. Postal Service, aggregated by HUD, 2022. Identifies addresses that have not collected mail for 90 days or longer; includes both residential and business locations.

have witnessed job losses over the past two decades, highlighting the precarious position of both the corridors and the small businesses within them.

➤ **Black and Latinx Chicagoans are more likely than white and Asian Chicagoans to live near auto-oriented business zoning (B3 and C zoning), as opposed to mixed-uses with ground-floor retail.** The more automobile-oriented zoning categories of B3 and C zoning do contain a higher percentage of businesses, jobs, and consumer spending than B1 and B2 zoning (i.e. ground-floor retail), but could come at the expense of the pedestrian shopping experience and business corridor vibrancy. In addition, Chicago’s pedestrian streets—

streets designated in the zoning code that follow guidelines to promote a “Main Street” pedestrian shopping experience—are concentrated on the North side. Of Chicago’s 62 pedestrian streets, only 12 are not on the North side.

➤ **Our research suggests changes to business and commercial zoning are ultimately a reflection of market activity.** Areas that witnessed any changes in business and commercial zoning over the past decade—whether increases or decreases—ultimately saw more positive economic changes between 2003 and 2023. For example, home value changes and consumer spending were greater in areas that saw any B and C zoning changes than areas that saw no change. Zoning changes reflect active markets.



Why does this data matter? Why should I care about these findings?

Strong business corridors are an essential part of Chicago’s communities, providing employment and wealth-building opportunities, neighborhood amenities, and walkable shared space. Although zoning is perhaps not largely responsible, changes to zoning policies could nonetheless play an important role in enhancing business corridor vibrancy in all neighborhoods. Making Chicago a welcoming, thriving place to live requires using all the tools we have—zoning included—to ensure our business corridors are flourishing.

Zoning and Land Use Assessment initiative and research

This research is part of a collaborative initiative led by Metropolitan Planning Council (MPC) and the Urban Institute that evaluates Chicago’s zoning and land use to understand whether they contribute to equitable, sustainable, and healthy outcomes for communities and residents. The goal is to understand zoning’s impact to collectively make changes to create a vibrant and thriving Chicago.

For more information about this project and additional information about this research visit metroplanning.org/projects/zoning-land-use-assessment