

Eau Claire Public Market Feasibility Study



Steering Committee Meeting 1
March 2016

Market Ventures Inc.

Agenda

1. Introductions
2. Steering Committee roles
3. Public market definition, forms and key planning issues
4. Public market goals
5. Feasibility study scope of work

Steering Committee Roles

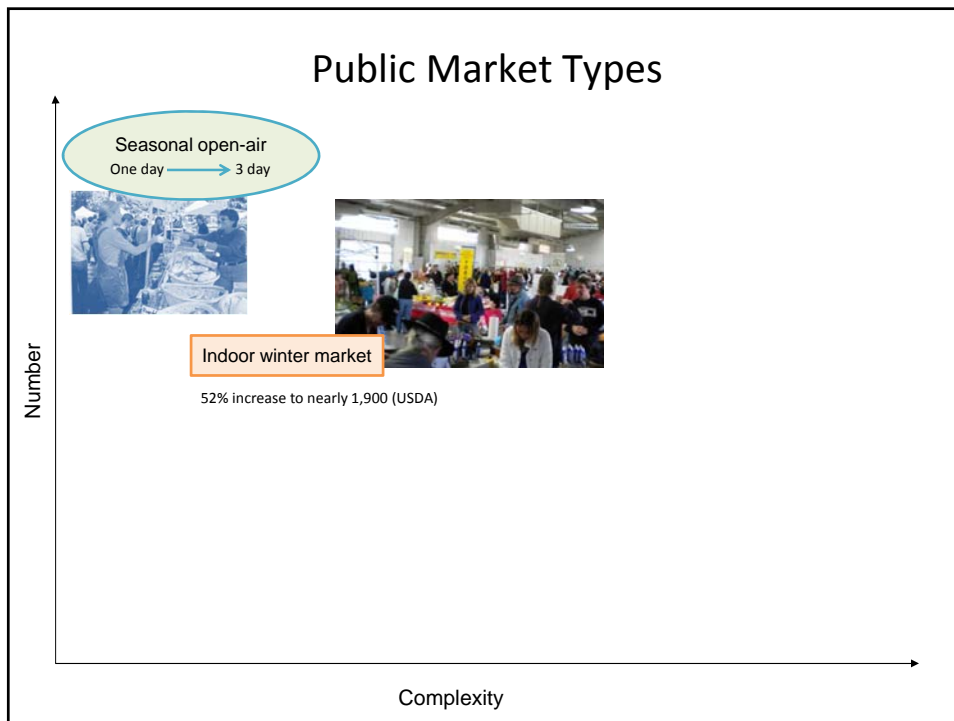
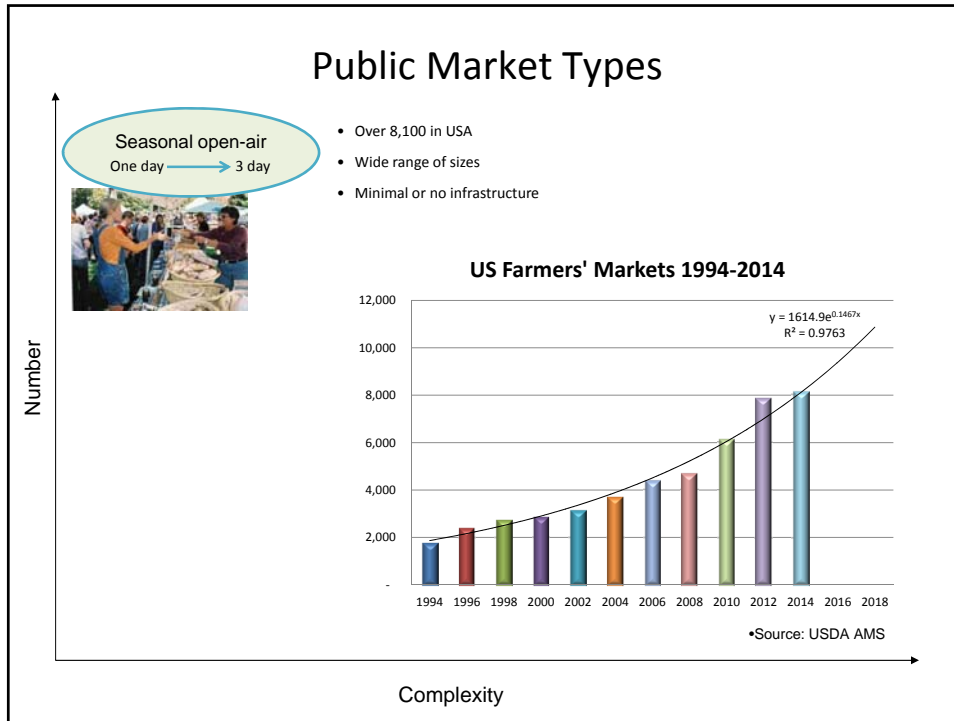
1. Provide input into the research and analysis
2. Ensure all necessary perspectives are considered and be conduit for feedback from public market constituents
3. Understand analysis and recommendations
4. Potentially become advocates for the plan
5. Four meetings over course of study

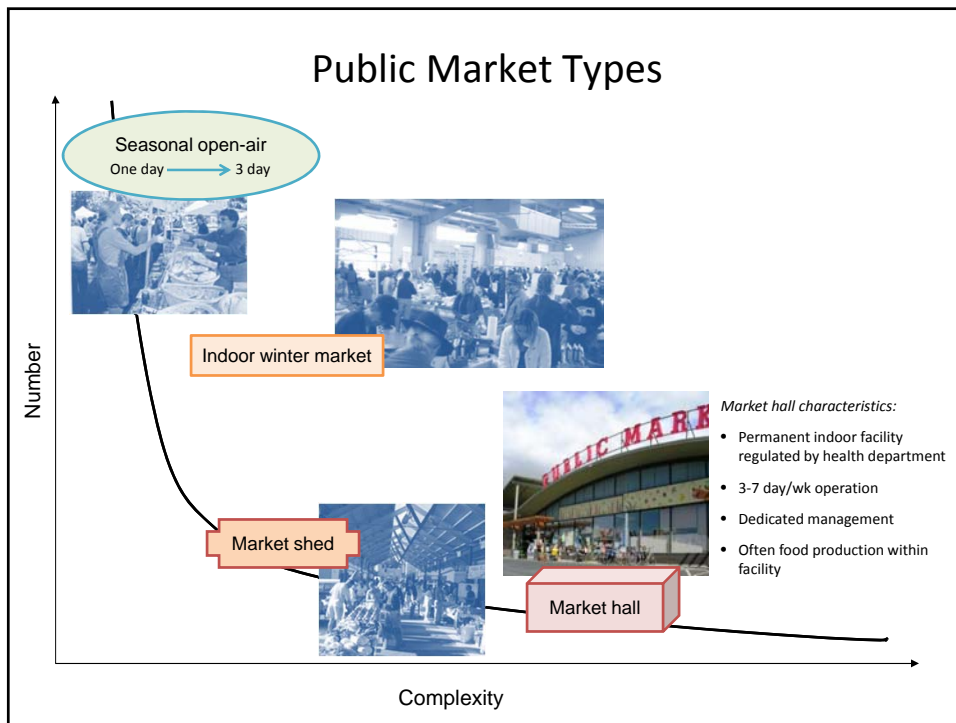
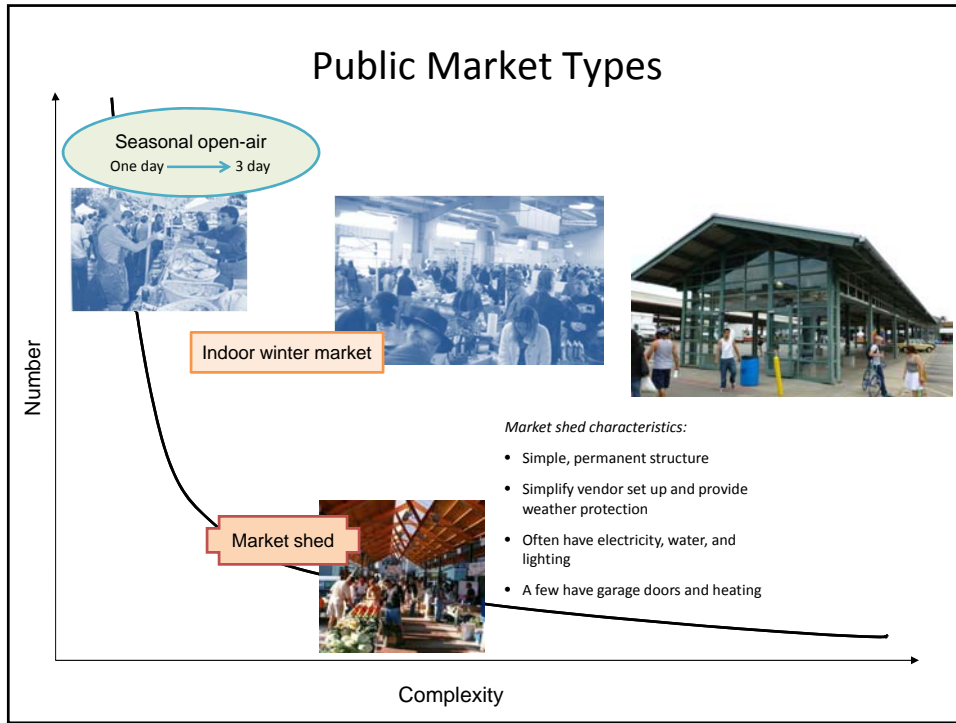


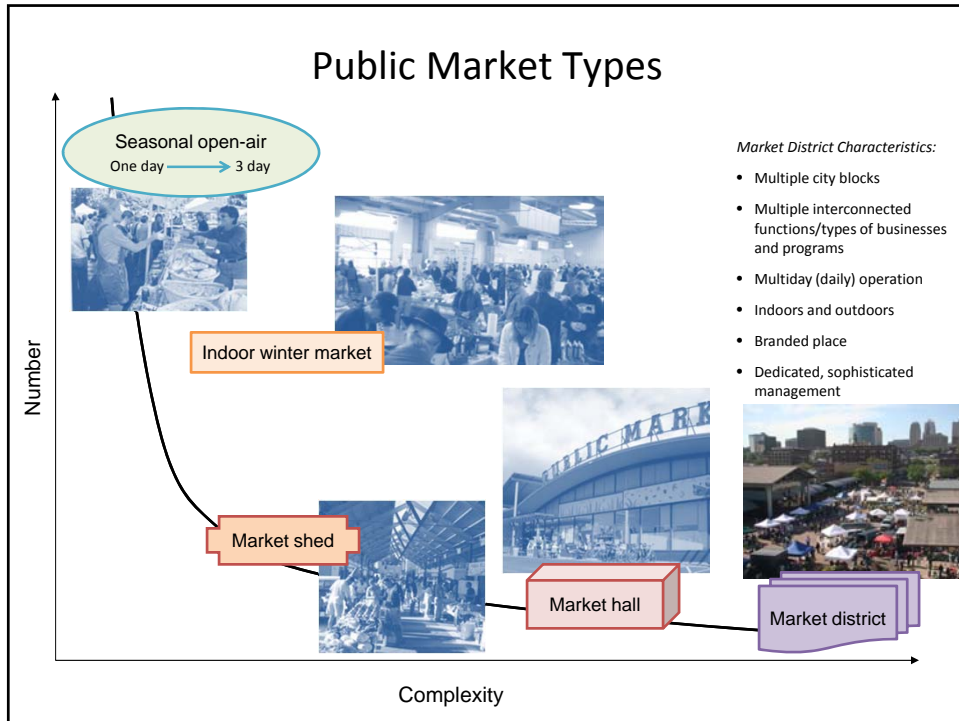
Public Market Definition

1. Public markets have public goals
2. Public markets are located in or create public spaces within the community
3. Public markets are made up of locally-owned, independent businesses

Wide variation of physical forms and programmatic components;
levels of complexity







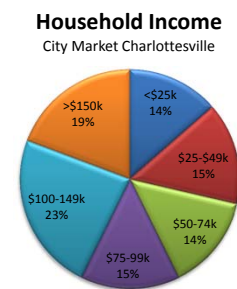
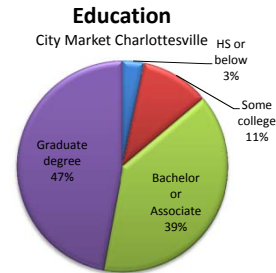
Planning Considerations: Mission

- Public markets are mission-driven entities
- Example:
 - The mission of the Grand Rapids Downtown Market is to create a dynamic downtown hub for the West Michigan food system by providing:*
 - *a place for local farmers and food producers to connect with diverse customers,*
 - *opportunities for independent entrepreneurs, and*
 - *education about farming, food, nutrition, and healthy lifestyles.*



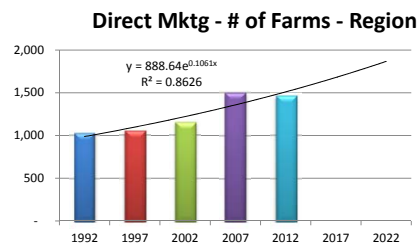
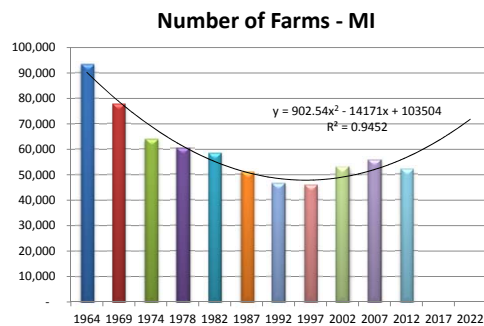
Planning Considerations: Demand

- Who are likely customers?
- Highest spending market customers
 - Higher income
 - Well educated
 - Women
 - Age 35-64
- Markets can attract and serve diverse audiences
- Numerous strategies to attract low-income shoppers: Farmers' market coupons, Double Bucks, Prescription Bucks



Planning Considerations: Supply

- Who are likely vendors?
- Typical market vendor categories
 - Staple foods (fruits and vegetables, meat, fish, milk)
 - Specialty foods (value added products such as baked goods, cheese, jam, tea, candy)
 - Prepared foods
 - Crafts/services
 - Nonprofits



Planning Considerations: Site Location

- Size, opportunities for expansion
- Accessibility (physical and psychological)
- Visibility from highways or major thoroughfares
- Easy circulation
- Lots of free at-grade parking
- Pedestrian access/proximity to downtown
- Supportive context, particularly other food businesses
- Ease and cost to secure, duration



Planning Considerations: Environment

- A place people want to be
- Landmark structure
- A comfortable public space that welcomes all elements of the community
- Well designed stalls and infrastructure that support farmers and small food retailers
- Amenities – seating and tables, restrooms, ATM
- Infrastructure for events, performance, and education



Planning Considerations: Governance

- **Owner:** the owner of the real property and facilities
- **Sponsor:** the sponsor has legal and fiduciary responsibility for the public market, works to ensure that the market meets its defined goals and operates in a business-like and financially prudent manner. The sponsor typically:
 - sets strategic direction
 - hires, oversees and evaluates management
 - sets policies
 - approves and signs leases (those with a duration of at least one year) and contracts over a dollar threshold
 - ensures legal and accounting compliance
 - raises funds for major capital projects
 - ensures strong community and government relations
 - initiates and develops partnershipsSponsors can be public, private nonprofit, or for-profit entities; most new markets are being sponsored by nonprofit organizations

Planning Considerations: Governance

- **Management:** The management team is responsible for operating the market on daily basis. Management staff members:
 - recruit vendors and oversee leasing
 - provide property management services including stall assignment, rules enforcement, cleaning, security, waste removal, emergency planning, etc.
 - develop and implement marketing programs and special events
 - oversee programming and educational activities
 - maintain good vendor and customer relations
 - perform financial management
 - fundraise for special activities and programs
 - work with partnering organizations
- Typical functions that can be outsourced: security, cleaning, waste removal, marketing, bookkeeping

Planning Considerations: Partnerships

- Partners can help achieve mission and extend impact of market
- Build community support and attendance
- Develop programs and initiatives that support farmers, such as Double Bucks for food stamp recipients and Prescription Bucks for people with diet-related diseases
- Create classes in nutrition education for children and families
- Support Market vendors with business planning, marketing, finance
- Build off of existing community assets
- Eau Claire Public Market offers a compelling opportunity to explore health and wellness partnerships

Planning Considerations: Economics

- **Capital**
 - Initial development cost
 - Future repair and upgrades
 - Some markets carry debt but feasibility generally requires free facilities
- **Operations**
 - Market vendors need to be profitable from outset
 - To compete with high quality retailers, need to innovate with both products and services
 - Vendors often need multiple income streams, not just retail sales within Market
 - Market's operating income must cover all operating costs
 - Income – some markets rely on vendor rents and fees, others have multiple income sources (commercial rents, events, grants) and/or subsidy
 - Expenses – management labor is typically highest cost; utilities, marketing, maintenance, property taxes can be significant
 - Operating pro forma will assess all income and expenses, identify gaps

Scope of Work

1. Project initiation
 - a) Goal setting
 - b) Partnership opportunities
 - c) Steering Committee meeting #1
2. Demand analysis
 - a) Key informant interviews
 - b) Resident Internet survey
 - c) Trade area analysis
3. Supply analysis
 - a) Vendor assessment
 - b) Vendor survey
 - c) Competitive analysis
4. Steering Committee meeting #2
5. Site analysis
6. Merchandising concept & development program
7. Design concept
8. Steering Committee meeting #3
9. Financial analysis
 - a) Vendor *pro forma*
 - b) Operations *pro forma*
 - c) Development estimate
 - d) Financing
10. Ownership and operational structure
11. Steering Committee meeting #4; report

Eau Claire Public Market Goals

- Goals provide the basis for the Market’s mission statement
- Goals should drive planning, development, operations, and evaluation
- Draft goals
 1. Support the northwest Wisconsin food system
 2. Provide entrepreneurial opportunities and jobs for area residents
 3. Help revitalize the West Riverside neighborhood
 4. Contribute to community wellness

Next Steps

- Market research
 - Resident Internet survey
 - Steering Committee review
 - Assistance needed to publicize
 - Vendor survey
 - Steering Committee review
 - Assistance needed to publicize
 - Trade area analysis
 - Input on trade area boundaries
 - Competitive analysis
- Steering Committee meeting #2

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