

Eau Claire Public Market Feasibility Study



DECI and North Barstow/Medical BID
September 12, 2016

Market Ventures Inc.

Agenda

1. Project overview & goals
2. Market research findings and conclusions
3. Site analysis
4. Recommended development strategy
 - Development strategies
 - Block 7 development & design concept
 - Downtown Market District concept
5. Downtown District financial analysis
6. Conclusion

Project Overview & Goals

- Project overview
 - Assess feasibility of year-round, indoor public market in downtown Eau Claire, building on the success of the Eau Claire Downtown Farmers’ Market and other local food system elements
 - Study led by Market Ventures, Inc., national economic development consulting firm that specializes in public markets and local food strategies
 - Project guided by 17 member Steering Committee of public and private sector leaders
- Goals
 - Support the northwest Wisconsin food system
 - Provide entrepreneurial opportunities and jobs
 - Help revitalize downtown and adjacent neighborhoods
 - Contribute to community wellness
 - Become a community asset that attracts and retains talented people



Market Research

- Research methods – qualitative and quantitative
 - 35 one-on-one interviews, public meetings
 - Community internet survey – 3,602 completed, representing 9,000 household members
 - Trade area demographic and sales potential analysis
 - Vendor focus groups, site visits/observations
- Demand research highlights
 - 20% of survey respondents do not feel existing food stores meet their needs
 - Demographic analysis suggests limited demand for indoor, year-round market because of small and stable population, low incomes, “cheap” mentality
 - Strong enthusiasm for a year-round market, especially among young adults
 - Residents and tourists represent about \$3.6 million demand
- Supply research highlights
 - Farmers and food producers looking for inexpensive, short term opportunities; few looking for full-time retail opportunities
 - Limited supply of existing specialty food stores; will be difficult to tenant a market hall with all product categories
 - Just Local Food Coop wants to expand downtown



Market Research

- Competition
 - Strong competition from supermarkets, although no high-end grocers in area
 - Other nearby communities creating farmers' markets and building market sheds, challenging Downtown Farmers' Market as premier farmers' market in region
- Dynamic environment
 - Initial site (Cannery district) likely to become private brewery/restaurant/event space
 - Video store site on Madison & Oxford Street not for sale
 - Block 7 presents best opportunity for mixed-use development
- Limited public and philanthropic funding, leadership



Indoor Market Site Options



Site Rating

SITE	A	B	C	D	E	F	G	H	I	J
Criteria	Indianhead Foods	Family Video	Stella Blue's Parking Lot	Block 7	Garage Liner Building	RR Lot	Banbury Place Bldg 17	Transit Center	Woods/Motors Lot	Boys & Girls Club
Adequate size	Dark Green	Dark Green	Red	Dark Green	Light Green	Light Green	Dark Green	Red	Light Green	Light Green
Proximity to Phoenix Park	Light Green	Light Green	Dark Green	Dark Green	Light Green	Light Green	Red	Red	Red	Red
Parking	Dark Green	Light Green	Red	Dark Green	Light Green	Light Green	Red	Red	Dark Green	Red
Landmark structure	Light Green	Light Green	Light Green	Light Green	Light Green	Light Green	Light Green	Light Green	Light Green	Dark Green
Visibility & accessibility	Light Green	Dark Green	Dark Green	Dark Green	Dark Green	Dark Green	Dark Green	Dark Green	Dark Green	Dark Green
Revitalization impact on downtown	Light Green	Light Green	Light Green	Dark Green	Light Green	Light Green	Light Green	Light Green	Light Green	Light Green
Supportive context of other related businesses	Light Green	Light Green	Light Green	Light Green	Light Green	Light Green	Light Green	Red	Red	Red
Availability	Red	Red	Red	Dark Green	Dark Green	Dark Green	Dark Green	Dark Green	Dark Green	Dark Green
Cost	Light Green	Red	Light Green	Light Green	Light Green	Light Green	Light Green	Light Green	Light Green	Light Green
Score	4	5	3	12	7	7	5	1	7	3

Scoring: Dark green = +2, Light green = +1, Yellow = 0, Red = -1; criteria not weighted

Public Market Development Strategies

- Development principles
 - Capitalize on existing food and event-related assets, particularly maximizing use and success of farmers' market pavilion in Phoenix Park
 - Complement and be in close proximity to Downtown Farmers' Market
 - Target incremental projects that expand public market experience over time, leading to year-round indoor market activity
 - Focus on private sector investments and modest public or philanthropic investments
- Strategies
 - Encourage private developer to create year-round, indoor market anchored by specialty grocer as part of mixed-use project on Block 7
 - Establish Downtown Market District centered around farmers' market pavilion



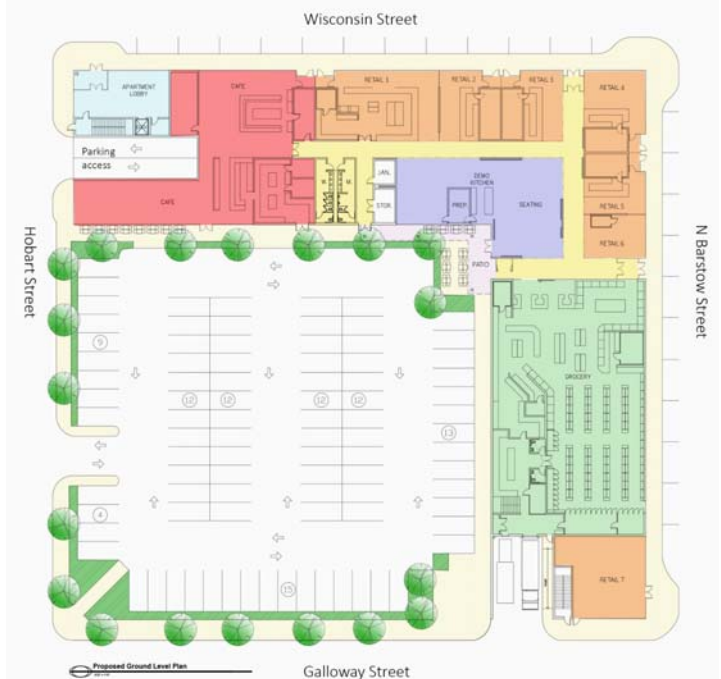
Block 7 Concept/Development Program

- Mixed-use building with first floor food retail, multiple upper levels housing
- Commercial anchor: independent grocery with broad range of fresh and natural foods, ideally focused on locally grown and produced products
- Independent retailers that complement grocery, such as:
 - Bakery
 - Butcher
 - Coffee roaster
 - Florist
 - Prepared foods
- Indoor and outdoor public space and seating areas
- Education and event space/ winter farmers' market
- Parking (at grade and underground)



Block 7 Design Concept

Element	~SF
Grocery mezzanine	9,375
Café	1,000
Retail 1	5,985
Retail 2	1,800
Retail 3	900
Retail 4	900
Retail 5	1,200
Retail 6	900
Retail 7	600
Seating/Event	1,520
Footprint	3,600
Surf. parking	89 spaces



Ownership & Operations: Indoor Market

- Owner & developer
 - Private developer selected by RDA to purchase RDA land and create mixed-use facility
 - Developer agrees to create indoor market-grocery concept on ground level
 - City pursues economic development funding to support project financing
- Sponsor options
 - Building owner
 - Specialty grocery operator
 - Market district organization (nonprofit sponsor)
- Management
 - Indoor market too small to afford dedicated, on-site market management
 - Property management services provided by building owner or grocer
 - Market District staff provide marketing and event management, coordinated with grocer



Downtown Market District

- A “market district” is a branding and management concept, with indoor and outdoor (public space) components
- Brand promises
 - “Market experience” every day
 - Local food businesses and entertainment, cultural experience
 - Proposed area not branded – called North Barstow area, Phoenix Park neighborhood
- Management and oversight are needed to develop and sustain the market district
 - Marketing/events
 - Coordinate with and support existing assets
 - Business recruitment
 - Strategic planning



Byward Market District, Ottawa

Downtown Market District Elements

- Existing elements
 - Phoenix Park, farmers' market pavilion, Downtown Farmers' Market
 - Restaurants, Confluence Arts Center (including programmed plaza), breweries, community gardens
- Key addition: daily fresh food sales
 - Specialty grocer such as Just Local Food Coop
 - Independent food/ag businesses (bakeries, coffee, butcher, florist, prepared foods)
- Potential elements
 - New outdoor markets: Vintage Market, Makers Market (Sundays)
 - Expand indoor winter market (make every Saturday)
 - Education and event facilities and consistent programming
 - District-wide food festivals that feature local food history and unique agricultural assets (e.g., horseradish)
 - Additional restaurants, food trucks and performance venues
- Banbury Place continues to incubate start-ups



Potential Downtown Market District Area



Market District Design Elements

- Locations
 - Streets and bridges
 - Phoenix Park and trail
- Elements
 - Banners
 - Murals/public art
 - Signage/interpretive elements



Ownership and Operations: Market District

- No owner - district designated by city
- Sponsoring entity needed to oversee district management and branding
 - Programming/events
 - Marketing
 - Business recruitment
 - Maintenance: “Clean & green”
 - Strategic planning and partnerships
- Potential oversight entities
 - North Barstow BID
 - In-place funding mechanism
 - Could create Market District Committee with representatives from key organizations
 - Historic Third Ward (BID), Milwaukee runs Milwaukee Public Market
 - Downtown Eau Claire, Inc.
 - Create new organization
- Management staffing
 - Market District Manager (part time)
 - Marketing and Events Manager (part time)
 - Maintenance worker
 - Volunteers



Financial Analysis – Market District

- Staffing
 - Half-time Market District manager
 - Half-time marketing assistant
 - Full-time cleaning and maintenance
- District-wide events
- Marketing
- Supplies
- Total annual budget: \$182,500

Expenses				
Staff	\$	87,507		
Events	\$	60,000		
Marketing	\$	30,000		
Supplies	\$	5,000		
Total	\$	182,507		
Staffing				
	FT Salary	FTE	Cost	BLS Code
District manager	\$46,960	0.5	\$ 23,480	11-9141
Marketing assistant	\$28,380	0.5	\$ 14,190	21-1099
Cleaners	\$27,150	1	\$ 27,150	11-1021
Fringe benefits			\$ 16,205	
Payroll tax			\$ 6,482	
Total			\$ 87,507	
Fringe benefits	25%			
Payroll tax	10%			
	Number/yr	Cost/event	Total	
Events	3	\$ 20,000	\$ 60,000	

Conclusion

- Proposed indoor market meets the project goals while being appropriately scaled for Eau Claire, operates year-round, provides improved home for winter farmers' market, and provides facilities for programming with wellness partners
- Private sector-led development, with modest public investment leveraging substantial private investment
- Downtown Market District builds on existing assets, including city investment in market pavilion
- District can be implemented when daily local food sales are in place; requires modest annual investment for staff and programming



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