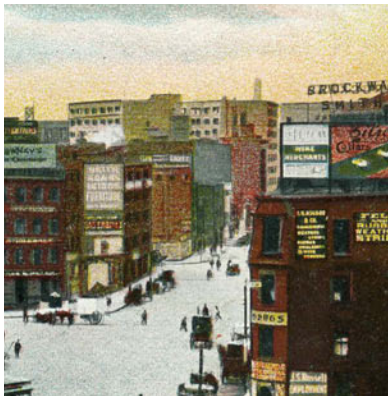
Boston Market District Feasibility Study



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SUBMITTED TO: THE BOSTON REDEVELOPMENT AUTHORITY

SUBMITTED BY: PROJECT FOR PUBLIC SPACES

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EXECUTIVE SUMMARY

An improved and expanded market district in the area of Boston's historic downtown marketplace has the potential to be not only a successful enterprise but an iconic place within the city. Full-fledged market districts are the most highly evolved form of public markets. They function as synergistic economic zones in which open air markets, specialty food stores, and market halls reinforce each other's customer base and their economic dynamism attracts related businesses. A Boston market district market district would increase the range of healthy food available to its residents, stimulate its economy, and enliven its culture.

Boston is fortunate to have the essential ingredients for a market district in place: customers, vendors and a choice location. The Haymarket, the historic Blackstone Block, the nearby North End neighborhood, and the Rose Kennedy Greenway provide an attractive physical and urban environment as well as commercial activity, year-round foot traffic and considerable spending power. In addition, the region has a strong and growing vendor pool of farmers, producers, resellers, and established food operators, many of whom have declared their interest in the market district concept and would add their own unique character to its authenticity.

The present open air market, Haymarket, operates Fridays and Saturdays. It generally resells produce its vendors obtain from wholesale distribution terminals north of Boston. Haymarket serves customers of all income levels, including individuals, families, smaller shop owners, and restaurateurs seeking to pick up a bargain or shop in bulk in a bustling environment. It attracts one of the most diverse populations of any market Project for Public Spaces has worked on, and its geographic reach exceeds any we have seen. Its annual sales volume appears to be equivalent to that of an average supermarket. In addition to the essential service it brings to its customers and to the livelihood it provides its vendors, its social character and atmosphere are Boston attractions in their own right. At the same time, Haymarket presents issues of trash management, limited cold and dry storage, and oversight by its management association and the City of Boston.

The addition of one or more market halls accommodating both the existing pushcart market and new vendors and food operators would add significantly to the district's merchandising and its public appeal by diversifying its vendors and expanding its customer base. Generally, such halls are the most challenging elements of a market district to develop. The availability of Central Artery Parcels 7 and 9 for development proposals, however, offers an extraordinary opportunity to create such market halls by incorporating them within the two parcels' development. So does the current widespread availability of public and non-profit funds for market development—not the least of which may be the Commonwealth's recent authorization of funds for a public market in Boston. We therefore recommend that the BRA take the lead in insuring that development proposals for Parcels 7 and 9 contain non-profit public markets within the ground floor of each property. Each should have a distinct identity. The public market on Parcel 7 should broaden the range of food offering in the district by offering a variety of local and culturally significant food products that highlight the diversity and talent in Boston's neighborhoods and in the region's food and farming communities. Parcel 9, on the other hand, would

emphasize basic fresh foods—meats, fish and produce—in a simpler, utilitarian style, complimenting the businesses of Haymarket vendors and Blackstone Block merchants and offering them opportunities to expand or relocate. Its design and stall layout would blur the boundary between the vendors occupying Blackstone Street and the market hall's indoor stalls.

Over time, the market district has the potential to extend further into the North End and Government Center through redevelopment and re-tenanting of nearby sites, including the Cross Street parcels along the Greenway, the Government Center Garage and City Hall Plaza.

The success of such a market district would be substantially improved by keeping rates low for patrons parking in the Parcel 7 Garage. It would also require the formation of an umbrella management organization with responsibility for district standards, supplying cost-effective shared services, promotion, and other common activities. While there are many successful forms of such organizations in place around the country, we recommend that the City consider taking the lead in the formation of a 501(c)(3) non-profit private corporation employing a full-time manager and small staff to carry out these functions, as well as raising funds for future capital and operating costs. Such an organization would make it possible for the City to get out of the market management business, as have most municipalities around the country. It would be the responsibility of the management organization to develop an identity for the market district that encompasses the Haymarket as well as the widened vendor pool. Other successful public markets, including the Eastern Market in Detroit, combine resellers, farmers and other vendors, each with different qualities and price. To do so successfully in Boston, the Haymarket Pushcart Association should be represented on the board of directors of the umbrella management organization, as would the interests of other vendors, the City, adjacent businesses, and the North End neighborhood.

In summary, Boston has the opportunity to produce one of the most exciting and successful market districts in the country. It would enhance the quality of life for residents by promoting fresh food and expanding the range of affordable food. It would create a micro-economy that would increase local retailers' success and, because market districts are incubators of small businesses, create new enterprises and new jobs. By carrying out trash collection for the district as a whole, the district's umbrella management presents the opportunity to complement the sustainable principles being pursued by the Rose Kennedy Greenway Conservancy, as well as to make surpluses that would otherwise go to waste available to charitable food services. Finally, the district would enhance the experience of visitors to Boston and bring thousands of additional people to the new Greenway park system.

To grasp the opportunity such a market presents, the BRA will need to,

- Continue to pursue the development of market halls on Parcels 7 and 9
- Collaborate with other City agencies to organize an entity for the management of the district
- Continue to work with the Haymarket Pushcart Association to insure that these district components not only protect its vendors but enhance their businesses.

INTRODUCTION

The once thriving tradition of public markets in the United States can be seen in all too few cities today, Boston among them. The conversion of the Faneuil Hall Marketplace into a 'festival market' over 30 years ago reflected a national trend where most markets closed, were torn down or converted into other uses. However, public markets are making a comeback in American and Canadian cities. From Seattle, WA to Baltimore, MD, historic public market halls and districts have been redeveloped and upgraded, allowing them to compete in a contemporary retailing environment while still retaining their essential, authentic elements. At the same time, public markets in the open-air, including many farmers markets and craft markets, have sprung up in cities throughout the country attracting people back to the public spaces of their downtowns and neighborhoods. Whether in the form of weekly outdoor markets that convene only in the warmer months, indoor market halls that operate every day year-round, or entire market districts, a number of American cities are finding that public markets are providing an effective strategy for economic development which brings new life to public spaces and which creates a focal point for community life. The City of Boston is no different, and the proposed market district surrounding the historic Haymarket has the potential to create a new focal point for a revived market tradition in the city.

About Public Markets

The reasons for the renaissance of public markets, one of the oldest and most universal forms of retail trade, are diverse. Cities looking to bring consistent activity to their public spaces are using regularly scheduled markets to transform streets, plazas, and parking lots into bustling "people places," alive with vitality and commerce. Public markets are valued because they create common ground in the community, where people feel comfortable to mix, mingle, and enjoy the serendipitous pleasures of strolling, socializing, people-watching, and shopping in a special environment. Others see public markets as an effective way to support local economic development and small businesses in their city. As a means for the distribution of needed goods and services, market merchants and vendors provide farm-fresh fruits and vegetables, ethnic foods, crafts, and personal services that are often unavailable elsewhere at the same level of quality, variety, and price. People are rediscovering that public markets, with their emphasis on locally grown, locally made, and locally owned businesses accentuate the qualities that make their community special.

Although start-up costs generally require public or philanthropic support, successful public markets operate self-sufficiently, and can fulfill an often elusive principle of public-private partnership: the achievement of public sector goals through the harnessing of private sector means. They are a proven vehicle for non-profit

and the public sector to get involved with entrepreneurial activity.

What is a Public Market?

The term "public market" has changed in meaning over time and still differs between places. Traditionally, in the United States, a public market has been defined as a municipally owned and operated building where vendors sell fresh food from open stalls. While some public markets still match this definition, public markets now come in many shapes and settings, offer a wide range of different products, and are owned and operated by various types of organizations, not just city governments.

At their most basic, markets include vendors or merchants who meet at the same location on a regular basis, a sponsoring entity that has legal and financial responsibility and that oversees operations, and, in some cases, structures or facilities to house the market activity.

Public Markets: A Business Enterprise...with Public Benefits

Public markets achieve a variety of public goals, including attracting shoppers to a commercial district, providing affordable retailing opportunities to small businesses, preserving farming or farmland in the region, activating an under-utilized public space, or creating an inviting, safe, and lively public place that attracts a wide range of people. As an effective place where people mix, public markets can become the heart and soul of a community, its common ground, a place where people interact easily and a setting where other community activities take place.
A public market can achieve these benefits over time only if it is operated in a business-like manner and pays for the full cost of operation within the first several years of start-up. Public markets require constant, on-site management and promotion, as they operate in a highly competitive retail environment where there is a great deal of choice for the consumer. Because of their focus on fulfilling public goals, public markets typically require assistance to cover the costs of start-up and capital development. However, a market that has long-term operating subsidies may not operate in a business-like manner, with adequate effort going to attracting a mix of vendors and customers, which could make the market self-sufficient.

This emphasis on the business aspects of developing and running a public market should not diminish the importance of community benefits. In practice, the market sponsor must artfully blend the economic imperatives with the greater good. Market sponsors face the difficult task of balancing the market's public goals with the hard-nosed economic realities of developing a viable, competitive, and self-supporting business activity. In general, social benefits of public markets come from economic strength, not the other way around.

Forms of Public Markets

Markets have been developed or redeveloped in a wide variety of physical shapes and configurations. These forms can be viewed along a spectrum, from simple and temporary at one end, to complex and permanent at the other. These different forms are not necessarily cast in stone, as a market can evolve from the simpler open-air approach to the more complex indoor market hall over time.

While many combinations and variations exist in between, there are four basic forms:

Open Air Markets

At the simple end of the spectrum are markets which take place on a seasonal basis and meet once or twice a week in the open air. The site might be a plaza, street, or parking lot with little or no site improvements. Vendors bring their own tables and umbrellas or canopies and all trace of the market is removed at the end of the day. Most of the country's nearly 4,700 farmers markets take this form, as well as many craft and flea markets (which may or may not be considered public markets, depending on whether they have public goals and meet the other established criteria). On days when open-air markets do not operate, there might be little or no physical indication of their existence. Without buildings or the need to own property, open-air markets can be inexpensive to develop and operate.

Covered Markets

A more complex form of market includes some kind of overhead structure, similar to a shed roof. In this form, the market retains an open air orientation, but vendors and customers are protected from the weather, and the market assumes an air of permanence because the structure remains in place even if the market operates only several days each week. Sometimes shed roof structures are used in other ways on days when the market does not operate, such as covering a parking area. In other cases, a market will use an existing structure, such as a highway overpass or the portico of a building. The Toledo Farmers Market in Toledo, OH and the Richmond Farmers Market in Richmond, VA are both examples of markets with open structures.

Market Halls

Public market halls or enclosed buildings--often of historic significance--represent a significant step forward in terms of complexity, risk, and potential reward. Indoor markets must be located within built space that is completely

devoted to the market activity. Merchants generally sell throughout the year, six days per week, although some indoor markets operate only several days per week. To supplement their full-time tenants, many indoor markets have part-time vendors, such as farmers and crafts people, who sell from "day tables." Day tables are spaces within the market that can be rented by the day or for the short-term. They serve to bring new or seasonal products into the market and encourage fledgling entrepreneurs to get started in retailing by offering inexpensive space without the need for commitment to a lease.

In large indoor public markets, customers can find a tremendous selection of produce, dairy products, bakery goods, meat, poultry, seafood, coffees, teas, and spices. On this large scale, the number and diversity of vendors creates a critical mass that can attract customers from throughout the city. However, successfully operating a large market hall generally necessitates long hours and operation on the weekend, when most shopping at public markets takes place. Complex building systems, storage, and refrigeration make market halls a considerable investment for sponsors and merchants alike. While the costs and effort needed to maintain these large markets are great, the potential benefits to the community are considerable and can justify the large expenditures of time and money.

Most public markets in traditional buildings somehow managed to survive the post-World War II shift of food buying to supermarkets. Market halls in Philadelphia, PA (Reading Terminal); Lancaster, PA; Baltimore, MD; Washington, DC (Eastern Market); Cleveland, OH; Buffalo, NY; and Los Angeles, CA (Grand Central Market) are examples of market halls largely built over 50 years ago which are still operating and, in most cases, thriving today. Many cities have developed new public market halls over the past 20 years. One of the most successful is the Granville Island Public Market in Vancouver, BC, Canada, the centerpiece for a major waterfront redevelopment of a dilapidated industrial island adjacent to the downtown. Other new downtown markets have opened in Milwaukee, WI; Nashville, TN; Little Rock, AK; and San Francisco, CA; and cities such as Portland, OR are now in the planning stages.

Market Districts

In their most evolved state, public markets become the centers of districts where related businesses choose to locate, creating a highly synergistic and dynamic economic zone. Once the market activity is established, and people are drawn to it on a regular basis, complementary businesses such as restaurants, specialty food stores, and neighborhood services will locate nearby, filling vacant storefronts and, thereby, renewing urban areas.

Some market districts have strict and legally enforceable use and architectural controls to maintain the district's flavor and purpose, as well as common management and marketing efforts. In these cases, preference is given to fresh-food and related businesses and those serving a diversity of economic and ethnic groups, as well as start-up businesses. Pike Place Market in Seattle, WA, generally rec-

ognized as the premier public market in the United States and the Roanoke City Market in Roanoke, VA are both examples of thriving market districts in historic areas, which have been revitalized by the market activity.

Evolution of Markets

Finally, it is important to stress that many of today's large, successful public markets evolved from modest beginnings, with little initial capital investment. Pike Place Market began with farmers selling produce in the open air on a downtown street; today the market includes hundreds of farmers, craftspeople, and independent businesses. Greenmarket, located in New York City, got its start with one location in 1975; today, Greenmarket operates over 40 farmers markets throughout the city, over 15 of which function year-round. A potential sponsor with limited resources can start its involvement with public markets by conceptualizing and developing a low capital, open-air market that operates once per week for several months. Even at this scale, the market can provide a significant, positive impact on the life of the community. With time and experience, and with ground-level success, the market can be expanded to take advantage of new opportunities that will broaden its impact.

Note: This section was adapted from Project for Public Spaces' book, Public Markets and Community Revitalization*, co-published in 1995 with the Urban Land Institute.*

THE BOSTON MARKET DISTRICT

With careful investment and effective management, the proposed Boston Market District site has great potential to become the center of a rebounding local food economy and community life in Boston.

Creating a public market district of this scope is not without risk. It is important to understand what has worked and has not worked with recent public markets. Indeed, the traditional market hall remains the most challenging to implement in today's competitive food economy. These markets require a significant real estate investment, with greater capital costs. To be successful, a market district in Boston will not only need the right plan and merchandise mix, but it will require a management and financing structure that allows it to grow and thrive in the future.

It is also important to understand the unique context of the proposed market district site, which is the current home of Haymarket. Haymarket operates Fridays and Saturdays re-selling produce (mostly) from the Chelsea wholesale terminal. Customers represent all income levels and are either seeking to shop in bulk or pick up a bargain in a raucous environment. This presents a challenge for establishing the identity of the public market for the customer, as well as management issues for working with an existing established organization. However, Haymarket has kept the district operating as a historic market venue, and many successful public markets—like Eastern Market in Detroit (where PPS has been working for almost a decade)—include both farmers, as well as resellers, with different qualities and price points. The social character and atmosphere of Haymarket are as important as the products themselves.

Another challenge is the proximity of the proposed site to the Faneuil Hall Marketplace. Currently under the management of General Growth Properties, this former historic market has devolved from a public market to become largely a tourist destination. While tourists would expect to be drawn to a public market, they can also have a destructive impact. Pike Place Market is so clogged with tourists that many locals avoid the market, and the number of farmers has declined significantly.

PPS has found that an expanded market district in Boston is indeed feasible—economically and operationally. There is more than adequate consumer buying power, a strong level of tenant interest and a location with access, history, character, and a reassuring human scale.

Concepts for the Market District

Market districts represent the most mature and intensive type of market facility. A district generally encompasses a variety of market uses and can include multiple market halls, sheds and open-air vending spaces. Districts often have wholesale and retail components and operate around the clock, all year long. Most true historic market districts are remnants of central food distribution centers, which are now typically located on the outskirts of the city center. This is indeed true in Boston, where nearly all of the large wholesale and distribution functions have vacated the historic core.

The Haymarket is the remnant of what was once a much larger historic market district in Boston. It is the intention to enhance and

enlarge this district with the development of Central Artery Parcel 7 as an indoor market hall featuring fresh, prepared and ready-to-eat foods that are rooted in local traditions. The ground floor of Central Artery Parcel 9 would also be for food retailing, but with more emphasis on basic fresh foods—meats, fish and produce—in a simpler, utilitarian style complementing the historic Blackstone Block merchants and outdoor Haymarket vendors.

The district would embrace its surroundings—while being cognizant of the need to preserve itself from becoming overtaken by tourists and visitors who would enjoy the market experience—but who would not want to buy basic foods. The merchandise would be geared to local customers and would be carefully controlled by lease agreements and management directives intent on preserving the functionality of the market

Characteristics of the Market District

Among the proposed Boston Market District's assets is its history and character. It will have challenges as well. The following assets and liabilities of this area should be considered as the market district is developed:

Assets

Historic continuity—both in use and physical characteristics
Located at the nexus of Boston's public transportation system
Several parking garages nearby, one of which provides reduced rates for shoppers
Easy access from the highway system and city arterials
Walkable from neighborhoods and offices
Strong vendor pool
Supporting food stores along Blackstone Street and in the North End
Loyal and widespread customer base
Increased public interest in food
No chain retailers
No vacancies among the storefronts in the area
Lifeline for low-income shoppers
Local job creator

Liabilities

Trash
Condition of Creek Square and Blackstone Block alleys
Deterioration within the buildings and stores facing Blackstone Street
Rodents
Lack of general oversight and responsibility
Tourist encroachment
Deferred maintenance
Lack of public restrooms
Lack of public seating
Lack of cold and dry storage

In addition to addressing the opportunities and challenges of this site, a successful Boston Market District will need to take the following into consideration:

Physical Character

New development should retain the area's human scale
Streets and sidewalks should become more accessible to all forms of travel and to the

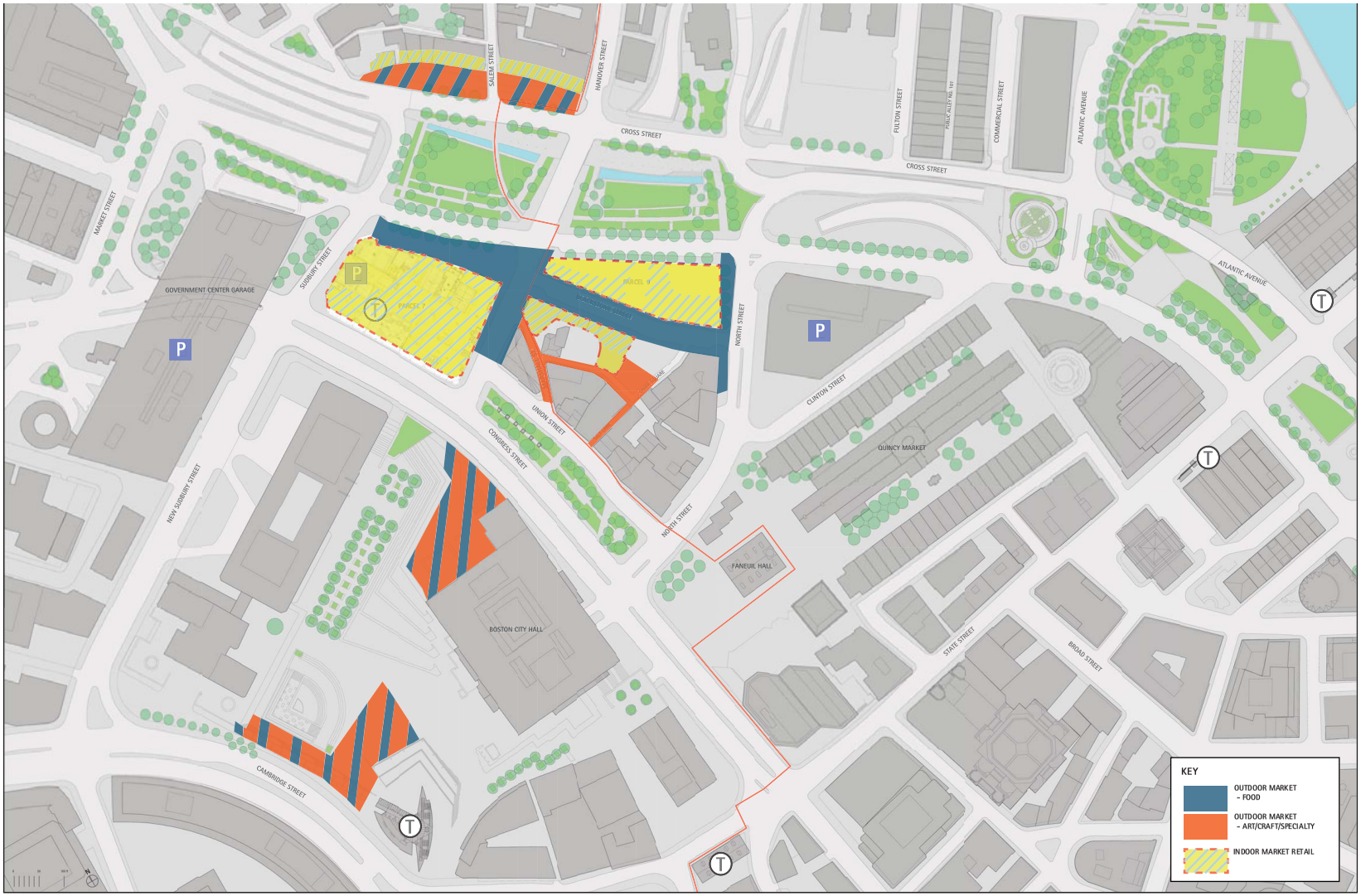
handicapped
Public spaces should be designed for flexible, continuous use
The historic granite sidewalk paving stones should be retained
Canopies, or other forms of weather protection for patrons, should be introduced
The history and use of Creek Square should be celebrated
Materials selected should be sturdy

Operational Challenges

Loading and service functions will become more challenging as the market grows
The layout of vendors' selling frontages should be improved to increase direct contact with the public
Market vendors should retain their informal character
Merchandising must respond to weekly and seasonal use patterns
The organization of the market district should encourage the interplay of distinctive markets within it

Potential Size & Configuration of the Market District

Boston Market District Boundaries



Boston Redevelopment Authority

PROPOSED MARKET DISTRICT USES

Boston Market District Uses

Management Options

Public markets and districts around the country use a variety of management systems, and Boston can look to these examples as they consider their possibilities. Boston's management considerations should keep in mind the following:

- **Most municipalities have gotten out of the market management business** and transferred operations to a publicly accountable, yet independent form of management;

- **Municipalities can maintain various forms of control** through charters, rules and regulations, board representation, and overseeing capital obligations;

- **Boston can design its own preferred management** by learning lessons from other markets that have recently made the switch; and

- **Management options can be further investigated** once Boston decides how it wishes to proceed with the market district.

The following management forms are all in use today:

Market Authority or Market Commission
Market authorities and market commissions are terms that are used interchangeably by different cities. In this market management system, a city commission or authority is generally appointed by the Mayor, City Council, or some combination thereof to oversee the market. Market staff reports to the commission or authority, which operates relatively independently although some cities have a specific agency to provide staff support. An authority is similar, except that the market may have bonding capacity.

Examples
Pike Place Market—Seattle, WA
Richmond Farmers Market—Richmond, VA

Enterprise Funds
This form of city operation—often used for entities like airports—simply puts all revenues and expenses in a separate city account so that costs can be better monitored, rather than intermingled within agencies. In other words, the market generates its own revenues and spends what it makes, and any surplus is kept by the market. Market employees are city employees, and there is usually an oversight commission appointed by the city associated with it.

Examples
City Market—Nashville, TN
River Market—Little Rock, AR

Private Management Contract
The city establishes an oversight committee, but the actual operation of the market is undertaken by a private or non-profit corporation, usually selected through competitive bid. Generally the city must periodically re-bid the management contract competitively.

Examples
City Market—Kansas City, MO
City Market—Charleston, SC

Private, Non-Profit [501(c)(3)]
Many markets have converted to private, non-profit management over the past 20 years. Under this system, the city retains ownership and control over the facility, and establishes a long-term lease with an independent, 501(c)(3) corporation to operate the market. The lease spells out the terms of the agreement, and varies according to each city. The structure of most of the non-profits includes a broad-based board of directors, including citizens, vendors, nearby businesses, and usually one or more representatives of the city government.

Examples
Reading Terminal Market—Philadelphia, PA
Lexington Market—Baltimore, MD
North Market—Columbus, OH

Market District Management

A larger district encompassing the outdoor Haymarket, Parcels 7, 9, and contiguous public spaces will raise challenging issues of leadership and management that would be best addressed through the formation of an umbrella non-profit organization funded by the district's constituent components. The responsibilities of such an organization would include clean up of the district's streets and sidewalks, disposal of waste materials in an environmentally advantageous fashion, the coordination of each vending operation's access to delivery areas and service facilities, oversight of the merchandising mix in the district as a whole, promotions, outreach, educational programs, fundraising, capital improvements, and community relations. Such an organization would allow the City to maintain overall control of the district's public spaces through its ownership of its streets, sidewalks and plazas, through operating agreements, and through its regulatory enforcement functions, while delegating its present responsibilities for waste collection, disposal and clean-up.

The organization would employ a full time manager and a small staff to carry out these functions under the direction of a broad-based board of directors representing the City, the Haymarket Pushcart Association, the operators of the markets within the Parcel 7 and 9 developments, abutting and affected property owners, and North End food businesses.

Fundraising

Currently, in the United States, there is more money being allocated or raised for public markets than has been the case in decades. This is as good a time in recent memory to be developing a public market and accessing federal, state, foundation, and corporate funding.

Notwithstanding the recent economic upheaval, we still feel that momentum is building for local markets, local economies and projects that create local jobs and industry.
Recent cases show that many markets are raising hundreds of thousands, millions, and even tens of millions of dollars.

There are a number of philanthropic entities likely to fund a market district located in Boston. Furthermore, in 2008 the Massachusetts Legislature authorized $10 million for the development of a public market in Boston.

Potential Sources of Federal and Foundation Funding

United States Department of Agriculture (USDA)—Despite its shortcomings, the new Farm Bill is making more federal money available for farmers markets in the U.S. since the

GRANT PROGRAM	2008	2009	2010	2011	2012
Farmers Market Promotion	$3,000,000.00	$5,000,000	$5,000,000	$10,000,000	$10,000,000
Specialty Crop Funding (Portion Estimated to Support State Farmers Markets)	$1,000,000	$2,000,000	$3,000,000	$3,000,000	$4,000,000
EBT/Food Stamp Redemption	$500,000	$1,000,000	$2,000,000	$3,000,000	$5,000,000

Great Depression. The USDA has a number of programs, two of which are listed below by dollar amount over the next four years that can help markets do marketing and outreach, start new programs, gain design assistance, and more.

- *The Farmers Market Promotion Program (FMPP).* Grants of up to $75,000 are targeted to help improve and expand domestic farmers markets and other direct producer-to-consumer market opportunities. Past grants have supported marketing and promotional programs, implementation of EBT programs, signage and equipment, soft costs for infrastructure development, and more.

- *CSREES Community Food Projects (CFP).* Grants of up to $300,000 for programs designed to meet the food needs of low-income people and to meet specific state, local, or neighborhood food and agriculture needs, including:
  - Increasing the self-reliance of communities in providing for their own food needs;
  - Promoting comprehensive responses to local food, farm, and nutrition issues;
  - Infrastructure improvement and development;
  - Planning for long-term solutions; or
  - Creating innovative marketing activities that mutually benefit agricultural producers and low-income consumers.

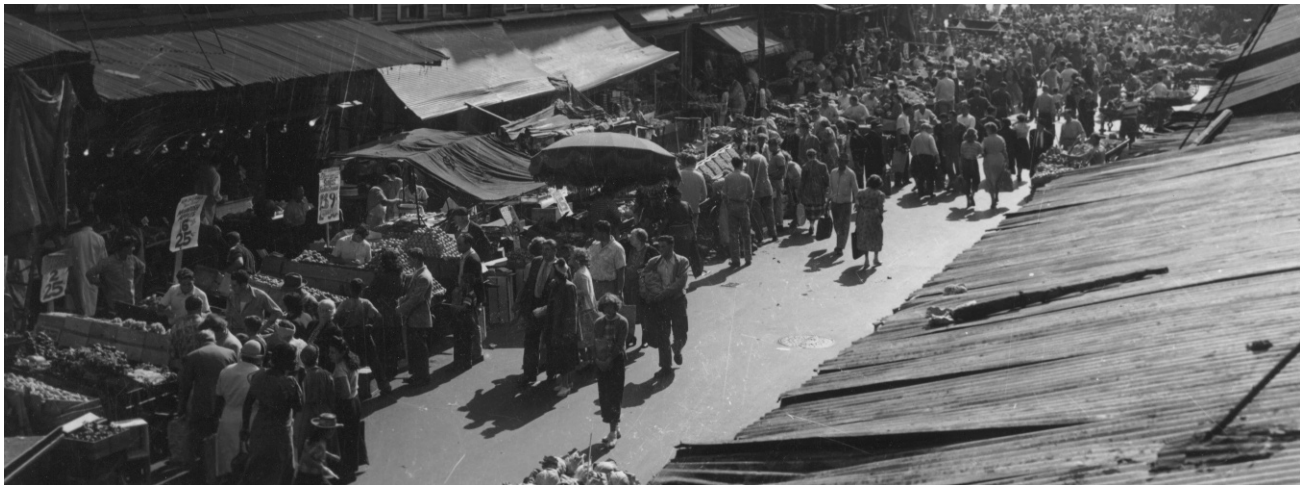
For a full list of federal sources of funding for farmers markets download the *Farmers Market Resource Guide* from the Agricultural Marketing Service website at http://www.usda.com/ams.

The United States Department of Commerce (USDC)—The Economic Development Administration (EDA) branch of the USDC has been a long-time supporter of the development and revitalization of public markets, mainly through its regional offices, and is a good potential source of capital funding.

Recent market projects that have received EDA funding have been the Milwaukee Public Market ($2.5 million for new construction) and Eastern Market in Washington D.C. ($2 million for renovations following a devastating fire).

W.K. Kellogg Foundation—The Kellogg Foundation has funded more projects related to supporting local farmers and food production in the U.S.—including farmers markets—than any other national foundation in the country, mainly through their Food & Society program. However, Kellogg has recently refocused their mission on supporting vulnerable children. For more info about the Food & Society initiative, go to http://www.wkkf.org/default.aspx?tabid=75&CID=19&NID=61&LanguageID=0

THE HAYMARKET



The historic Haymarket is the heart of the proposed Boston Market District. Thousands of Bostonians have strong connections to the market either as customers or as vendors, and many family histories align with the history of the Haymarket. This history and character will bring great vibrancy to the proposed market district.

Key Findings

- **Haymarket attracts one of the most diverse populations of any market** we have worked on, and has a reach well beyond the typical primary trade zone (fifteen minute drive and walk time) seen at similar markets. In fact, most Haymarket customers are from outside this primary trade ring. Customers include almost every imaginable ethnic group and income level.

- Haymarket is the primary place where most of its shoppers buy produce and it serves a **vital role in the Boston food distribution system**.

- **Shoppers come by transit, car, and foot.** It is encouraging to see unusually high percentages of people coming by non-auto modes, particularly on foot and by public transportation.

- **Cheap prices, great selection and the 'atmosphere' need to be preserved.** This is obvious from the surveys, personal observations and interviews.

- While there are no truly reliable sales figures, (we estimate that a majority of customers spend between $10-30 per visit) we venture to say the **annual volume is equivalent to an average, healthy supermarket**—and Haymarket does it all in two days. Extraordinary!

- **Customers come in droves**. During five minute tracking periods, we consistently counted 400 people (and higher) in the main aisle on Blackstone Street. People are attracted to Haymarket because it offers value and a bargain, especially important for low-income shoppers.

- **The gravity model shows less spending potential in the primary trade than we would have expected, but much greater 'reach' into outlying areas based on the current spending patterns at Haymarket.** That is, most of the dollars spent at Haymarket are coming from outside the primary trade ring. An enlarged district would also have to appeal to this larger population ring in order to be successful. This will require strong merchandising, low prices and focused management to get people to bypass other shopping options. This is essentially a continuation of what makes Haymarket work.

- While much has changed around Haymarket over the decades—it is now time for Haymarket itself to **adapt and grow within changed surroundings** while preserving its continuity, character and customer base.

- **Trash handling needs a lot of attention**. There is an opportunity to address this issue in a way that not only improves the market's appearance, but saves money and makes the market 'greener' by implementing separation, recycling and possibly off-site composting. The Rose Kennedy Greenway Conservancy has raised the possibility of collaborating in a composting program. In addition, local food security agencies, or "gleaners", might act as distributors for unsold produce to the needy at the end of the day.

- **Haymarket is not a tourist attraction** despite its proximity to Faneuil Hall Marketplace and the Freedom Trail. Any future plans for the market district must be cognizant of the profoundly different needs of Haymarket shoppers who need to stretch their food dollars and who relish the old world, face-to-face commerce.

- **Given the strong economics of Haymarket, we see great potential for Central Artery Parcels 7 and 9**. The underlying economics of Parcels 7 and 9 must be structured so they don't measure success purely based on the bottom line of real estate performance and inadvertently squeeze out the Haymarket push-cart vendors. This will require a deliberate effort and must not be left to chance. The economics and merchandising of Parcel 9 must complement the Haymarket and not push up prices, while Parcel 7 can feature more upscale products (but not fancy or over-priced), value-added products, and ready-to-eat foods.

- The **food-related uses on the first and lower floors of the historic Blackstone Block** are essential to the Haymarket shopping experience. Their preservation in any future redevelopment plan should be reflected in the BRA's ongoing Greenway District Planning Study, as would design elements that compliment the protection of customers provided by the Parcel 9 development.

Haymarket Operating Characteristics

The experience of shopping at Haymarket is composed of many things; prices, selection, historic setting, accessible location, personal relationships and commingling with a myriad of people, smells, color and languages. These experiences need to be protected, but there are also improvements that can be made through the construction of Parcel 9 and other changes in the immediate area.

The following are defining characteristics of Haymarket:

Assets

Low Prices—Great deals are what pull in the thousands of shoppers every week.

Good selection—Haymarket has more items than the farmers and supermarkets.

Atmospheric—Haymarket is a fascinating place to shop, meet, watch, eat, and take in sights, sounds and smells.

Vendor Association—The Haymarket Pushcart Association (HPA) takes the lead with internal organization.

Historic—Haymarket is the last authentic connection with centuries of market activity.

Diverse shoppers—Surveys and observation show Haymarket attracts all types of people.

Diverse vendors—New waves of immigrants are joining in with the traditional vendors.

Intense activity—The hustle of the market connotes success and keeps prices low.

Lots of public transportation options—Multiple subway and bus lines serve the market.

Plenty of parking—Several parking garages flank the market.

Low parking rates—Validated reduced rates at the Parcel 7 garage are important to maintaining the market's patronage.

Niche wholesaling—Small shops and restaurants shop at the market.

No junk food—Products offered are fresh and healthy—little or no junk food sold.

Asset to Chelsea Markets—Haymarket provides a valuable outlet for Chelsea overstock.

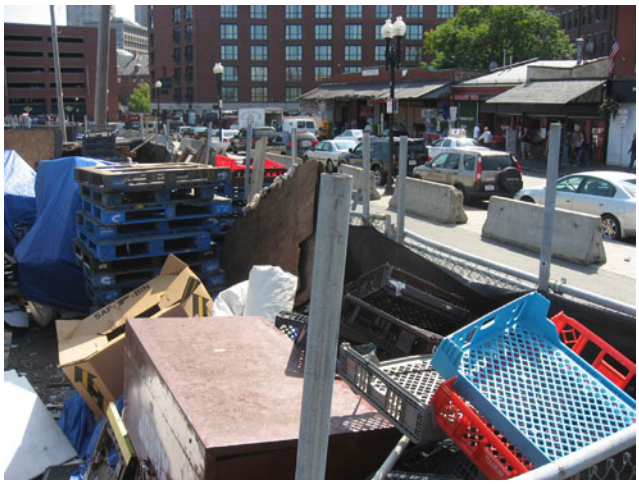
Dependable rhythm—The market comes and goes, with an elaborate set up each week.

Liabilities

Trash—This situation can be better managed.

Storage—Can be addressed in a more suitable manner.

Rodents—Needs to be addressed through better maintenance and improved infrastructure.



Traffic Congestion—Surrounding streets get clogged. The North Street leg of the market impacts traffic entering the city from the I-93 off-ramp as well as access to the Millennium Hotel.

Pedestrian Congestion—Standard sidewalk widths must remain open for customers.

Handicap accessibility—The layout of vendor stalls makes the market tough to negotiate for wheelchairs and the disabled.

How it can be more successful

Modern trash facility—Make the market cleaner, safer, and cheaper to operate.

Adequate cold and dry storage—Outdoor, temporary storage areas need replacement.

Improved circulation—Create more even circulation for all vendors, such as adding well-placed cross aisles. This will also create more frontage and valuable display areas for vendors.

Increased management, promotion and fundraising—Build sales and attract new customers through a planned, open and fair management system.

Improve public facilities—Shoppers need places to rest, meet and go to the bathroom.

Keep operating expenses low—In order to keep prices low, expenses must be kept low.

Add vendors and merchandise in Parcels 7 and 9—The gravity model shows how an enlarged market district can increase overall sales and increase customer visits.

Haymarket Customer Survey Summary

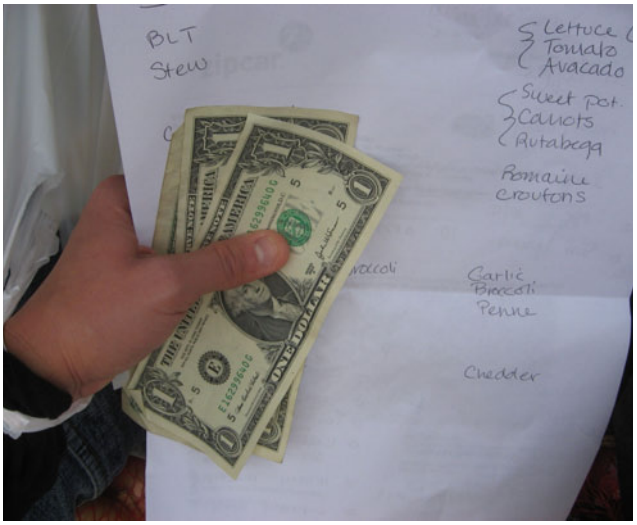
Over the course of two days, PPS conducted a customer survey and customer count on-site at Haymarket (results can be found in Appendix D). Though the customer surveys took under five minutes to complete, they relayed quite a bit of information about the impact of Haymarket on Boston and the surrounding region. The survey helped PPS understand where customers live, how they travel to the market, how much they purchase, and how important Haymarket is to their family's food buying needs.

Of the responses collected, PPS was able to ascertain the following about Haymarket's customers:

- About 15,000 customers visit the market on Fridays and Saturdays, depending on season and weather;
- They travel from a wide geographic area;
- Represent a wide and diverse ethnic demographic;
- Return repeatedly to shop;
- Spend a fair amount of money on each trip; and
- Consider Haymarket their primary source of fresh produce.

Haymarket Price Comparisons

Haymarket is known for bargains—one of the main reasons for its long-standing success. While it is common knowledge that Haymarket's prices are much lower than their immediate competition, PPS conducted a price comparison to calibrate this point. During the price comparison, PPS also determined that Haymarket's product mix was the greatest, offering local apples and greens, as well as imported exotics.



During the week of September 22, 2008, price checks were made at the following markets:

City Hall Plaza Farmers Market
Wednesday, September 24th

Johnny's Foodmaster, Charleston
Friday, September 26th

Haymarket
Friday/Saturday, September 26th/27th

	City Hall Farmers Market	**Johnny's Foodmaster**	**Haymarket**
Tomatoes	$3-4/lb.	$2.99/lb.	$1/2 lbs. *
Green peppers	.50 each	$1.99/lb.	3 for $1 *
Red peppers	$2.50/lb.	$3.99/lb.	4 for $1 *
Carrots	$2.50/lb.	.99/lb.	$1/2 lbs. *
Green beans	$2.50/lb.	$1.79/lb.	$1.49/lb. *
Apples	$2-3/lb.	$1.99/lb.	.75/lb. *
Corn	n/a	.50 ear	.25 ear *
Pineapples	n/a	$3.99 each	$1.50 each *
Lemons	n/a	2 for $1	10 for $1 *
White asparagus	n/a	n/a	$1/bunch

*Cheapest prices are marked by with **

Haymarket was cheaper on all items—often as much as 1/16th the price.

Time Lapse Photography

On Friday, September 26th and Saturday, October 11th, 2008, a camera was placed on the upper floor of the Hard Rock Café parking garage located on North Street, and time lapse photography was captured of the general Haymarket area, covering all of Blackstone Street and parts of North Street. A copy of the time lapse films have been provided as part of this report.

The following observations and comments are in response to the film:

People Loop
Many customers go up or down the Blackstone sidewalk and loop back up by traveling on the street itself.

Cross Aisles are Important
Customers often circulate from the street to the sidewalk and find their way between stalls. A better system of wider cross aisles would improve overall circulation.

Parcel 7 Plaza
It appears that customer traffic has a more natural tendency to migrate north towards Parcel 7's plaza. This bodes well for future market uses on this site, or as a temporary location for displaced Haymarket vendors during the construction of Parcel 9.

Better Night Lighting
Haymarket is too dark—improved lighting would help the general tone of the area.

Many Customers Arrive in Groups
It is evident that many people come to the market in groups of two or three—and stay together.

Service Aisle in Street Underused
Blackstone Street gets very little traffic compared to the sidewalk.

'Back' Aisle is Busier Later in the Day
The secondary aisles get more use as the day progresses and merchandise is put on display.

Trucks Enter the Blackstone Street Service Aisle in Reverse from North Street
Market trucks drive in reverse into the market.

Storage Areas in Constant Use
The two open-air storage areas get used all day.

One Gas Powered Pallet Truck in Use
One mechanized pallet truck services various market stalls.

ADVANCING THE MARKET DISTRICT

Parcels 7 and 9 offer Boston a strategic opportunity to restore Boston's historic market district by expanding upon its already successful Haymarket. While an indoor market hall is the most complicated aspect of a market district, it can anchor the district, offering a full-time shopping opportunity for customers and vendors alike.

Concepts for a Public Market in Parcel 7

The Parcel 7 public market would be quite distinct from retail projects generally being built in urban centers today, including Quincy Market, which itself was once a public market. Instead of being a "festival marketplace" or an area generally meant to encourage tourism and strictly commercial activity, a public market is seen and felt by the citizens to be a true public amenity, providing both a variety of local and culturally significant products and experiences and public spaces in which to enjoy the city and appreciate its residents. Below are three key characteristics of a public market and some specifics as to how they pertain to this site.

The public market on the ground floor of Parcel 7 should be instilled with public goals—such as:

- **Create an anchor for economic activity that is more than just a shopping mall or a tourist destination.** A public market holds tremendous potential for being a destination for a wide variety of people —residents, office workers, and tourists— throwing off economic activity both in the market itself and in surrounding areas.

- **Highlight and promote the diversity and talent in Boston's food and farming communities**. By attracting and fostering Boston-based food and products, a market in Parcel 7 would become a tribute to ethnic and cultural diversity in the city. Prepared and fresh foods are the key anchors for the public market, and can also draw on regionally-produced farm products.

- **Create the center of the food world in Boston.** An indoor public market, with its focus on fresh and prepared food products, will not only enhance the availability of food found at Haymarket, but its variety as well. With multiple vendors within the market selling similar categories of food, competition is created that keeps prices low and quality high and attracts more customers.

Merchandising and Operating Characteristics for Parcel 7

Locally owned, independent businesses
It is of utmost importance that the providers in the market are not chain stores, but represent the diversity and talent of Boston's food and cultural communities. Public markets are particularly good at incubating small businesses and helping them thrive because it takes relatively little startup capital to open a small business in a public market, and because stalls or shops are small and manageable. Through special user clauses built into the operating agreement, chain stores and franchises will be prohibited and only locally-owned and operated businesses allowed. While the market would certainly expect tourists to shop there, it is not a tourist attraction per se, but a real public amenity for workers, residents and visitors to the area. Particular attention should be given to make leasing opportunities available for businesses in the immediate area including the North End.

Fresh Food Should Predominate
The market should not devote more than 1/3 of its floor space to ready-to-eat foods and priority should be given to fresh food vendors who can hybridize their stalls to include prepared foods—for instance: a deli could sell lunch items, a produce stall could sell fresh squeezed juices, and so forth.

Indoor/outdoor Flexibility
Allow for flexible use of the market to adapt to the seasons and the nearby Haymarket.

Large spaces
The footprint of usable space in Parcel 7 is conducive to several large spaces for walk-in stores or a café/restaurant. These would potentially be located in the area north of the elevators and the corner section closest to Sudbury Street.

Small spaces
The southern section towards Hanover Street is more suitable to a typical market layout with smaller 'stalls' displaying products directly onto the customer aisles.

Ample Storage
Provide accessible space for cold and dry storage.

Maximize Internal Circulation
In a public market, frontage is the most valuable asset for tenants—that is where products are best displayed and where money is made. The market should have a series of interconnecting aisles to encourage circulation and maximize displays.

Encourage On-site Production
Customers are attracted to visual and sensory activity. Tenant spaces should be enlivened and designed to feature on-site production; coffee roasting, chickens roasting on spits, slicing of meats, mixing and baking and dicing are all interesting and should be part of the show, not hidden from customers eyes.

Activate the Outdoor Plaza
The large plaza is a natural place for outdoor markets, public seating, events, and other activities that would help to broaden the appeal of the indoor market and larger market district. It should be noted that the Haymarket vendors may need to be temporarily relocated here during construction on Parcel 9.

Promote Accessibility and Visibility
The market should look like a market from the outside. It should have good sight lines to the interior to entice people to come inside and shop. Multiple entrances are common at many successful markets. Ground floor facades should be operable to maximize customer flow in good weather and to allow displays to spill out onto the plaza and surrounding sidewalks, provided they do not interfere with normal pedestrian flow.

Lighting of the interior must be carefully chosen to enhance views through windows and not create reflections that block visual penetration.

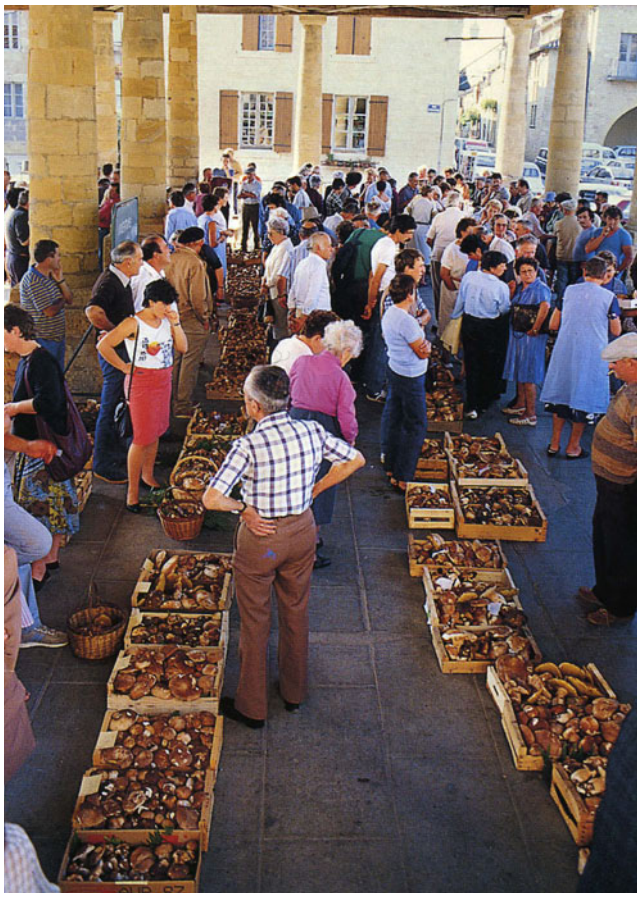
Parking
Many customers will drive to the market and park in the Parcel 7 garage. Parking fees must remain economical so shopping at the market does not become prohibitive. A validation system to provide reduced rates to shoppers will be necessary to keep the market viable. The Parcel 7 garage is currently used by many Haymarket shoppers on the weekend and the current validation system should be continued in some form.

Provide for Storage and Trash Handling
There will be a need for 'back of the house' facilities for trash handling, recycling, cold and dry storage, maintenance, and janitorial closets.

Flexible Utility Grid
Tenants will come and go over time and the stalls will need to be readapted for incoming vendors. All stalls will need a minimum of 100 amp service, some with three phase electrical requirements. Exhaust systems for cooking will also be needed and this can be done with individual systems, but it is often preferable to have a ganged system that individual tenants can tap into. Cleanliness of the market's public spaces and tenant stalls is paramount—so floor drains and provisions for getting water in and out are key elements to making the market run smoothly.

Management
Because public markets have 'public' goals, it is appropriate that a market within Parcel 7 be operated by a non-profit entity. In addition to normal maintenance responsibilities for the market hall, its responsibilities would include maintaining the quality and mix of vendors, insuring that all vendors maintain a suitable level of design, and the interface of market management with the overall building management..

Financial Expectations
The goal of a standard commercial market or mall is to turn a profit. While a public market can be profitable or at least operationally self-sustaining, it has a broader set of goals and its success is not measured by the bottom line. Most public markets in the United States 'bury' their capital costs and open debt free. The master developer should not expect more than minimal income from the market.



Concept for a Public Market in Parcel 9

Parcel 9 is well suited to becoming a market. The site is public and visible. It does not have a 'back', and therefore each face of the building must work aesthetically and operationally while being a good civic anchor for the larger district and surrounding neighbors.
The ground floor of Parcel 9 would be dedicated to food retailing, with an emphasis on basic fresh foods—meats, fish and produce—in a simple, utilitarian style complementing the historic Blackstone Block merchants and outdoor Haymarket vendors.

The ground floor, preferably with high ceilings, should embrace the street life with a flexible façade that can be opened to the seasons and connect with the outdoor activity of Haymarket. One should be able to walk through the market and have a pleasant, sensory experience.

The ground floor and basement is also the best place to house a proper trash handling facility for the larger district—particularly the waste stream from the outdoor Haymarket. Cold and dry storage areas can also be provided in here. A small basement may also be put to use for storage and service of the district. These operational functions can be 'nested' into non-essential retail areas out of public view.

Characteristics for Parcel 9

Basic Fresh Foods
Emphasis on meat, fish, produce and other fresh foods.

Indoor/outdoor Flexibility
Allow for flexible use of the market to adapt to the seasons and the adjacent Haymarket.

No 'Back' of the Building
Each side of the market should be functional during market hours and attractive to look at when the market is not in operation.

Maximize Internal Circulation
In a public market frontage is the most valuable asset for tenants—that is where products are best displayed and where money is made. The market should have a series of interconnecting aisles to encourage circulation and maximize displays.

Durable Materials
Working market will need high level of 'clean ability'. The slope of the site can be tied into a floor drain system so the market can be steam cleaned on a regular basis.

Flexible Utility Grid
Tenants will come and go over time and the stalls will need to be readapted for incoming vendors. All stalls will need a minimum of 100 amp service, some with three phase electrical requirements. Exhaust systems for cooking will also be needed and this can be done with individual systems, but it is often preferable to have a ganged system that individual tenants can tap into. Cleanliness of the market's public spaces and tenant stalls is paramount—so floor drains and provisions for getting water in and out are key elements to making the market run smoothly.

Ample Storage
Provide accessible space for cold and dry storage—including needs of Haymarket. The slope of the site may allow for certain 'high zones' where pallets can be stacked.

Trash Handling/Recycling
Set up an efficient and sanitary facility to handle/separate/recycle/remove waste, including that from Haymarket.

Loading/Unloading
Designate adequately sized and functional area for service area.

Public Restrooms
A critical component for comfort and public health.

Parking
As is the case with Parcel 7, a validation system to provide reduced rates to shoppers in the Parcel 7 garage will be necessary to keep the market viable. The Parcel 7 garage is currently used by many Haymarket shoppers on the weekend and the current validation system should be continued in some form.

Proformas

The following proformas include income and expense projections for Parcels 7 and 9. These are working documents that can be modified to reflect changes in leasing, merchandising and overall finish that could have an effect of operating expenses. The figures shown are a conservative approach based on figures from other public markets and prevailing expenses in Boston.

***Note*:**

- Real estate taxes were estimated at $7/sf of the gross market footprint (netting out areas that will be used for upstairs and basement tenants). Taxes at this level would be a challenge to the economics of the market. As public markets typically use almost half of their space for circulation, entrances, seating and staging areas, this $7/sf translates to almost double—or $14/sf in rent. Most markets in the US are exempt from real estate taxes charges. If this were the case in Boston, it would reduce the rents by almost a third to an average of $31 to $34/sf per year.
- Each proforma is shown as a base year, break even scenario.
- If the two parcels were developed and combined under one management entity, there would be cost savings and advantages as discussed as the end of this section.

Parcel 7 Assumptions:

Size of Market—Indoors

Gross available footprint	26,000 sf
Usable ratio for market	55%
26,000 sf x .55	14,300 sf gross leasable area

Outdoor Plaza

Operates 2 days a week with 30 spaces @$25 per space, per day = $78,000 annually

Operating Hours

The market is open six days a week from 8am to 6pm for customers = 60 hours/week
The market is open six days a week from 6am to 8pm for vendors = 84 hours/week

Tenant Payments

The market will be operated on a triple net basis and tenants pay:

Base rent
Square foot rents on vendor's leased premises.

Utilities
All vendor utilities will be sub metered and re-billed.

Common Area Maintenance (CAM)
All tenants to pay a prorate share of all operating expenses over the base year operating expenses.

Percentage rents (option)
Landlord should reserve the right to require tenants to report gross sales and pay a percentage of gross sales over a predetermined base amount.

Advertising Fee
Tenants charged separate fee for 100% of market advertising.

CAM charges are passed through as increases over the base year only. The base year will be the first year that CAM charges start. This will stop the landlord's obligation to incur increases in market operating expenses over the base year.

Current range of rents in the district:

North End	$40-100 per sf
Historic Faneuil Hall	$65 per sf
Faneuil Hall Marketplace	$100-200 per sf after additional charges

Parcel 7 Break Even Base Year Operating Budget

Income	
Rent 14,300 sf @ $44.89 per sf (average) =	$642,000
CAM	All increases over base year expenses
Advertising	Pass through
Utilities	Pass through
Percentage rents	Future Opportunity
Outdoor market (plaza area)	$78,000
Total Income	$720,000
Expenses	
Manager	$75,000
Facilities Manager	$45,000
Custodial 1-FT, 3-PT	$80,000
Security 2-PT	$40,000
Subtotal	$240,000
Benefits (25%)	$60,000
Subtotal Labor	$300,000
Legal and accounting	$10,000
Office expenses	$5,000
Supplies	$10,000
Advertising and promotion	Pass through
Insurance	$13,000
Real estate taxes (26,000 x $7)	$182,000
Maintenance and repairs	$20,000
Contract Services	
Trash	$50,000
Pest	$10,000
Alarm	$6,000
HVAC Maintenance	$10,000
Net Utilities	
HVAC, Electric, water	$104,000
Subtotal Expenses (non-labor)	$420,000
Total Expenses	$720,000
Net Income	$0

Parcel 9 Assumptions:

Size of Market

Gross building footprint	29,000 sf
Less 10% for stairs, service, lobby, mechanicals	(2,900)
Less 5% for basement access	(1,450)
Less 5% for trash/recycling	(1,450)
Less 5% for cold/dry storage	(2,900)
Net available for market	20,300 sf
Usable ratio for market	60%
20,300 sq.ft. x .60	12,180 sf gross leasable area

Operating Hours

The market is open six days a week from 8am to 6pm for customers = 60 hours/week
The market is open six days a week from 6am to 8pm for vendors = 84 hours/week

Tenant Payments

The market will be operated on a triple net basis and tenants pay:

Base rent
Square foot rents on vendor's leased premises.

Utilities
All vendor utilities will be sub metered and re-billed.

Common Area Maintenance (CAM)
All tenants to pay a prorate share of all operating expenses over the base year operating expenses.

Percentage rents (Option)
Landlord should reserve the right to require tenants to report gross sales and pay a percentage of gross sales over a predetermined base amount.

Advertising Fee
Tenants charged separate fee for 100% of market advertising.

CAM charges are passed through as increases over the base year only. The base year will be the first year that CAM charges start. This will stop the Landlord's obligation to incur increases in market operating expenses over the base year.

Current range of rents in the district:

North End	$40-100 per sf
Historic Faneuil Hall	$65 per sf
Faneuil Hall Marketplace	$100-200 per sf after additional charges

Parcel 9—Break Even Base Year Operating Budget

Income	
Rent 12,180 sf @ $ 48.06 per sf (average) =	$585,400
CAM	All increases over base year expenses
Advertising	Pass through
Utilities	Pass through
Percentage rents	Future opportunity
Haymarket trash fee	$100,000
Haymarket storage fee (2900 x $24 per sf)	$69,600
Total Income	$755,000
Expenses	
Manager	$65,000
Facilities Manager	$45,000
Custodial 1-FT and 2-PT	$70,000
Security 2-PT	$40,000
Subtotal labor	$220,000
Benefits (25%)	$55,000
Subtotal Labor	$275,000
Legal and accounting	$10,000
Office expenses	$5,000
Supplies	$10,000
Advertising and promotion	Pass through
Insurance	$15,000
Real Estate Taxes (22,000 gross usable x $7)	$154,000
Maintenance and repairs	$20,000
Contract Services	
Trash	$150,000
Pest	$12,000
Alarm	$6,000
HVAC Maintenance	$10,000
Net Utilities	
HVAC, Elect, Water (22,000 x $4 per sf)	$88,000
Subtotal Expenses (non-labor)	$480,000
Total Expenses	$755,000
Net Income	$0

ProForma Options, Cost Savings and Additional Revenue Potential

The stand alone proformas for Parcels 7 and 9 represent one approach to the development of an indoor public market in the market district. Other approaches can be considered, each of which has potential operational and financial advantages including the following:

Combined development/management of Parcels 7 and 9

- Combined management savings potential of $40,000
- Savings would reduce base rents by $1.50/sf
- Pooled advertising funds
- Creates a larger 'draw' for the district

Combined development/management of Parcels 7, 9 and Haymarket

- Same savings as shown above
- Additional income from HPA for market management
- Possible cost savings with trash for HPA and indoor markets
- Relieves HPA board of management and oversight time
- More promotional opportunities
- Shared storage, bathrooms, trash and utilities

Percentage Rents

There are only a few markets in the country that charge a percentage of sales in addition to a base rent. Some markets tried and gave up due to the difficulty of ascertaining correct information and tenant resistance. Tenants prefer to pay a higher base rent than pay percentage rents.

The break even rent projections for Parcels 7 and 9 are approximately $45-$48/sf

If a market vendor can pay 7% of sales as 'rent' at $48/sf that would mean that a vendor would need sales of $685/sf. Many public markets experience sales in excess of this amount. If vendors were to achieve sales of $1000/sf, there would be $315 available to be charged a percentage rent. Seven percent of $315 is equal to $22/sf and would generate the following additional rent:

Parcel 7
14,300 sf (total GLA) x $22 = $314,600
Parcel 9
12,180 sf (total GLA) x $22 = $267,960

Possible additional rent income $582,560

This is a potential scenario only and would obviously require skilled leasing, merchandising, promotion and management.

Note: Granville Island Market and Reading Terminal Market both experience sales levels approaching $2000/sf so $1000/sf is certainly a possibility.

Vendor Interest

A successful public market requires dynamic vendors who offer diverse product lines, are owner-operated, and reflect their region's bounty and culture. In 1998, PPS completed a feasibility study for the Boston Public Market Association (BPMA) and concluded that there was significant interest from potential vendors for participating in a public market. This interest has not waned, and in fact, has grown over the last decade as the public has become more interested in local and artisan foods. In reaching out to the BPMA, Federation of Massachusetts Farmers' Markets (FMFM), the Massachusetts Department of Agriculture, as well as canvassing local Boston-based retailers PPS determined that there is widespread interest in all the opportunities that are present in this proposed district including Parcels 7 and 9 and for both indoor and outdoor vending opportunities.

To gauge potential vendor interest PPS reached out via an on-line survey and through phone interviews to a diverse group of producers and farmers recommended by the BPMA, FMFM, and the MA Department of Agriculture. In addition, PPS interviewed in-person or on the phone several established Boston-based retailers.

The online survey was sent out to over 40 farmers/producers within the greater Massachusetts region; of those producers, 18 completed the survey (results can be found in Appendix E), and eight went on to participate in an interview. Eighteen Boston-based retailers were contacted and of those, nine completed an interview.

The 36 potential vendors who participated in the survey or interviews self-identified their businesses as the following (some sell more than one item):

- Vegetables/fruit—4 responses
- Meat/poultry—4 responses
- Fish/seafood—3 response
- Dairy/cheese—4 responses
- Bread/baked goods—11 responses
- Value-added (jams, preserves)—5 responses
- Flowers/nursery—1 response

- Wine—1 response
- Vinegar/oils/spices—3 responses
- Candy/chocolate—2 responses
- Coffee/tea—1 response
- Maple products—1 response
- Kettle corn—1 response
- Prepared foods—5 responses

From the surveys and interviews, PPS was able to conclude the following:

- Interest in the market district is high
- Potential vendors want to vend full-time
- Potential vendors want to locate their businesses indoors, while several expressed interest in vending both indoors and outdoors
- A majority of potential vendors could be ready to vend within the market district in less than six months.

Throughout the surveys and interviews potential vendors expressed concerns and/or opinions regarding the establishment of a market district in this location, these fell into the following categories:

Access & Location

- Great visibility
- Easy access on and off highways
- Proximity to Haymarket Pushcart Vendors seen as both a positive and negative
- There was concern that, should a vendor keep his current business while expanding into the district, the new location might be too close

Cost

- Cost to lease space
- Adequate sales and customers
- Some producers expressed interest in owning rather than leasing a space in the market district

Operational Issues

- Several producers want the ability to wholesale products as well as have a retail space
- Majority were interested in full-time, year-round sales
- Adequate facilities in market, *e.g.,* water, electricity, refrigeration
- Adequate space and facility hook-ups to produce on-site
- Ability to set up a cooperative or comparable group to arrange for staffing and management in order to sell similar products, *e.g.,* farmstead cheese, local meat and poultry

Overall Market Design & Management

- Ability of market to attract customers, but not turn into a tourist “trap”
- Variety and quality of products sold
- Quality and competence of management
- Several producers mentioned the need to retain the “culture” and “feel” of the area so that current Haymarket customers would still feel welcome

Product Issues

- Compliance with City and State codes (specifically cited by farm wineries who are currently restricted by state law to sell only on their farm)
- Competition with other vendors selling same or similar product
- Who will be allowed to sell (wholesalers and/or non-local producers)
- Ability to expand product line to include more prepared and convenience foods, *e.g.,* lobster rolls, clams on the half-shell, cleaned fish, breakfast sandwiches

CONCEPTS FOR OUTDOOR MARKET SITES AND USES

The key to a vibrant market district are successful outdoor markets. These markets compliment the other market district uses, including an indoor market, cafes, shops, and restaurants. Ultimately, attractive outdoor markets that reflect the needs and interests of their local community will be the greatest draw for customers because they add character to the urban environment.

There are many types of outdoor markets that are recommended for the Boston Market District. Along with the successful Haymarket, which will in many ways be the anchor of the market district, a farmers market, night market, and craft/artisan market are all recommended additions to this market district. As mentioned earlier in the Market District section, the map of uses shows the locations of the outdoor markets and what type of market is recommended. A mix of markets in the right locations will be crucial to the district's ability to draw and retain customers.

City Hall Plaza

The plaza surrounding Boston's City Hall is frequently used for a variety of special events, as well as a semi-weekly farmers market operated by the FMFM. In addition to this seasonal farmers market, the plaza is well suited to feature an artisan/craft market, as well as to continue to serve as a location for special events, city-wide holiday events, and the farmers market.

The SoWa Open Market is a successful, seasonal artisan market in Boston's South End, featuring hand-crafted jewelry, original art, antiques, clothing and fresh foods. This type of market would work well in City Hall Plaza, and an additional location may be of interest to the operators of this market, which has already expanded to include two holiday markets located in the Prudential Center and Cathedral High School.

Pros

- Large, open space
- Plaza is city-controlled
- Excellent visibility
- "T" station is located in plaza
- Near major tourist attractions
- Near major employment centers
- Existing farmers market on site

Cons

- Level changes make set-up complicated
- Separation from the rest of the market district
- Near major tourist attractions
- City may sell City Hall and surrounding plaza

Parcel 7 Plaza

The plaza outside of Parcel 7 is an ideal location for an outdoor market. It is well suited to feature a farmers market or another food-related market activity.that compliments the market uses on the first floor of Parcel 7. The outdoor market would operate one or two days of the week and would draw attention and customers to the plaza as well as into the indoor public market located in Parcel 7.

In conversations with the FMFM interest was expressed in operating a farmers market on Parcel 7's plaza. Either the existing Government Center Farmers Market could relocate to this site, or a new farmers market could be established on this site. There are mixed feelings about when this market should operate, either on the same day(s) as the Haymarket Pushcart Vendors or on different days. Either way, this neighboring market would most likely feature products at a higher price point originating from the Boston-area region and would compliment rather than compete with the Haymarket produce.

Pros

- Large, open space which can accommodate many vendors
- Enlivens the front of Parcel 7
- Compliments Parcel 7's first floor retail uses
- Excellent visibility
- Adjacent to Haymarket
- Public transportation is nearby
- On-site parking
- Near major employment centers
- Near major tourist attractions

Cons

- Plaza space is irregular
- Vendors will have to off-load
- Adjacent to Haymarket
- Near major tourist attractions
- May be the temporary location of Haymarket during Parcel 9 construction

Creek Square and the Alleyways of the Historic Blackstone Block

Despite the distinctive character and history of Blackstone Block, located between Hanover, Blackstone, North, and Union Street, there are few current uses of its streets and alleys. The misuse of the alleys and plaza space form-

ing Creek Square, is particularly wasteful.. They would be ideal for outdoor market activity. During the day, they could be the site for cooking demonstrations, Haymarket customer seating, and prepared-food vendors. At night, they could offer family-friendly nighttime activities, with an outdoor seating area, featuring lights strung above, music in the evening and a few small prepared food and crafts/artisan vendors.

The balance of the streets and alleyways running throughout the Blackstone Block would also be ideal for nighttime market activity. While Marshall and Union Streets are bustling with activity morning, noon and night, the adjacent lanes are underused. They would be ideal for prepared food vending, crafts/artisan goods and outdoor seating. This area is well known for not only the adjacent Haymarket, but also for a lively pub and restaurant scene, which attracts locals and tourists alike.

Pros

- Area is an established entertainment scene
- Area is historic, attractive, and has a lot of character
- Near major tourist attractions
- Adjacent to hotel

Cons

- Area needs to be cleaned-up and made welcoming
- Alleys are narrow
- Adjacent to hotel

Cross Street Plaza

The plaza/parking area adjacent to Cross Street, between Endicott and Hanover Streets, is fronted by several iconic North End stores, including a bakery and deli/grocery. They compliment the Boston Market District.

With a revision to the parking arrangements on the plaza, they could “spill out” into this space, displaying and selling products such as coffee, sandwiches, and gelato or other food-related items, as well as offer seating for their customers. This type of outdoor market activity would enliven this space, create an entrance to the North End from the downtown and Greenway, and connect the North End to the market district.

Pros

- Related retail present
- Excellent visibility
- Near major tourist attractions
- Attractive site

Cons

- Space is being used for parking and driving
- Somewhat removed from the rest of the market district

PARCEL 9 CONSTRUCTION AND MITIGATION PLAN

Though the feasibility of a Boston Market District on the proposed site is strong, it will take a few years until the entire district is complete and functioning. Construction on Parcel 9 will create disruptions not only for Haymarket, but will ripple into surrounding areas. It is in the best interests of those affected—Haymarket vendors, customers and storefront retailers, North End shops, restaurants and residents—that a plan be agreed upon to minimize disruption while allowing construction to proceed.

As Parcel 9 is not yet designed, the exact nature of the disruption can not be known. Noise, dust and traffic problems will likely exacerbate an already busy Haymarket. Blackstone Street will likely be narrowed with the placement of a construction barrier. Parking in loading areas on surrounding streets will be further stressed. And of course, the ill-effects of negative public relations and perceptions must be considered.

In order to minimize disruption and maintain continuous operations of Haymarket, the following steps are recommended:

- Identify a responsible and accountable party to oversee the planning and implementation;
- Work closely with the HPA and other affected businesses;
- Coordinate and involve the North End Central Artery Advisory Committee;
- Establish a formal liaison with the contractor and developer of Parcel 9;
- Identify temporary locations for any displacement of a portion of the Haymarket;
- Set and agree upon a reasonable timetable;
- Develop a strategy to maintain communications with all parties;
- Create a PR campaign to address shoppers needs;
- Create a budget to account for all costs associated with the mitigation; and
- Identify sources of funding for mitigation.

CONCLUSION & NEXT STEPS

The Boston Market District has the potential to be a successful and iconographic place for Boston that stimulates the local economy and culture. The city is fortunate to already possess the necessary ingredients for success: customers, vendors and a strategic location. The Haymarket and the historic Blackstone Block provide the proposed market district with a solid vendor base and strong customer spending power. The creation of market halls on the ground floors of Parcels 7 and 9 would significantly enhance the feasibility of the project by expanding its merchandising, adding to its appeal, and upgrading the operations of the district. Proven management options and funding strategies are in place elsewhere in the country for integrating these elements into a vibrant and economically successful whole.

Boston and its surrounding region has a strong and growing vendor pool of farmers, producers, resellers, and established food operators, many of which have expressed interest in the district and will bring with them their own unique character to add to the district's authenticity. The Boston Market District is poised to become the keystone location to coalesce and strengthen the rapidly growing interest in local food production and distribution.

Next Steps

With the feasibility of the Boston Market District established, the BRA, working in collaboration with other relevant City departments, is in a position to begin the practical work of creating the district. Among its next steps are to,

- Develop a strategy through which to create a mechanism or an entity for district management;
- Use the management entity as the coordinator/clearinghouse for the overall project;
- Clarify the relationship between management and the city;
- Initiate a development and funding scenario;
- Continue to inform the identity and uses of Parcels 7 and 9;
- Begin to formulate operating guidelines and requirements;
- Work with the HPA to address ongoing issues;
- Continue outreach to potential market tenants;
- Continue communication and involvement with adjacent businesses and residents; and
- Identify future uses for historic Blackstone Block redevelopment.

APPENDIX A: Market Analysis

Memorandum

Date: November 11, 2008

To: Haymarket Team

Fr: Larry Lund

Re: Preliminary Market Analysis

Summary and Opinions

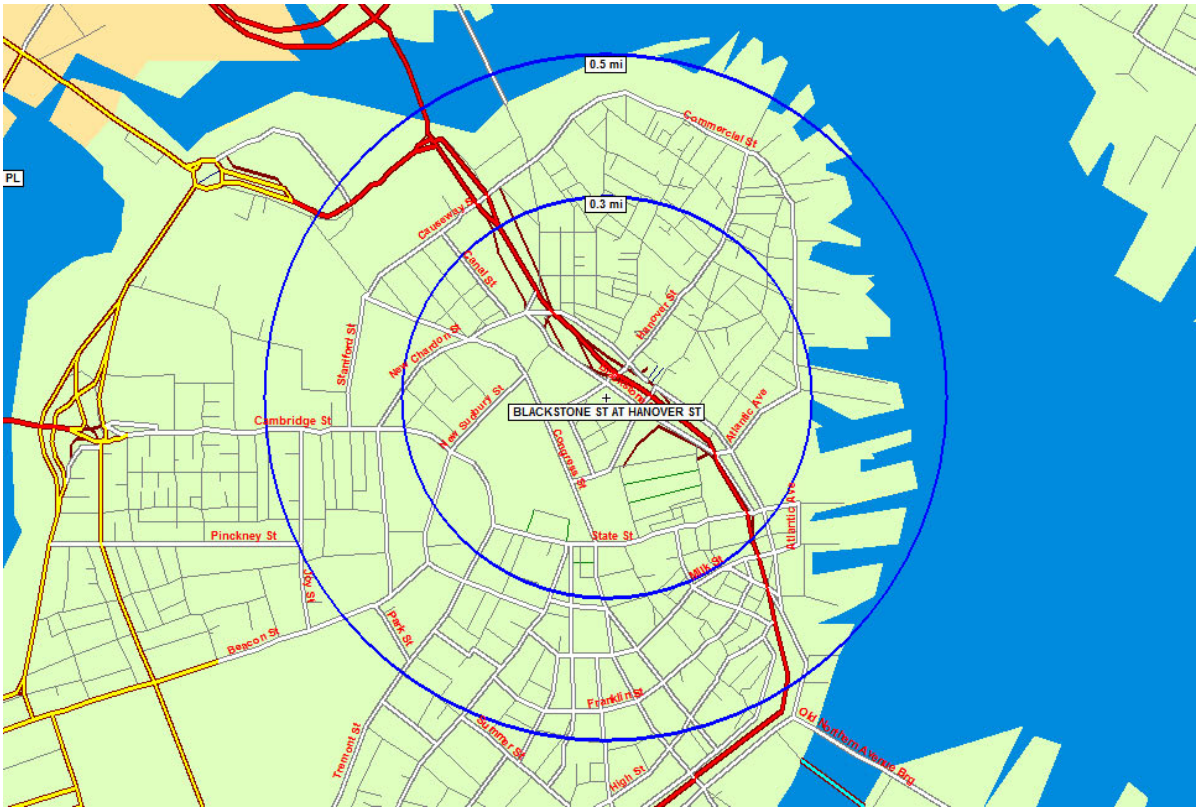
- Haymarket's attraction is very low cost produce and serves as an important channel of food distribution particularly to low income and ethnic populations.
- The downtown residential and office populations represent only a small part of Haymarket's success.
- Strengthening the offering of fresh fish and seafood along with other fresh food products will compliment Haymarket's operations and provide more food shopping opportunities to underserved populations.
- Development of an expanded Haymarket to Parcel 9 needs to maintain the low price point position. The economics of delivering low cost food is reflected in part of less expensive real estate. Keeping occupancy cost low is a particular challenge with any new or expanded Market. Possible solutions maybe how to maintain the open-air character and still meet food safety concerns.
- Continuing to serve the needs of Boston's underserved populations and meeting the wants of nearby populations presents marketing challenges. Parcel 7 may provide sufficient distance to operate a distinctive Market targeted at a different audience.

Overview Demographics

Markets can function differently in cities some have local appeal and others can transcend local geography and pull from a wide area. The first look at Haymarket is from the local perspective, which in Haymarket's case is walking distance. Walking distance varies, but for most people carrying groceries a quarter to a third-mile is the extent people will walk. Some may walk up to a half-mile. However, after a quarter-mile distance, people quickly begin looking for transportation solutions, frequently the auto, but in highly urbanized areas like Boston, public transit may be a viable solution for many.

Scan/US, our demographic service provider estimates for 2007 -- 3,512 households within a.3 miles and 8,716 households within .5 miles of this site. (Households are the standard unit of measurement for buying food at home.) The daytime employment

population is estimated at 42,043 working in 3,241 establishments with .3 miles and 102,043 working in 7,736 establishments within .5 miles.



Rings show third and half-mile areas from Haymarket

The Boston Redevelopment Authority (BRA) provided better data, which includes estimates of projects that will be completed by 2010. The BRA uses a different geography (Transportation Zone Analysis -TZA) than the Census Bureau; the BRA areas used for the quarter-third mile area includes 2-12, 29, 32, and 36-39 and at the half-mile radius adds TZA's: 1, 13, 30-31, 34-35, and 40-54.

Looking at a half-mile radius, which is the entire North End, Government Center part of downtown Crossing up to Franklin St. and the Financial district also up to Northern Ave bridge, this area has an estimated 9,266 households (BRA data). Three supermarkets serve this area: a 40,000 square foot Whole Foods on Cambridge Street, a 57,000 square foot flagship Shaw's on Huntington Avenue, and a soon to be built 50,000 square foot supermarket just a block from the Market at Washington and Canal. In addition, to these three supermarkets the area as several supperettes, which are small convenience type and specialty food stores that serve the area. Across the River in Charlestown, is a supermarket known, as Johnny's, which primarily serves the local Charlestown area customers.

This trade area is affluent, with average household income estimated (2007) at $104,800 annually. Residents are also highly educated with 4.8 times the number of college degree + residents as there are high school graduates. Another distinguishing

demographic characteristic is a very low household size of 1.5 persons with 58% of the households, single householders. Also 49% of the households do not have cars. The largest age segment is 25-34 years, representing about a third of the population.

The half-mile trade area does not have ideal demographics for food at home purchases. Typically, high-income households with children present are the best customers for food at home purchases, but the immediate area demographics are ideal for buying prepared foods, carryout, and food eaten away from home, i.e. restaurants.

Accessibility

The area around Haymarket has a couple of transportation hubs; the Haymarket T Station has 8,600 weekday boarding counts and North Station 13,220 (North Station commuter rail 25,500). (As a comparison, South Station serves 22,657.) The T Station brings traffic from the immediate area and North Station (commuter rail) pulls traffic from much broader area. The public transit, including buses at Haymarket provides the Market with both visibility and accessibility.

In vehicular counts, Hanover Street has only 3,000 vehicles (ADT), but Washington Street has 23,000. Average daily counts of over 20,000 are considered very desirable for retail.

Moreover, the daytime employment population within half mile of Haymarket is estimated at 111,663 people. This population is frequently associated with providing people looking for food to consume on the premise, although some clearly can take food home if it is well packaged.

Another advantage is the estimated 1.7 million visitors that take the Freedom Trail annually, an average of 4,658 people daily. This provides another good market for prepared foods.

Survey

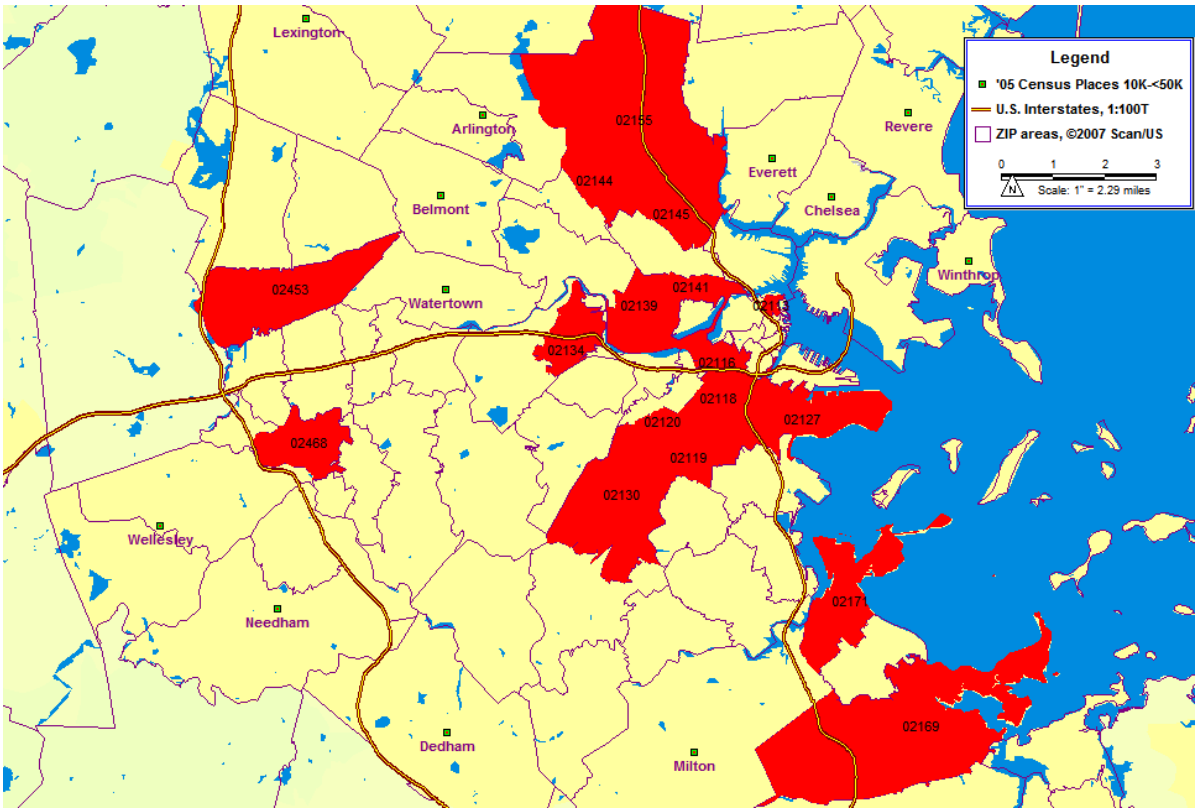
The customer intercept survey of 161 people at the Market is helpful, although the sample size is very small. In addition to the full survey, 265 people in total were asked about their home zip code and if they could walk to the Market from work. This too is a very small sample for zip code analysis and if the Market enters a Phase II, additional surveys should be taken to add to their validity.

The most striking results of the survey are the large number of respondents where the Market is their primary source of fresh produce. Another striking finding is the large number of ethnic shoppers. Compared to other surveys done in other Markets, the number of shoppers taking public transit is higher in Boston than say in Philadelphia's Reading Terminal Market, which has similar locational attributes as Haymarket.

The zip code survey shows that Haymarket is not geographically bound and customers come from a wide area within the beltway.

In total, the 265 respondents came from 78 zip codes or an average of 3.4 per zip code.

A quick look of the 265 zip codes – the seven top zip codes provide 26% of the respondents. So, 9% of the zip codes reflect 26% of the customers.



Zip Code Map. Red shows Zip Codes where half customers Live

Top Seven Zip Codes by Zip Code name:

Cambridge (13) 5%
Somerville (13) 5%
Allston (10) 4%
Jamaica Plain (9) 3%
Waltham (9) 3%
Quincy (8) 3%
Medford (8) 3%

Top Quarter: Total: (N=70) 26%

Top Half (45%):

In order to identify the top half (45%) of the market area, ten more zip codes were added (each with 6 respondents). This added Boston with 6 zip code areas (N=36), another zip code in Cambridge (N=6), Somerville (6), and Quincy (6) to the existing zip code town names. The other new zip code was added -- Waban (6). In summary, seventeen zip codes or 22% of the zip codes represent 50% of the customers. This is known as the Pareto Principal, where a small number contribute to a much larger affect.

Top Half (45%) Overall Towns by Zip Code Names (N=265)

Boston (61) 23%
Cambridge (27) 10%
Somerville (19) 8%
Quincy (19) 8%
Allston (10) 4%
Jamaica Plain (9) 3%
Medford (8) 3%
Waban (6) 2%

Note: This is a very small sample size and a few different responses could change the order, add or delete zip codes. If a Phase II is undertaken, a larger sample size survey should be conducted to validate these findings.

Zip Codes are for the convenience of the post office and are not homogenous. Zip codes also have significantly different populations. The following map shows the Boston Zip codes by penetration, that is, the number of people in that zip code by the number of households estimated in 2007 by Scan/us

All Boston Zip Codes

Boston	Households	Survey Number	Penetration	
02108	1,794	0	0	
02109	1,878	3	.0016	(Haymarket)
02110	313	3	.0096	
02111	2,315	0	0	
02113	3,921	6	.0015	
02114	6,025	3	.0005	
02115	10,061	5	.0005	
02116	10,702	6	.0006	
02118	10,220	6	.0006	
02119	8,937	6	.0007	
02120	4,758	6	.0013	

Charlestown			
02129	7,118	0	0
Boston (cont)			
02127	13,500	6	.0004
02199	687	3	.0044
02215	7,997	4	.0005
Cambridge			
02139	14,767	13	.0009
02142	962	0	0
02141	5,478	6	.0011

For comparison purposes, the zip codes below show where high numbers attending Market, but these zip codes not shown in following map.

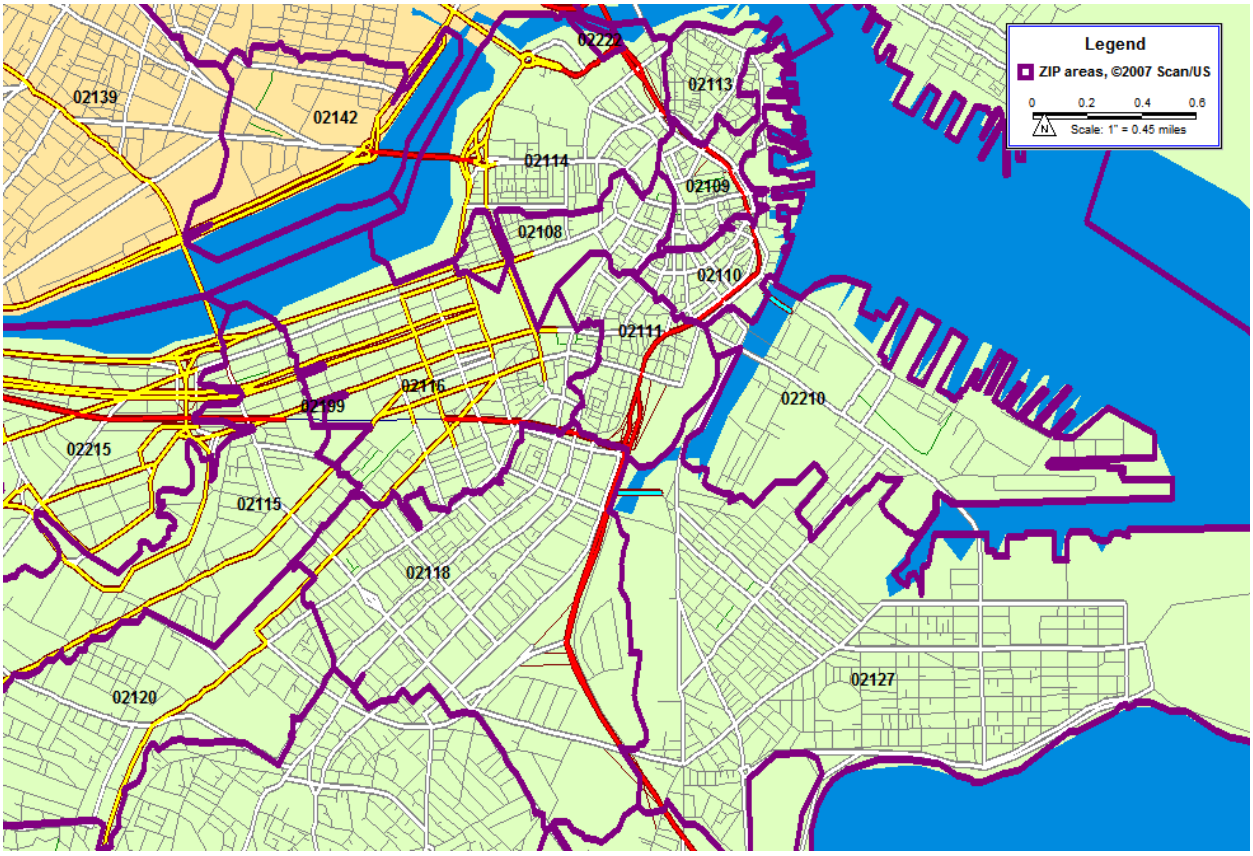
02130	Jamaica Plain	13,468	9	.0007
02134	Allston	8,814	10	.0011
02145	Somerville	9,688	14	.0014
02155	Medford	21,721	8	.0004
02169	Quincy	25,066	8	.0003
02453	Waltham	11,686	9	.0008

The zip codes within "walking distance" are:

Zip Code	Penetration
02109 (Government Center and North End)	.0016
02110 (Harbor and Financial District)	.0096
02113 (North End)	.0015
02114 (West End/North Station)	.0005

Based on the 286-person intercept survey at the Haymarket, 33% of those surveyed lived in one of four zip codes that are within walking distance of the Market (02109, 02110, 02113, and 02114) (N=18 – 6.8%) and from those who live outside these four zip codes and said they worked within walking distance of Haymarket (N=70— 26.4%).

We have defined the geographic primary trade area as those that can walk to Haymarket and that they represent a third of the customers. The primary trade area might also be defined as ethnic without geographic boundaries within the 127 Beltway



Zip Code Map of Central Boston

Gravity Model

The gravity model is a tool to help estimate sales potential for food. Traditionally, two significant factors convenience and selection play an important role in the consumer's decision of where to shop for food. Price, however, is the most significant factor, but geographic models do estimate sales based on price. Low price is frequently traded off with quality in the search for value. Haymarket delivers on value with acceptable quality at an extremely low price (see David O'Neil survey of prices between Haymarket and Johnny's Supermarket in Charlestown.)

Another element that is not measured with the gravity model is the familiarity many of the ethnic shoppers have with shopping at a market and find it preferred over supermarkets.

The gravity model, which analyzes travel distance and selection, estimates that the primary trade area without the new supermarket at Canal and New Chardon Street has a capture rate of 46% (current situation) within the primary area and that the primary area represents a third of the Market sales.

The gravity model with the proposed new supermarket at Canal St at New Chardon Street of 50,000 square feet would theoretically drop the market share at Haymarket from 46% to 24% within the primary trade area.

We have one estimate of the Market fresh produce sales of about $15 million, so the gravity model in some scenarios may be underestimating fresh produce sales by 60% if the produce sales projections are accurate. The table below shows both the trade area at a third and at 13% reflecting a 60% adjustment from the third. So instead of the primary trade area representing a third of the sales, it represents about an eighth.

Next, we ran the model with the Market at 41,000 square feet, which includes the 26,700 square foot Haymarket and Parcel 7; at 46,700 square feet (with parcel 9); and at 61,000 square feet to reflect different scenarios with both parcels 7 and 9 added to the Haymarket.

The primary area, as defined in this analysis, has an estimated 9,266 households (BRA estimates 2010). In addition to fresh produce, we have estimated other food categories:

Estimated Gross Annual Sales Potential under Different Size Assumptions and Trade Area Capture Assumptions.

	.33 PTA	.13 PTA (60% adjustment from .33)
Bakery products:		
41,000 sf. =	$3,346,000	$8,484,000
46,700 sf. =	$3,641,000	$9,242,000
61,000 sf. =	$4,231,000	$10,742,000
Meats:		
41,000 sf. =	$6,668,000	$16,926,000
46,700 sf. =	$7,255,000	$18,417,000
61,000 sf. =	$8,432,000	$21,404,000
Poultry:		
41,000 sf. =	$1,868,000	$4,742,000
46,700 sf. =	$2,031,000	$5,156,000
61,000 sf. =	$2,361,000	$5,993,000
Fresh Fish/Seafood:		
41,000 sf. =	$794,000	$2,016,000
46,700 sf. =	$864,000	$2,194,000
61,000 sf. =	$1,005,000	$2,550,000

Fresh Produce:	
41,000 sf. = $4,691,000	$11,909,000
46,700 sf. = $5,105,000	$12,959,000
61,000 sf. = $5,933,000	$15,061,000
Total Fresh Food Products:	
41,000 sf. = $17,912,000	$47,181,000
46,700 sf. = $21,494,000	$56,616,000
61,000 sf. = $23,733,000	$62,513,000

$423 psf. annual	$334,000 week	$1,075 psf. annual	$848,000	week
$405 psf. annual	$363,000 week	$1,027 psf. annual	$1,027,000	week
$360 psf. annual	$422,000 week	$914 psf. annual	$1,072,000	week

Haymarket compared with U.S. Supermarket Metrics

We compared the sales estimate of Haymarket with national statics on supermarkets. The median supermarket transaction is $28.88. The average number of transactions per week is 14,892.

Based on our survey, Haymarket has a median expenditure of $20 for produce (average expenditure $33.12) and at an estimated $15 million gross -- that would be the equivalent of 14,423 transactions per week. Haymarket then has the same number of transactions in two days operating in 7 hours a day, as a supermarket has in 7 days operating at 24 hours.

Also based on our survey with 35% of the customers driving, Haymarket uses 2,524 parking spaces each day for shoppers at with an estimated shopping time of 30-minutes that is a about 360 cars an hour turn-over.

With 37% using the subway, that 2,668 riders carrying groceries daily, if all used the Haymarket T station (with 8,600 boarding weekdays), that means that almost one in three people boarding are carrying groceries.

APPENDIX B: Questions, Issues and Concerns for Boston City Agencies (November 12, 2008 meeting)

Health

What are the outdoor food vending regulations pertaining to Haymarket?
What are the indoor food vending regulations per Parcel 7 or 9?
What are the food sampling regulations?
What are the indoor food business requirements for?
- Sinks, utilities, floor finishes, materials, grease traps, hoods
- Build-outs
- Screens, doors etc

What are the storage requirements for?
- Temperature requirements
- Shared storage

What are the requirements for the trash systems?
- Open vs. closed containers

What are the insurance requirements?
Are there any considerations for historic areas/markets?
How are farmers markets addressed?

Streets

What are the existing regulations for street vendors?
What are the permitting requirements?
What are the reporting requirements?
In terms of the overlap with indoor/outdoor areas; how are regulations applied?
Do the 'streets' include sidewalks?
What are the rights of ways—measurements/ allowances?
Are there allowances made for historic areas?
Are there surface treatments for easy cleaning and safety?
Could there be night lighting for Haymarket?
Is the ability to use the 'French system' of stall setups available (implanted into street bed)?
Can the canopies stretch to curb line?
Are the streets available as trash holding areas?
- Containers
- What are the times

Utilities

Are water hookups available for outdoor vendors?
Are electric hookups available for outdoor vendors?
Is there any use of the storm drains?

Sanitation

What is the amount/type of Haymarket waste?
Can recycling be instituted?
Can the HPA claim responsibility of the trash?
Do you need a formal or informal agreement?
What is the cost of trucks/labor?
- Seasonal variation
- Friday, Saturday variation

Are there any ongoing plans/desires?

Fire/Police

What are the requirements for street width/ clearance?
Is there an incident history for this area?
What personnel are assigned?
Are there vendor requirements?
Are there any risk reduction strategies?

APPENDIX C: Market District Case Studies

Market districts are reviving across the country - proving that markets are good economic investments which create attractive, functional and memorable places where people like to commingle while they buy and sell. Historically, market districts have also been directly responsible for enhancing real estate values and fostering innovation.

The following districts – each different and reflective of their environments and people - have all survived into the 21st century with relevant highlights for Boston's Haymarket.

City Market, Charleston, SC

Eastern Market, Washington, DC

Eastern Market, Detroit, MI

Pike Place Market, Seattle, WA

Borough Market, London, England

Granville Island Public Market, Vancouver, BC, Canada

City Market, Charleston, SC

History

Established in 1804 on land donated by a private citizen, the market is built over an old creek bed. It is in the open shed style, narrow and long with a single aisle flanked by vendors. The market sheds have been extended numerous times and extend down four blocks. It was the anchor of a growing commercial district and was the public heart of the city. Over the years the market has survived earthquakes, hurricanes, fires, tornadoes and bombardment during the Civil War.

The traditional market uses (meat, fish, and produce) declined in the mid twentieth century and the city leased the market to a private operator who revived its function with arts, crafts and antiques. It regained its popularity and is full of vendors and mostly tourist customers, which is not unusual as it is in the center of the historic district which caters to tourists. Hotels, restaurants and shops surround the market.

Size
4 blocks long

Ownership
City of Charleston

Merchandise Mix
Hundreds of vendors selling arts, crafts, cookbooks, sweet grass baskets, and clothing.

Access and Parking
The market is in the center of the historic district. Parking is at a premium although discussions are underway to build a new garage adjacent to the market.

Management
The city just completed a public RFP process to engage new, private management that will preserve the market and work to improve its connection with local products and customers-

Financial
The market is operationally one of the most profitable in the country. The new management arrangement will allow the city to participate more equitably in the profits.

Housing
There is no housing adjacent to the market; the closest is a couple blocks away.

Current or Recent Development Initiatives
New management has already begun to restore the semi-neglected structures and will be required, by the city, to work on improving merchandising, streetscape and possibly expand the market with a new shed that will feature local produce, fish and other products to attract more local residents.

Why it works
Great central location in historic district, surrounded by retail, restaurants and hotels.
Colorful, owner-operator vendors and interesting merchandise.
Large tourist trade provides a constant flow of customers.

Challenges
Repositioning the market as a local attraction.
Expanding the market back to the riverfront by adding a new shed.

Relevance to Haymarket
City is paying for physical improvements while outsourcing management to a private contractor. The City is investigating the feasibility of adding a new section of the market which would focus on local foods and producers, with the intent of attracting residents instead of tourists.

Eastern Market, Washington, DC

History

Built in 1873, Eastern Market is located in the district's Capitol Hill neighborhood and is the last remaining historic market still in operation. Like Boston, DC had a series of public markets to feed the metropolis. Enlarged twice, the market continues to serve its primary role as an outlet for fresh foods and has become the center of a larger district with outdoor markets and traditional storefront retail in the middle of a residential area. The market slowly declined in occupancy and patronage in the middle of the last century and began to revive in the 1980's and 1990's and is now exceptionally popular on weekends.

Size

The overall district runs for two blocks. The market hall is 16,500 square feet. Adjacent is a small shed for about 20 farmers. Outdoor plazas surrounding the market are used for arts, crafts and flea markets on weekends for over one hundred vendors.

Ownership

The market hall and plaza is owned by the District of Washington. Surrounding retail, small offices and residential is all private.
A public school is across the street from the market hall and is rented to a private flea market operator on Saturdays.

Merchandise Mix

South Market Hall—all fresh foods and one lunch counter.
North Hall—cultural and educational activities.
Outdoor shed—farmers and resellers.
Outdoor plaza—arts, crafts, antiques, and flea markets.

Access and Parking

A city street runs alongside the market and has some metered parking. Limited vendor parking is available behind the market hall. Public parking is limited; shoppers must find spaces on the street. There is good public transportation and a Metro Station is 1 ½ blocks away.

Management

The District subleases management of the hall and shed to a private real estate company. This agreement has been controversial and the District is looking for another operator.
The outdoor crafts and flea markets are also operated by a for-profit, private management company.

Management is generally quite poor in the shed and hall, and ironically quite good in the outdoor markets.

Financial

The market hall and shed income in 2007 was $280,000 and expenses were $340,000.
Management was paid a fee of $173,000.
Deficits are covered by the District.
The outdoor markets are profitable, although no figures are available.

Housing
There are some houses on one street adjacent to the market. The houses are on the quietest side of the market and there are no apparent clashes or issues.

Current or Recent Development Initiatives
The market was nearly destroyed by a fire in 2007 and is currently being rebuilt. Market hall vendors are selling in a temporary structure and all the outdoor markets are still operating.

Why it works
Tradition. It is the last municipal public market in the district.
Vigilant oversight by the neighborhood association.
Long term vendors have established relationships with customers.
Outdoor selling activity allows the market to expand.
Synergy of uses—market, stores, cafes, small offices, residential.

Challenges
Coordinating the diverse interests of the vendors, residents, retailers, historic preservationists, politicians, city agencies and neighborhood activists.
Maintaining business continuity during the reconstruction.
Working within the bureaucratic confines of the District.

Relevance to Haymarket
Preservation of traditional market activities in gentrifying neighborhood.
This market is more upscale than Haymarket—although it is still a very important gathering place for a diverse clientele.
City is the broker/negotiator for multiple interests—market, retail, housing, public school and public spaces.
Market does not produce any income for the city and capital costs are increasing.

Eastern Market, Detroit, MI

History
Eastern Market is an outgrowth of the earliest markets in Detroit that were once located on the banks of the Detroit River. As the city grew, market activity was relocated to its present location (just northeast of downtown) beginning with a single shed in 1891. It is the largest historic market district still operating in a metropolitan core.

Size
80+ acres

Ownership—mixed public and private
The City of Detroit owns the five market sheds and parking lots in the center of the district. The surrounding properties are all privately owned and operated.

Merchandise Mix
The bulk of business is wholesale—over a billion dollars a year, primarily in meat, produce, nursery stock and specialty foods and operates at night and early morning.
Retail activity in the sheds is mostly fruits, produce, plants and flowers, including both farmers and resellers.
Saturday is the busiest day.
Buildings adjacent to the sheds are converting to retail activity including restaurants, delis, clubs, art, antiques, poultry, fish, spirits and garden supplies.

Access and Parking

Centrally located on the fringe of downtown, the market has excellent vehicular access from major and secondary roads.

Public transportation is limited and served by busses.

There is a large surface lot and a multi-story garage that handle several hundred cars.

Parking is free.

Parking is not considered a problem and there are many options for parking on surrounding streets and vacant parcels.

Management

In 2006 the City conveyed control of the market sheds, planning, economic development and operations to a newly created Eastern Market Corporation, a non-profit [501(c)(3)] with a board composed of the many constituencies that make up the market. The Corporation operates under a Management and Protection Agreement with the City of Detroit.

Financial

Rental income of nearly one million dollars from the sheds provides the bulk of revenues for the Corporation.

Fundraising initiatives provide the balance and the Corporation has raised over $10 million towards a $20 million capital campaign.

Housing

There have been some recent conversions of commercial properties into loft apartments and more are scheduled. The new residents have begun to complain about market noise from trucks making early morning deliveries and pickups to wholesalers. To date, there has been no resolution to the complaints.

Market management intends to zone certain areas as preferential for residential conversion—although private developers are already proceeding with new conversions right in the middle of commercial areas.

Current or Recent Development Initiatives

Renovation of the historic market sheds and provide for more year round opportunities.

Establishing the market as southeast Michigan's food center.

Establishing an education center and community outreach program.

Streetscape and public space improvements.

Support of surrounding businesses.

Attract new businesses and residential development.

Why it works

The market tradition has deep psychic and cultural connections to residents.

The experience is unvarnished and 'real'.

The combination of wholesale, retail and residential composes a city within the city.

Challenges

Fundraising in a city with many other 'needy' projects.

Preserving traditional wholesale uses with increased retail traffic.

Increasing food security and access for at-risk residents.

Creating economic development in a depressed economy.

Relevance to Haymarket

Surrounding properties with year-round wholesale/retail are privately owned by multiple

parties; uses of these spaces (specialty foods, a diner, wholesale retail bedding plants, spices, etc.) suggest opportunities to expand mix of Haymarket.

There is public ownership of all the streets and the sheds, similar to Blackstone Street and Parcels 7 and 9.

Eastern Market Corporation involves both shed vendors and property owners in a unified organization which improves cooperation and communication.

Eastern Market has discussed setting up a Business Improvement District to better manage streets and public spaces in the district as well as expand marketing and promotion.

Sheds provide more weather protection for vendors and make year-round use more practical in a climate colder than Boston.

Food security component of markets similar to Haymarket and Eastern Market is working to strengthen this role as the city of Detroit will soon have no supermarket within the city limits. Local foundations are supporting this activity.

Sheds have traditionally mixed resellers and farmers; market has recently separated farmers into their own shed.

Non-profit management entity able to fundraise for capital improvements and programs.

Pike Place Market, Seattle, WA

History

The market was officially established in 1907 when a group of farmers left Seattle's wholesale district in order to sell directly to the consumer. Starting as an open-air market, it gradually expanded to include a series of private market houses, stores and residences that surrounded the farmers' stalls.

Continued growth was threatened in the 1970's by a plan to raze the market for a large urban renewal project. A huge citizen-led effort mobilized to 'save the market' which culminated in a successful ballot initiative. The result was the establishment of a formal historic market district.

Size

8.5 acres

Ownership

City of Seattle owns 80% of the property within the district. There are still a number of private properties in the district.

Merchandise Mix

200 year-round commercial businesses—including restaurants which are the largest

square foot user in the market.
190 craft vendors
120 farmers
240 registered street performers
300 apartments

Access and Parking

The market built its own parking garage although parking is still considered difficult.
There is limited street parking and many people park blocks away and walk.
Public transportation is also available on many of Seattle's bus routes.

Management

The market has its own Charter and is managed by multiple organizations.
Pike Place Preservation and Development Authority is the principal management entity and is a public development authority which is legally separated from the city. It has a 12 member board.
Historical Commission has authority over allowable design and uses to preserve the character of the market.
Market Foundation is a non-profit organization that serves the markets human service agencies.
Merchants Association advocates for and serves its members primarily with professional services and insurance.
Market Constituency exercises the public's oversight of the market. Its powers are as advisors and lobbyists.

Financial

The market's annual revenues exceeded $13 million in 2007 and it has traditionally operated with a surplus that goes into a capital reserve fund.
It does some fundraising through the Market Foundation.

Housing

The market itself has 300 apartments for low income tenants sprinkled throughout the market. Pike Place is nearly all retail so there is not that much noise before 7 or 8 o'clock in the morning.
There is also a small luxury hotel in the market district, but it is not affected by much noise or other disturbances. In fact, the market is a selling point for attracting guests. Adjacent to the market there are new luxury high rise apartments that actually use the market as a selling point and asset for residents.

Current or Recent Development Initiatives

A $75 million levy will be put on the Seattle ballot this November asking citizens for money to repair and upgrade the market's structure, infrastructure and accessibility.

Why it works

Visually and sensorial stunning.
Fantastic and dramatic location.
No chain stores or franchises—a true alternative shopping environment.
Human scaled and organic atmosphere—not perfect, but highly satisfying.

Challenges

As the market becomes increasingly popular, it is working diligently to keep its local flavor and clientele.
Tourism has become a problem and the aisles are flooded with visitors who are not interested in buying fresh fish and vegetables—only looking at them.

This influx has deterred many locals from shopping at the market.
Farmers are leaving and setting up in new outdoor markets in neighborhoods.

Relevance to Haymarket
Preserved historic district is similar in size to Haymarket with similar mix.
City intervened and brought multiple properties under unified management.
City defined and created a historic district with distinct boundaries and use controls.
Market became too tourist-friendly and lost local customers.

Borough Market, London, England

History
An ancient market, Borough has been in its current location for 250 years with most of the current buildings dating from the 1860s. Originally a wholesale market, Borough is expanding its retail trade and has developed an identity as 'London's Larder'.

Size
4.5 acres

Ownership
City of London

Merchandise Mix
Essentially all food and food-related.

62 greenmarket (farmers and producers) vendors
56 shops and restaurants
36 fresh food vendors

Access and Parking
1 block from the Underground.
7 bus stations within walking distance.
Street parking and a parking garage 2 block away.

Management
A new not-for-profit corporation was established in 1999 to operate the market.
The board of trustee members are all from the surrounding neighborhood.

Financial
n/a

Housing
n/a

Current or Recent Development Initiatives
A physical restoration started in 2001, "to bring sights, smells, tastes and experiences to the people of London, and at the same time, to support the small farmers, growers, producers and importers that put so much effort into the products they sell," and continues today.
A trust was set up to purchase adjacent real estate parcels to preserve their scale and uses complementary with the market.

Why it works
Atmosphere and quality—not too upscale or contrived.
Overall experience highly satisfying.
Community involvement with all aspects of management.
Attracts people from all over London—it is the center of the food world for the city.

Challenges
Preserving the grit and authenticity in the midst of a gentrifying area.
Maintaining non-intimidating atmosphere and bargains to continue attracting low and middle income shoppers.

Relevance to Haymarket
Community based, non-profit board has changed the way market is managed resulting in improved services and patronage by residents.
Non-profit board is able to fundraise and augment limited city resources.
The market's commitment to being a 'local' attraction has positively influenced adjacent private properties, many of which now offer specialty foods and products.
The market is close to a major subway station.
The market successfully mixes resellers and farmers improving business for all.

Granville Island Public Market, Vancouver, BC, Canada

History

In 1970 Granville Island was an industrial area in decline; today, it is a vibrant, modern community that includes over 300 businesses, studios, schools and facilities and employs more than 2,500 people. The Public Market is a centerpiece of the island.

Every day, locals and tourists shop, dine and enjoy the unique and varied activities the island has to offer. More than 12 million visitors travel from near and far to enjoy the Granville Island experience each year, and for residents living on the picturesque floating houseboats of Sea Village neighborhood, Granville Island is home.

Visually, it's a unique mix of historic and modern structures, with many of the old industrial spaces being reclaimed as theatres, artists' studios, retail shops, and a large public market. Surrounded by waterfront walks, quayside activity and open-air performances, there's as much to see outdoors as there is indoors.

Size

Island—35 acres
Market—40,000 sq. ft.

Ownership

Federal government—Canadian Mortgage and Housing Corporation

Merchandise Mix

Market is all food with some craft day stalls. The Island has retail, restaurants, education, hotel, offices, and houseboats.

Access and Parking

2 bus lines
Ferries and aqua buses
Bike paths and walking routes
1200 parking spaces on the island—some spaces have 1 to 3 hours of free parking.

Management
CMHC—Canadian Mortgage and Housing Corporation

Financial
Economically self-sustaining, receives no public funding.
Market sales are monitored and exceed $1000 per square foot per year.

Housing
There are some houseboats on the Island, but they are not near the market.

Current or Recent Development Initiatives
Long term planning underway for the entire island– with a public input initiative.
Market considering an expansion with more stalls, better storage and larger washrooms.

Why it works
Carefully managed mix of merchandise—fresh and prepared foods.
High quality tenants.
Excellent public spaces for gathering adjacent to the market.
Market experience tied into other attractions on the island.

Challenges
Increased competition for the food dollar with supermarkets and outlying markets.

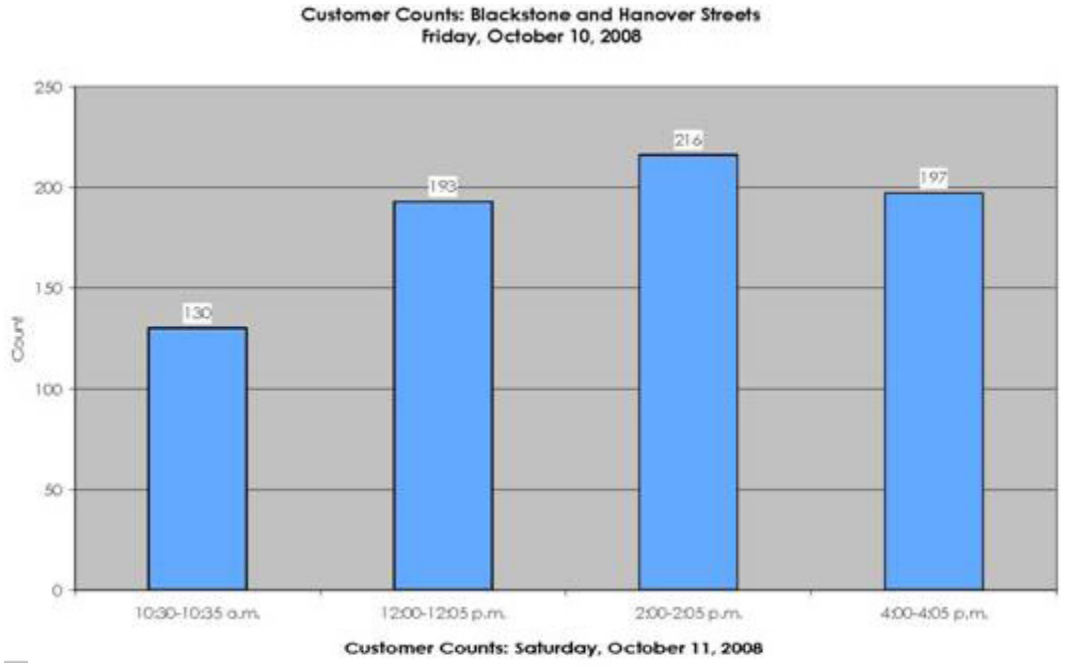
Relevance to Haymarket
Indoor market is the anchor for a larger market district.
Market is in a mixed use area—retail, hotel, housing and open space.
Market 'drives' the surrounding commercial area.
Government took the lead in the development of market.

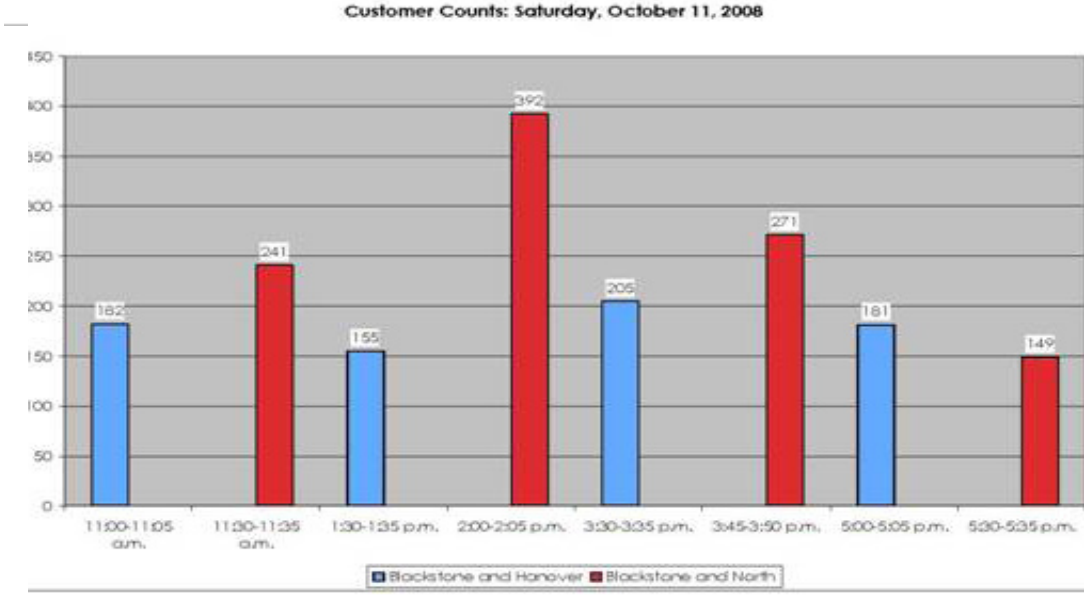
APPENDIX D: Haymarket Customer Survey

On Friday, October 10 and Saturday, October 11, 2008, PPS conducted customer counts and 161 customer surveys on-site at Haymarket. Respondents were approached while they were shopping in the market on Hanover, Blackstone and North Streets.

The survey questions and responses, as well as charts displaying the customer counts, can be found below.

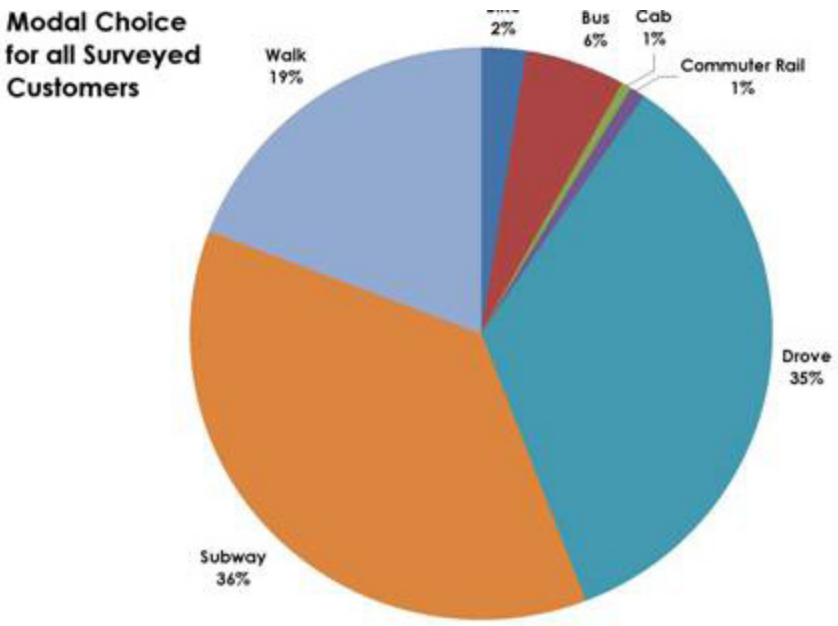
Customer Counts





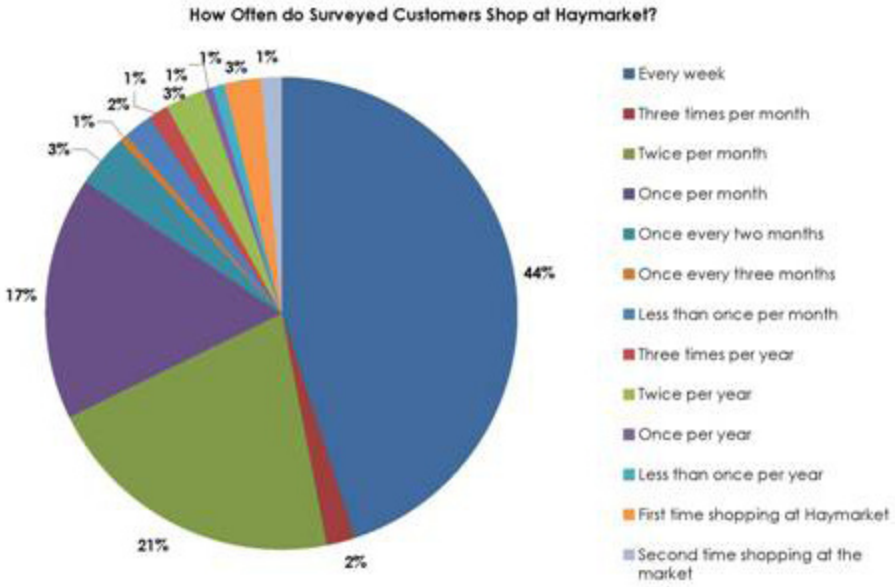
Customer counts were tallied throughout both days and show that Haymarket attracts about 15,000 customers on a daily basis, depending on the season and weather.

How did you travel to Haymarket today?



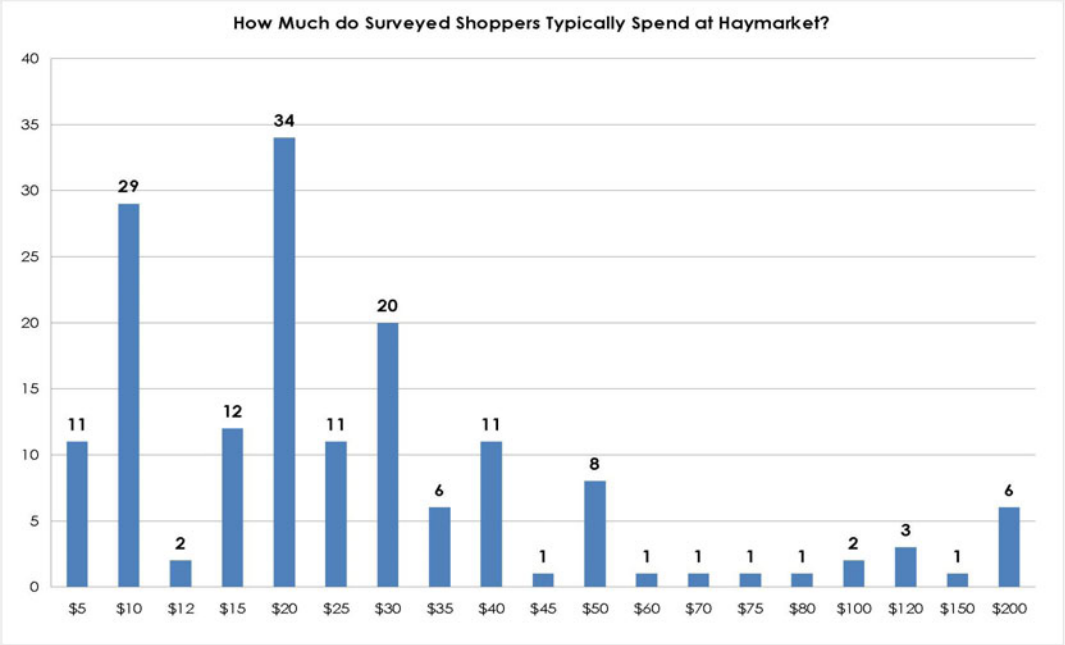
While 36% of the surveyed customers reported that they took the subway to and from the market, a significant portion of those surveyed drove to the market, therefore parking is an important consideration.

How many times a month do you visit Haymarket to shop for food?



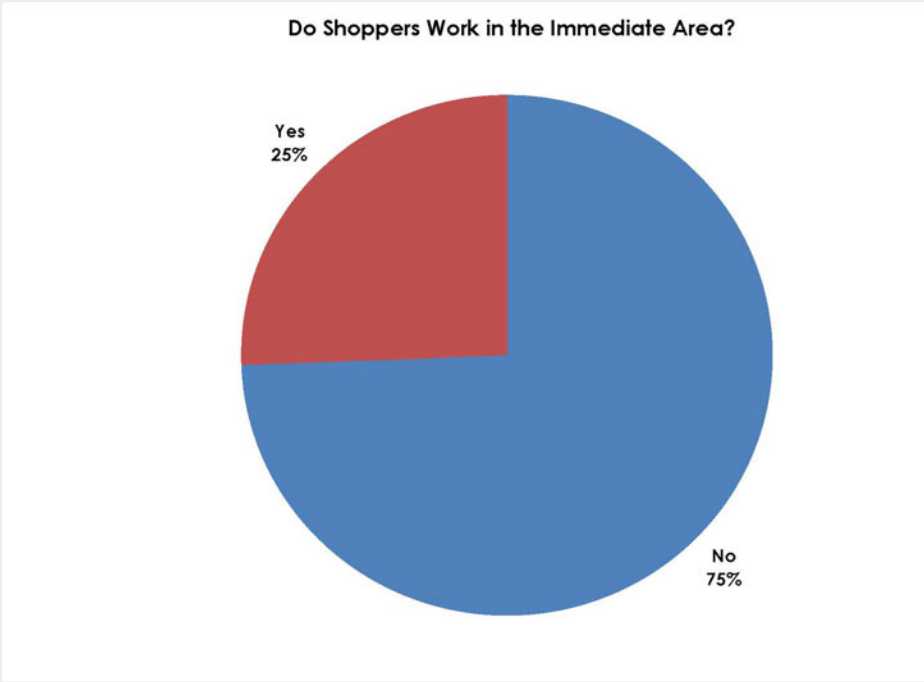
Eighty-four percent of surveyed customers report shopping at Haymarket at least once a month. These repeat customers are loyal and important to the sustainability of this market.

How much did you spend (or do you expect to spend) today at the Haymarket?



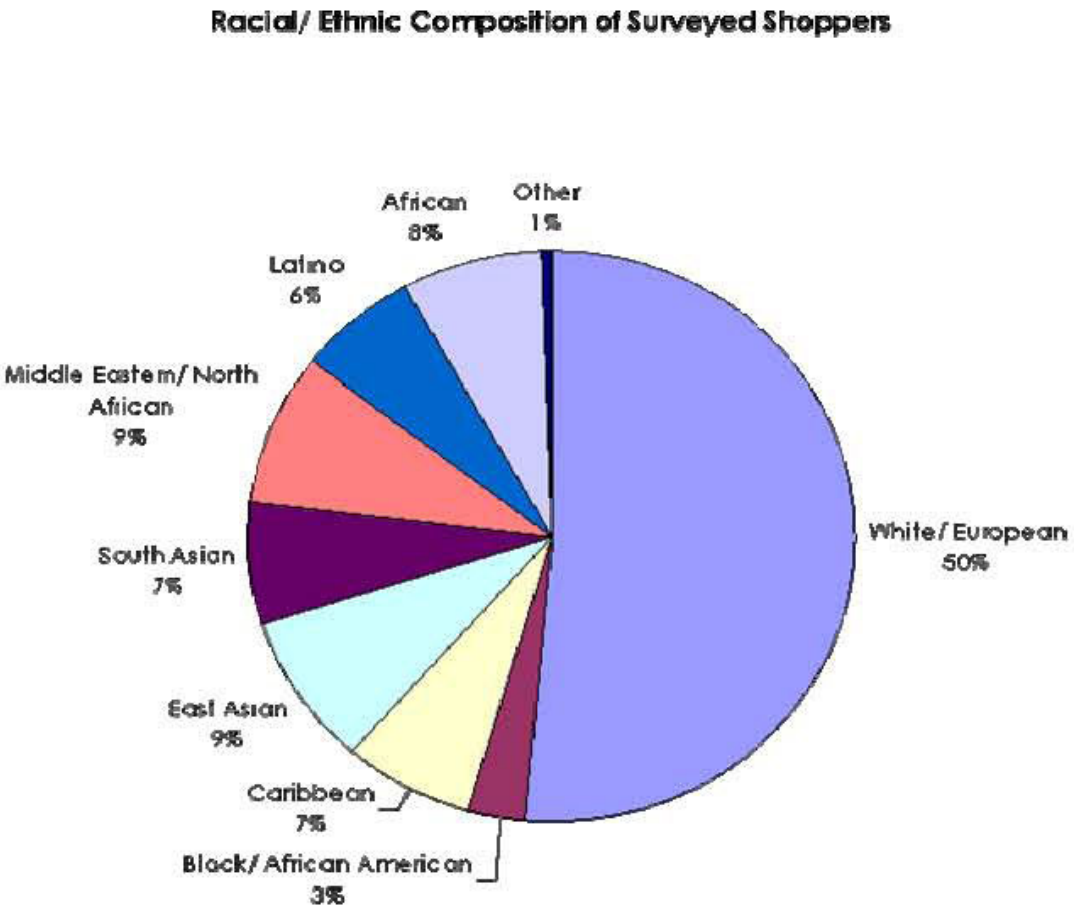
A majority of surveyed customers report spending between $10-30 on groceries at Haymarket.

Do you work within walking distance of the Haymarket?



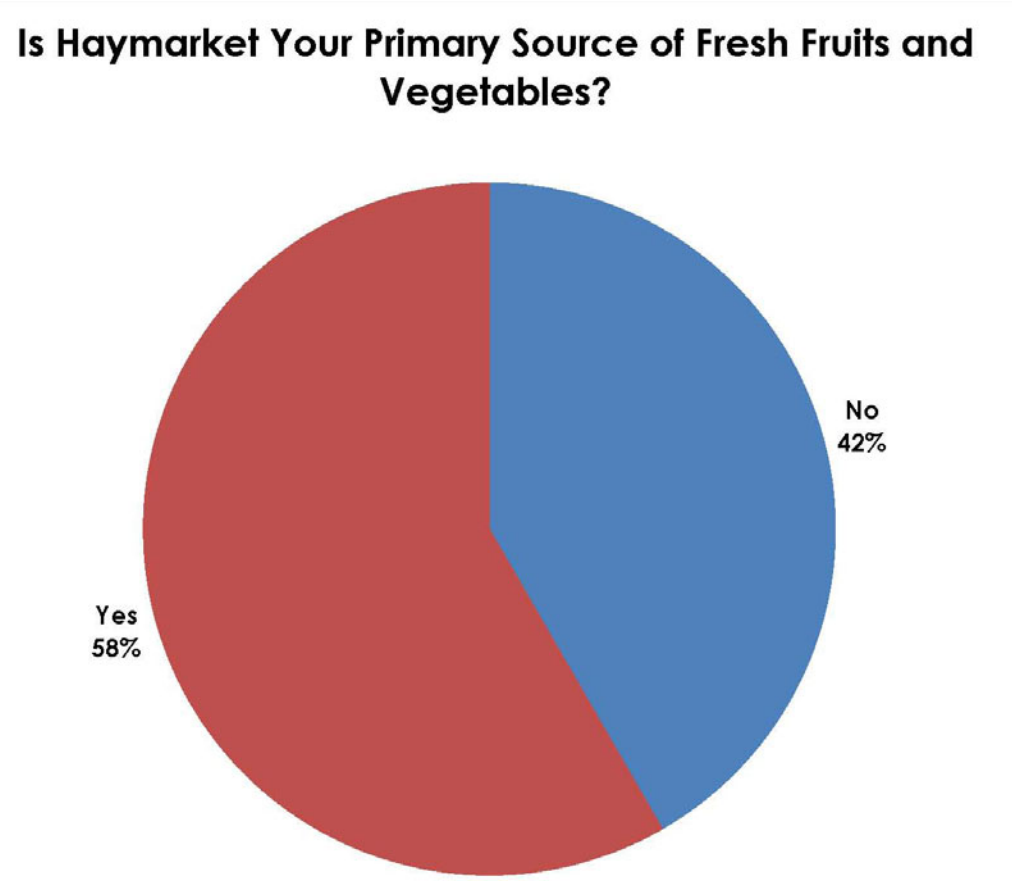
Most Haymarket customers do not work in the surrounding area, and come specifically to this area for the market.

Please identify your Race/Ethnicity.



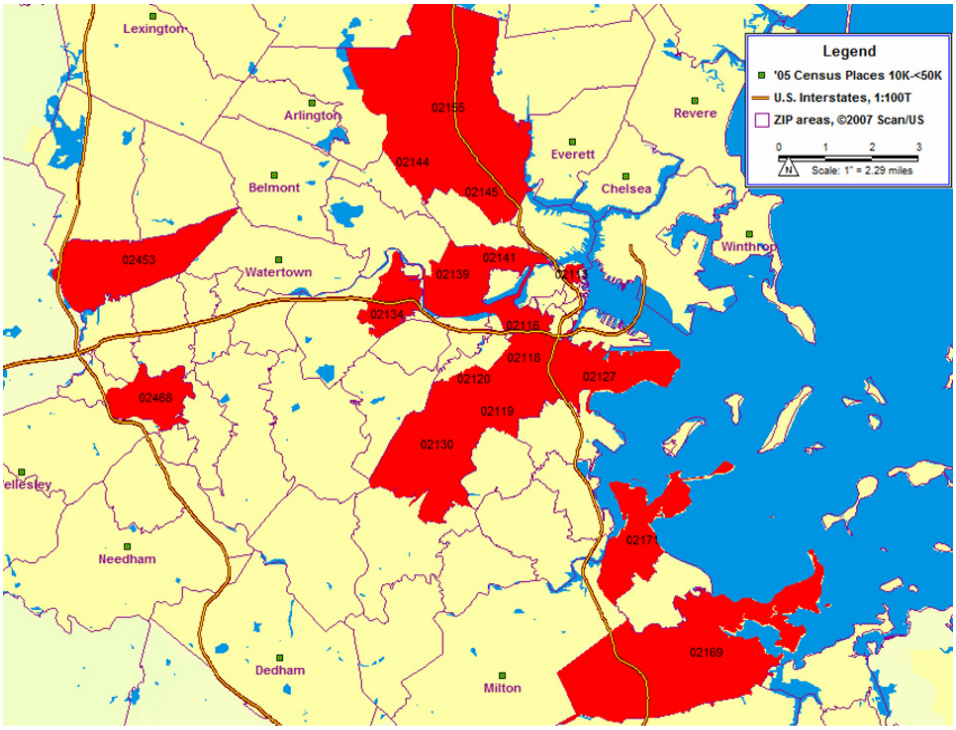
The diversity of the Haymarket customer base is evident, with almost half of the surveyed customers self-identifying themselves as non-White/European.

Is Haymarket your primary source for produce?



Perhaps most striking was that a strong majority of surveyed customers use Haymarket as their primary source of fresh fruits and vegetables.

What is your home zip code?



Though zip codes are not the best tool to determine where customers live, our preliminary analysis shows that unlike many public markets across the country, Haymarket draws customers from beyond the customary walking or driving distance. Customers reported zip codes related to Quincy, Cambridge, Waltham, and downtown Boston, including the North End.

APPENDIX E: On-line Vendor Interest Survey

PPS contacted over 40 farmers/producers within the greater Massachusetts region to complete an on-line survey gauging interest in participating in an indoor, year-round public market on the proposed Boston Market District site. Of those 40 contacted, 18 completed the survey. The survey questions and results can be found below.

Are you interested in participating in a year-round public market located in the Haymarket District?

- Yes—10 responses
- No—2 responses
- Maybe - 6 responses

How often would you want to sell at a year-round public market?

- Full-time—9 responses
- Part-time—7 responses

Would you prefer to sell at an indoor or outdoor public market within the district?

- Indoor—10 responses
- Outdoor—1 response
- Both—7 responses

How long (months, years) would it take you to prepare to sell at a year-round public market?

- Ready immediately—3 responses
- 1-3 months—6 responses
- 3-6 months—4 responses
- 6-12 months—1 response
- Not sure—3 responses