

West Side Market

Masterplan

Phase 1 Report:

Research & Assessment



Table of Contents

Introduction *pages 3-8*

- Consultant Team..... **04**
- Masterplan Process & Methods..... **05**
- Promise & Pitfalls of Nonprofit Management..... **06-08**

Vision, Mission & Values *pages 9-10*

- Vision..... **09**
- Mission..... **09**
- Values..... **10**

Facility Review *pages 11-14*

- West Side Market Description..... **11**
- Market Hall..... **11**
- Basement..... **12**
- Mezzanine..... **12**
- Arcade..... **12**
- Parking Lots..... **13**
- Recent & Planned Upgrades..... **13**
- CoolSys Analysis..... **14**

Competitive and Trend Analysis *pages 15-19*

- Competition..... **15**
- National Trends in Historic Public Markets & Food Halls..... **16**
- Cleveland & Ohio City Trends..... **17-19**

Demand Analysis *pages 20-31*

- Customer Intercept Survey..... **20-22**
- Internet Survey..... **23-24**
- Trade Area Analysis..... **25-30**
- Sales Potential..... **31**

Table of Contents continued

Supply Analysis *pages 32-35*

West Side Market Tenant Mix Analysis.....	32-34
Potential Merchants.....	35

Operations Review *pages 36-37*

Site Management.....	36
Marketing.....	37
Leasing.....	37
Operations Schedule.....	37

Financial Analysis of Current Operations *pages 38-39*

Expenses.....	38-39
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SWOT Analysis *pages 40-41*

Strengths.....	40
Weaknesses.....	40
Opportunities.....	41
Threats.....	41

Appendix *pages 42-62*

Appendix A: Merchant Interviews.....	42-44
Appendix B: Advisory Committee & Key Informants.....	45-46
Advisory Committee.....	45
Key Informants.....	46
Appendix C: Maps.....	47-48
Appendix D: Customer Intercept Survey.....	49-57
Appendix E: Sales Potential.....	58-61
Appendix F: Sales Capture Analysis.....	62

West Side Market Introduction

Cleveland's iconic West Side Market will soon transition from city to nonprofit management. Since its establishment in 1912, West Side Market has been owned and operated by the City of Cleveland. In 2022, the administration of Mayor Justin Bibb initiated the process of establishing a new, independent nonprofit organization to assume responsibility for Market management while the city would retain ownership of the real estate and facilities. Other historic public markets, including Findlay Market in Cincinnati, North Market in Columbus, and Eastern Market in Detroit, have all successfully made this transition following the same organizational and ownership model.

To provide the new nonprofit (named Cleveland Public Market Corporation) with essential planning and operational tools informed by a solid foundation of research and national best practices, Ohio City, Inc., in partnership with the City of Cleveland, retained Market Ventures, Inc. (MVI) to create a masterplan for the Market. This report summarizes the work completed in Phase 1: Research & Assessment. Phase 2 will include vision and program development (including conceptual design and leasing strategy) and Phase 3 will provide a management and financial plan. The masterplan will recommend strategic investments into the Market facility that put it onto the path of operational sustainability.

In addition to creating the masterplan, MVI is advising the City and a diverse Advisory Committee on the transition process, ensuring that the new nonprofit has core foundational elements such as a compelling vision and values and mission statements, appropriate bylaws, and diverse and skilled leadership. MVI's work also includes helping to shape the contractual agreement between the City and Cleveland Public Market Corporation, assisting in the selection of key staff, and training board members. The transition advising and masterplan creation inform each other and provide the springboard for the new organization's successful launch and long-term viability.

Consultant Team

The consultant team is led by Ted Spitzer, President of Market Ventures, Inc. Ted founded MVI in 1996 to provide clients with specialized skills in planning, creating, and managing innovative food-based projects and programs, including public markets, farmers' markets, food hubs and food halls. Information about MVI can be found at www.marketventuresinc.com.

Hugh Boyd, FAIA, MVI Senior Associate, is a specialist in public market design and a Fellow of the American Institute of Architects. He has designed many award-winning historic and new public markets, including Cincinnati's Findlay Market and Essex Street Market in New York City, as well as Grand Rapids Downtown Market and the new Union Street Market in Fort Wayne. Hugh is overseeing the design elements of the masterplan.

CoolSys Energy Design is providing consulting engineering services to assess the Market's refrigeration, HVAC, and electrical systems. CoolSys is a specialist engineering firm that offers sustainable and practical solutions for independent food stores and the largest national supermarket chains across the country and world.



Hugh Boyd...is a specialist in public market design and a Fellow of the American Institute of Architects.



Masterplan Process and Methods

The master planning effort has three phases. Phase 1 is focused on market research, report review, and facility assessment, working closely with Market merchants and key informants to build trust and draw on decades of local experience. Phase 2 includes developing a vision for the facility and proposing the development program, including conceptual design, partnership opportunities, and parking lot redevelopment options. Phase 3 includes an operations and management plan, development cost estimate, and operations pro forma.

RESEARCH METHODS

The consultant team utilized a range of research methods for the masterplan, including review of previous studies and plans, comparable public market research, interviews with Market merchants and key informants, a customer intercept survey, review of a recent internet survey, site observations, and analysis of secondary data. A summary of the findings from the merchant interviews is found in Appendix A.

This Phase 1 report includes the following elements:

- Research methods and the planning process.
- Facility review, identifying recent facility maintenance and upgrade initiatives and key changes needed to improve the customer and merchant experience.
- Competitive and trend analysis, reviewing national trends in historic public markets, food halls, and the food and beverage sector, as well as recent and expected changes to Ohio City and existing and proposed grocery and fresh food options within Ohio City and around Cleveland.
- Demand analysis, exploring current and potential consumer demand for products sold at West Side Market.
- Supply analysis, identifying both current and potential merchants and the supply of products that flow through the Market.
- Operations review, describing how the Market currently functions and identifying key areas for improvement.
- Strengths-Weaknesses-Opportunities-Threats (SWOT) analysis, which summarizes the Market's current position and potential for redevelopment and lays the foundation for next steps in the masterplan creation.

ADVISORY COMMITTEE

Members of the Advisory Committee and key informants are listed in Appendix B.

Mayor Bibb appointed a diverse Advisory Committee that includes Market merchants, city officials, a former Market manager, area business owners, and nonprofit leaders to meet periodically throughout the study. The four roles of the Advisory Committee are to ►

1. Provide input into the research and analysis.
2. Ensure all necessary perspectives are considered and be a conduit for feedback from the Market's constituents.
3. Understand and critique the analysis and recommendations.
4. Become advocates for the masterplan.

Promises & Pitfalls of Nonprofit Management

Transitioning West Side Market to nonprofit management holds the promise of new sources of capital improvement dollars and operating income, stronger leadership, and additional programming and partnerships. Several historic public markets have made this transition with great success.

Other markets, however, have not realized the anticipated benefits. In brief, the following summarizes the promises and pitfalls of nonprofit management. The masterplan and transition assistance aim to realize the promises while avoiding the pitfalls.

Promises

NONPROFIT “DUAL BOTTOM LINE”

Effective nonprofits are guided by a clear mission that directs them to achieve a compelling vision, while operating under a set of common values. As private corporations, nonprofits must take a business-like approach to operations and operate with financial prudence so income meets or exceeds expenses. Well-led nonprofits develop mission-based as well as financial metrics to guide their performance.

RESOURCE ACQUISITION

Capital

To date, the City of Cleveland has been the source of capital funds to maintain and upgrade the Market facilities. In the new organizational structure, the city will maintain ownership of the real estate and facilities and still need to invest in this municipally-owned historic and community asset, yet the nonprofit will be positioned to acquire new sources of capital funds, particularly from area foundations and private fundraising.

Operations

At present, West Side Market’s income streams are merchant rents and operating subsidies from the city. The nonprofit can pursue new sources of operating funds, including sponsorships, grants, and earned income from events, merchandise sales, and classes, with the goal of minimizing or eliminating public subsidies. With greater entrepreneurial flexibility, the nonprofit can pursue revenue opportunities and include development staff with the skills and time to acquire new resources.

Stall rents will remain an important source of income. The nonprofit manager will remove the rent setting decision from the political process, with the goal of creating an equitable rent structure that utilizes the Market’s values and mission to help inform the structuring of stall rents. Stall rents can reflect the economic opportunity provided to tenants, such as lower rents for lower profit businesses that are key to achieving the Market’s mission (ie, fresh food stalls) and higher rents for higher profit businesses (such as bars or restaurants).



Several historic public markets have made this transition [to nonprofit management] with great success.

Promises continued

LEADERSHIP

Today West Side Market is operated by the Department of Public Works, with operational responsibility vested in a Market Manager. This structure places the Market five levels removed from the city's administrative leadership. Key decisions, such as rents, are determined by the City Council.

By contrast, the nonprofit will have a board of directors made up of key stakeholders with expertise in small business entrepreneurship, property management, finance, marketing, food systems, and law. West Side Market's importance as a key community asset will help attract experienced leaders to the board.

City-run public markets can suffer from changes in mayoral administrations, who bring different priorities and strategic direction. The nonprofit structure can provide more consistent and stable leadership.

Finally, the nonprofit can pursue its mission objectives with more flexibility, engaging in programs and partnerships that support initiatives such as food access, wellness, and small business entrepreneurship in new and impactful ways.

STAFFING

Unlike the civil service regime of city government, a nonprofit has greater flexibility in hiring, managing, and terminating its employees. The nonprofit can more easily ensure that employees adhere to the organization's values, reward work well performed, and take steps to improve, discipline or terminate employees when necessary.

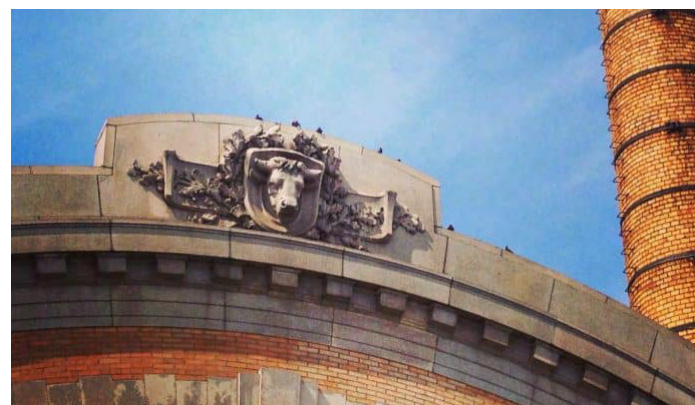
The nonprofit can pay appropriate, market-based wages and can offer financial incentives for achieving dual bottom-line goals.

The private, nonprofit model also allows the organization to better anticipate leadership transitions and create orderly succession plans.

OPERATIONS / PROGRAMMING

Key functions of a public market management entity, such as marketing, have not been performed by West Side Market's public sector management, with the recognition that marketing is not a function performed well by government. Nonprofit public market managers typically have marketing and programming staff to develop and implement programs that enhance the market and help it achieve its mission. The nonprofit has greater flexibility in budgeting and staffing to respond to new opportunities or address challenges as they emerge.

Businesses within the grocery and food and beverage sectors, along with many public markets and food halls, have adopted new technologies such as integrated point-of-sale systems, online ordering, and customer relationship management (CRM) techniques. These tools reflect growing consumer interest in convenience and new payment practices. An entrepreneurial nonprofit can more easily adopt new technologies. It can also design and utilize financial management practices that better support market operations.



Pitfalls

Not every transition from city-run to nonprofit management among historic public markets has been successful. Potential pitfalls include:

FINANCIAL

The nonprofit can lack financial resources, particularly if revenue shortcomings or unforeseen expenses lead to major operating shortfalls. Generally, city government has deeper pockets and can inject sources of subsidy, some of which do not appear on the facility's operating statements. Transitioning to a nonprofit could mean the loss of operating subsidies.

Financial shortcomings can emerge suddenly during major economic and social disruptions. This became very evident during the COVID pandemic, which put financial pressure on many organizations without adequate reserves. However, entities with more nimble management were generally better able to adapt, mitigating the burden.

Depending on how responsibilities are assigned in the lease or management agreement, a cost associated with an expensive building repair problem could strain the nonprofit's financial capacity. The nonprofit could suffer if the city does not fulfill its obligations within their agreement, with limited recourse.

LEADERSHIP

Some public markets have transitioned to separate nonprofits but the mayor appoints the entire board and retains other important decision-making powers, so the nonprofit is unable to cultivate its own leadership. This can lead to an even worse situation, where the Market's leadership is bogged down by the public bureaucracy and does not have the status of a city department.

In some public markets, the board has been captured or strongly influenced by a stakeholder group that makes decisions not in the best interests of the market overall.

The nonprofit could have difficulty finding (or not have the systems in place to nominate) dedicated, experienced, and skilled volunteer board members. Without wise leadership, the market could suffer.

On the staff level, the nonprofit might have fewer staff resources to face a major disruption, as opposed to city government which could reallocate people to the Market if needed.



Vision, Values & Mission

The vision, values, and mission guide the master planning process.

VISION

The vision statement succinctly describes the future that the nonprofit intends to create when the mission has been accomplished. The vision describes what the Market will be like in 20 years. The Advisory Committee adopted the following vision statement, as well as the subsequent values and mission to guide West Side Market:

Vision Statement

West Side Market brings joy as an authentically Cleveland place to shop from local food entrepreneurs.

- Diverse, thriving independent businesses share their knowledge and passion for fresh, specialty, and prepared foods and local farm products with a continually growing base of customers.
- Functional needs of merchants and consumers are met with well-preserved and maintained facilities, updated for sustainability.
- The Market is a vibrant, welcoming place for regional residents and must-go destination for visitors.
- The Market plays a central role in the regional food system, expanding equitable access to fresh food, supporting local growers, improving community wellness, and offering opportunities to discover, celebrate, and contribute to Cleveland's culinary culture.

MISSION

The mission describes the core work of the organization which set it on the path to achieve the vision. Policies and actions taken by the organization should always further the mission.

Cleveland Public Market Corporation strives to make West Side Market the nation's premier public market by meeting the evolving needs of merchants, customers, and the community. CPMC preserves the city's public market tradition while making the local food system more accessible, equitable, and diverse.

**Diverse
Functional
Vibrant**

Values

Cleveland Public Market Corporation

The values provide guiding principles for the organization and help determine its actions, unite its employees, and define its unique purpose. Members of the organization, whether board or staff, are expected to adhere to the values and use them to guide their actions:

Diversity

Welcome and serve businesses, residents, and visitors with diverse lived experiences and perspectives.

Opportunity

Create the conditions for thriving, independent, and diverse local businesses that offer good jobs in the community.

Authenticity

Preserve the unique historic characteristics that make West Side Market a cherished institution.

Food Access & Education

Improve the community's access to and knowledge about high-quality, interesting, creative, affordable, and healthy food.

Sustainability

Center environmental impact in decision-making.

Community Engagement

Promote diverse and representative leadership that values input by stakeholders.

Community Building

Create spaces and programs that build community connections.

Fiscal Responsibility

Make sound financial decisions to achieve self-sufficient operations.

Professionalism

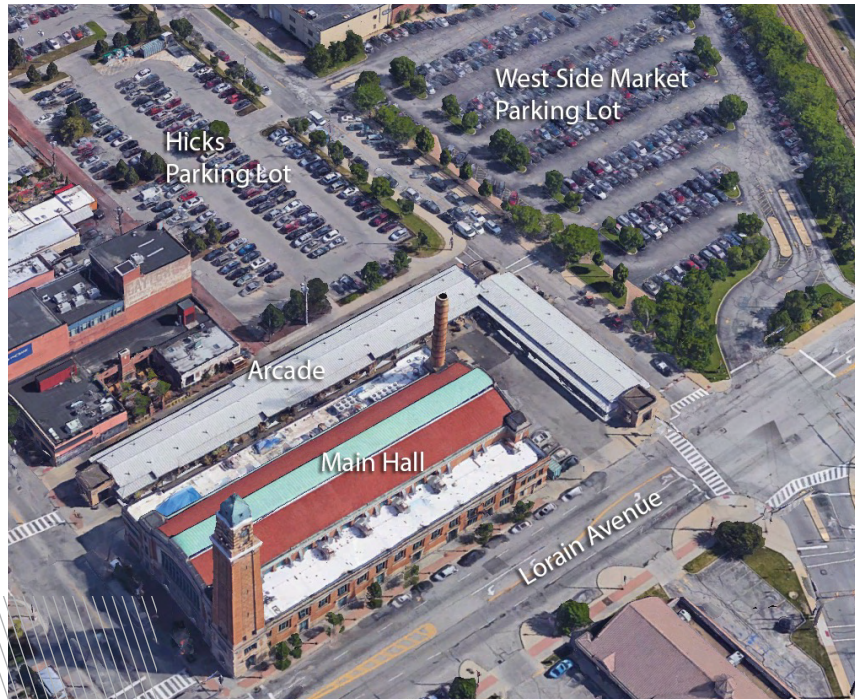
Operate to the highest standards of integrity, creativity, and competence.



Facility Review

West Side Market Description

West Side Market includes various components, described below. The masterplan also considers two city-owned parking lots adjacent to the Market that serve customers and employees, as well as Ohio City businesses.



MARKET HALL

The Market Hall is approximately 115 feet wide by 245 feet long, or 28,175 square feet. As the drawing in Appendix C shows, the Market Hall has 100 numbered stalls. The largest stall is the West Side Market Café at 1,212 sf, while the smallest stall is 57 sf, with the average stall at 199 sf. The vacancy rate as of September 2022 was 22%.

The Market Hall is a beautiful structure whose architecture contributes meaningfully to customers' experience visiting the Market. As a registered historical landmark, any visible changes to the building must be guided by historic preservation principles.

Due to its age, intense usage, and deferred maintenance and upgrades over the decades, the Market suffers from a backlog of needed repairs, despite the recent and planned upgrades described below (totaling more than \$10.5 million).

Major challenges include:



No air conditioning in the Market Hall or Arcade



Inadequate heating



Inadequate electrical service



Elevator breakdowns



Lack of backup power

BASEMENT

The Market has a large and well utilized basement of approximately 29,500 sf and includes cold storage, dry storage, and areas where merchants process their products, particularly meat cutting. Because the stalls in the Market Hall are compact, the basement is critical to the vendors' operations. Four freight elevators connect the basement to the Market Hall.

The basement is in a severely degraded condition, including inadequate ventilation, pest infestations, noncleanable surfaces, potential cross contamination, lack of floor drains, and outdated and inefficient equipment. The transition to nonprofit management requires solutions to building and health code deficiencies because the nonprofit will likely face enhanced regulatory scrutiny.

MEZZANINE

The Market has separate mezzanines on its east and west ends. The west side mezzanine includes Market offices in one corner and meeting space in the other, with a balcony in between. Customers, determined to find a place to sit inside the Market, often bring food to eat on this balcony and sit above radiators, while looking over the Market below.

The east side mezzanine has spaces that formerly held employee lockers but are now vacant. The primary space in the middle is approximately 1,160 square feet and has views over the Market on one side and downtown Cleveland on the other. These spaces offer terrific opportunities for event and educational programming but require enhanced access and physical upgrades.



ARCADE

The Arcade is a narrow, L-shaped structure that wraps around the Market Hall on two sides and holds mainly produce businesses. The plan in Appendix C below shows the layout and which merchants occupy which spaces.

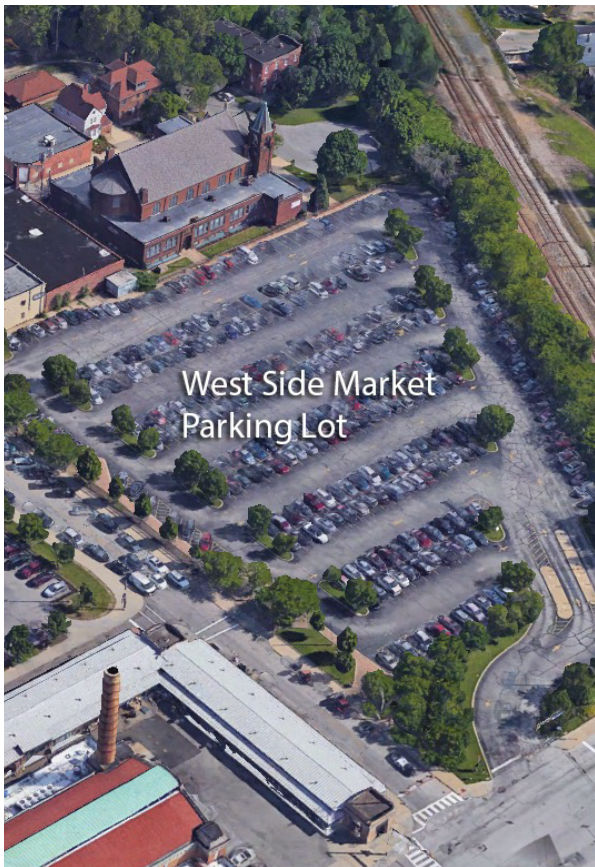
The Arcade has 81 numbered spaces, ranging from 39 sf to 148 sf, with an average of 134 sf. As of September 2022, 18 merchants rent space in the Arcade and utilize 5,514 sf, with 5,374 sf vacant, a 49% vacancy rate.

PARKING LOTS

The Hicks parking lot is owned and operated by the City of Cleveland. It is 2.2 acres and contains 194 parking spaces.

The West Side Market parking lot is also owned and operated by the City of Cleveland. It is 3.3 acres and contains 393 parking spaces.

Both parking lots have been identified as potential development sites. As will be discussed below, parking is essential to serving the Market's geographically dispersed customers so redevelopment plans must ensure that the Market has convenient and affordable parking. Parking lot redevelopment could serve West Side Market in various ways, including with housing that adds nearby customers, by creating complementary ground floor retail that expands the shopping experience for Market customers, and potentially by adding facilities that improve delivery, storage, and waste management.



RECENT & PLANNED UPGRADES

The West Side Market Capital Plan 2022 prepared by the Mayor's Office of Capital Projects (MOCAP) identifies previous investments and describes current improvements. In the past 10 years, projects have included:

Project	Year	Budget
Elevator Repairs	2012	\$60,000
Interior & exterior systems	2013	\$1,466,762
Refrigeration system improvements	2014	\$528,967
Parking lot improvements	2015	\$3,010,023
Boiler replacement	2018	\$88,350
Arcade entrance improvements	2022	\$225,000
Transformer and electrical service upgrade	2022	\$231,500
A/E professional services for electrical and glycol system studies	2022	\$845,271
TOTAL		\$6,455,873

Current projects include:

Project	Completion	Budget
Clock Tower masonry repairs	70%	\$1,881,000
Basement cleanup room upgrades	90%	\$477,415
Vendor booth & plumbing upgrades	40%	\$1,836,890
Roof repair	Partially Funded	\$3,300,000
Elevator replacement	Under Contract	\$1,800,000
TOTAL		\$9,295,305



COOLSYS ANALYSIS

The Market Ventures consultant team included CoolSys Engineering, which provided an independent analysis of HVAC, refrigeration, and electrical systems based on their extensive international experience with supermarkets and other food-related facilities. Key findings include:

- Recommendation to install roof-mounted, self-contained Air-Cooled Dedicated Outside Air System (DOAS) rather than individual heat pumps at each vendor stall, as currently contemplated. The DOAS will provide dehumidification, ventilation, and air conditioning, making the Market Hall comfortable for merchants and customers, in a more cost-effective manner with fewer complications.
- The need to replace the refrigeration system for the Market's Hill Phoenix display cases. City potable water is used for the single-pass, water-cooled condensing units, which is very inefficient and wasteful (over 21 million gallons of drinking water is used at the Market each year). These cases, manufactured in 2007 and 2008, use R404A coolant, which is being targeted for restriction by the EPA in the near future. The R404A refrigerant system should be replaced with a "future proof" CO2 refrigeration system.
- The basement walk-in coolers are constructed with CMU block walls and concrete ceilings and do not have insulated panels so they operate very inefficiently. The walk-ins should be replaced or insulated metal paneling should be added to all walk-ins.
- Each stall within the Market Hall has an electrical panel which takes up valuable space because, by code, nothing may be placed in front of a panel. Instead, each island (cluster of four stalls) should instead have one panel serving all the businesses, with submetering within the panel to allocate utility costs. This will free up valuable space for vendor operations.
- Emergency generators should supply the Market's refrigeration equipment and freight elevators, not just lights.



**CoolSys
Engineering
provided an
independent
analysis of HVAC,
refrigeration,
and electrical
systems.**

Competitive and Trend Analysis

Competition

West Side Market is the only public market operating in Northeast Ohio and therefore does not face direct competition from another similar facility. The Market competes for consumer dollars with other places that sell groceries and prepared foods.

Today supermarkets and groceries dominate food retailing in the United States with 90.1% market share according to the 2017 Economic Census. The remaining food sales are captured by beer, wine and liquor stores (with 7.1% of the nation's sales) and by specialized food stores, defined as stores that are primarily engaged in the retail sale of a single food category such as meat and seafood markets, dairy stores, candy and nut stores, and retail bakers. Nationally, the market share of specialized food stores dropped from 6.6% in 1980 to 2.8% in 2017.

Within Ohio City, the largest grocer is Dave's Supermarket on Carroll Avenue, three blocks away from West Side Market.

The neighborhood has a few specialty food stores, such as Ohio City Provisions on Lorain Avenue, but they are very small in comparison to the Market. A Heinen's grocery store is located downtown on Euclid Avenue.

According to the 2017 Economic Census, Cuyahoga County had 739 food and beverage stores, with sales of \$3.03 billion. The largest share of stores was classified as grocery stores (NAICS 4451), with 540 stores and sales of \$2.85 billion, or 93.9% of the total. The county also had 116 specialty food stores (NAICS 4452) with sales of \$95.1 million (3.1% of the total) and 83 beer, wine, and liquor stores (NAICS 4453) with sales of \$90.3 million (3.0%). The businesses within West Side Market were likely classified as specialty food stores.¹

National Trends in Historic Public Markets and Food Halls

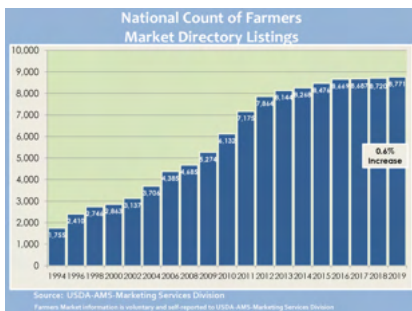
The following are key trends that inform the planning for West Side Market.

Continued national interest in local foods and farm-to-table eating.

Consumers and food professionals have maintained a strong interest in locally grown and raised foods, with local products offered as points of differentiation by grocers and restaurants. Public markets often have tenants who are local growers and food producers, including day stall vendors or farmers' markets that feature local producers, allowing the markets to benefit from this trend.

Focus on equity and diversity.

Discourse over equity and inclusion blossomed in the previous several years, with organizations and individuals exploring new ways to address inequities.



Cooling off in the growth of farmers' markets.

The number of farmers' market around the country grew rapidly for several decades but that growth has recently slowed. USDA maintains a national database of farmers' markets, with the number of markets in their database leveling off at about 8,800 nationally.

Pandemic response.

The COVID pandemic affected businesses throughout the economy. Some impacts to public markets included:

- Challenging disruption, especially for indoor markets designed for close social interaction. For indoor public markets, the closely packed aiseways and intense social interaction that had been perceived as benefits of the Market experience became a liability.
- Increased demand for groceries with reduced eating out. During the initial months of the pandemic, consumers rapidly altered their purchasing behaviors which led to increased grocery sales and decreased restaurant purchases. Public markets were designated as essential places and some merchants experienced increased sales. As the pandemic wanes, this trend has lessened.
- Expanded use of technology for ordering and delivery, POS and purchasing. Some public markets adopted online ordering platforms with great success, responding to consumer' heightened interested and familiarity with these new technologies.
- Markets became centers for emergency feeding and saw greater SNAP utilization. Some public markets played central roles in their communities' emergency response efforts and merchants also adapted to higher SNAP demand.
- Pent-up demand for social spaces, particularly ones perceived to be safer such as outdoor settings. Consumers have come out of the pandemic with interest in finding safe social spaces.

Explosion of privately developed and operated food halls.

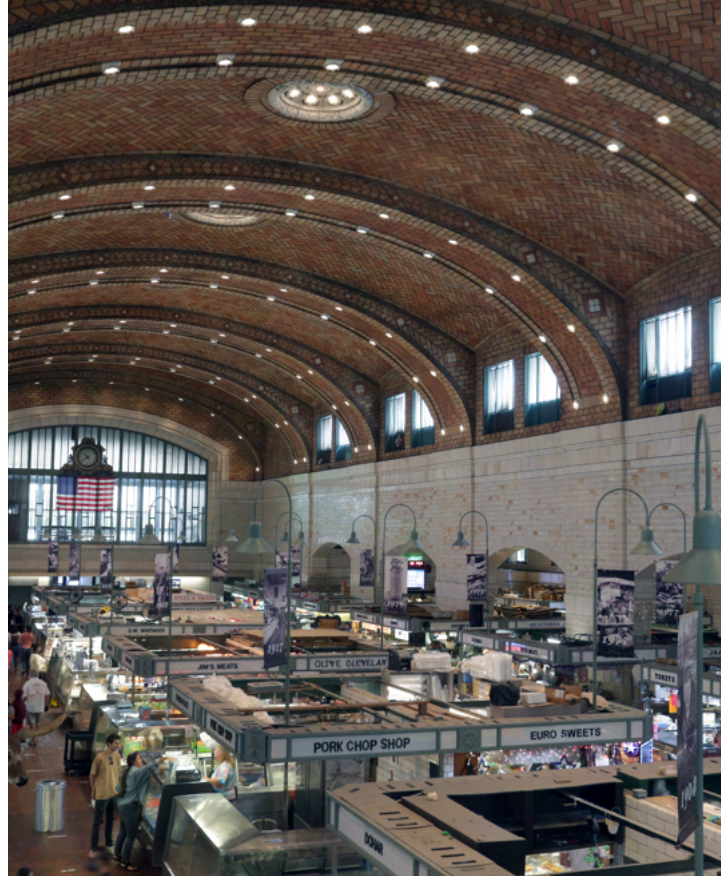
Food halls, which feature local businesses selling prepared foods in a market-like setting, have been developed throughout the country, mainly by private developers. Cushman & Wakefield, a national real estate brokerage and advisory, predicts the creation of 6,000 food halls in the coming years. Two new food halls are expected in downtown Cleveland, at the Erieview Tower and Towers City. A food hall called The Ohio City Galley (then renamed Sauce the City Food Hall) was created in Ohio City but closed in February 2022.

CLEVELAND & OHIO CITY TRENDS

Starting with the 2011 Centennial Report, the consultant team reviewed numerous studies about West Side Market and Ohio City. Two studies stand out as being particularly relevant and timely: the West Side Market Revitalization Plan (2022) and the Ohio City Retail Strategy (2019).

West Side Market & Ohio City Studies

- West Side Market Centennial Report, 2011
- West 25th St Station TOD Plan: Real Estate Market Study, 2012
- Ohio City Transportation Plan, 2012
- Ohio City Garage Feasibility, 2012
- Creating a Great West Side Market and Market District, 2013
- Housing Inclusion on the Near West Side, 2017
- Downtown Cleveland Housing Demand Analysis, 2018
- Ohio City Retail Strategy, 2019
- West Side Market Facility Assessment, 2019
- West Side Market Capital Plan, 2022
- West Side Market Revitalization Plan, 2022



Our community outreach has discovered a robust, diverse community of budding entrepreneurs in and around Cleveland, many of whom have expressed a desire to become part of the West Side Market and organizations who support small business development and provide capital/funding for entrepreneurs willing to help and partner.

West Side Market Revitalization Plan, 2022, p. 73

WEST SIDE MARKET REVITALIZATION PLAN

The West Side Market Revitalization Plan was prepared by David O’Neil and FARE (Food Access Raises Everyone) and dated February 2022. The goal of the plan “is to position the City of Cleveland and the West Side Market ‘to provide a world class customer experience through a diverse vendor pool, with superior products and services supported by strong management of the market.” (page 4). The consultants made a particular effort “to hear and learn from perspectives, voices, and experiences that have not been a part of other West Side Market planning and engagement efforts or the current conversations about the Market” (page 6).

To that end, the consultants conducted over 70 interviews, hosted four community conversations, implemented two surveys with current and potential vendors, and convened a “West Side Market Friends and Stakeholders” group. FARE piloted an event at the Market called Summerfest which included daystall vendors who were provided free space for six weekends.

Key findings and recommendations from the Revitalization Plan include:

- 01 Expand Market management. Management is severely understaffed and does not have the resources for marketing, new vendor recruitment, program and events, and potential partnerships. The plan proposed a professional staff of eight, including:
 - Market Manager
 - Tenant and Construction Manager
 - Facilities Manager
 - Leasing Manager
 - Marketing & Communications Manager
 - Partnership, Development & Fundraising Manager
 - Administration
 - Finance
- 02 Perform deep cleaning, establish a set of maintenance standards, and perform regular maintenance.
- 03 Develop a robust marketing program.
- 04 Create and enforce merchant quality and performance standards.
- 05 Evaluate and consider alternatives for basement storage and display cases. Merchants should own their cold storage and display cases.
- 06 Expand the mix of products and services. The study states that regular shoppers’ top desire is more local produce and other locally produced foods, and notes that produce was ranked low for quality and satisfaction.
- 07 Create places to sit and eat and expand offerings for lunch and prepared foods. To meet customer demand for prepared foods, install more kitchen exhaust systems.
- 08 Host tasting events.
- 09 Create a daystall program. The consultants identified high interest among minority and women-owned businesses to locate within the Market, mainly one or two days per week.
- 10 Identify creative revenue streams to supplement vendor rents.
- 11 Broaden the Market community, its partners, and resources, noting that many potential partners are interested in supporting the Market.
- 12 Address the perception that the Market is expensive and exclusive (heightened by the recently constructed nearby housing) among residents outside Ohio City.
- 13 Create a masterplan to guide investment and operations.

The research findings in this Phase 1 study confirm many of the conclusions of the Revitalization Plan and are turning those conclusions into an implementable masterplan.

OHIO CITY 2019 RETAIL STRATEGY

The Riddle Company and Econsult Solutions, Inc. prepared this retail market study for Ohio City, Inc., analyzing the retail market, reviewing local and national trends, and identifying best practices and recommendations. The study was issued soon before the COVID pandemic, which altered the retail market and purchasing behaviors. Still, many of the research findings and conclusions remain timely and informative for the West Side Market masterplan. Key neighborhood trends in Ohio City include a growing population, increasing wealth, and higher educational attainment among residents. Additional land is available for development with the likelihood of more multifamily and mixed-use projects. These are all positive factors for sales at West Side Market.

The study identifies an evolving food cluster with dining, fresh food, and farm-to-table offerings, anchored by West Side Market. The report notes that the highest growth in the food and beverage sector within Ohio City is casual eateries and restaurants, precisely the type of businesses that could be expanded at the Market.

In terms of national trends, the study identifies continued demand for experiential shopping, which it calls “retailtainment.” West Side Market exemplifies this notion of experiential shopping and is therefore firmly on trend. Enhancing and promoting the experience of shopping at the Market is therefore a key takeaway from this study.

The study also notes the growing preference among customers for in-store mobile payments. In general, Market merchants have not adopted new payment technologies so this is an area for future investigation and potential investment. Sales for food outside of home exceeded in-home sales nationally in 2016, suggesting continuing demand for more prepared food to supplement the Market’s fresh food offerings.

The study solicited input from various area stakeholders. Of particular note was high demand for additional ethnic restaurants and groceries in Ohio City, which the Market is well positioned to fulfill. Other key recommendations include making parking more efficient, enhancing the perception of safety in Ohio City, creating pop-up retail experiences, and improving the quality and mix of goods at the Market.

FARMER’S MARKETS

According to the USDA Local Foods Directory, there are nine farmers’ markets within 30 miles of Ohio City, with the closest being the Tremont Farmers’ Market in



Lincoln Park, which operates on Tuesday afternoons from mid-May to mid-October. The next closest is Lakewood Earth and Food (LEAF) Community Farmers’ Market at the Lakewood Public Library. This market operates on Thursday afternoons from June to October.

The USDA directory is incomplete because it does not include the seven outdoor farmers’ markets operated by North Union Farmers Market, the largest of which is the Shaker Square Market in Shaker Heights. Two of their summer markets operate on Saturdays, two on Sundays, one on Wednesday, and two on Thursdays. North Union also operates two winter markets on Saturday mornings, at Crocker Park and the Van Aken District.

According to interviews with key informants, the Ohio City neighborhood (and West Side Market in particular) offers a promising location for a farmers’ market. About a decade ago, North Union Farmers’ Market expressed openness to operating an outdoor, seasonal farmers’ market on the grounds of West Side Market but the city would not move forward with the idea. Customers are looking for locally grown foods at public markets and expect there to be regional farmers selling at the market. The area’s increasing population and household incomes further support the opportunity to introduce farmers into West Side Market. Some of the Market’s produce merchants are concerned with the competition offered by farmers, although the competitive landscape among the produce merchants has changed considerably since the number of produce businesses has dropped precipitously and the Arcade is half-empty.

Demand Analysis

The demand analysis explores both current and potential demand for products sold at West Side Market, identifying and segmenting current and potential future customers and quantifying potential demand, where possible. This analysis can help the Market grow its customer base by providing valuable insight for the tenant mix strategy and future marketing campaigns. This is particularly important given many merchants' indication that sales have decreased in recent years. The demand analysis also provides baseline data that can be used to assess whether the Market is meeting its mission.

While the demographic profile of customers varies by public market, MVI research has found that large scale, successful urban public markets attract customers from a wide geographic area, often up to 30-45 minutes away. Unlike supermarkets, which seek to dominate food retailing within a small geographic zone, public markets attract a small percentage of people from a wide area who appreciate the product selection, atmosphere, and interaction with independent food vendors. Markets also attract tourists, who find public markets offer a window into local culture and provide an authentic and unique visitor experience.

The highest spending customers are generally well educated, higher income, middle aged women, although many public markets attract consumers representing a broad demographic profile, including recent immigrants familiar with markets from their native countries. Some public markets, because of their

accessible urban locations and social mission, have become major redemption points for SNAP benefits and farmers' market scrip. Reading Terminal Market in Philadelphia, for example, is one of the city's largest SNAP redemption sites, while the Rochester Public Market is the country's largest redemption site for farmers' market tokens, with over \$1 million in token redemptions annually. As the customer intercept survey revealed, West Side Market generally mirrors the national experience. Customers visit the Market from throughout the region, as do tourists. A large proportion of customers are higher income but the Market serves lower income consumers as well. Interestingly, average purchases at the Market surpass amounts reported at similar public markets in other cities.

The Market serves as an important source of food for low-income households. 22.6% of surveyed customers reported 2021 household income under \$50,000 per year. This is particularly important because Ohio has the nation's sixth highest rate of food insecurity and 19% of residents of Cuyahoga County are food insecure. West Side Market offers an accessible location via public transit and can play a significant role in addressing food security for area residents. According to recent research conducted by students at Baldwin Wallace University, 48% of Market businesses surveyed reported that they accept SNAP (some Market businesses are not eligible to accept SNAP because they sell only prepared foods). Two-thirds of those who do not accept SNAP said they would consider accepting it in the future. For some Market businesses, SNAP represents a large share of their sales: over a quarter of the businesses that provided information said that SNAP sales represent at least 20% of their gross monthly income.

CUSTOMER INTERCEPT SURVEY

In order to fill a research gap with timely information about current Market shoppers, Market Ventures prepared and analyzed a customer intercept survey, which was conducted at West Side Market over three days in September 2022. The survey team completed 444 exit surveys, which asked respondents about their visit to the Market that day as they were leaving the Market. A detailed review of the survey methods and findings are in Appendix D.

Survey Demographics

AGE

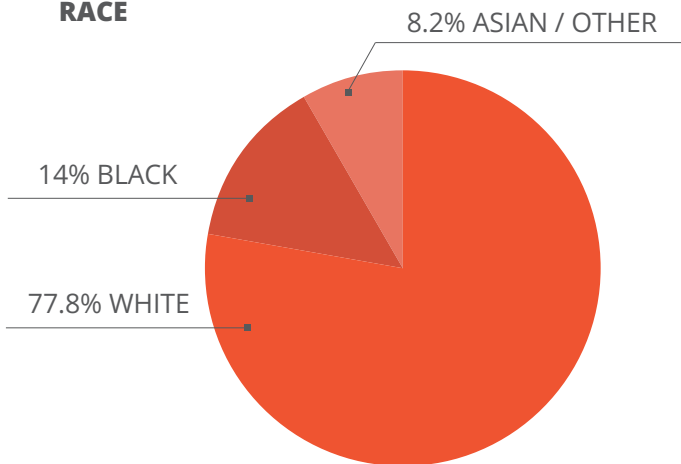


The largest group of survey respondents were aged 50-59



The Market attracted a disproportionate share of respondents between 30 and 59 compared to the population of the Cleveland metro area

RACE



HOUSEHOLD INCOME



Respondents reported higher incomes: 57% reported household income above \$75,000 compared to 21% in Cleveland and 42% in the MSA.



Only 8% reported household income at or below \$25,000, compared to 36% of Cleveland and 20% of the MSA.

Respondents live throughout the region. The most frequent zip code, 44113, is where the Market is located and accounts for 17% of the respondents. 26% of respondents live in Ohio City and four adjacent zip codes, 40% live elsewhere in Cuyahoga County, 14% live in the six county region around Cuyahoga County, and 20% live outside of the region.

While many customers come to the Market frequently, an almost equal proportion come rarely. A small group (14%) was visiting for the first time, while the largest segment (34%) said they had been at the Market another day in the same week. 20% reported coming within the past months while the second largest group (32%) reported last visiting more than a month ago. Over the course of a year, the frequent shoppers account for the highest sales yet on a given day the infrequent shoppers spend more.

By far the largest group of respondents reported first visiting the Market more than 20 years ago. This reflects the Market's importance as a longstanding regional institution.

Nearly all respondents reported buying something at the Market to take home or take away (94%), while a much smaller but still substantial group (42%) bought something to eat in the Market. The largest group of respondents bought from three different vendors.

Respondents reported spending between \$1 and \$350, with an average of \$13.93 for food to eat in the Market and \$59.79 for food to take home, and an overall average of \$61.59. This result far exceeds the averages reported on similar customer intercept surveys conducted by MVI at other public markets.

CUSTOMER INTERCEPT SURVEY continued

Women spent more than men on food to take home, with an average of \$62.49 compared to \$56.73. Women spent only slightly more than men for food to eat in the Market. Younger respondents spent more on food to eat in the Market while older middle-aged respondents (ages 50-69) spent the most for food to take home. Visitors over 70 spent the least.

First time visitors had the highest sales for food to eat in the Market but the lowest average for food to take home. Less frequent visitors spent slightly more than more frequent ones, which perhaps reflects these customers stocking up when they make an infrequent trip to the Market, however these differences are minor.

As is typical, there is a statistically significant correlation between customers' household income and how much they spent on food to take home, with wealthier customers generally spending more. The highest spending group was respondents reporting household income above \$150,000 per year, whose spending averaged \$75.60 for food at home. The lowest spending group were those having household income between \$15-25,000, who averaged \$36.33. Interestingly, the second highest spending group was those with the lowest incomes, which perhaps reflects the Market's importance as an accessible and popular place for SNAP redemptions..

There is a large and significant variation between travel mode to the Market and average expenditures for food to take home. Respondents who drive their own car had the highest purchases for take home (average \$64.25) and for eating in the Market (\$14.61). This finding underscores the importance of easy access to the Market and adequate parking.

The four categories using zip code data also show substantial variation. Respondents who live in the region around Cuyahoga County spent by far the greatest amount on food to take home, averaging \$81.54. These customers generally don't come often (52% had last visited more than a month ago, although 19% reported visiting within the past week) and are higher income (61% reported household income above \$75,000). By contrast, customers who live near the Market spend less per visit but they visit much more frequently. 62% of those who live near the Market had visited within the past week, in addition to their visit on the day of the survey. 25% of nearby residents had visited within the past month. Over time, their value individually as regular customers far exceeds those who visit infrequently, although on a given day the Market has many high-spending residents from throughout the region.

The Market's primary competition are supermarkets around the region, with Giant Eagle mentioned most frequently, followed by Dave's and Aldi.

Respondents rank the Market high for quality, selection, and especially service, but less high for prices. When asked what they like best about the Market, the three top responses were variety, vendors and atmosphere. In terms of what they would like to see changed, the three top responses were more vendors, update the facilities, and add seating.

Respondents were asked to name any additional products they would like to see sold at West Side Market. The most frequent response by far was more prepared food, followed by beverages. Next came produce and ethnic food (which could include prepared ethnic foods).

INTERNET SURVEY

In Fall 2019, West Side Market management conducted an internet survey that was taken by 1,365 respondents. MVI was provided a report of the survey results from SurveyMonkey.

Respondents were generally younger than those who participated in the intercept survey. The largest group was age 35-44, followed by those age 45-54. The age groupings in the internet survey do not follow Census categories so direct comparisons cannot be made with the intercept survey.

The internet survey skewed heavily toward white respondents (92%). Black respondents made up only 3%. In terms of ethnicity, 3% of respondents reported their ethnicity as Hispanic, half the rate of the intercept survey and the region's population.

The largest group of respondents have been coming to West Side Market for over 20 years (43%), followed by those who have been coming

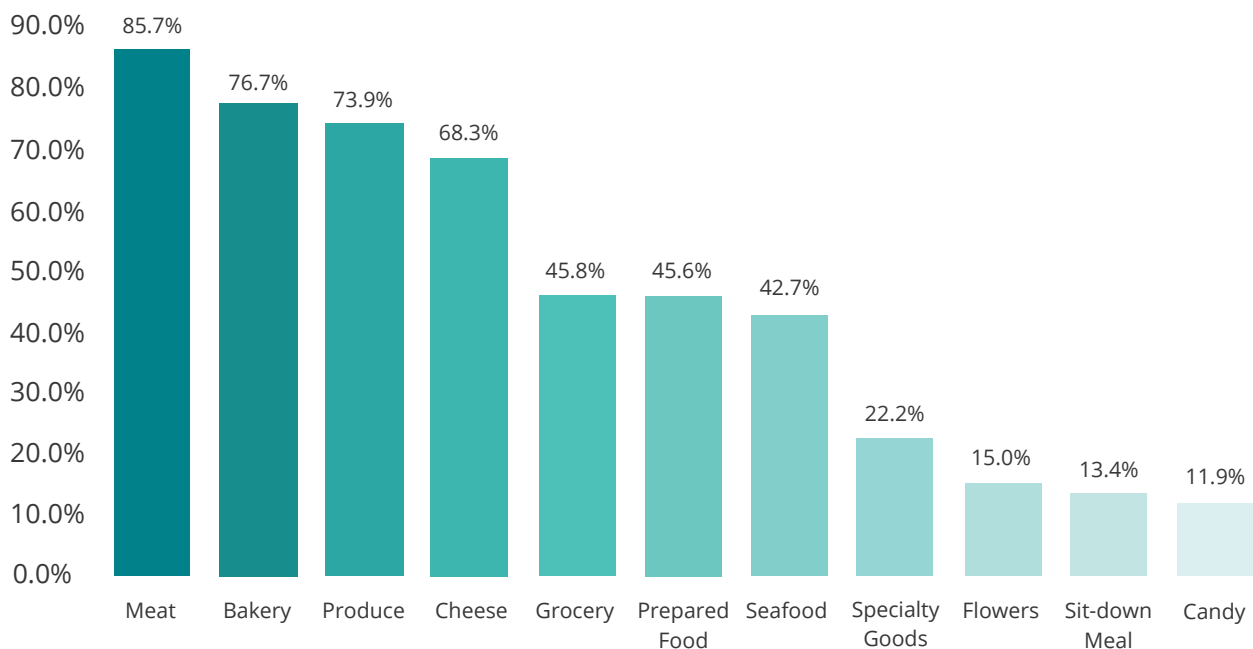
between 10 and 20 years (21%).

Respondents were asked how often they visit the Market. The most common answer was monthly (24%) followed by every three months (23%). About 19% reported coming weekly or more often.

Most respondents come to the Market by car (90%), while 16% report that they walk. About 8% use the RTA rapid transit or bus.

The survey asked respondents "What goods or services at the Market are you most interested in or have bought at the Market? (check all that apply)". Given the awkward wording of this question – asking what people have done in the past along with what they might want to do in the future – it is difficult to analyze the results. Nonetheless, the results suggest that customers are interested in meat, bakery, produce, and cheese, historically four of the key product areas featured in the Market.

Q6: What goods or services at the Market are you most interested in or have bought at the Market? (check all that apply) (N=1,363)



INTERNET SURVEY CONTINUED

The survey asked open-ended questions about what respondents most enjoy about the Market, what they least enjoy, and what new products they would like to see offered.

Q8. What do you most enjoy about the Market? (N=1,178)



In terms of what respondents most enjoy, a word cloud generator identified the words “vendors,” “variety,” “quality,” and “atmosphere” as mentioned most frequently.

Q9. What do you least enjoy about the Market? (N=1,176)



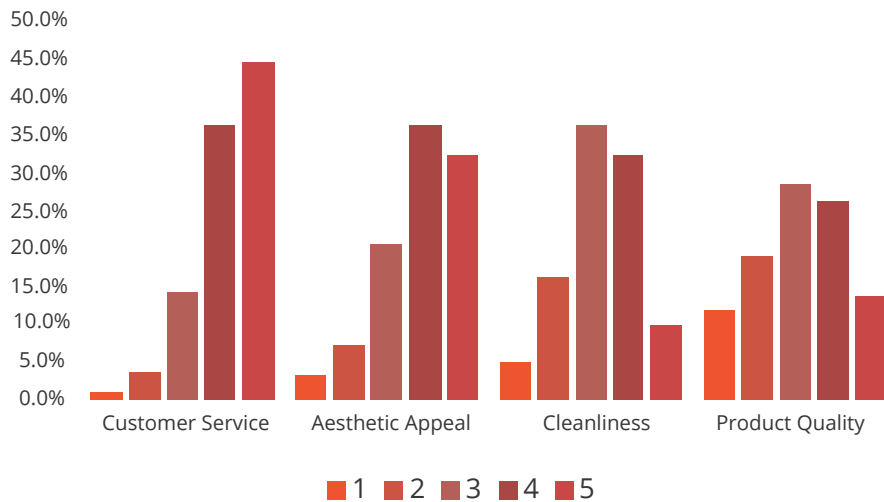
In terms of what respondents least enjoy, a word cloud generator identified the words “produce” and “parking” as mentioned most frequently.

Q10. What new products would you like to see offered? (N=809)



The survey asked what new products the respondents would like to see offered. The word cloud identified “prepared,” “produce,” and “local” as the most frequently used words.

The survey asked respondents to rate the Market on a scale of 1 to 5 for a variety of services.



The highest score was for customer service, with 45% ranking service as 5 and 36% as 4. Aesthetic appeal was a bit lower, with 32% at 5 and 36% at 4. Cleanliness was much lower, with the most frequent answer being 3. Product quality was similarly low, with the most frequent answer being 3.

TRADE AREA ANALYSIS

Trade area analysis is used to understand the demographic characteristics of people living in proximity to West Side Market, understand how these populations are changing, and explore the potential for attracting more shoppers to the Market.

Three separate trade areas were defined for the Market, based on the data collected in the intercept survey: a three-mile ring (which approximates the Market's and adjacent zip codes), a 15 mile ring (which approximates Cuyahoga County), and a 40 mile ring (which approximates the greater Cleveland metro area).



Residents of a three-mile ring around West Side Market.

This ring includes Ohio City and adjacent neighborhoods, including Detroit-Shoreway, Tremont, and Clark-Fulton. According to the customer intercept survey, 26% of customers live in this area and they account for 24% of sales.

The Market is easily accessible for residents in this trade area: many can walk, or it is a short drive, bike ride, or bus trip. There is modest competition within this area for fresh foods so West Side Market is a convenient place to buy fresh products for trade area residents. Dave's Supermarket is located close to West Side Market, while Heinen's is on the east side of downtown and there are two Save-A-Lots nearby.



The band between the three-mile ring and a fifteen-mile ring.

This band encompasses the rest of Cleveland and most of Cuyahoga County (zip codes starting with 441). According to the intercept survey, 40% of customers live in this area and they account for 40% of annual sales.

Customers from this trade area will generally drive to the Market and it is not convenient compared to other nearby stores where they can shop.



The area between the 15-mile ring and a 40-mile ring. This band represents the greater Cleveland region.

According to the intercept survey, 14% of customers live in this area and they account for 19% of sales.

West Side Market is not convenient for residents from this trade area unless they work nearby. There is extensive competition for both fresh and prepared foods. However, the large scale and unique attributes of West Side Market can attract a small percentage of residents in this area to visit the Market, even if infrequently.

In addition to these trade areas, the demand analysis includes estimates of potential patronage by tourists (defined as anyone who lives outside the 40-mile ring). According to the intercept survey, 20% of customers are visitors and they account for 17% of sales.

Demographic data about the three trade areas were acquired from Nielsen-Claritas, a national market research data company. The acquired data include 2010 U.S. Census information, estimates developed by Nielsen for 2022 based on the 2010 Census, and projections for 2027.

Data about the three trade areas are summarized in the chart below. Each band is independent – only the “total” section aggregates the three bands:

	3 MILE RING	3-15 m BAND	15-40 m BAND	TOTAL	USA
Population 2010 Census	106,672	1,181,830	1,524,159	2,812,661	305,628,607
Population 2022 Estimate	104,715	1,134,825	1,556,610	2,796,150	331,893,745
Population 2027 Projection	105,012	1,129,954	1,580,501	2,815,467	-
Population Change 2010-2022	-1.8%	-4.0%	2.1%	-0.6%	8.6%
Population Change 2010-2027	0.3%	-0.4%	1.5%	0.7%	-
Population Change 2010-2027	297	-4,871	23,891	19,317	-
Racial Diversity (% Non-White)	55.2%	37.4%	15.3%	25.8%	27.1%
Percent Hispanic 2022	25.1%	5.1%	4.7%	5.6%	18.8%
Households 2022	43,587	496,249	627,860	1,167,696	-
Average Household Size	2.40	2.29	2.48	2.39	2.54
Median Age	34.0	41.0	41.6	39.9	38.8
Median Household Income 2022*	\$36,026	\$56,533	\$62,549	\$69,717	-
Mean Household Income 2022*	\$58,180	\$82,579	\$87,623	\$97,962	-
Household Income >\$75,000/yr	10,328	196,262	283,920	490,510	-
Household Income >\$75,000/yr	23.7%	39.5%	45.2%	42.0%	46.8%
Families Below Poverty Line	48.8%	11.6%	8.4%	10.5%	9.1%
Family Households	48.3%	59.2%	67.4%	63.2%	-
Age 35-64	36.8%	37.6%	38.3%	38.0%	-
Workforce Participation	40.3%	48.5%	50.2%	49.1%	-
Households without Vehicles	25.9%	10.7%	6.5%	9.0%	-
Bachelor's Degree	14.6%	19.9%	19.4%	19.4%	21.2%
Master's, Professional or Doctorate	9.7%	13.8%	11.3%	12.3%	13.8%
Total	24.3%	33.7%	30.7%	31.7%	35.0%

* Rings, not bands



...younger customers spend less on average than middle aged customers.

TRADE AREA ANALYSIS

Trade Area 1: 3 Mile Ring

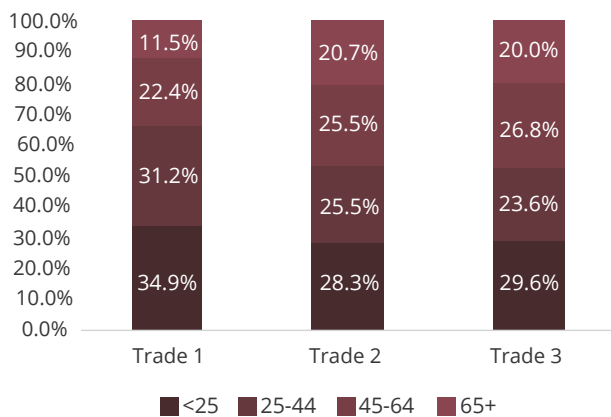
2022 population for the 3-mile ring is estimated at 104,715 people, which represents a 1.8% decrease from the 2010 Census count of 106,672. According to Claritas, the population is expected to increase by 297 people, or 0.3%, by 2027, although this could certainly be an undercount based on the substantial residential development in the area. By comparison, the population of the United States grew 8.6% between 2010 and 2022. While a stagnant population means no natural growth in demand for food, it also means less likelihood of additional competition from new supermarkets.

The trade area is estimated to have 43,587 households in 2022, with an average household size of 2.40, slightly below the national average of 2.54 and about the same as the region as a whole. Nearly half of these households are families, compared to 63.2% in the region. Typically, small household size and smaller percentage of families would suggest lower than average purchases for fresh food.

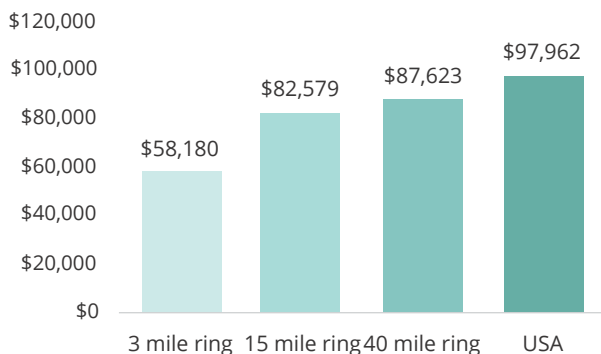
The median age of the population, at 34.0, is well below the region at 41.6 and the national median of 38.9. As the graph labeled “Age Categories in Trade Areas” shows, the first trade area has many young residents under age 25 and younger adults (34.9% and 31.2%) compared to the other two areas and the smallest percentage of middle aged and older adults. As was shown in the intercept survey, younger customers spend less on average than middle aged customers.

Median household income in this trade area is quite low at \$36,026, compared to \$56,336 in the second area and \$62,549 in the third area. By contrast, median household income in the USA as of 2021 is \$69,717). Similarly, average household income is well below the other trade areas and the national average.

AGE CATEGORIES IN TRADE AREAS



MEAN HOUSEHOLD INCOME 2022



CONTINUED

Although household incomes are low, the 3-mile area includes over ten thousand households with income more than \$75,000, representing 23.7% of all households. These households are likely to spend more at the Market, although low-income households also reported high average expenditures.

This trade area is also marked by significant numbers of households living in poverty. Nearly half of the area's population is below the federal poverty line. Many households in this group likely qualify for SNAP and other food assistance programs, presenting sales opportunities for fresh food and grocery products in the Market.

Over 40% of residents are not in the labor force, far lower than the region as a whole at 49%. This is likely due to the large number of young people in this trade area.

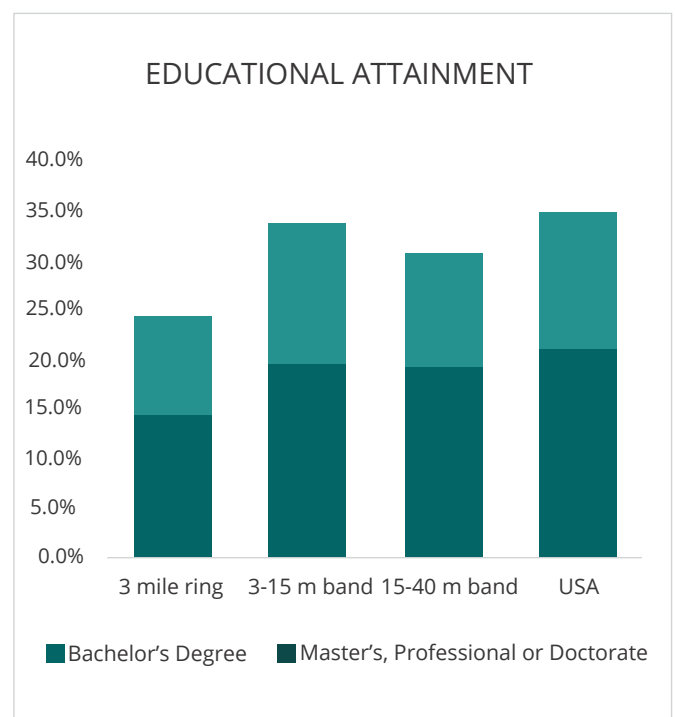
A large percentage of households in this trade area do not own a vehicle (25.9%), far above the regional share of 9.0%. Convenience becomes very important for food shopping so the Market can benefit from its close proximity to households in the first trade area.

Educational attainment typically has a strong correlation with higher spending for quality food. The first trade area is well below the other areas in education: 24.3% of the population over 25 years old has a bachelor's degree or higher, compared to 33.7% of the second area and 31.7% for the entire region. The chart labeled "Educational Attainment" demonstrates the relative levels of educational attainment in the trade areas.

The population in this trade area is very diverse. Over 55% of residents identified themselves as

non-white compared to 25.8% in the region and 27.1% for the country. This area also has a large Hispanic population, with 25.1% identifying as Hispanic, far above both the other trade areas (5.6% for the region) and the national average of 18.8%.

The three-mile ring around West Side Market provides an important customer base because the Market is convenient to these residents and there is limited competition from supermarkets and other food stores. The large percentage of young people, the small household size, lower educational attainment, and the low household income all suggest that residents of this trade area will not be the highest spending customers for fresh food. Since this area is so diverse, the Market will need to make extra efforts to demonstrate that it is a welcoming place for everyone and all businesses that are eligible to accept SNAP should participate. The younger demographic will likely be interested in fast-casual prepared food offerings.



TRADE AREA ANALYSIS

Trade Area 2: Area between 3 mile ring and 15 mile ring

The band between three and fifteen miles has nearly eleven times more residents than the first trade area, with a population estimated at 1,134,825 in 2022. This band lost about 4% of its population between 2010 and 2022 and is expected to lose a small number of residents by 2027.

Trade Area 2 is divided into nearly 500,000 households, with an average household size of 2.29, the smallest of the trade areas. The median age at 41.0 is well above the first trade area and higher than the national average of 38.8. While not as diverse as Trade Area 1, this trade area is 37.4% nonwhite and 5.1% Hispanic.

Median household income in this area is well above the first trade area but still low at \$56,533 compared to the national median of \$69,717. Nearly 40% of households have income of more than \$75,000, while 11.6% of families live below the poverty line.

Educational attainment in this trade area is the highest of the three trade areas and slightly below national averages, suggesting strong potential interest in the Market.

Trade Area 2 has a large but stagnant population with small household size, modest average income, and robust educational attainment. The Market is reasonably convenient to residents of this trade area and 40% of households have income above \$75,000. While there are supermarkets throughout the trade area that are likely more convenient than West Side Market, the Market is reasonably convenient to this population and offers a unique shopping experience.

TRADE AREA ANALYSIS

Trade Area 3: Area between 15 mile ring and 40 mile ring

The band between fifteen and forty miles has an estimated population of about 1.6 million people and is the largest trade area in terms of both population and land mass. The trade area contains about 630,000 households. Unlike the other two trade areas, this area grew in population between 2010 and 2022, and is expected to continue growing over the next five years.

The third trade area is the least diverse, with 15.3% of the population being non-white and 4.7% Hispanic. The area has the largest proportion of families (67.4%) and the largest average household size (2.48). It is also the wealthiest, with median household income of \$62,549 and 45.2% of the households having income more than \$75,000. Finally, this area has modest educational attainment, with 30.7% of the population aged 25+ having a bachelor's or higher degree (compared to a national rate of 35.0%).

Given these demographic characteristics, it is not surprising that customers from this area reported the highest average sales at West Side Market. However, the Market is not convenient for residents of this area (except for residents who work nearby) and visiting the Market requires an intentional trip. There are many more convenient places nearby for them to buy fresh or prepared food. The large size of West Side Market and its stature in the region offers the opportunity to expand sales from residents of this trade area.

TRADE AREA ANALYSIS

Tourists

Tourists represent a significant portion of current customers at West Side Market, with 20% of participants in the intercept survey reporting their home residence outside of the Cleveland metro region and 17% of sales came from tourists. Tourists are attracted to public markets because they are unique places, offering a window into the culture of the region where they are located.

As Americans have become more interested in food and cuisine, they are searching out public markets when they travel.

Tourists are often well educated and higher income, and willing to spend significantly at a market. West Side Market is known as a worthwhile destination for visitors.

Based on research at other public markets, tourists are generally more interested in buying prepared foods and craft items than fresh foods, although there are exceptions. Some fresh food vendors in public markets have found creative ways to sell to tourists, such as the fish merchants at Pike Place Market, but this requires a sophisticated shipping operation.

The intercept survey found that visitors reported the lowest expenditures for food to eat in the Market (\$13.25) and for food to take home (\$52.04), although both of these figures are close to other groups of customers and represent substantial total sales. While sales to visitors can be substantial, public markets need to maintain their focus on local consumers and *fresh* foods, and not pursue sales to tourists in a way that lessens their attraction to area residents.



SALES POTENTIAL

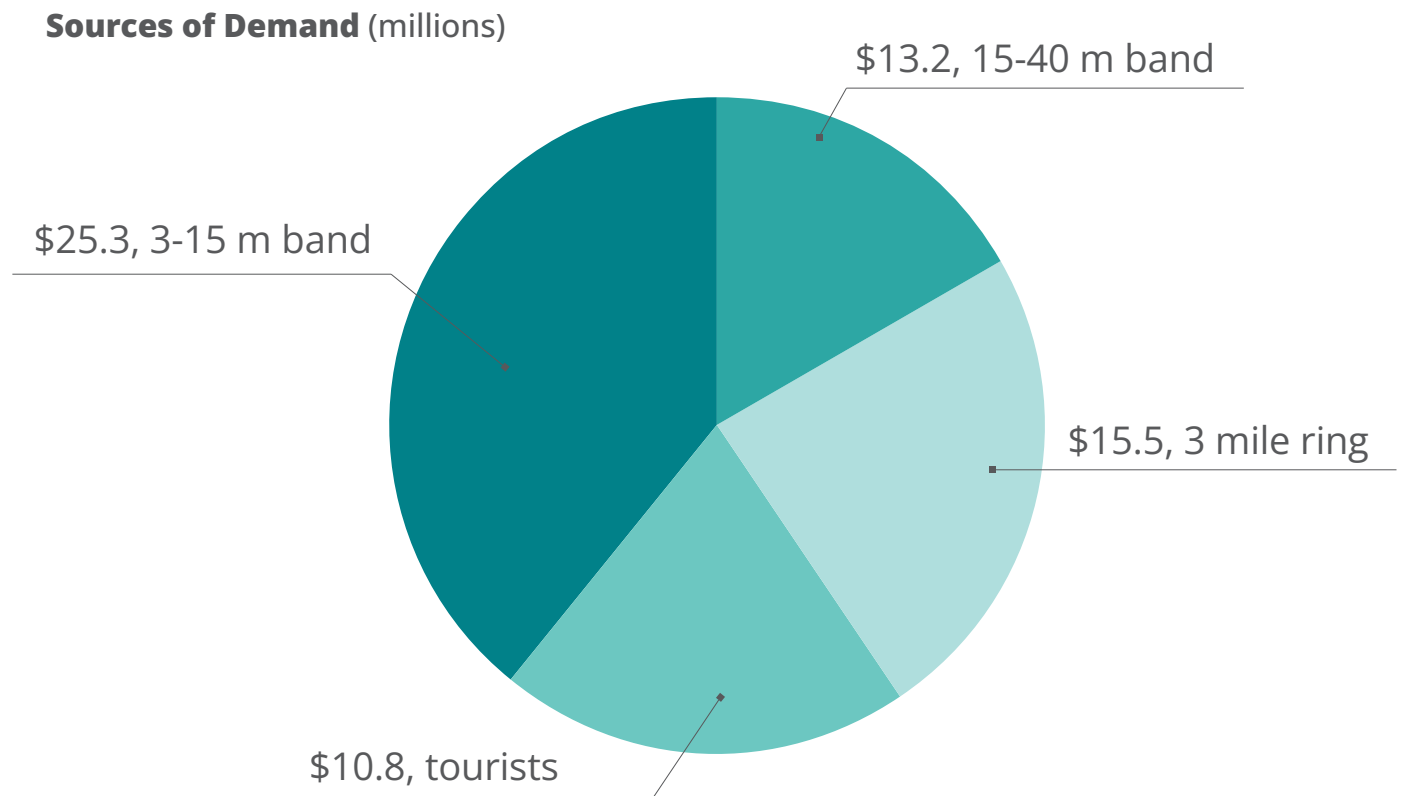
The analysis determined that the sales potential from the Market's four trade areas is \$64.8 million, as shown in the chart labeled "Sources of Demand." The greatest source is the the 3-15 mile band, which represents 39% of total demand.

Dividing total annual sales of \$64.8 million by the average sales per customer from the intercept survey (\$61.59), the Market would need to attract slightly over one million customers to the Market each year, or on average about 20,000 per week.

The purpose of this analysis is to roughly quantify sales potential at West Side Market. Whether sales of this magnitude are achieved is dependent on the actions of each Market

merchant, the Market's operating schedule, the effectiveness of marketing programs, and myriad other factors. Actual sales could be higher or lower but this analysis provides a reasonable review of the potential based on the Market's current customer draw.

The analysis also suggests substantial potential for prepared food sales at the Market. Based on these capture rates, total potential demand for prepared food is \$17.1 million. Assuming prepared food vendors achieve annual sales per square foot of \$750 (a reasonable level to be profitable), the Market can support about 23,000 square feet of prepared foods.



Supply Analysis

The supply analysis examines the current mix of merchants at the Market and the potential for attracting new merchant to fill vacancies.

WEST SIDE MARKET TENANT MIX ANALYSIS

The following is a summary of existing West Side Market merchants, divided between the Market Hall and the Arcade.

Market Hall

The Market Hall has 100 total stalls that collectively contain nearly 20,000 square feet. For this analysis, each stall in the Market was identified as vacant or assigned one of three use types based on the primary products sold within the stall (according to the merchants' lease provisions): fresh food, specialty food, or prepared food. The chart below summarizes the number of stalls and square footage within each category:

Type	Count	% Count	SF	% SF
Fresh	25	25%	4,831	24%
Prepared	15	15%	3,615	18%
Specialty	35	35%	7,086	36%
Vacant	25	25%	4,417	22%
Total	100	-	19,949	-

Market Hall continued

Within the three use types, additional categories were created to describe the primary products sold at that stall. As the chart below shows, the biggest product category is meat, with 19 stalls and 18% of the leasable square footage, followed by dessert bakery with 12 stalls and 11% of the square footage.

As of September 2022, 75 stalls were occupied and 25 vacant. The 75 stalls are operated by 46 different businesses. These businesses each utilize between one and five stalls. The largest group of merchants (25) occupies one stall, followed by merchants with two stalls (17). One merchant each has three and five stalls, while two merchants have four stalls.

Type	Stalls	Sq. Ft	% SF
Fresh	25	4,831	24%
Fish	2	492	2%
Meat	19	3,584	18%
Poultry	4	755	4%
Prepared	15	3,615	18%
Coffee	1	199	1%
Ethnic	10	1,709	9%
Fast Food	3	495	2%
Restaurant	1	1,212	6%
Specialty	35	7,086	36%
Bakery - Bread	4	738	4%
Bakery - Dessert	12	2,149	11%
Charcuterie	2	379	2%
Dairy / Cheese	6	1,044	5%
Dessert / Snack	2	447	2%
Grocery	7	1,879	9%
Pasta	2	450	2%
Vacant	25	4,417	22%
Vacant	25	4,417	22%
Total	100	19,949	

Arcade

The Arcade contains 81 stalls and 10,888 leasable square feet. As of September 2022, nearly half of the Arcade's stalls and square footage are vacant. Most of the 18 merchants in the Arcade sell fresh foods, which are all fruits and vegetables. Eight stalls are devoted to specialty products, including dried produce, edible oils, and maple syrup:

Type	Stalls	% Stalls	SF	% SF
Fresh	34	42%	4,425	41%
Specialty	8	10%	1,089	10%
Vacant	39	48%	5,374	49%
Total	81	-	10,888	-

Analysis

West Side Market has maintained its focus on fresh foods, which has been a struggle for other public markets. Merchants, customers, and key stakeholders all hold this attribute to be very positive and should be maintained. The Market also has substantial vacancies, particularly in the Arcade, which offer the opportunity to consider what types of products are missing and how the mix should be balanced if new merchants are introduced.

One point of reference is Reading Terminal Market in Philadelphia, which is regarded as among the country's most successful public markets. As part of its masterplan for Lexington Market in Baltimore, MVI conducted an in-depth analysis of the tenant mix plan of Reading Terminal Market, from which this information is drawn.

The following chart on the next page shows the merchandise mix at West Side Market compared to Reading Terminal. As noted above, West Side Market currently has 46 merchants in the Market Hall and 18 in the Arcade, for a total of 64. A few of these merchants operate businesses in multiple categories, so the chart below shows 50 businesses in the Market Hall and 19 in the Arcade, for a total of 69 (West Side Market also has 25 stall vacancies in the Market Hall and 39 vacancies in the Arcade). Reading Terminal had 73 merchants, with almost no vacancies. Overall, the leased area at Reading Terminal (for this analysis) was about 32,300 sf,

compared to 21,000 sf for West Side Market, about 50% more.

West Side Market has more merchants and more space devoted to fresh foods than Reading, with the exception of seafood. West Side has 10 meat vendors and 15 produce vendors, while Reading has five and four, respectively. There is only one seafood merchant remaining at West Side Market compared to three at Reading. Having more than one merchant per category is important in large public markets so seafood represents a potential category for merchant recruitment.

West Side and Reading have similar proportions devoted to specialty foods, at about 40% of their respective leased square footage. Reading has businesses in several categories that do not exist at West Side, such as candy/chocolate and ice cream. Alcohol is also sold at Reading but not at West Side Market.

Reading has substantially more merchants devoted to prepared foods, as well as some nonfood merchants. While West Side Market has 11 merchants categorized as prepared foods, Reading has 24. Reading Terminal Market has implemented policies to limit the amount of prepared foods in order to maintain the Market's fresh food focus and meet its mission.

Merchandise Mix Analysis

	West Side Market				Reading Terminal Market				Variance	
	Biz	Ave SF	Total SF	Total %	Biz	Ave SF	Total SF	Total %	Sq Ft	Pct
Fresh Food	29	393	9,067	43%	13	634	8,247	26%	820	9%
Meat	10	302	3,015		5	341	1,705		1,310	43%
Poultry	3	378	1,135		1	542	542		593	52%
Produce**	15	295	4,425		4	1,013	4,051		374	8%
Seafood	1	492	492		3	650	1,949		(1,457)	-296%
									-	
Specialty Food	29	295	8,563	41%	27	457	12,347	38%	(3,784)	-44%
Bakery	10	289	2,887		7	407	2,846		41	1%
Candy/chocolate					3	603	1,808		(1,808)	
Charcuterie/deli	3		568		3	536	1,609		(1,041)	-183%
Coffee/tea	1	199	199		3	288	863		(664)	-334%
Dairy/cheese	3	348	1,044		3	436	1,308		(264)	-25%
Grocery/specialty*	7	326	2,279		3	381	1,142		1,137	50%
Ice cream					1	377	377		(377)	
Snack/nuts*	3	280	840		1	658	658		182	22%
Pasta	1	450	450		1	757	757		(307)	-68%
Supplements**	1	296	296		1	179	179		117	
Wine/beer					1	800	800		(800)	
									-	
Prepared Food	11	311	3,416	16%	24	391	9,374	29%	(5,958)	-174%
Fast food	3	165	495		12	402	4,824		(4,329)	-875%
Ethnic	7	244	1,709		12	379	4,550		(2,841)	-166%
Restaurant	1		1,212						1,212	100%
									-	
Nonfood				0%	9	257	2,317	7%	(2,317)	
Beauty					1	146	146		(146)	
Flowers					1	391	391		(391)	
Jewelry					2	170	330		(339)	
Retail					4	350	1,401		(1,401)	
Service					1	40	40		(40)	
									-	
TOTAL	69	305	21,046	100%	73	442	32,285	100%		-53%

*Main & Arcade

**Arcade

“

Several existing Market merchants have expressed interest in expanding their stalls.

POTENTIAL MERCHANTS

As mentioned before, the Market currently has 25 vacant stalls in the Market Hall and 39 vacant stalls in the Arcade. Assuming new businesses in the Market Hall use the current average of 1.6 stalls per vendor and the Arcade of 2.2 stalls per vendor, then the Market Hall can accommodate 15 new businesses and the Arcade can accommodate 18 new businesses.

The 2022 West Side Market Revitalization Plan found high levels of interest among the 30 business owners surveyed as part of that study (page 38). This outreach was focused on women-owned, minority and immigrant businesses in Cleveland, with 42% of the surveys completed in Spanish. These types of businesses will help the Market achieve its diversity goals. The businesses were interested in offering prepared foods, baked goods, value-added products, and produce. Most were interested in part-time opportunities, selling one to two days per week, so these businesses may not be appropriate for leasehold space, where vendors are required to be open during the Market's current five day per week operating schedule.

During the COVID pandemic, organizations that run shared commercial kitchens and kitchen

incubator programs around the country reported an upsurge in interest, with many people looking to start their own food businesses. This experience was repeated in Cleveland, with the Northeast Ohio Hispanic Center for Economic Development reporting strong interest in their incubator program. The organization reports that it serves 1,000 entrepreneurs per year and is currently building CentroVilla 25, which will include a 3,000 square foot commercial kitchen, a specialty grocer, and 20 micro retailers. The executive director believes there is strong demand for retail space inside West Side Market and expressed interest in operating a retail incubator within the Market that would assist start-ups in the retail food space.

Several existing Market merchants have expressed interest in expanding their stalls.

West Side Market has not had the staff resources or strategic initiative to undertake a leasing effort, in part because the Market did not experience vacancies until recently. Future phases of the masterplan will provide a tenant mix plan and outline the resources needed to recruit and support new businesses that achieve the Market's mission.

Operations Review

The operations review describes how West Side Market currently functions and identifies key areas for improvement.

SITE MANAGEMENT

West Side Market operates within Cleveland's Department of Public Works as a Small Enterprise Fund. A Commissioner oversees both the Public Auditorium and West Side Market. The Market's operation is directly overseen by a Market Manager.

The Market currently operates with a skeletal staff and does not provide key functions and services typical at other public markets.

Current site management staff include:

- Market Manager
- Supervisor of Markets
- Assistant Administrator
- Building Stationary Engineers (1)
- Municipal Service Laborers (1.5)

As part of the transition to nonprofit operation, the Mayor appointed a Senior Strategist to oversee the Market's operation and transition process.

The West Side Market Revitalization Plan (February 2022) documents the site management deficiencies and recommends steps for expanding management capacity. Key findings (page 7) include:

- Market management is severely understaffed with limited resources to address marketing, new vendor recruitment, programs and events and potential partnerships.
- Tenants are frustrated with slow response times to make regular repairs and to initiate capital improvements.
- The United West Side Market Tenants Association (UWSMTA) is less active than it was, experiences low participation from current vendors, especially those in the produce arcade, and has fallen short with many of its responsibilities, including quality enforcement, which contributes to unsatisfactory experiences for some shoppers and limited feedback from vendors in city decisions about the market including capital investments.
- Quality of some products is low, and standards are not being enforced by management or UWSMTA.
- The current lease needs to be updated and re-evaluated to offer more options to tenants including daystall and seasonal uses for new vendors and multi-year agreement for current vendors.

Marketing

West Side Market management does not provide marketing services. The Market's website is managed by UWSMTA with support from Ohio City, Inc.

West Side Market requires a sophisticated marketing plan and implementation to coincide with the redevelopment process. The Market should have an annual marketing plan that is tied to specific goals and objectives, in line with the Market's mission and values. There should be an annual budget for marketing expenditures.

The customer intercept survey and other recent research and studies provide valuable baseline data to understand current and potential customers. The next stages of the masterplan will provide recommendations for how to accomplish this.

Leasing

West Side Market does not currently have a merchandising plan or a strategy for recruiting vendors who satisfy the plan. New Market merchants and other key informants expressed concern about the long timeline and convoluted process to become a tenant. As part of the nonprofit transition process, the Market will need to substantially expand its leasing capacity.

Key informants also noted the Market's inability to terminate leases, even when the merchants' association agreed that a tenant was not fulfilling lease obligations and the business should not longer be in the Market. While the merchants were only given one-year leases and therefore termination should have been relatively easy by simply not renewing the lease, the practice has been to offer all merchants lease renewals regardless of performance. This has created a situation where merchants are discouraged from investing in their businesses because they cannot get financing with a short-term lease, but the potential control that a landlord has with short leases is not used to good effect.

Operations Schedule

According to its website, West Side Market is open from 8 am to 5 pm, Monday, Wednesday, and Friday, from 7 am to 5 pm on Saturday, and from 10 am to 4 pm on Sunday. Merchants are given the option of closing on either Sundays or Mondays. Merchants regularly make their own hours, and often close well before the posted time.

The staggered closing days, Tuesday and Thursday, are unusual in the world of public markets. According to key informants, this pattern dates to a time when Cleveland's downtown market was open on Tuesdays and Thursdays so West Side Market was closed those days.

Merchants hold a variety of opinions about the operating schedule. Some are satisfied with the current days and hours of operation, and have adapted their workflow and personal lives to work well with this schedule. Others would prefer longer hours and more days of operation, believing it will draw additional customers to the Market and lead to higher sales. Recommendations for operating schedule will be made in future phases of the masterplan.

Financial Analysis of Current Operations

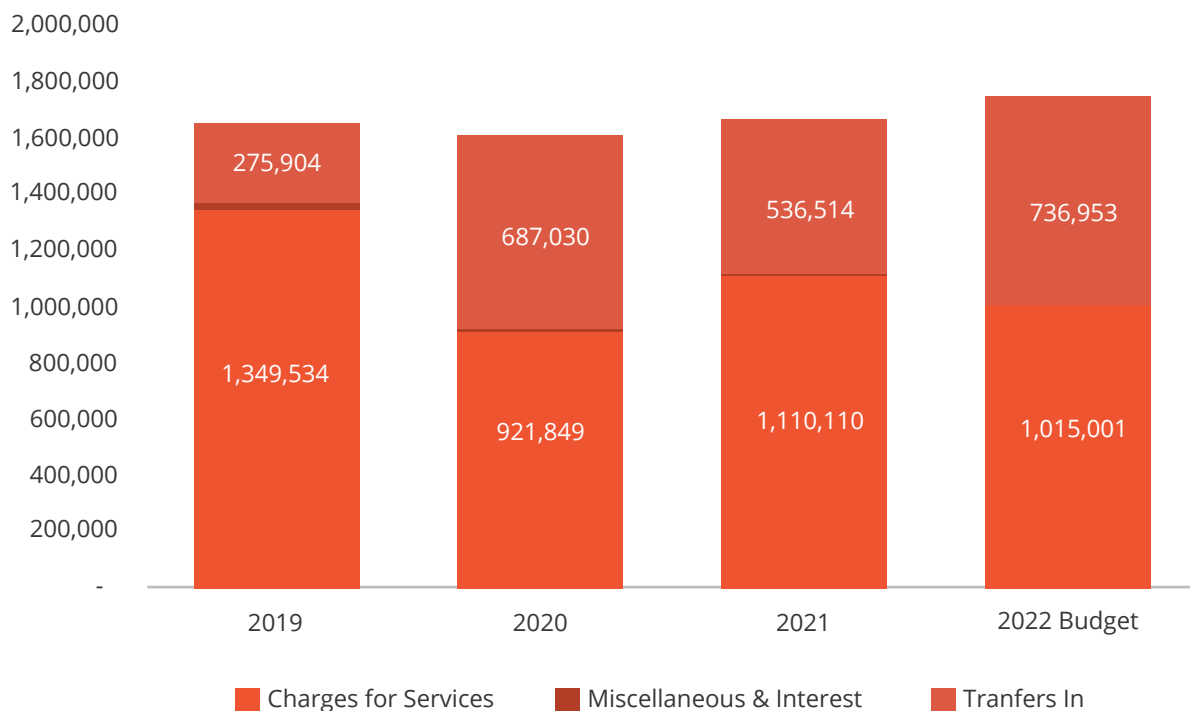
INCOME

West Side Market's has two primary sources of operating revenue: rents paid by merchants ("Charges for services") and subsidy ("Transfers in") provided by the City of Cleveland. As the following chart shows, total revenue has increased from about \$1.66 million in 2019 to \$1.75 million in 2022, an increase of 6% over these four budget years. Rent income dropped from \$1.35 million in 2019 to \$1.02 million in 2022, a decrease of 25% as vacancies have risen. To make up the shortfall, subsidies have approximately tripled from \$276,000 in 2019 to nearly \$740,000 in 2022.²

The operating statement does not capture all sources of city subsidy. The Market receives water, legal services, and HR support from the City that are not captured in its operating statements. The water is particularly important, because the Market's antiquated and wasteful refrigeration system represents the lion's share of the 21 million gallons of city water worth \$414,177 used by the Market each year.

Subsidies have nearly tripled from 2019 to 2022

Revenues
West Side Market

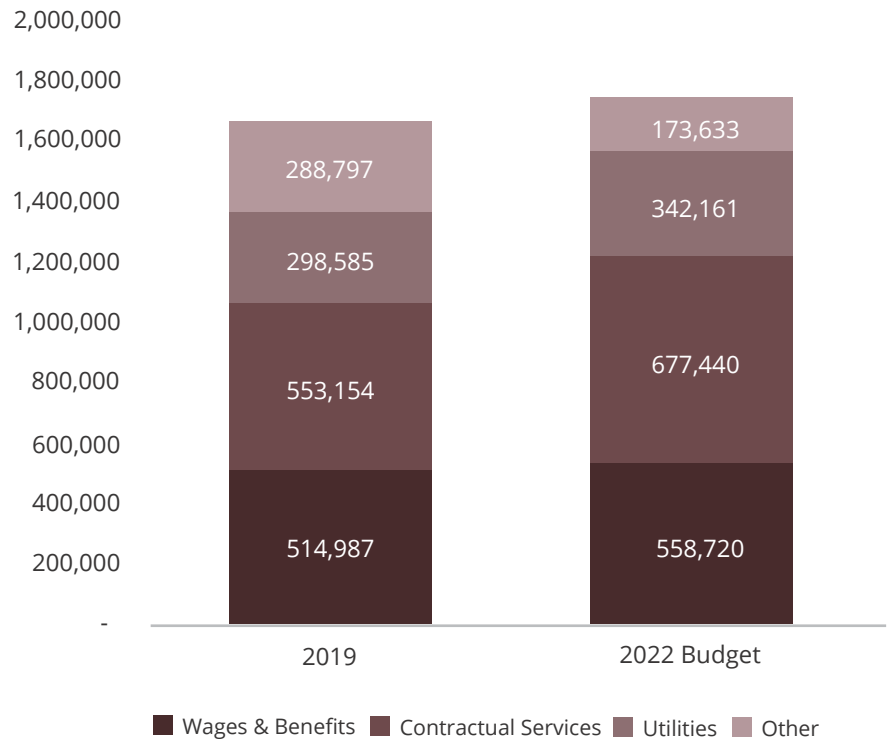


EXPENSES

Operating expenses for West Side Market grew from \$1.66 million in 2019 to \$1.75 million in 2022, a modest increase of 6%. The chart labeled “Expenses” shows expenditures in four major categories for 2019 and 2022.

Wages and benefits represent 32% of the 2022 budget, a low percentage compared to other public markets, where labor is typically the largest operating expense. In part this is due to the very small management staff at West Side Market and three major labor costs are outsourced and categorized within Contractual Services: janitorial services (about \$230,000) and security services (about \$90,000) for off-duty police in the parking lot and \$153,000 for unarmed security in the Market. If these two services are added to wages, then the wage line represents 49% of the total.

Expenses
West Side Market



Compared to other public markets, West Side Market is a lean operation, with a small management staff, lack of marketing expenditures, and absence of typical public market programs. ►

West Side Market
is a *lean* operation

- Reading Terminal Market reported operating expenses of \$2.4 million in 2019, with the greatest share being wage-related expenses at 59% (\$1.42 million). Marketing costs were nearly \$275,000. In addition to its operating expenses, Reading Terminal also paid over \$2 million in occupancy charges and recorded nearly \$700,000 in depreciation and interest, plus \$600,000 in bad debt and \$270,000 in grants paid. Total expenses listed on its Form 990 in 2019 equaled nearly \$6 million.
- Findlay Market reported operating expenses of \$2.8 million in 2019, with wage-related costs at 70% (\$2.0 million). Marketing expenditures were \$188,000. In addition to its operating expenses, Findlay reported \$410,000 in occupancy costs and \$260,000 in depreciation and interest. Total expenses listed on its Form 990 in 2019 equaled \$3.6 million.

SWOT Analysis

The SWOT analysis (Strengths – Weaknesses – Opportunities – Threats) seeks to concisely state West Side Market’s existing strengths and weaknesses, and to reveal the opportunities for improvements and any potential threats to its future.

This analysis concludes the Phase 1 research tasks and sets the stage for the development principals, program, and design options that will be explored in Phase 2.

STRENGTHS

- 01** History and tradition
- 02** Facility
 - Beautiful landmark building
 - Large size
 - Substantial basement
 - Recent investments in facility upgrades
- 03** Parking
 - Large number of adjacent spaces
 - Free 90-minute parking
- 04** Location
 - Well known, accessible place
 - Thriving neighborhood
 - Good public transit access
- 05** Merchants
 - Large number, broad selection of fresh foods
 - Legacy/multigenerational businesses
 - Mix of longstanding, recent and new merchants
 - Appreciated for service, quality and selection by customers
 - Many merchants accept SNAP
- 06** Customers and Community
 - Loyal, longtime customers
 - Strong community support & pride
 - Regional customer base
 - Tourist attraction
 - High sales per customer
- 07** Leadership
 - Active and engaged merchants’ association
 - Priority for current City administration, commitment to transfer to nonprofit
 - Support from neighborhood, business and philanthropic communities
 - Diverse and engaged Advisory Committee

WEAKNESSES

- 01** Facility
 - Delayed maintenance and replacement
 - Basement requires new, hygienic infrastructure
 - Lack of AC, insufficient heating and ventilation
 - Electrical upgrades needed
 - Elevators often break down
 - No backup generator
 - Cases do not serve all merchants’ needs
 - Lack of seating/dining areas
 - Waste odors
- 02** Operations
 - Management team understaffed, under-resourced
 - Lack of lease enforcement, including quality control and common operating hours
 - Minimal marketing
 - Lack of operational information limits data-driven decisions
- 03** Parking
 - Gate system causes back-ups and delays
 - High operating costs and lack of revenue
- 04** Leasing
 - Numerous vacancies, particularly Arcade
 - No leasing plan or framework
 - Short leases discourage investment
 - No recruiting/shepherding new merchants
- 05** Merchants
 - Lack of prepared foods
 - Customer concerns about quality, particularly produce
 - Merchants’ racial and ethnic diversity does not reflect Cleveland demographics
 - Uncompetitive operating schedule
 - Limited use of technology
 - Challenge of finding employees
- 06** Customers
 - Drop in visitation, sales
 - Market historically not perceived as a welcoming space by entire community

OPPORTUNITIES

01 Nonprofit Transition

- Widespread support for nonprofit management
- Foundation and city interest in capital improvements and new programming

02 Facility

- Substantial vacancies provide opportunities, including expanded diversity among merchants and new functions in the Arcade
- Mezzanine and locker area – make accessible and repurpose
- Demand for seating and dining areas
- Rebuilt basement can increase efficiency and offer new amenities, such as a shared commercial kitchen

03 Merchants

- Demand for more ethnic foods
- Demand for more prepared foods, eating opportunities
- Demand for more alcohol
- Missing items such as ice cream, flowers
- Interest in more local foods, especially sold by regional farmers
- Revised rules allow new flexibility around short-term rentals (daystalls)
- Interest among women-owned and minority-owned businesses to be at the Market

04 Partnerships & Programs

- Entrepreneurship
- Workforce development/apprenticeships-to-ownership
- Urban agriculture
- Create educational and event spaces within Market
- Fundraising for educational programs

THREATS

01 High construction costs

02 Nonprofit will likely face heightened regulatory enforcement .

03 Potential for continuing downward trend of lower sales and more vacancies, particularly with challenges of merchants finding employees.

04 Consolidation of food system, fewer wholesalers.

05 Food halls siphoning merchants and customers.



Appendix A: Merchant Interviews

All of the West Side Market merchants were invited to meet individually with Ted Spitzer and Hugh Boyd so the consultants could learn about their businesses and history at the Market and get to know each other (critical for building trust). During Phase 1, Ted and Hugh conducted 37 meetings that lasted approximately 30 minutes each, including 30 of 48 Market Hall merchants and 7 of 18 Arcade merchants. These interviews included 39% longtime merchants (whose businesses were established at the Market in 2000 or earlier), 39% medium term merchants (established 2001-2017), and 24% new (established 2018 or sooner). A list of interviews is found at the end of this appendix.

MEETING TOPICS INCLUDED:

- Issues with current facilities, layout, and equipment
- Desired changes to product mix and stall configuration and equipment
- Current and preferred operating schedule
- Sales trends
- Marketing practices
- Major challenges and opportunities at the Market

INFRASTRUCTURE/EQUIPMENT CONCERNS

- The Market's standard case design works well for meat and deli merchants but not for most other merchants.
- The cases fail regularly, typically because they are operating in an environment outside their tolerance for cooling and humidity control. All refrigerated cases require an ambient environment without excessive heat and humidity to operate properly.
- The lack of heating, ventilation and air condition is bad for both merchants and customers who suffer when the Market is either too hot or too cold.
- The basement is not hygienic. It lacks water and drains, which is particularly problematic in areas where there is meat cutting or other food production. Over the years, mice have eaten away all of the insulation on the basement walk-in refrigerators so they now operate very inefficiently.
- Freight elevators break frequently.
- Market stalls have inadequate electrical capacity and the plumbing leaks.
- Current renovations are reducing the workable areas within the stalls and merchants expressed concerns about losing functional stall space.
- Dissatisfaction with the parking system, including back-ups when customers both enter and exit the Market's parking lots.

SALES/OPERATIONS CONCERNS

- Many merchants reported lower sales, reflecting both a decades-long trend and pandemic disruptions. However, some merchants reported higher sales during the pandemic.
- Merchants reported seeing more tourists
- Most merchants are solely reliant on retail sales at the Market. They have limited wholesaling, catering, or online sales.
- Many reported challenges to finding employees
- Merchants report telephone orders from their customers, not internet-based ordering. Some merchants expressed interest in a common online ordering system but are concerned with the cost.

MARKET MANAGEMENT CONCERNS

- Rules not being enforced, particularly concerning inferior product quality.
- Lack of marketing.
- Leasing takes too long and there is little information or support for businesses interested in becoming Market merchants.

OPERATING SCHEDULE

- There is a wide range of opinions about a preferred operating schedule. Merchants expressed interest in 5, 6 or 7 days of operation. While some are satisfied with the current schedule with the Market being closed on Tuesdays and Thursdays, others would prefer consecutive closing days.
- Many merchants reported Sundays are their second busiest day, particularly in terms of sales per hour since Sundays have the shortest opening hours (10 am to 4 pm on Sunday, compared to 7 am to 5 pm on Saturday and 8 am to 5 pm on Monday, Wednesday and Friday).
- Some merchants felt that opening additional hours would not provide any more income, just more operational expenses. They like the time off.

CHALLENGES/CONCERNS

- Leases limited to one year at a time have inhibited merchant investment in their stalls.
- Concern about other merchants' quality.
- Too many bakeries in the Market.

OPPORTUNITIES

- Merchants see the need for seating and eating areas.
- They would like more product diversity, including prepared food and alcohol sales, but were adamant that they do not want the Market to become a food court.
- Merchants expressed interest in a shared commercial kitchen, particularly bakers who do not have adequate space or infrastructure in their stalls for ovens but who would bake in the Market if a kitchen was available.
- Merchants saw the value of a demonstration kitchen for teaching.
- Many merchants expressed interest in a farmers' market although some produce merchants were wary of the competition and concerned that farmers would just come during high volume times and not sustain the Market during the week or quiet times.

OTHER

- Several current owners started as teenage employees, gained skills, and eventually became standholders.
- New businesses expressed optimism about the opportunity to be in the Market and noted that the rents are low compared to other retail locations in the region.

INTERVIEW SCHEDULE

Merchant	Interviewee	Interview Date
Campbell's Sweets Factory	Tom Scheiman; Jake (mgr)	08/10/2022
Christopher's Bakery	Christina McCrae, Melissa	08/09/2022
City Roast Coffee	Bob Holcepl	08/10/2022
Crepe Deluxe	Bob Holcepl	08/10/2022
Dionne Meats	Andy and Erin Dionne	08/10/2022
Foster Meats	Brian Foster	08/11/2022
Home Pantry	Alaina Caruso and Devon	10/07/2022
Irene Dever	Diane Dever	08/09/2022
J and J Meats	Amanda Chucray	08/11/2022
Jack Frost Donuts	Fred Borkey	08/09/2022
Jim's Meats	Mark and Minnie Zarefoss	08/09/2022
Kate's Fish	Tom McIntyre	08/09/2022
Kim Se	Sopheap Heng	08/09/2022
Lance's Meat	Grant and Liz Lance	08/11/2022
Mediterranean Imports	Ed Kroeger	08/09/2022
Meister Foods	Nina Coleman	08/09/2022
Narrin's	Narrin Noud-Carberg	08/09/2022
Ohio City Pasta	Gary and Ruby Thomas; Brian	08/11/2022
Pizza diBella	Christina McCrae, Melissa	08/08/2022
Reilly's Irish Bakery	Marie and Ronnie Milliman	08/09/2022
Rita's	Renee Williams	08/11/2022
The Cheese Shop	Dion Tsevdos	08/11/2022
Theresa's Bakery	Sabrina Catlin	08/10/2022
Toney Baloney	Joyce Toney	10/06/2022
Urban Herbs	Dion Tsevdos	08/11/2022
Vera's Bakery	Beth Bowman	08/10/2022
Whitaker	Don Whitaker	08/09/2022
White Flower Cake Shoppe	Matt Meyers	08/11/2022
Wiencek Meats	Jeremiah Wiencek	08/11/2022
WSM Café	Jimmy Traynor	08/10/2022
Boutros Brothers Produce	Tom Boutros	08/09/2022
Greg's Produce	Jason Scott	10/07/2022
Harb Produce	George Harb	10/07/2022
King's Produce	Aiman and Maya Ebrahim	08/11/2022
Maple Valley Sugar Bush	Dave Divorsky	10/07/2022
Mena Produce	Jan and Yarra Dady	08/09/2022
Nature Uncut	Francisco Estrada	08/10/2022

Appendix B: Advisory Committee & Key Informants

ADVISORY COMMITTEE

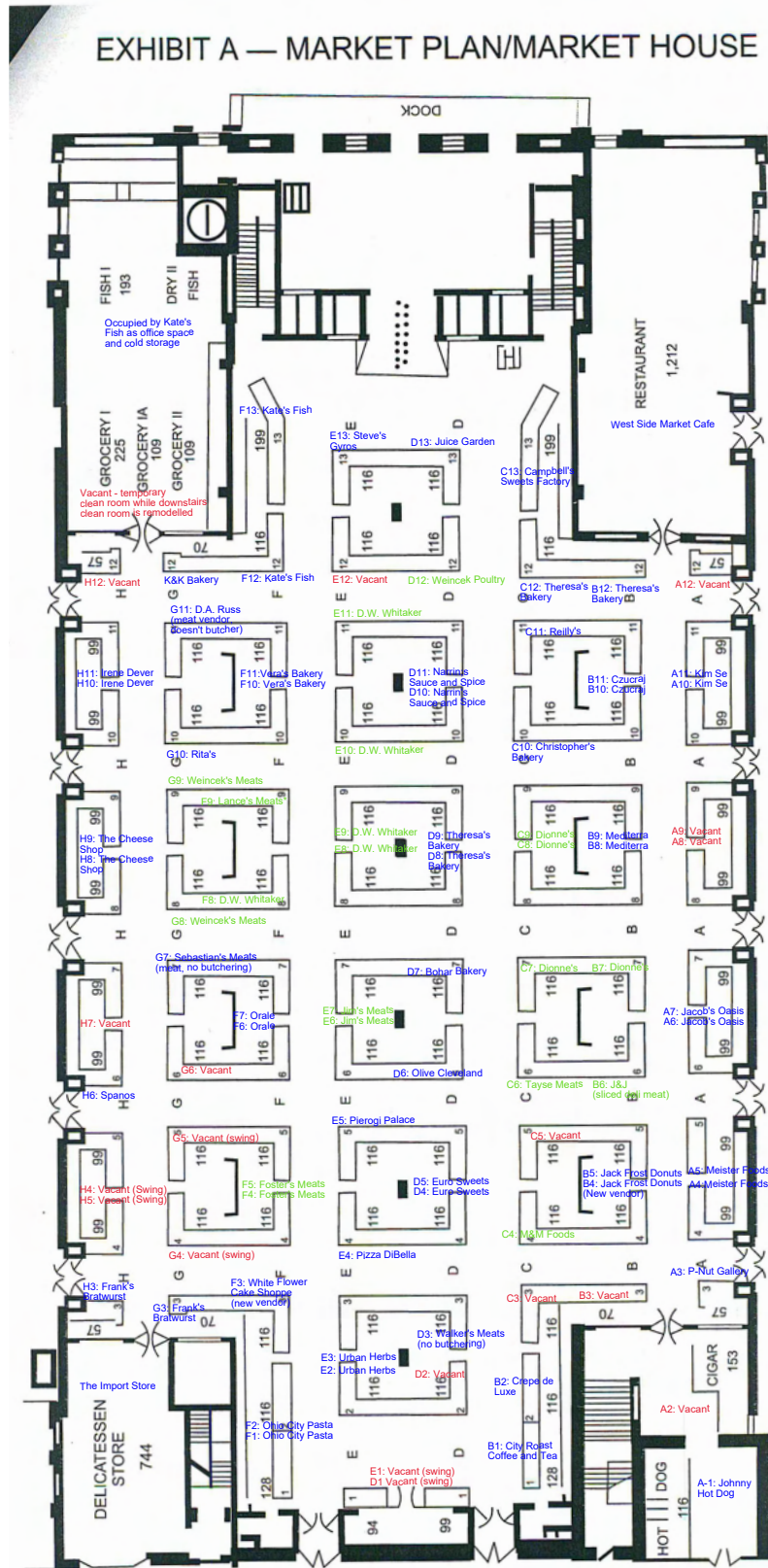
Name	Organization	Category
Amanda Dempsey	Mitchell's Ice Cream	Food Business
Melissa Khoury	Saucisson Cleveland	Food Business
Chef Eric Wells	Skye La Rae's Culinary Services	Food Business
Ramat Wiley	Adun Spice Company	Food Business
Kerry McCormack	Cleveland City Council	Government
Ryan Puente	City of Cleveland	Government
Bonnie Teeuwen	City of Cleveland	Government
Jessica Trivisonno	City of Cleveland	Government
Tom Boutros	Boutros Bros Produce	Merchant
Beth Bowman	Vera's Bakery	Merchant
Amanda Chucray	Czucray Meats	Merchant
Don Whitaker	D.W. Whitaker	Merchant
Dave Abbott		Partners
Carrie Carpenter	Huntington Bank	Partners
David Gilbert	Destination Cleveland	Partners
Jason Russell	Bedrock	Partners
Tanisha Velez	FARE	Partners
Ann Zoller	Strategy Design Partners	Partners
Dr. Don Malone	Cleveland Clinic	Stakeholder
Tom McNair	Ohio City, Inc.	Stakeholder
Jane Platten	MetroHealth	Stakeholder
Dan Whalen	Harbor Bay; OC Improv Corp	Stakeholder

KEY INFORMANTS

Name	Organization
Dave Abbott	
Ahmed Abonomah	City of Cleveland
Hannah Belsito	Destination Cleveland
Ramon Brazile	Metrohealth
Carrie Carpenter	Huntington Bank
Susie Claytor	City of Cleveland, Commissioner
Jenice Contreras	NEO Hispanic Center / CentroVilla 25
Patrick Cusick	Cleveland Department of Public Health
Bradford Davy	City of Cleveland
Amanda Dempsey	Mitchell's Ice Cream
Mark Duluk	Mayor's Office of Capital Projects
Carter Edman	Mayor's Office of Capital Projects
Wanda Foote	Cleveland Department of Public Health
Felicia Hall	West Side Market
Susan Jaros	JarosStrategy
Patrick Kearns	Ohio City Farm/Refugee Response
Raymond Lozada	West Side Market
Dr. Don Malone	Cleveland Clinic
Kerry McCormack	Cleveland City Council
Tom McNair	Ohio City, Inc.
Joseph Mestnik	Mayor's Office of Capital Projects
Carrie Miller	Hebrew Free Loan Association
James Mulholland	Cap Steaks
Morgan Taggart	FARE
Michael Tobin	MetroHealth
Jessica Trivisonno	City of Cleveland
Tanisha Velez	FARE
Dan Whalen	Harbor Bay; OC Improv Corp
Cindy Zayed	Maha's Falafil
Ann Zoller	Strategy Design Partners
Greg Zucca	MetroHealth

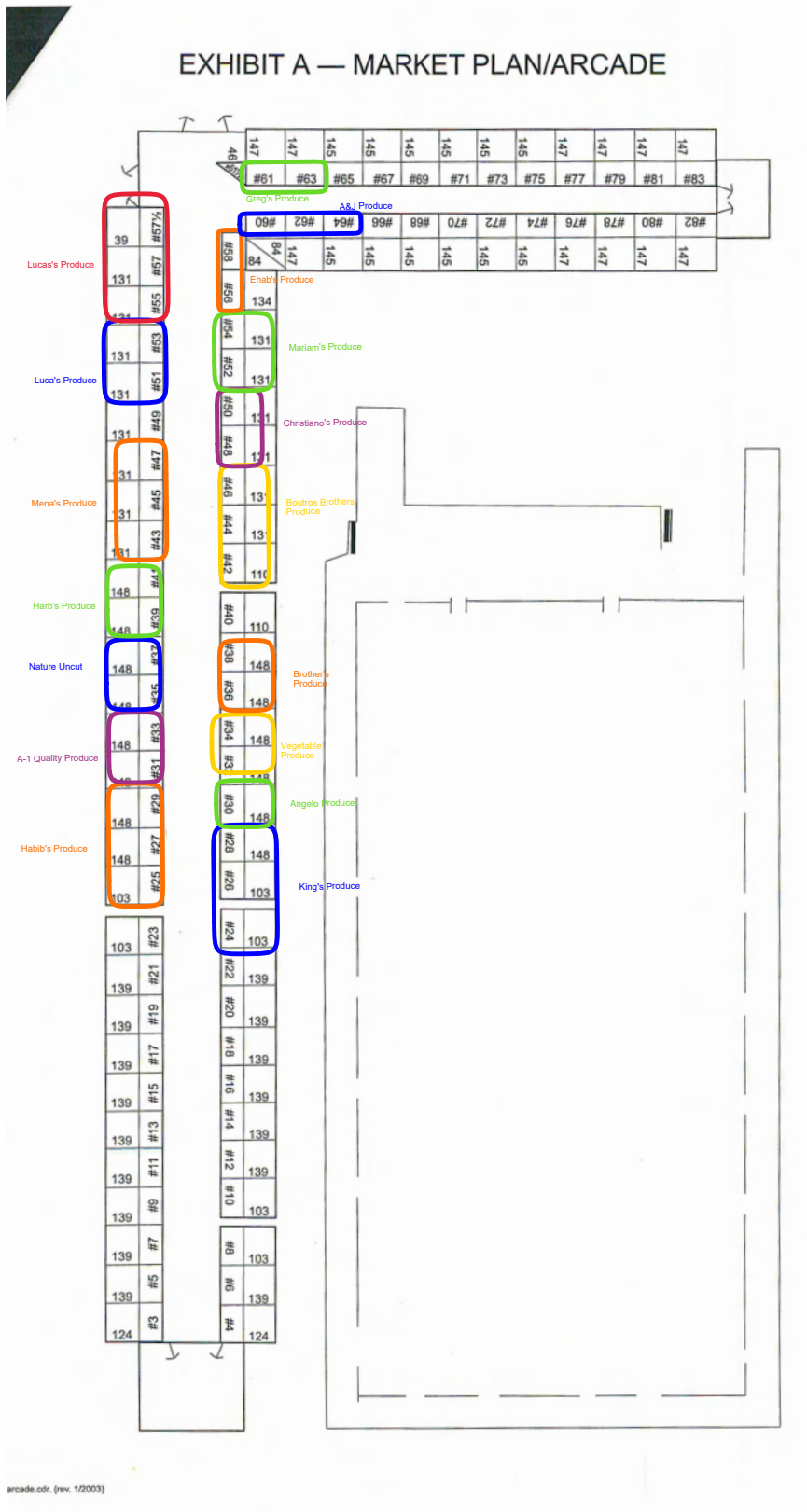
Appendix C: Maps

MAIN HALL WITH MERCHANTS AS OF 9/2022



ARCADE WITH MERCHANTS AS OF 9/2022

EXHIBIT A — MARKET PLAN/ARCADE



arcade.cdr. (rev. 1/2003)

Appendix D: Customer Intercept Survey

Market Ventures prepared and analyzed a customer intercept survey, which was conducted at West Side Market on a Wednesday, Saturday and Sunday in September 2022. The survey team completed 444 exit surveys, which asked respondents about their visit to the Market that day as they were leaving the Market. In order to minimize selection bias, surveyors were instructed to approach every other person walking past their post and politely ask them if they would participate in a survey to help the Market. Since customers could choose not to

participate in the survey and we don't know if nonparticipants are different from participants, randomness assumptions cannot be made for statistical analysis. Furthermore, the survey took place at a particular time of year (September) and we don't know if customers during this time period are different from customers at other parts of the year. However, the large sample size suggests that the survey is representative of the Market's customers and there is sufficient data to allow in-depth analysis of respondent behavior and preferences.

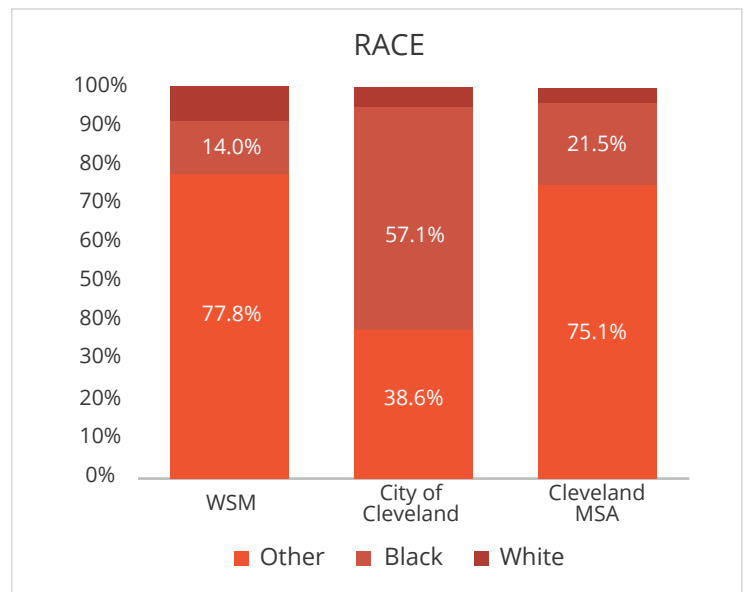
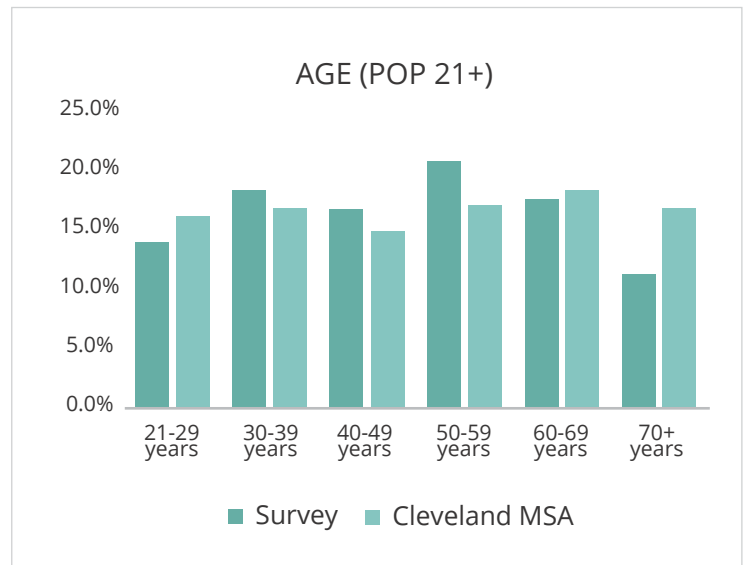
DEMOGRAPHICS

Q23. Which of the following ranges includes your age? (N=404)

In terms of age, the largest group of respondents were in the 50-59 age bracket. Compared to residents in the Cleveland MSA, the survey had more respondents in the three age categories between 30 and 59, and fewer among young adults (21-29) and older adults (70+), and about the same proportion aged 60-69.

Q25. Do you identify as white, Black, Asian or another race? (N=404)

The racial make-up of Market respondents was similar to the Cleveland metropolitan area, not the City of Cleveland, with 78% self-identifying as white and 14% as Black, compared to 75% white and 22% Black in the Cleveland MSA. About 8% in the survey reported Asian or another race, compared to 2% in the MSA. By contrast, the City of Cleveland is 37% white, 57% Black, and 6% Asian or another race. In terms of ethnicity, 6% of respondents identified as Hispanic or Latino, the same as the MSA.



Q28. What range includes your total household income, before taxes, for 2021? (N=404)

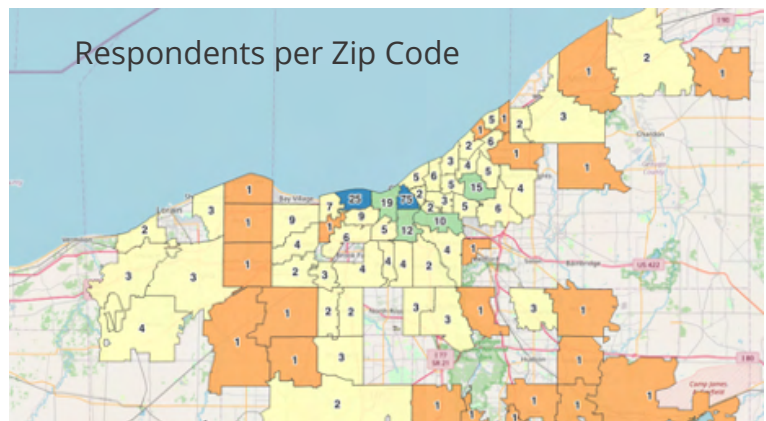
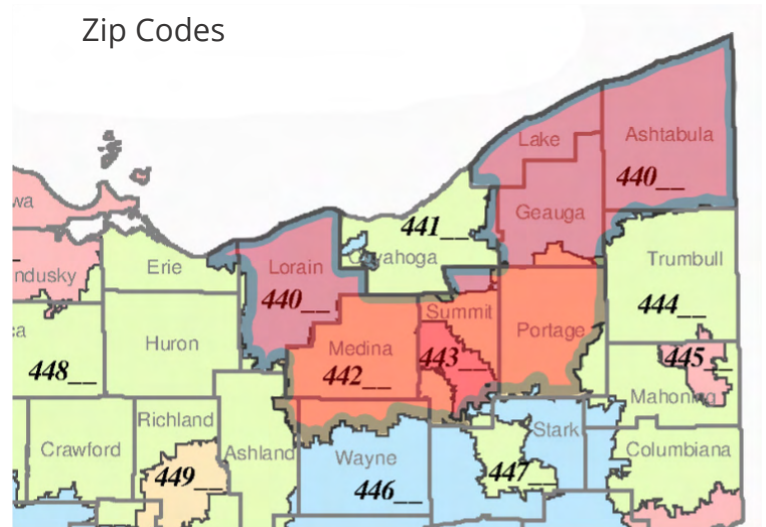
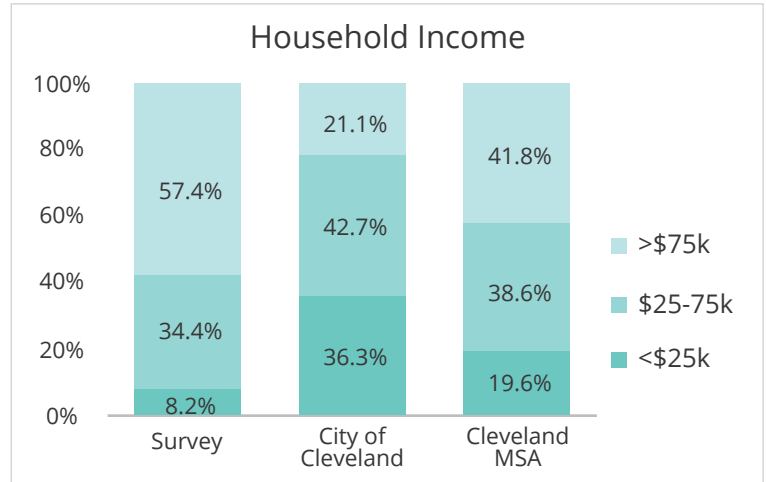
The household income level of respondents surpassed both the city and MSA. 57% of respondents reported household income above \$75,000, compared to 21% in Cleveland and 42% in the MSA. Only 8% reported household income at or below \$25,000, compared to 36% of Cleveland and 20% of the MSA.

As is typical with public markets, respondents are geographically dispersed. They reported living in 163 different zip codes. The most frequent zip code, 44113, is where the Market is located and accounts for 17% of the respondents. Visitors reported zip codes in states throughout the Midwest as well as California and Florida.

Respondents were grouped into four categories, depending on their zip codes:

- Ohio City/Nearby residents: those who live in the Market’s zip code (44113) and the four adjacent zip codes (44102, 44109, 44114, and 44115). This represents a radius of approximately three miles around the Market. 26% of respondents live in this area.
- Cuyahoga County residents (zip codes beginning with 441 except those in group 1). This represents a radius of approximately 15 miles around the Market. 40% of respondents live in this area.
- Regional residents (zip codes beginning with 440, 442, and 443). This represents a radius of approximately 40 miles around the Market. 14% of respondents live in this area.
- Visitors (all other zip codes). 20% of respondents live in this area.

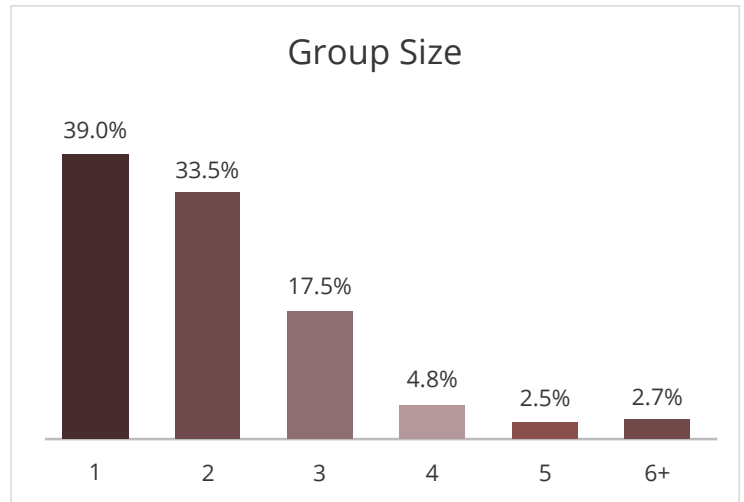
The map to the right shows the number of respondents in zip codes throughout the Cleveland metro area. These demonstrate that the Market is truly a regional destination, serving nearby residents but also households throughout the Cleveland region.



VISITING THE MARKET

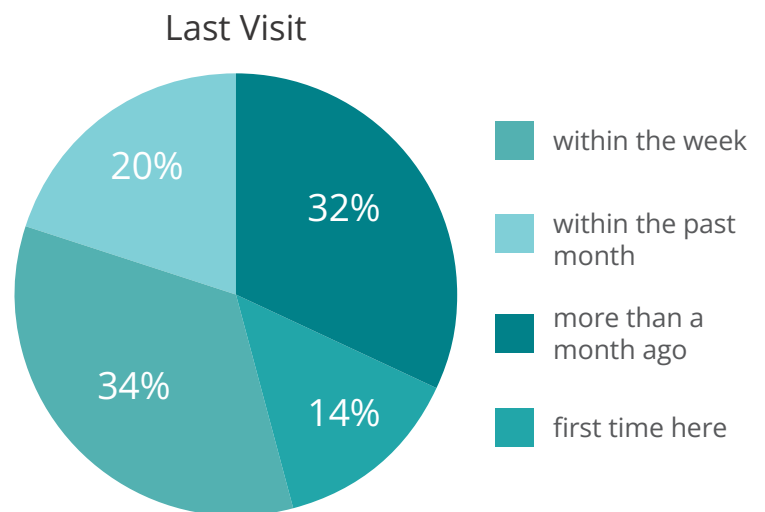
Q3. Did you come to the Market alone or with other people? (N=439)

Going to a public market is typically a social activity compared to the often solitary trip to the supermarket. At West Side Market, the group size ranged from one to 60. The average group size was 2.23 people, which is typical of the experience of other public markets. 39% of the customers came alone, while 34% came in groups of two.



Q4. Before today, when was the most recent time you came to the Market? (N=444)

When asked about the last time they visited West Side Market before today, 14% of the respondents reported that they were visiting the Market for the first time, a healthy proportion of first-time visitors (often tourists). The largest group (34%) said they had been at the Market within the past week, reflecting consistent, loyal customers. Another large group (32%) had last visited the Market more than a month ago.



The respondents who had been at the Market within the past week are critical to understand because their sales over the course of a year far exceed those who come less frequently.

Since we don't know how often these customers actually visited the Market over the course of a year, these numbers are not precise. However, they provide a sense of the order of magnitude difference between frequent shoppers and those who come less often. The Market's economic success depends, in part, on understanding who frequent shoppers are, meeting their needs, and cultivating more of them.

- Assuming the respondents who came within the week visit once per week throughout the year (52 times), then their average annual expenditures in the Market are \$3,234 (calculated as 52 times each respondent's total expenditures in the Market that day).
- By comparison, a customer who came within the past month (estimated to visit 12 times per year) has annual expenditures of \$762, less than a quarter of the purchases by frequent shoppers.
- A customer who last visited more than a month ago (estimated to visit the Market four times a year) has annual expenditures of \$262.
- If a first-time shopper is not returning this year, then their annual sales average only \$49.

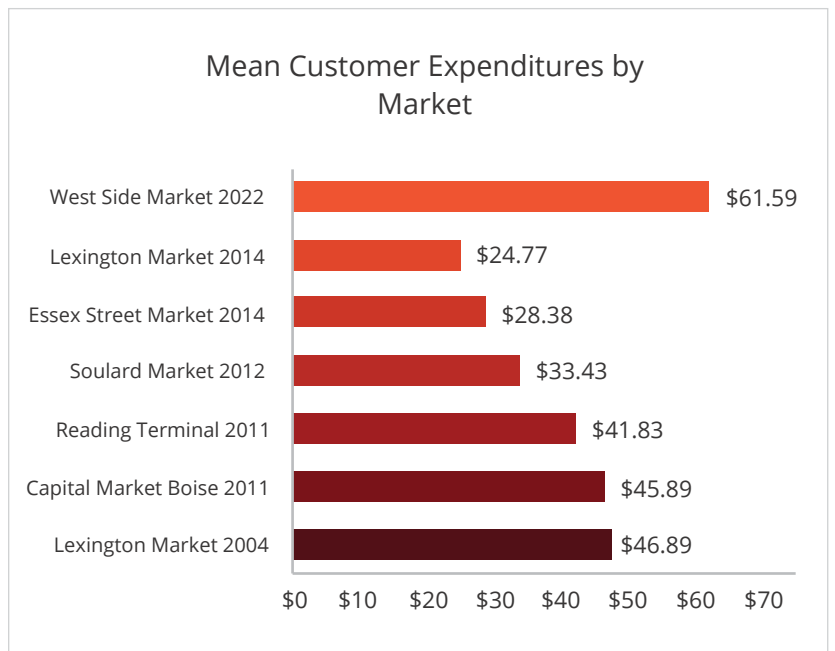
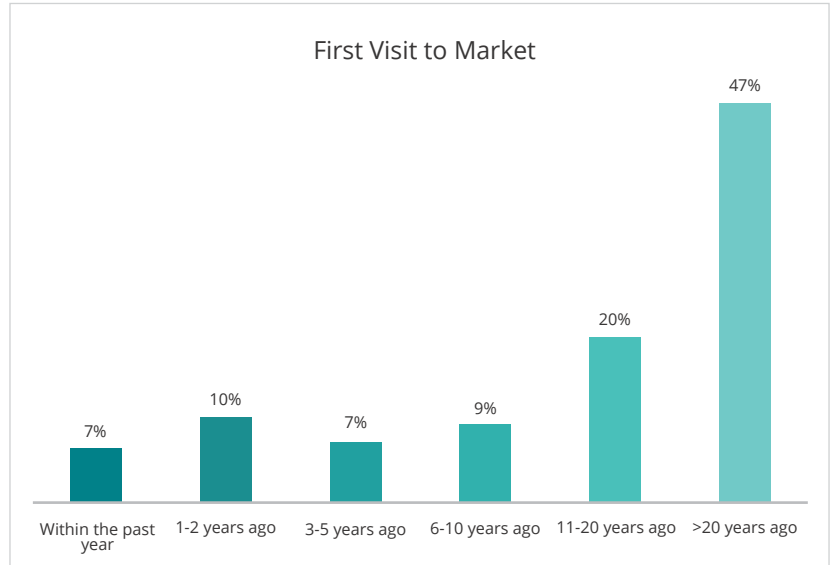
Q5. How long ago was the first time you visited West Side Market? (N=383)

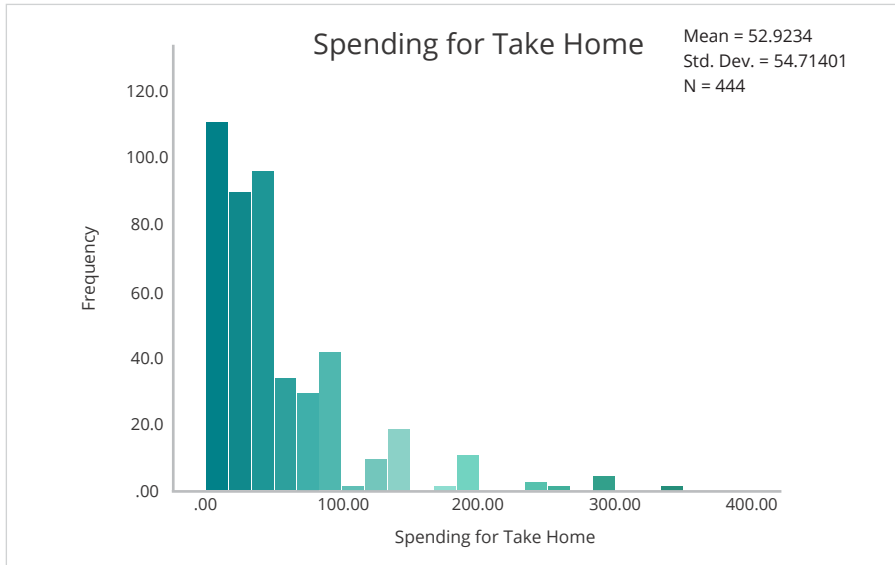
Excluding those customers who said they were visiting the Market for the first time, the respondents were asked about the first time they visited West Side Market. By far the largest group (47%) had first come to the Market more than 20 years ago, followed by those who had first come 11-20 years ago (20%). Only 7% had come to the Market for the first time within the past year. The large proportion of longtime customers helps explain the fervent loyalty many area residents feel for the Market and suggests that marketing activities might build from the tradition and connection inherent in these relationships.

Customers were asked if they bought anything to eat in the Market and, if yes, how many different vendors they bought from. They were then asked how much money they spent on food to eat in the Market and how much they spent on food to take home or take away.

Nearly all respondents (94%) said they purchased food to take home or take away, while 42% said they bought food to eat in the Market. These are important findings, showing that people are not just coming to experience the Market but are making purchases to bring home. Respondents reported buying from between one and ten merchants, with an average of 3.9. Three was the most common response.

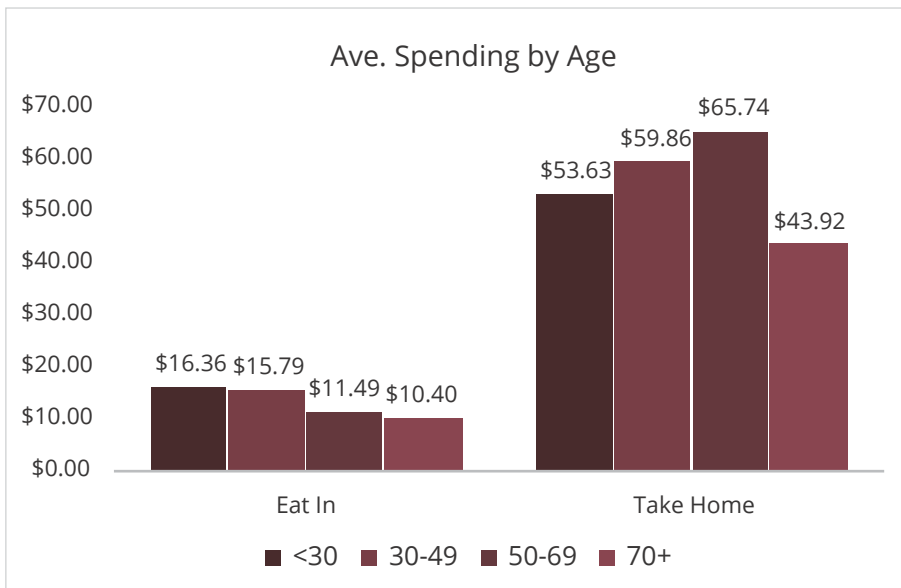
Respondents reported spending between \$1 and \$350, with an average of \$13.93 for food to eat in the Market and \$59.79 for food to take home, and an overall average of \$61.59. This result far exceeds the averages reported on similar customer intercept surveys conducted by MVI at other public markets. The chart below shows average customer expenditures by market, with adjustments for inflation to 2022 dollars.





The histogram to the left creates equal groups based on spending for take home, with each bar representing about \$17. The largest number of customers (the tallest bar) is the first one, which represents the respondents who spent between nothing and \$17. A small number of respondents spent more than \$100 but these large purchases greatly impact the average and account for a large amount of the money spent at the Market.

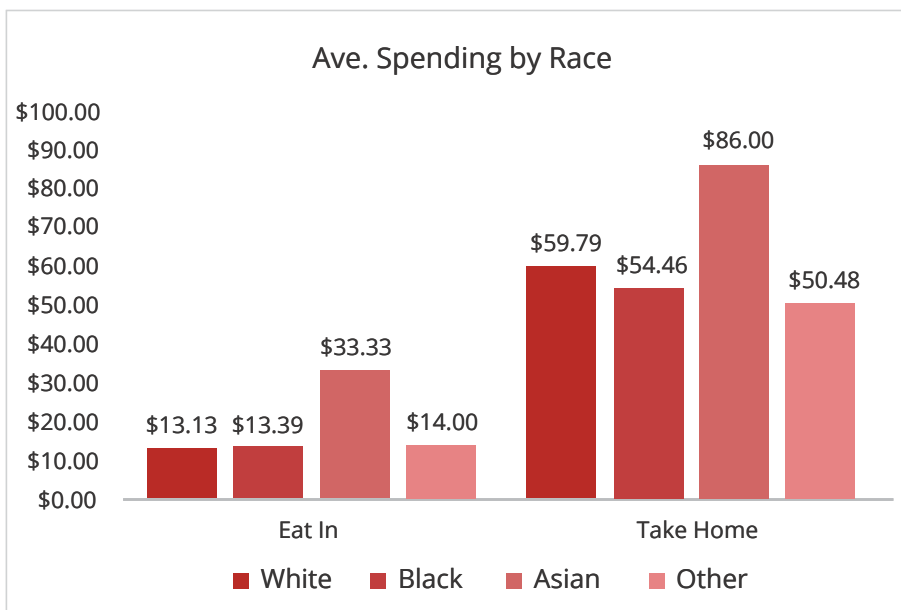
While all customers are important, the Market's sales are greatly influenced by high spending customers and therefore it is critical to understand who these customers are, ensure that the Market continues to attract them, and bring in more high spending customers.



There were interesting variations in expenditures based on gender, age, race, last visit, and household income.

Women spent more than men on food to take home, with an average of \$62.49 compared to \$56.73. Women spent only slightly more than men for food to eat in the Market.

Younger respondents spent more on food to eat in the Market while older middle-aged respondents (ages 50-69) spent the most for food to take home. Visitors over 70 spent the least.

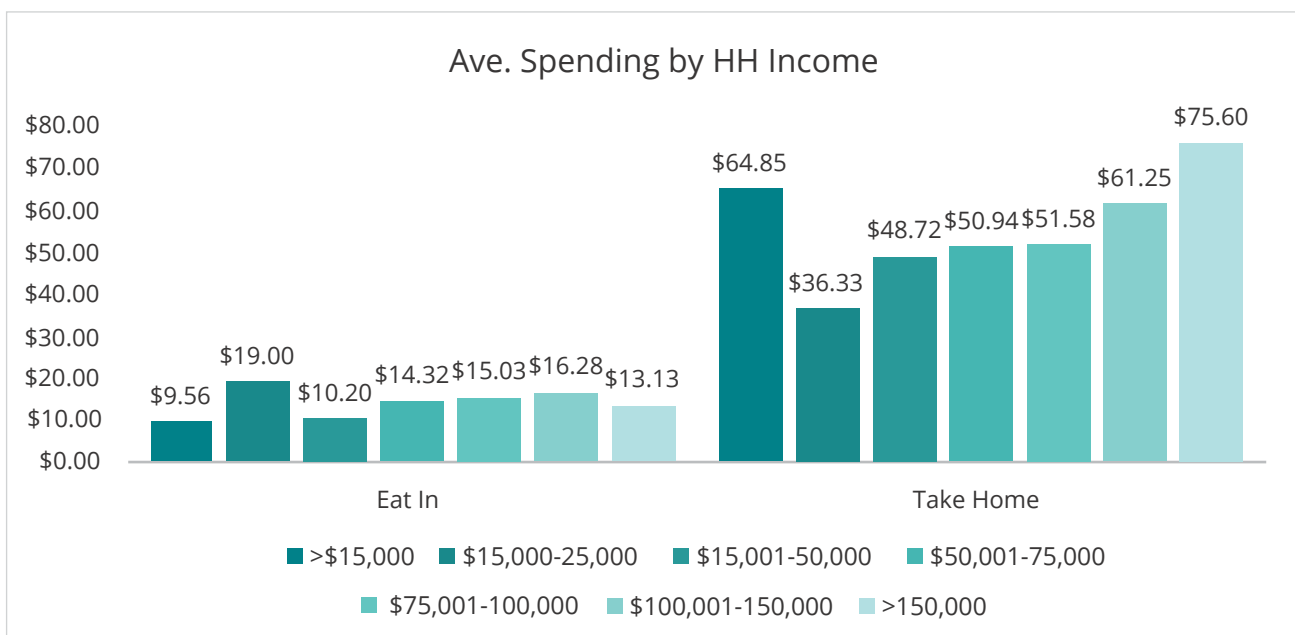
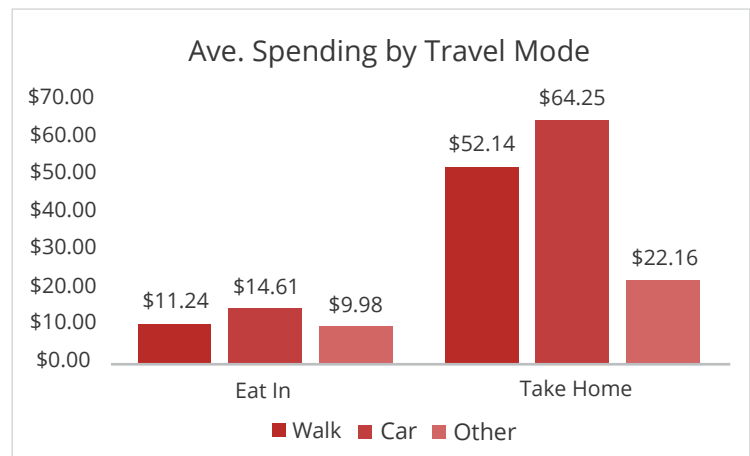
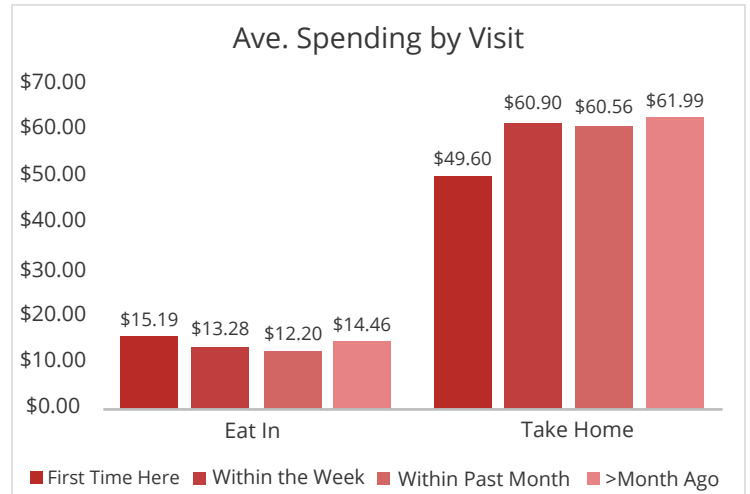


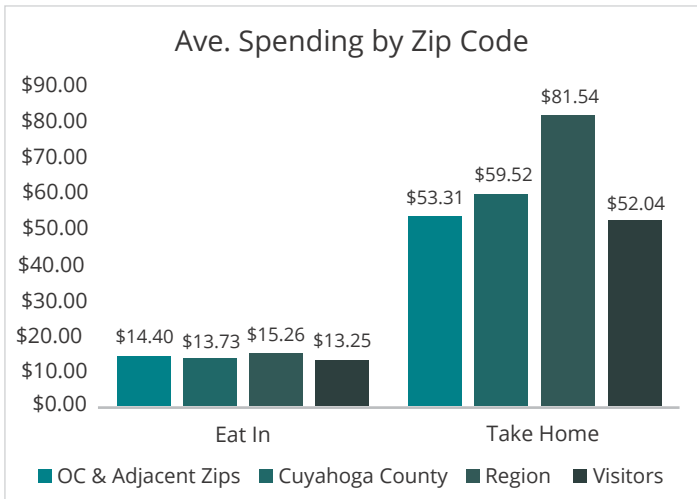
Respondents who identified their race as Asian spent the most for both spending categories. However, the survey included only three Asian respondents who provided information for how much they spent on food to eat in the Market and nine Asian respondents for how much they spent on food to take home, so these results might not hold up with a larger sample. Among the other racial categories, white respondents reported higher expenditures for food to take home. There was little difference for eating in the Market.

First time visitors had the highest sales for food to eat in the Market but the lowest average for food to take home. Less frequent visitors spent slightly more than more frequent ones, which perhaps reflects these customers stocking up when they make an infrequent trip to the Market, however these differences are minor.

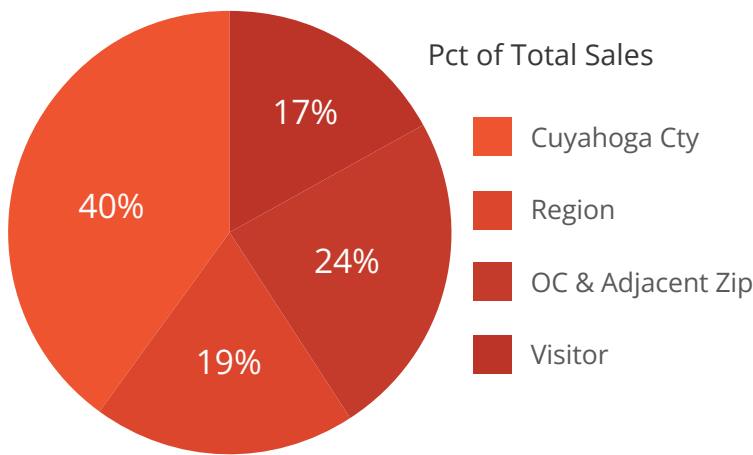
As is typical, there is a statistically significant correlation between customers' household income and how much they spent on food to take home, with wealthier customers generally spending more. The highest spending group was respondents reporting household income above \$150,000 per year, whose spending averaged \$75.60 for food at home. The lowest spending group were those having household income between \$15-25,000, who averaged \$36.33. Interestingly, the second highest spending group was those with the lowest incomes.

There is a large and significant variation between travel model to the Market and average expenditures for food to take home. Respondents who drive their own car had the highest purchases for take home (average \$64.25) and for eating in the Market (\$14.61). This finding underscores the importance of easy access to the Market and adequate parking.



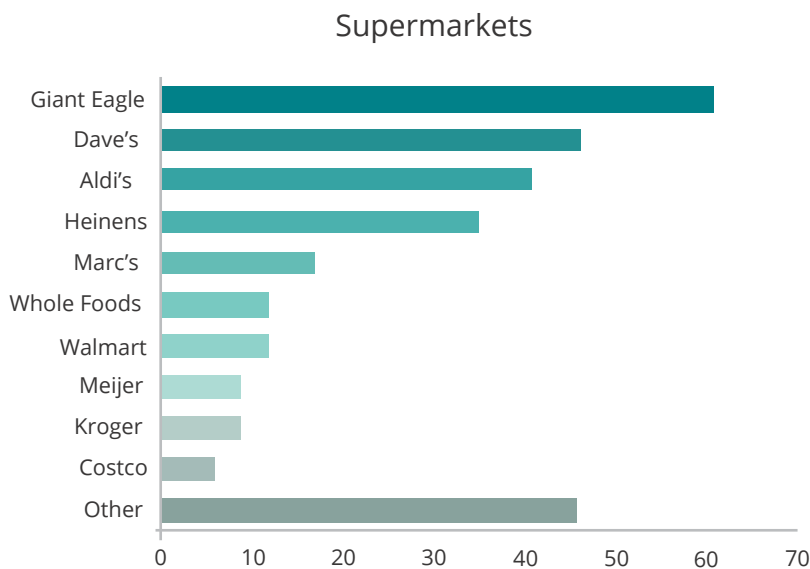


The four categories using zip code data also show substantial variation. Respondents who live in the region around Cuyahoga County spent by far the greatest amount on food to take home, averaging \$81.54. These customers generally don't come often (52% had last visited more than a month ago, although 19% reported visiting within the past week) and are higher income (61% reported household income above \$75,000). By contrast, customers who live near the Market spend less per visit but they visit much more frequently. 62% of those who live near the Market had visited within the past week, in addition to their visit on the day of the survey. 25% of nearby residents had visited within the past month. Over time, their value individually as regular customers far exceeds those who visit infrequently, although on a given day the Market has many high-spending residents from throughout the region.



Summing total sales by zip code region, the 111 nearby residents reported spending \$6,264 at the Market, compared to \$10,396 for the 168 Cuyahoga County residents, \$4,785 for the 56 regional residents, and \$4,294 for the 83 visitors. As a percentage of total sales, the following chart shows the source of the sales. These data points will be used in the capture rate analysis.

Q. 12. This time of year, where does your household buy most of its fresh foods? [If a supermarket] What is the supermarket's name and location? (N=248)



To identify the Market's primary competition, respondents were asked where their household purchases most of its fresh foods. Most respondents said they purchase from a supermarket (74%) compared to 18% who shop primarily at West Side Market and 8% who shop elsewhere. Among the supermarkets, Giant Eagle was the most common response (25%), followed by Dave's (19%) and Aldi's (17%). Given the quantity and diversity of products at West Side Market, it is surprising that only 18% of respondents named the Market as the place where they buy most of their fresh foods. This data point could become a metric to gauge whether the Market can become the primary place for fresh food shopping for a larger percentage of customers over time.

Q. 13/14/15. We are interested in your feelings about the quality, selection, and prices at the Market, as well as the customer service. Compared to other places that sell similar products, would you describe the quality/selection/prices of products at West Side Market as much better, somewhat better, about the same, somewhat worse, or much worse? (N=439/438/440)

As expected, customers who are already shopping at the Market generally rate it highly. The Market is not highly rated for prices, however, which is a common finding because small businesses typically cannot meet beat the prices offered by large supranational retailers.

Respondents were asked how they would rate the service from Market vendors.

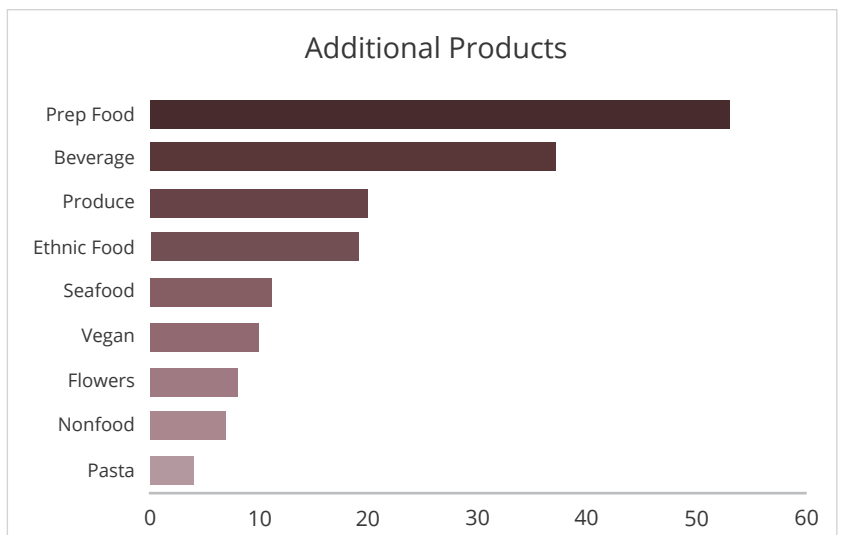
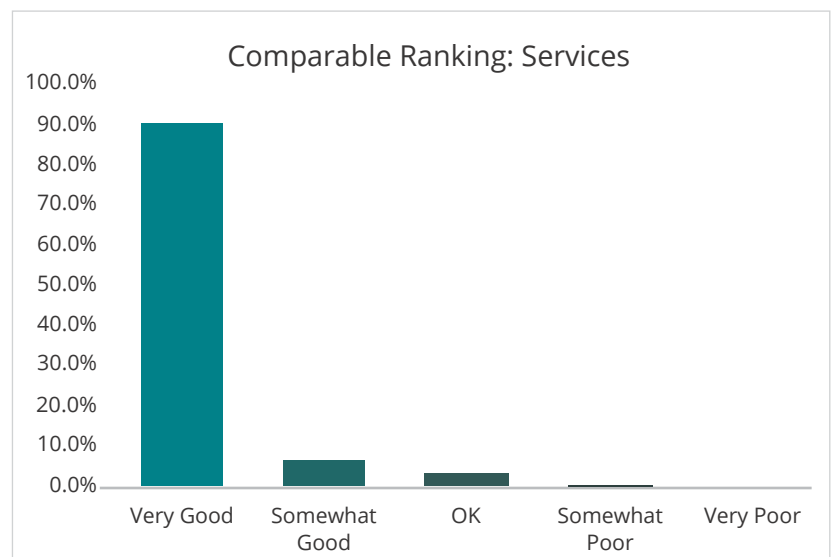
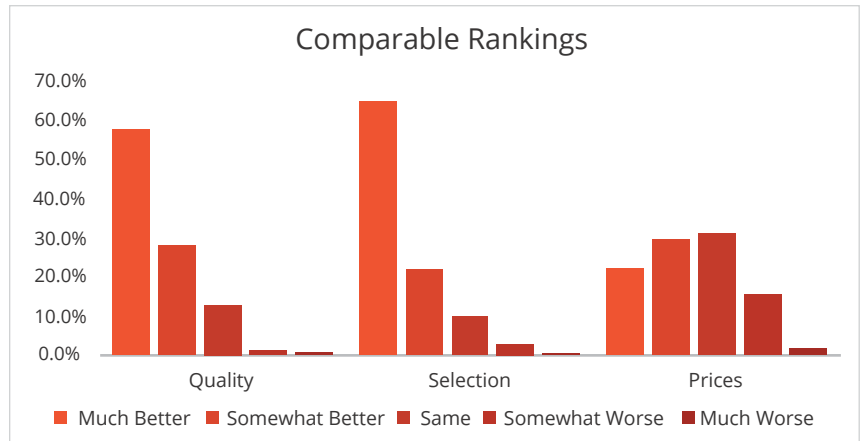
Overwhelming, respondents described it as very good. As with all public markets, service is an important distinguishing factor.

Q16. How would you rate the service you receive from Market vendors? Would you describe it as very good, somewhat good, OK, somewhat poor, or very poor? (N= 441)

Respondents were asked to name any additional products they would like to see sold at West Side Market. The most frequent response by far was more prepared food, followed by beverages. Next came produce and ethnic food (which could include prepared ethnic foods).

Q17. Are there any additional products that you would like to see sold at West Side Market? (N=242, up to three answers recorded)

Respondents were asked to name the things that they liked best about the Market and what they would like to see changed. Up to three responses were recorded for each question. Customers provided a wide range of answers. In terms of what customers liked best, the most frequent response was the variety of products and then the vendors and atmosphere in the Market.



VISITING THE MARKET CONTINUED

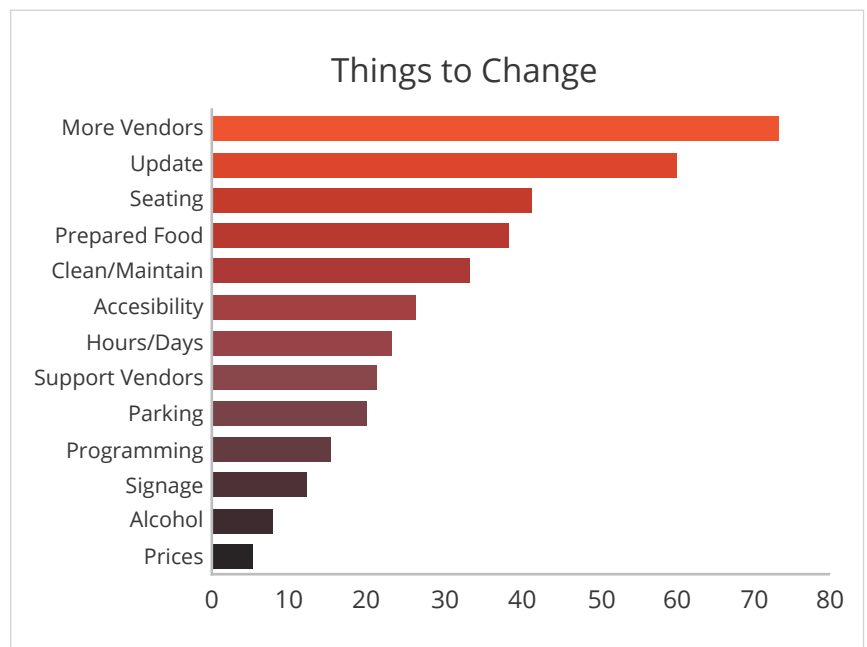
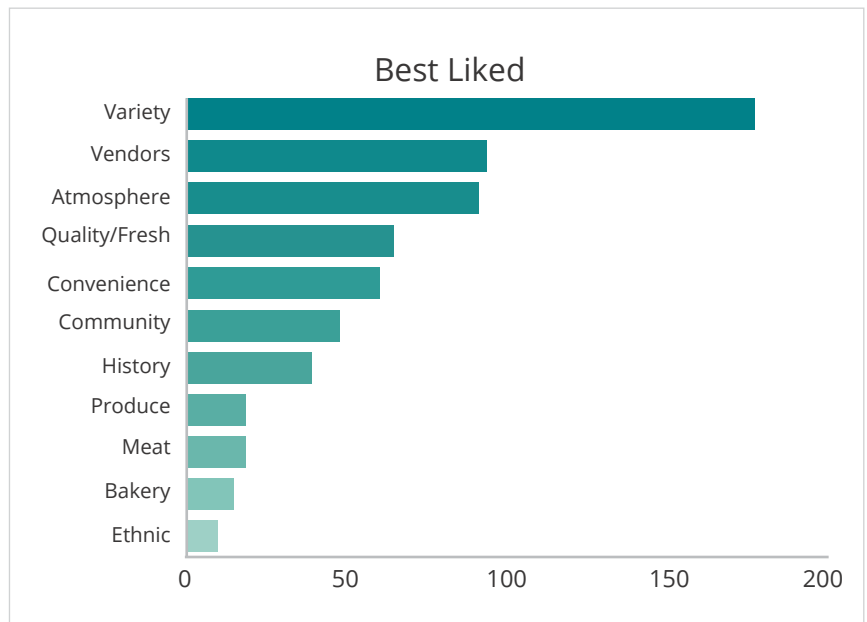
Q18. What things do you like most about West Side Market? (N=738, up to three answers recorded)

In terms of changes, respondents were most interested in additional vendors and efforts to update the facilities. They also wanted more seating and prepared food.

Q19. What changes would you like to see at West Side Market? (N=450, up to three answers recorded)

Finally, the intercept survey inquired about the Market's operating schedule. In terms of days of operation, respondents were asked: "Currently, the Market is open on Mondays, Wednesdays, Fridays, Saturdays and Sundays. To meet your needs, what days would be most convenient for the Market to be open?" Respondents generally responded with the existing days of operation. This was a surprising result, because consumers would be expected to want more days of operation so the Market would be more convenient for them. Based on anecdotal comments from the surveyors collected by the site manager, many respondents stated that the Market should be open whenever the merchants want to be open, thereby assuming that the current schedule best meets the vendors' needs.

Likewise, the survey asked about the hours of operation. Respondents were asked: "On most days, West Side Market opens at 8 am and closes at 5 pm. To meet your needs, what would be the most convenient time for the Market to open and what time should it close?" Again, the hypothesis would be that customers would want the Market to be open additional hours to meet their needs. The recorded answer for nearly all respondents was the Market should open at 8 am and close at 5 pm.



Appendix E: Sales Potential

Based on the demographic profile of area residents and typical expenditure patterns as determined by the Bureau of Labor Statistics' Consumer Expenditure Survey, Clarita estimates the retail sales potential for consumer goods. Using their estimated per capita expenditures for various food items, Claritas creates a Food Purchasing Index that compares local expected purchases to national averages on the household level. In any category, a score of 100 means that households within the defined trade area are expected to buy exactly the same as the national household average. If households in the targeted trade area are expected to purchase less of a particular product, the index will be less than 100. Conversely, if they are expected to buy more of a certain item, the index will be more than 100. For

example, if the average household in the trade area is expected to buy \$1,200 worth of baked goods per year and the national average is \$1,000 per household, then the index would be 120.

The chart below shows the estimated food purchasing index for 2022 for each trade area.

For every category in all three trade areas, the food purchasing index is below 100. In the first trade area, seafood, fresh produce, roasted coffee, and food away from home are all particularly low. In the second trade area, fresh seafood is low. In the third trade area, the scores approach 100 in some categories but seafood and dairy are particularly low.

Index Score	3 MILE RING	15 MILE RING	40 MILE RING
Year 2022 Estimate			
Food at Home - OVERALL	71	88	92
Food Away from Home - OVERALL	66	83	87
Market Categories			
Baked Goods	71	91	95
Dairy	73	91	78
Meat (Beef)	74	91	95
Poultry	70	80	83
Prepared Foods	73	90	90
Produce (Fresh Vegetables)	62	79	85
Seafood (Fresh)	54	74	78
Specialty Food (Jams, Jellies)	76	98	98
Sweets	77	98	98
Beverages (Nonalcoholic)	74	88	88
Coffee (Roasted)	64	86	90

The chart below shows Claritas estimates for aggregate annual food and beverage expenditures divided between the types of products typically found in public markets, in millions of dollars. These data give an indication of the magnitude of dollars in the region being spent on different types of foods. Sales growth over the next five years is expected in every category. The fastest growing demand is coming within the first trade area (10.2% expected sales growth over the next five years). In total, residents in this region spend about \$4.3 billion on fresh and specialty foods home consumption. Combined, the three trade areas are expected to see an increase of \$423 million in demand for fresh and specialty foods over the next five years, a 9.8% increase.

3 Mile Ring Market Categories	2022 Estimate (000,000s)	2027 Projection (000,000s)	\$ (000,000s)	%
Baked Goods	\$15.8	\$17.2	\$1.4	8.9%
Dairy	\$18.4	\$19.7	\$1.3	7.1%
Meat	\$22.6	\$26.0	\$3.4	15.0%
Poultry/Eggs	\$9.1	\$10.0	\$0.9	9.9%
Prepared Foods	\$11.5	\$12.8	\$1.3	11.3%
Produce (Fresh)	\$22.0	\$24.1	\$2.1	9.5%
Seafood	\$4.7	\$5.0	\$0.3	6.4%
Specialty Food	\$8.7	\$9.6	\$0.9	10.3%
Sweets	\$4.1	\$4.5	\$0.4	9.8%
Coffee/Tea	\$6.1	\$6.7	\$0.6	9.8%
TOTAL	\$123.0	\$135.6	\$12.6	10.2%

15 Mile Ring Market Categories	2022 Estimate (000,000s)	2027 Projection (000,000s)	\$ (000,000s)	%
Baked Goods	\$232.0	\$249.2	\$17.2	7.4%
Dairy	\$266.5	\$281.4	\$14.9	5.6%
Meat	\$320.4	\$364.6	\$44.2	13.8%
Poultry/Eggs	\$120.4	\$132.5	\$12.1	10.0%
Prepared Foods	\$164.8	\$181.1	\$16.3	9.9%
Produce (Fresh)	\$326.6	\$352.5	\$25.9	7.9%
Seafood	\$72.0	\$77.1	\$5.1	7.1%
Specialty Food	\$124.7	\$136.6	\$11.9	9.5%
Sweets	\$61.9	\$67.4	\$5.5	8.9%
Coffee/Tea	\$90.5	\$99.7	\$9.2	10.2%
TOTAL	\$1,779.8	\$1,942.1	\$162.3	9.1%

40 Mile Ring Market Categories	2022 Estimate (000,000s)	2027 Projection (000,000s)	\$ (000,000s)	%
Baked Goods	\$315.9	\$343.0	\$27.1	8.6%
Dairy	\$362.7	\$387.3	\$24.6	6.8%
Meat	\$434.7	\$500.6	\$65.9	15.2%
Poultry/Eggs	\$162.4	\$180.8	\$18.4	11.3%
Prepared Foods	\$224.3	\$249.1	\$24.8	11.1%
Produce (Fresh)	\$445.0	\$484.8	\$39.8	8.9%
Seafood	\$98.5	\$106.2	\$7.7	7.8%
Specialty Food	\$169.6	\$187.4	\$17.8	10.5%
Sweets	\$84.7	\$92.9	\$8.2	9.7%
Coffee/Tea	\$122.7	\$136.3	\$13.6	11.1%
TOTAL	\$2,420.5	\$2,668.4	\$247.9	10.2%

TOTAL (3 Trade Areas) **\$4,323** **\$4,746** **\$423** **9.8%**

Residents also spend on food to eat away from home. Claritas provides estimates of consumer demand for various categories in the food away from home sector. As the charts below show, there is about \$118 million of demand for food away from home from residents of the first trade

area, \$1.7 billion in the second trade area, and \$2.3 billion in the third. The first trade area is expected to see the fastest growth in demand over the next five years, with Claritas projecting a 12.3% increase, or \$14.5 million in additional demand.

3 Mile Ring Market Categories	2022 Estimate (000,000s)	2027 Projection (000,000s)	\$ (000,000s)	%
Breakfast	\$13.0	\$14.5	\$1.5	11.5%
Lunch	\$38.7	\$43.3	\$4.6	11.9%
Snacks	\$9.9	\$11.0	\$1.1	11.1%
Dinner	\$56.1	\$63.3	\$7.2	12.8%
Catered Affairs	\$0.6	\$0.7	\$0.1	18.8%
TOTAL	\$118.3	\$132.8	\$14.5	12.3%

15 Mile Ring Market Categories	2022 Estimate (000,000s)	2027 Projection (000,000s)	\$ (000,000s)	%
Breakfast	\$184.5	\$203.8	\$19.3	10.5%
Lunch	\$549.8	\$609.7	\$59.9	10.9%
Snacks	\$132.2	\$145.5	\$13.3	10.1%
Dinner	\$816.7	\$911.1	\$94.4	11.6%
Catered Affairs	\$10.8	\$12.6	\$1.8	16.5%
TOTAL	\$1,694.0	\$1,882.7	\$188.7	11.1%

40 Mile Ring Market Categories	2022 Estimate (000,000s)	2027 Projection (000,000s)	\$ (000,000s)	%
Breakfast	\$249.5	\$277.4	\$27.9	11.2%
Lunch	\$745.3	\$831.3	\$86.0	11.5%
Snacks	\$178.9	\$197.9	\$19.0	10.6%
Dinner	\$1,113.2	\$1,245.6	\$132.4	11.9%
Catered Affairs	\$15.1	\$17.6	\$2.5	16.6%
TOTAL	\$2,302.0	\$2,569.8	\$267.8	11.6%

TOTAL (3 Trade Areas)	\$4,114	\$4,585	\$471	11.4%
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To estimate potential sales within West Side Market, this consumer expenditure data is utilized with projected capture rates. See the chart labeled “Sales Analysis – 2022,” in Appendix F. This chart repeats the product categories and sales estimates from the charts above in the first two columns. The third column, labeled “Potential,” contains a realistic estimate for the percentage of sales that Market vendors should be able to obtain. The capture rates for home purchases vary between the products but average about 9%, reflecting in part the lack of competition within the first trade area. The capture rates for food to eat out are much lower at 3%, reflecting the substantial competition among restaurants in this area.³

The fourth column, labeled “Sales,” is the product of multiplying the potential demand by the capture percentage. For example, in the Baked Goods category, Claritas estimates \$15.8 million in consumer expenditures within the first trade area. MVI estimates that Market vendors could reasonably capture 8.0% of those sales, based on our experience and research. This results in the potential for \$1.26 million in annual baked goods sales at West Side Market from residents in the first trade area. Total sales potential from households in the first trade area is about \$15.5 million.

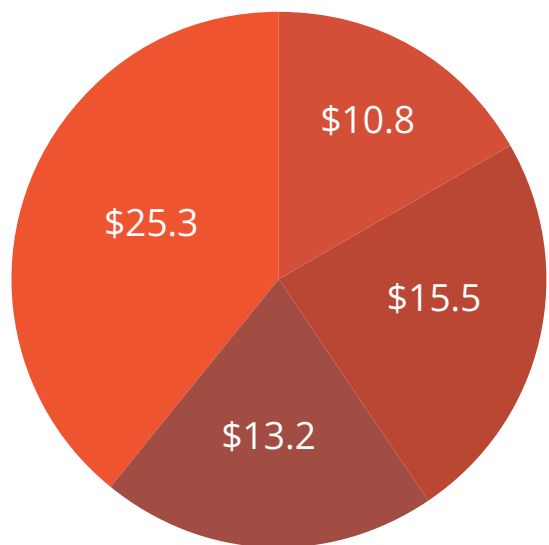
The intercept survey found that the first trade area represents 24% of all sales, the second trade area equaled 40%, the third trade area 19%, and tourists 17%. Using these figures as benchmarks, the capture rates were adjusted for the second and third trade area, with the capture rate in the second trade area estimated at one-ninth of the first area, and the third trade area as one-third of the second. The resulting sales potential is \$25.3 million and \$13.2 million in the second and third trade areas, respectively. Sales to tourists is estimated at \$10.8 million, with the total potential sales being \$64.8 million.

As the chart labeled “Sources of Demand” shows, the 3-mile band represents 24% of projected sales, the 3-15 mile band represents 39%, the

15-40 m band equals 20%, and tourists 17%. Dividing total annual sales of \$65.8 million by the average sales per customer from the intercept survey (\$61.59), the Market would need to attract slightly over one million customers to the Market each year, or on average about 20,000 per week. The purpose of this analysis is to roughly quantify sales potential at West Side Market. Whether sales of this magnitude are achieved is dependent on the actions of each Market merchant, the Market’s operating schedule, the effectiveness of marketing programs, and myriad other factors. Actual sales could be higher or lower but this analysis provides a reasonable review of the potential based on the Market’s current customer draw.

The analysis also suggests substantial potential for prepared food sales at the Market. Based on these capture rates, total potential demand for prepared food is \$17.1 million. Assuming prepared food vendors achieve annual sales per square foot of \$750 (a reasonable level to be profitable), the Market can support about 23,000 square feet of prepared foods.

Sources of Demand



Appendix F: Sales Capture Analysis

Market categories	3 mile ring 104,715		3-15 m band 1,134,825		15-40 m band 1,556,610		Total 2,796,150	
	Demand (000,000s)	Capture rate	Potential	Demand (000,000s)	Capture rate	Potential	Demand (000,000s)	Demand Total
Baked goods	\$15.8	8.0%	\$1,264,000	\$232.0	0.9%	\$2,062,000	\$315.9	\$936,000
Dairy	\$18.4	8.0%	\$1,472,000	\$266.5	0.9%	\$2,369,000	\$362.7	\$1,075,000
Meat	\$22.6	12.0%	\$2,712,000	\$320.4	1.3%	\$4,272,000	\$434.7	\$1,932,000
Poultry	\$9.1	12.0%	\$1,092,000	\$120.4	1.3%	\$1,605,000	\$162.4	\$722,000
Prepared foods	\$11.5	8.0%	\$920,000	\$164.8	0.9%	\$1,465,000	\$224.3	\$665,000
Produce - fresh	\$22.0	12.0%	\$2,640,000	\$326.6	1.3%	\$4,355,000	\$445.0	\$1,978,000
Seafood - fresh	\$4.7	12.0%	\$564,000	\$72.0	1.3%	\$960,000	\$98.5	\$438,000
Specialty food	\$8.7	6.0%	\$522,000	\$124.7	0.7%	\$831,000	\$169.6	\$377,000
Sweets	\$4.1	6.0%	\$246,000	\$61.9	0.7%	\$413,000	\$84.7	\$188,000
Coffee/Tea	\$6.1	8.0%	\$488,000	\$90.5	0.9%	\$804,000	\$122.7	\$364,000
Breakfast	\$13.0	3.0%	\$390,000	\$197.5	0.3%	\$658,000	\$447.0	\$497,000
Lunch	\$38.7	3.0%	\$1,161,000	\$588.5	0.3%	\$1,962,000	\$1,333.8	\$1,482,000
Snacks	\$9.9	3.0%	\$297,000	\$142.1	0.3%	\$474,000	\$321.0	\$357,000
Dinner	\$56.1	3.0%	\$1,683,000	\$872.8	0.3%	\$2,909,000	\$1,986.0	\$2,207,000
Catered affairs	\$0.6	3.0%	\$18,900	\$11.4	1.5%	\$171,000	\$26.5	\$200
Total/Average/Total	\$241.3	6.4%	\$15,469,900	\$3,592.1	0.7%	\$25,310,000	\$6,534.8	\$10,368.2
								\$53,998,100

Sources

1. Data from the Economic Census accessed online at www.census.gov/econ/census.
2. According to the financial data provided by the City, the Market experienced negative net income in all four budget years. To illustrate the subsidy more accurately, this negative net income was added to "Transfers in."
3. These estimates have been developed and refined by the Market Ventures, Inc. through its work planning, developing, and operating public markets and its research of other public markets around the country. The ability to achieve these capture rates will depend on West Side Market having the qualities of other successful public markets (well designed, clean and safe facilities, the right tenant mix with high quality vendors, skilled management, sufficient low cost parking, effective marketing, convenient hours of operation, etc.) The potential suggests what accomplished vendors might realistically achieve for sales from a trade area. Particularly strong vendors might achieve higher sales from the trade area and might have customers from outside the trade area if their business is unique and attractive to consumers. Weaker vendors will not be able to achieve the potential. These estimates are meant to serve as guides for planning, not projections of actual sales for any particular vendor.