

City of Cleveland Justin M. Bibb, Mayor



West Side Market Non-Profit Transition

WEST SIDE MARKET NON-PROFIT TRANSITION

West Side Market is one of Cleveland's greatest assets. The Market houses 70 independent small businesses, attracts 1.4 million visitors each year, and is a key part of Cleveland's identity. Changes and investment are needed to maximize the Market's positive impact on Cleveland and ensure its future.

Following national best practices, the City of Cleveland is maintaining ownership of the building but transitioning management and operations to a non-profit focused exclusively on Cleveland's iconic public market.

BENEFITS OF NON-PROFIT MANAGEMENT

A non-profit operator will be mission-driven, with a clear vision and measurable objectives for supporting the health, wealth, and engagement of Cleveland's diverse community. A non-profit board can help fortify West Side Market by planning for leadership transitions, insulating the Market from political changes, and acting on opportunities for innovations in technology, programming, and partnerships. The business-like approach to non-profit market operations provides an incentive for the new operator to meet expenses and create an operating reserve, offers more flexibility in staff hiring, and dramatically improves management's ability to adjust operations, find cost savings, and access new sources of funds for more efficient operation of the West Side Market.

TRANSITION PROCESS

The transition includes two separate but interrelated initiatives:

Preparation of a master plan that addresses merchant mix, stall layout, building infrastructure, program development, and financial modeling, resulting in an implementable plan that will guide the new nonprofit once it assumes operational responsibility. The plan is being created by Market Ventures, Inc., the country's most experienced public market consulting group.

Establishment of the new nonprofit, carefully considering board and staff responsibilities and leading to tax exempt status, selection of a diverse, skilled, and representative board, and hiring of key staff. A lease agreement between the City and nonprofit will clearly delineate roles and responsibilities for maintenance, capital projects, and operations. The City of Cleveland will continue operating West Side Market during this period, as it has since 1912, laying the groundwork for the new nonprofit's success once it takes over in Fall 2023.

FAQ

Q: Who is Market Ventures, Inc. and why were they selected as consultants?

A: Market Ventures, Inc. comes recommended from multiple market operators for their expertise and data-focused approach to public market operations.

Ted Spitzer of Market Ventures, Inc. is a nationally recognized expert on public markets. Ted literally wrote the book on public markets: he is the principal author of Public Markets and Community Revitalization (Urban Land Institute/PPS, 1995), which has been called the definitive guide to the field. Ted's core competencies include feasibility analysis, market research, economic development planning, and program evaluation. For 30 years, Ted has helped clients throughout the country to develop, revitalize, and improve their multivendor markets and surrounding neighborhoods. Among historic public markets, Ted has created masterplans for Baltimore's Lexington Market, Essex Street Market in New York City, Rochester Public Market, the Western North Carolina Regional Market, and the Hartford Regional Market. Many of his projects have include demonstration kitchens, shared commercial kitchens and a wide range of innovative income producing strategies.

Ted's academic training includes urban and regional planning, local economic development, statistics and econometrics, and public affairs. He holds a BA in Urban Studies from Columbia University and a Master's in Public Affairs and Urban and Regional Planning from Princeton University.

Hugh Boyd, FAIA, is the country's most experienced and acclaimed public market architect, having led or been closely involvement with the development and rehabilitation of scores of markets throughout the US and Canada. He complements his market practice with restaurant and supermarket development internationally, keeping him on the cutting edge of food-related design, merchandising, and operational practices.

Not only does Hugh design the overall facility, but he works with each market merchant to design their stalls for maximum efficiency, merchandising impact, and individual brand identity. In NYC, Hugh designed the food market at Grand Central Terminal and the recent relocation of Essex Street Market, as well as Balducci supermarkets. Other award-winning market projects include the Milwaukee Public Market, the Portland Public Market, and Cincinnati's Findlay Market. He is the lead designer for Union Street Market, a 25-vendor public market/food hall that is the locus of Electric Works, the reimagining of the historic 39- acre General Electric campus in downtown Fort Wayne, Indiana. Hugh often teams with local architects and engineers to combine the best national and local expertise. In 2001, Mr. Boyd became a Fellow of the American Institute of Architects, the highest honor in the field, in large measure because of his expertise in public markets and his role in their American renaissance. He was named Architect of the Year in 2008 by the New Jersey chapter of AIA. Mr. Boyd holds a Bachelor of Architecture from Notre Dame. He is a licensed architect in New York, New Jersey, Pennsylvania, Maryland, Massachusetts, and Maine.

Q: Why should the West Side Market be operated by a non-profit?

A: A non-profit operator will be mission-driven, with a clear vision and measurable objectives for supporting the health, wealth, and engagement of Cleveland's diverse community.

A non-profit board can help fortify West Side Market by planning for leadership transitions, insulating the Market from political changes, and acting on opportunities for innovations in technology, programming, and partnerships.

The business-like approach to non-profit market operations provides an incentive for the new operator to meet expenses and create an operating reserve, offers more flexibility in staff hiring, and dramatically improves management's ability to adjust operations, find cost savings, and access new sources of funds for more efficient operation of the West Side Market.

Q: How is the Master Plan funded?

A: Initial funding for the master plan is from fundraising that occurred in 2012 during the West Side Market's Centennial. The master planning agreement with Market Ventures, Inc. is with Ohio City, Inc., which maintains a fund for the benefit of the West Side Market.

City Council passed legislation in March 2022 allowing the City to enter an agreement Ohio City, Inc., to re-establish the fund and to manage programs to benefit the West Side Market, including facilitating long-term planning for the West Side Market.

The Bibb administration is working with partners to identify additional resources to fully fund the master planning process.

Q: What will the Master Plan include?

A: The first phase will last approximately four months and focus on research and analysis, including conducting a competitive analysis of the West Side Market, identifying facilities issues (such as mechanical systems, utilities deficiencies, and updated needed to meet state, local, and federal code), completing a demand and

supply analysis, administering consumer intercept surveys and convening focus groups, evaluating operations and identifying areas for improvement, and completing SWOT analysis.

The second phase will last approximately three months and focus on a vision for the West Side Market and program development. The second phase will include proposed design principles and conceptual designs for both the interior and exterior of West Side Market (including public space and vendor space), a proposed merchandise mix and programmatic elements, and provide guidance for parking lot redevelopment.

The final phase will last approximately three months and will focus on a management and financial plan, including a staffing plan, technology integration suggestions, recommendations for security, maintenance, cleaning, and merchant association participation, development cost estimates, and a complete operations pro forma.

Simultaneously, Market Ventures, Inc. and Senior Strategist Trivisonno will work to launch a new non-profit for the West Side Market.

Q: How can I support this effort?

A: Individuals can support this effort by making a donation to the West Side Market Centennial Fund here: https://ohiocity.app.neoncrm.com/forms/donation

Q: Who will help inform the master plan?

A: In addition to information provided in the West Side Market Revitalization Plan, customer surveys, and focus groups, the Administration will invite an advisory committee composed of vendors, government officials, community stakeholders, and local experts to provide feedback on the master plan as it is developed.

Q: How can I learn more about progress at the West Side Market?

A: Updates on the Master Planning process will be published at the conclusion of each phase. In addition to drawing on community feedback presented in the West Side Market Revitalization Plan, master planning will include customer and community feedback through customer intercept surveys and focus groups.

Q: Where can I read the West Side Market Revitalization Plan commissioned in 2019?

A: The final report for the West Side Market Revitalization Plan is available here: <u>https://mayor.clevelandohio.gov/initiatives/west-side-market</u>