



# Halifax Seaport Farmers Market Repositioning Plan

**Prepared for:**

City Market of Halifax Cooperative and the Halifax Port Authority

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## INTRODUCTION

*“Get some leadership. Stop trying to run the place by pleasing every vendor all of the time. Have a vision. Work the vision. Become THE community destination for gathering, learning, education, sharing, eating, cooking, entertaining, etc”. – HSFM Customer from the survey by PPS, March, 2012*

First and foremost, there is much that is right with the Halifax Seaport Farmers' Market (HSFM). It has a strong and diverse pool of vendors and farmers, incredible history, crowds of eager shoppers and a spectacular new setting on the waterfront. When the market is working, as it does on Saturdays, it has a charm and magic that many markets aspire to.

When the \$14 million dollar market was opened in 2010, it did so with unrealistic expectations that a six-days-a-week market (growing from one day a week in the previous iteration) could generate sufficient sales to pay off some \$9 million dollars in construction debt and cover its operating costs. On the positive side from an operating perspective, vendor rents from the market are already covering basic operations – indeed, they are running with a surplus if you don't count debt. Unfortunately, funds that could be used for business development, marketing and promotion, and more experienced management are being diverted into debt service, which itself is more than the market can pay. Without sound management, it is nearly impossible to grow sales so that rental income can increase and the market can achieve its full potential.

Following an initial assessment during the summer of 2011, PPS was retained in January, 2012, to manage the Halifax Seaport Farmers Market on an interim basis for the City Market of Halifax Cooperative (CMHC) – the market operator – addressing the tangled web of financial, administrative, organizational, and design/facility issues facing HSFM. At the same time, PPS was asked to work with CMHC to hire a new permanent and experienced Executive Director, while creating a repositioning plan that builds on the market's core strengths so that the market can survive and thrive in the future. By this agreement, PPS has assumed, by three party contract between CMHC and the Halifax Port Authority (HPA), as financial guarantor and owner of the building, final authority over all market operations and decision making. And while it is working collaboratively with CMHC board and staff it will retain that role over the next 12-18 months, a time period to be evaluated as progress is made.

## Goals of the Repositioning Plan

This report the repositioning plan for further discussion with CMHC and HPA. The core goals of this repositioning plan for the market are to:

- Improve the management of the facility, including addressing market rules and regulations and other leasing and administrative policies, as well as hiring of a new executive director to create a professional management structure for the market moving forward
- Provide a strong stable economic base upon which to continue to grow the market in the future, including an estimate of a realistic operating budget and the amount of Net Operating Income (NOI) that would be available for debt repayment.
- Take advantage of business opportunities for the market to build on its successful Saturday market
- Increase business on non-Saturdays and boost sales for businesses that operate on a daily basis
- Improve the functioning of the facility and its design to better support market and vendor operations
- Create a solid anchor for future development and investment in the Seaport District

## Core Challenges of the Market

Despite all good original intentions, the Halifax Seaport Farmers Market finds itself today in a very challenging situation with regard to its management, operation, financing and design. While in hindsight it is easy to track where the development and design process went wrong, and how the market got into dire debt repayment issues, PPS believes it is best now to move forward and take action for the market to succeed and thrive in the future.

In a nutshell, here are the market's major challenges:

- Debt: While it was not within PPS's scope of work to work with creditors on a financial restructuring of debt, we have met with all of the creditors and have kept them informed of our progress and approach. So far, creditors have been very cooperative and appreciative of enhanced communication in the past two months. Debt remains the number one issue to address in the market. Without restructuring, the market is not able to meet its financial obligations.

- Management and Operations: Prior to PPS's involvement, the market had three managers in a little over a year, none of whom had related professional experience. While core market staff are incredibly dedicated and hard-working, previous market managers and boards of CMHC have made decisions in the absence of tenant design criteria, transparent leasing policies, and with nearly non-existent funds for marketing, promotion, advertising, and other key items that are necessary to successfully open and manage a new market.
- Governance: We are incredibly grateful to the board of CMHC for their support and commitment to PPS's work over the past two months. Despite this support and commitment, we have deep concerns about the current stability of CMHC as a management entity and its capacity to deal with the full scope and depth of challenges facing the Seaport Market without other partners and skill sets. CMHC has board elections at the end of April which could create additional instability at a time when there should be consensus about moving forward with the repositioning plan.
- Design and Construction: While the building is widely touted and has even received awards -- and is indeed much loved by customers and vendors for its overall ambiance -- it has many functional flaws from a market perspective that need to be addressed for the sake of customer comfort and convenience and vendor efficiency and sales. Unfortunately, disputes between CHMC and the architect and contractor remain unresolved over fees, construction problems, and the occupancy of the third floor office space.

This report presents concepts for design and layout improvements to address functional problems with the market. While we have attempted to make our recommendations practical and low-cost where possible, and we have not yet costed them out, these changes will add up to a significant price tag. Most of our design additions are elements like signage, lighting, new doors, and proposed tenant guidelines for stalls, rather than major overhauls. These changes are essential for reinvestment in the market, but also require a funding stream for implementation.

## **Planning Process**

PPS's involvement began with an initial assessment and report, funded by the Halifax Port Authority, last June. During this visit, we had the opportunity to hold extensive meetings and see the market first hand. We also conducted a brainstorming session with market vendors.

Since late January 2012, when our contract was signed, PPS has held numerous meetings with market stakeholders, vendors, and creditors, launched a design and layout reassessment of the market, and completed an online survey, in which 774 customers and 170 vendors participated. In part, the survey was an opportunity to get reaction to ideas, many of which had been proposed during the June vendor workshop. The total survey response was the highest PPS has ever received in a survey of an existing market, demonstrating the passion for which both the Halifax community and businesses at the market feel towards the new market.

The survey of market vendors and customers represents the first time that perceptions important for the future of the market were gathered in a systematic way. It allowed us to compare varying perceptions about the market, prioritize ideas for improvement, and solicit often quite long and thoughtful comments about the market. We have used selected quotations throughout the report. (A summary of survey results is presented in Appendix A.) In general, it seems that vendors and customers are on the same page in terms of the issues and opportunities for the market. Vendors have a deeper knowledge, of course, of technical issues about the market and its operation that customers are not aware of.

On March 19-20, PPS held three meetings with both vendors and customers of the market to present an overview of survey findings and conceptual design and layout recommendations. Over 150 vendors attended one of the two meetings, which allowed participants to comment on the design plans and provide additional suggestions. Hundreds of comments were made. Over 50 people attended the customers/public meeting where a similar format was followed.

At the outset of our work in January, we began the recruitment of a new executive director, including hiring of an executive search firm and screening of candidates with the board of CMHC. A preferred candidate has been identified but a position cannot be confirmed until the market budget and debt situation has been resolved. As part of this process, we have conducted an extensive review of the market's budget and have produced a current operating budget and an initial five year operating pro forma.

## **BENEFITS OF THE HALIFAX SEAPORT FARMERS MARKET**

*It helps bring life into towns and cities. It encourages social interaction, particularly between rural and urban communities. It stimulates local economic development by increasing employment, encouraging consumers to support local business, and thus keeping the money within the local community. It attracts business to retailers in the vicinity. It provides the vendor with direct customer feedback on products and prices. And it's an amazing place to be! – HSFM vendor*

*The community is far better off buying quality products from the producers themselves, which keeps the profits within the community. The market offers the best quality of food products to the customer. The market is a very social scene that provides for many face-to-face interactions. It is the place to be, especially on Saturday mornings. I cannot express strongly enough the importance of having a market. – HSFM customer*

*The market provides a routine, central and historic opportunity to be with community. It has become a sort of tradition/ritual to aimlessly wander around and possibly talk or buy or possibly not. It's an element of community that is hard to find these days and we are lucky to have a beautiful place full of energy and history where we can come together each weekend. – HSFM Customer*

The repositioning of the Halifax Seaport Farmers Market provides an opportunity to re-affirm the reasons why both government entities and private individuals invested in its development, and why customers and vendors alike continue to support the market. People have many options of where to buy food today, but they choose to go to the market, at least on Saturdays. In the survey, we asked both vendors and customers what the benefit of the market was to the community. Debt problems aside, investments made to support the development of the market have had significant public benefits in three areas:

### **Provides an economic benefit to Halifax and the broader region**

*It offers locally grown and made products from our local communities. It provides great services to the community which keeps the money within our own communities.- HSFM Vendor*

*It's so nice to have a place to shop in the fresh air, by local vendors, and putting my money back into the community. – HSFM Customer*

*Could there not be subsidies for our market [from our government] because it is a powerful and viable economic stimulator? – HSFM Customer*

Through collected statistics about the market and as a result of the recent surveys, HSFM provides an enormous economic impact to Halifax and agricultural producers from the broader region and province. Some 10,000 shoppers are estimated to attend the market on Saturdays and there are over 250 vendors at the market; sales ripple through the entire region. Indeed, most vendors report that sales have increased at the market and hardly any said that they were interested in relocating. Other economic benefits include its role as an anchor on the waterfront and an amenity for the growing cruise ship passenger trade.

## **Access to Local Food Products**

*Locally produced and sold to the local community directly benefits everybody. The health, economic and environmental benefits cannot be overstated. Buy local, support local.* – HSFM Customer

*It brings customers and primary producers together, which results in a more sustainable, meaningful and healthy community.* – HSFM Vendor

*The Seaport Farmers Market provides a location where local farmers can sell their produce and meat/fish/poultry...it is essential to the local food movement (and to supporting our NS agriculture) to have a location such as the Seaport Farmers Market where local farmers can sell what they produce (and meet and interact with their customers as well)! – HSFM Customer*

*A great place to buy wonderful fresh food - the meat, fish and produce are amazing - so much fresher than the equivalent items in the grocery stores. The fact that most of the food is organic, and pesticide/hormone free is a bonus more people should be aware of.* – HSFM Customer

*I love being able to buy food that is truly local. Despite living in an agriculturally rich province, it is so difficult to find a range of products that are made by Nova Scotians, with Nova Scotian products. It makes me proud!* – HSFM Customer

In the customer survey, when asked an open-ended question about the greatest benefit of the market to the community, the number one answer (over 400 mentions) was access to local food and products; the second most popular answer dealt with supporting and interacting with local farmers/producers. Vendors also reported that a key benefit of the market was how it supported local agriculture, farmers, producers and artisans (90 mentions) as well as the economic development role the market plays for small businesses to start or thrive.

## **Bringing People Together.**

*A place for the community to gather, meet, mingle...* – HSFM Customer

*In 1 word: Community. The market brings people together. It supports the smallest local businesses, supports crafters to enable them to keep crafting, and supports the farmers so they can keep their family businesses sustainable and strong. It's a place where the community gathers and socializes.* – HSFM Customer

*It strengthens the fabric of the community, by providing a public gathering space and by directly connecting the public to the local producers of their food. I love the magical feeling I experience every time I arrive at the doors. It is one of the most positive places in our area. The positive energy surrounds me ... I love the market.* – HSFM Customer

*For me, a market is a special place where people can purposefully gather and meet, or b into friends. It is the fresh produce/meat/fish/flowers, specialty products / music / art that can only be found at the market. It is the ambience /atmosphere ... it's the outing.* – HSFM Customer

Public markets like HSFM work because they are also public spaces and centers of community. These social and economic goals are actually very closely intertwined, as also revealed in the



survey where both customer and vendors report the benefit of the market as a public space, and a source of civic pride. Indeed, two thirds of HSFM customers said they come to the market because of the social experience. The comments made to this question indicate that such places are difficult to find in the Halifax region. The social experience must continue during their shopping at the market – the sense of community, places to sit and chat, a place to experience local culture – are indeed already happening at the market, but this reports suggests ways this experience can be enhanced.

## REPOSITIONING PLAN FOR THE MARKET – FINDINGS AND RECOMMENDATIONS

### GOVERNANCE

*There is an overall feeling that vendors are not happy with market management and they are being more vocal about it and it is creating animosity between vendors. This negative feeling is now known to the public. People love the market. Vendors need to love the market. There needs to be stronger positive management so to ensure the experience is a positive one felt from vendor to customer. It's a community not war. – HSFM Customer*

### GOALS OF MANAGEMENT OF THE HALIFAX SEAPORT FARMERS MARKET

Putting HSFM on the right track will require effective management and oversight that is able to address the financial underpinnings of the market while continuing to build the market as a destination for locals and visitors. The goals for managing and governing HSFM are as follows:

1. Operational Objectives
2. Business objectives
3. Public goals
4. Neighborhood & Community development objectives

Tasks associated with each of these goals are summarized below.

#### 1. Operational Objectives:

##### ***To operate with high standards of maintenance and security:***

- Establish a set of standards for cleanliness, maintenance and security
- Be able to hire staff, purchase supplies, train staff, and implement programs
- Establish mechanisms for vendors to report maintenance and security incidents or concerns
- Coordinate maintenance and security of the market with the surrounding Seaport District

##### ***To allow local control over all aspects of the Market:***

- Establish a system for decision and policy making at the Market, coordinating with stakeholders
- Include members from many segments of the age, gender, race, ownership, employee and income perspective spectrum to achieve lively thoughtfulness about the Market
- Establish good communications with Market constituencies so that decisions are well disseminated

##### ***To run the Market efficiently and cost-effectively:***

- Immediately implement generally accepted accounting principles for all financial areas

- Establish the annual operating plan for the guiding focus of daily operations
- Establish challenging work goals for all staff
- Hold individuals responsible and accountable for their performance

***To integrate the current employees into the operation of the Market:***

- Establish current and future employment needs and opportunities
- Evaluate existing employee desires to meet Market objectives
- Establish and implement transitional plan with existing employees
- Create employee training/exchange program with other markets

**2. Business Objectives:**

***To stabilize the operations and get the debt under control:***

- Eliminate or restructure most of the market's debt
- Develop a thoughtful and realistic case for the Market's need for support
- Establish a fund raising plan, which includes establishing relationships with funders
- Implement grant writing for the Market as a part of the fund raising plan
- Establish a group of supporters (Friends) of the Halifax Seaport Farmers Market who want to raise funds
- Work with local media to publicize the need for funds and friends
- Show the public that financial accountability is in place at the Market
- Develop the trust of the public in the Market's vision for the future

***To operate self-sufficiently in terms of budget:***

- Immediately implement generally accepted accounting principles for all financial areas
- Hire a Chartered Accounting firm to audit the Market records in anticipation of future funding
- Fund raise as described above
- Disclose all reasonable financial information requested of the Market
- Accurately define and budget all expense categories from initial time period forward
- Develop partnerships in the community with Market supporters
- Implement cooperative marketing agreements for coop advertising whenever possible

**3. Public Goals:**

***To coordinate public and private interests:***

- Act as the community-based leader in all matters related to the Halifax Seaport Farmers Market
- Serve as a clearinghouse of information about the Market
- Welcome interested constituencies into the decision-making process for Market policies
- Take initiative to communicate the Market's activities, policies and information

- Establish a system for decision and policy making at the Market and in the surrounding District that includes representation of customers and stakeholders in the management process of the management entity

***To preserve the integrity of the Market and its traditional role as a fresh food retailer:***

- Promote the Market as a fresh, food-shopping and artisans market place
- Recruit more fresh food vendors to operate in the Market
- Encourage business growth through improving customer perception of the Market
- Immediately establish a program to recruit NS farmers and increase the farmer base
- Reach out to small value-added seasonal producers to sell at HSFM

***To sustain the Market as a public gathering place:***

- Foster a welcoming atmosphere to all that come to the Market
- Establish public meeting space and publicize its availability to the community
- Add indoor and outdoor seating seasonally to encourage longer customer stays
- Remind all elected officials, neighborhood and civic leaders of the importance of HSFM
- Hold regularly schedule community forum events for locals to participate at HSFM

***To make HSFM a balanced attraction for Halifax visitors and residents:***

- Increase the level of overall business being done in the Market
- Promote the Market as an attraction to residents when they have out of town visitors
- Cleaning and improved security described above will help the attractiveness of HSFM
- Coordinate with the Cruise Ship Operators to provide a meaningful visitor experience

### **3. Community Development Objectives**

***To leverage the Market as a catalyst for Seaport district development:***

- Be strategic in the alliances and partnerships formed to strengthen the Market
- When focused on the Market's needs, keep the bigger picture of Seaport District needs also in mind
- Keep lenders and community leaders current with all the developments in the Market and the district so that they continue to see the inter-relatedness of the Market and district
- Cooperate with the HPA in the improvement of the surrounding Seaport District, including commitment of staff and resources when necessary
- Develop a plan with surrounding businesses to improve maintenance, security, leasing, and promotion of the district as a whole

***To work collaboratively with diverse community and business interests:***

- Involve diverse people from diverse interests
- Solicit the input of customers, business owners, farmers, artisans, and neighbors
- Communicate widely and with the intention to reach many, many existing and new audiences

- Be truly committed to improve the business success of the Market and the Seaport District, this commitment will require much collaborative work with previously uninvolved parties

***In conclusion, HSFM management should:***

- ✓ Provide flexible, entrepreneurial management
- ✓ Be able to work with diverse community and market stakeholders
- ✓ Work easily with small vendors
- ✓ Deal with conflicts of interest in a transparent manner
- ✓ Make decisions quickly
- ✓ Attract volunteers
- ✓ Establish strategic partnerships
- ✓ Promote the market broadly
- ✓ Be able to coordinate public and private interests
- ✓ Recruit farmers, minorities and immigrants
- ✓ Provide and assures public accountability
- ✓ Raise funds effectively
- ✓ Achieve Self-Sustaining Operations

## **FINDINGS**

### **Current Market Management System**

The Market property is administered by the Halifax Port Authority (HPA) and leased to the Nova Scotia Farmers Market Development Cooperative Ltd. (FMDC). FMDC is not actively involved with day to day management and was set up as a funding conduit to facilitate development of the new market.

FMDC subleases the market to the City Market of Halifax Cooperative Ltd. (CMHC). CMHC's Articles of Incorporation state: *"The objectives for which the co-operative is established are to carry on a co-operative basis the operations of a retail market for Agriculture, Craft and services of the members and their clients and other services complimentary to the objectives of the co-operative."*

CMHC is a member based co-op of market vendors with a Board of Directors elected from the coop's members. CMHC membership is exclusive and most market vendors are not members.

Staff hired by CMHC manages the market on a day to day basis with oversight from the Board. The Boards of FMDC and CMHC each have one seat for a member of the other's cooperative.

The Farmers Market Investment Cooperative Ltd (FMIC) was incorporated for making loans to farmers markets and made two equity loans to CMHC. The Boards of FMIC and CMHC also have one Board seat for each other.

Market Policy is set by the CMHC Board.

PPS was hired by CMHC and HPA to oversee market management and put together a plan for repositioning the market. PPS has no legal, fiduciary standing and does not sign checks or leases.

### **Challenges Faced by CMHC**

Since CMHC has assumed the obligations of developing and managing the HSFM, they have faced many internal challenges with their board and membership, inhibiting an effective transition from running a temporary Saturday market to a permanent market hall with major debt. Some of these difficulties experienced by the CHMC include:

- Turnover: only one member of the current board was elected, as the rest were appointed after other board members resigned
- Burn-out: given the financial and operational challenges, it is not surprising that board members can “burn-out”
- Competing demands on board members time: members all have equally demanding businesses, often leaving insufficient time for follow-through or participation in meetings
- Lack of a full range of skills, partners, resources: members-only board member policy closes doors to other skilled stakeholders and external partners
- Lack of a professional staff leadership: an experienced executive director that could provide leadership was never hired, putting additional burdens on the board and creating a lack of clarity in terms of interactions and directives to staff.
- Lack of resources and time for market operations: because of the financial challenges of the market, operational issues and opportunities tend to take a backseat and the focus is running the market on a shoestring as operational funds are diverted to pay debt.
- Unclear board member roles: board member roles and expectations need to be better defined
- Difficulties with FMIC and FMDC: the relationships between FMDC, FMIC and CMHC are muddy and divide responsibilities normally part of one entity charged with developing and

managing a public market. Poor communication fuels ill-will, and interlocking board seats have been left vacant.

- **Conflicts of Interest:** Previous boards have not always made decisions objectively and board members have not always revealed either real or apparent conflicts of interest with regard to market finances, layout, leases, etc. There has been poor documentation and poor record keeping about meetings and decisions.
- **Overburdened by Debt:** The market is unable to meet its debt obligations, and creditors have no obligation to forgive or refinance..

The change in nature and venue of the HSFM has dramatically increased demands, responsibilities and opportunities for CMHC. CMHC is stretched well beyond its own capacities: the market is undermanaged and overburdened with debt – an almost lethal combination that requires immediate attention. While the market needs a professional Executive Director who can orchestrate a turnaround and keep the market growing, that director will need a strong, stable, and a capable governance board.

### **Halifax Seaport Farmers Market Management Options**

**Given these challenges the question becomes: can the structure of CMHC be modified to take on the role that a professionally run market needs to have?**

**Or, is some new structure needed, where CMHC continues to play a role but as part of a larger, more diverse and strengthened, probably non-profit organization?**

The three most prevalent entities operating large, permanent public markets today are: (1) not-for-profit corporations; (2) government entities; and (3) private interests. In Canada, the two most prevalent and effective are government run and not-for-profit. In all of these markets, vendors play a vital role, yet are not responsible for development and management by themselves.

### ***Not for Profit Corporation - Publicly Accountable Board***

The Halifax Seaport Farmers Market has evolved in its three centuries to a point where it is experiencing increased sales and popularity and management needs to professionalize in order to responsibly guide the day to day and long term needs of the market. At the same time, it needs to maintain its core mission of economic development, linking local producers and consumers, and creating a vital community gathering place.

The Not for Profit model allows for social and community goals to be maintained and for a broad range of stakeholders to be involved – while still running market operations in a business-like manner. A relevant example working well in Canada is the Forks Market in Winnipeg which is managed by a Community Development Corporation. Four public markets in Montreal (Atwater, Jean-Talon, Maisonneuve and Lachine) are also run by a Not for Profit corporation, the Corporation de Gestion des Marchés Publics de Montréal.

In the U.S, management at Eastern Market in Detroit was transferred five years ago to a new not-for-profit Corporation and the positive results have been almost immediate and continue to improve. The market has raised over \$15 million in private donations for the market and have greatly increased sales. In PPS's decades of experience with large indoor public markets, we have found that the publicly accountable, professional non-profit approach to be the most successful model operating today.

***Government Entity - Manage market within the existing HPA Property Management Office***

It used to be common that governments ran public markets, especially in a day when there was less competition in food businesses, but the general trend today is for government to maintain ownership of the facility but to remove itself from day to day management. Other large, successful indoor markets in Canada (St. Lawrence Market in Toronto, By Ward Market in Ottawa) still are municipally operated however. These market facilities are also owned by the City. As such, a city run market would not be appropriate in Halifax, where the market facility is owned by the Halifax Port Authority.

In Vancouver, another government model was used in the redevelopment of Granville Island – which includes the Granville Island Public Market -- initiated by the federal government in 1972 to create, foster and maintain a unique urban oasis in the heart of Vancouver. Between 1973 and 1982, the federal government invested \$24.7 million in Granville Island including all capital costs for the public market and assumption of the Harbour Board's \$5.7M debt. Today, the Canadian Mortgage and Housing Corporation continues to manage the island and the market, in partnership with Granville Island Trust, which acts in an advisory capacity. Since 1983, Granville Island has been financially self-sustaining.

HPA could be considered a potential management entity as a quasi-governmental entity with professional and specialty property management skills. HPA is an Agent of the Crown under the direction of the Minister of Transport with a mandate "to develop, market and manage harbour assets in order to foster and promote trade and transportation."



### ***CMHC Management - Continued status quo of CMHC vendors running the market, interlocked with FMDC and FMIC***

This structure has proven limitations based on our experience, observations and input received from vendors, customers and creditors. CMHC's lack of stability only highlights the need to establish a solid management base accountable to all market vendors, stakeholders, the public and the future of the institution. Experience over the past few years aside, it is very difficult within a cooperative organizational framework, owned by members, to meet the broader operational, business, and community goals of management set forth in this section above. Indeed, we know of no other cooperative running a large public market in North America.

### **RECOMMENDATIONS**

Given the challenges ahead for the market, PPS recommends some form of a *Not for Profit Corporation* as the best long term solution for the preservation and development of the market. This entity should be a true partnership and could be named the Halifax Seaport Farmers Market Partnership. The goal of this approach is to depoliticize the current situation and establish a direction based on what is best to serve the mission of the market as a valued cultural, social and economic institution for the people of Nova Scotia and visitors from around the world. Such an entity is best suited to be fair minded and able to meet the established management goals stated herein.

CMHC can and should continue to exist as an integral part of such a Not for Profit Corporation and should have a seat on the Not for Profit Board along with other market stakeholders. CMHC can continue to play a vital role with vendor training and education, promotions and events, advising management, catering market functions and providing group rate insurance to its members.

### **Time Line and Next Steps**

While a permanent organizational structure is being set up, we recommend that some form of interim Task Force or Partnership be organized to assume management responsibilities of markets – with representatives from CMHC, HPA, HRM, ACOA, Customers, Neighbors, FMIC, FMDC, FCC, and others as determined. Current employees transfer to Task Force/Partnership, and the Executive Director would also be hired by the Task Force/Partnership. In addition to establishing a new Not for Profit Corporation, the Task Force/Partnership responsibilities could in the short term include:

- A Study tour of relevant markets in Canada and the U.S.
- Public workshops to maintain open communication/input

- Establishing the official mission of the market
- Negotiating a long term lease from HPA
- Overseeing the implementation of the repositioning plan, working with the new Executive Director and PPS

In closing, while change is always hard, we believe that the positive steps taken now to address the market on all levels – including governance – will only in the long run be beneficial to vendors, customers, and the community alike. The market has a window of opportunity to set a new direction which may not come again soon. We look forward to continuing the discussion and dialog about the governance structure of this important public institution in Halifax.

## BUDGET AND FINANCE

Beginning with a full and accurate understanding of the current budget – no small task -- PPS has worked with the CMHC to develop a new operating budget. This budget includes strategies to increase market income by: attracting more customers, expanding sponsorships and generating additional earned income.

## FINDINGS

- The market is overburdened with debt. It cannot pay off a \$9M debt and run the market responsibly. Combined taxes and debt eat up 71% of the markets total income.
  - Most markets open up debt free and operate self-sustainably. This is true across Canada at Granville Island Public Market, Winnipeg's Forks Market, Ottawa's By-Ward Market, Toronto's St. Lawrence Market and even Kitchener's new \$24M market.
  - Rescuing the HSFM from its suffocating debt is a small price to pay for a historic market that reliably pumps over \$25 million in direct sales into NS urban and rural economies per year.
- HRM Real Estate Taxes need to be renegotiated. Most of the square footage of the market is 'public' space; aisles, seating areas, public bathrooms, roof and mezzanine are accessible and enjoyed year round.
- The market building is not complete – deficiencies in basic market infrastructure: utilities and utility distribution, storage, signage, tenant spaces etc will require additional capital. *See 'Additional Capital Requirements' listed below.*
- The market is undermanaged because of its debt. Limited operating funds are suppressing the ability of the market to manage itself.
  - Market has virtually no advertising budget. Promotion and events have been done by a vendor in return for free rent. The web site is in need of upgrading. There was general support among both vendors and customers for more programming and events in the market, include income generating events such as weddings, meetings, and receptions.
  - Maintenance and janitorial not keeping up with property needs, and while vendors and customers were generally happy with cleanliness, and washrooms are frequently criticized.

- New Executive Director position critical to progress and provide oversight, and build partnership and new funding opportunities for the market.
  - Leasing and Merchandising is not actively managed, and more needs to be done to add additional fresh producers, potentially start a summer weekday farmers market, and strengthen the non-Saturday markets with an appropriate mix of tenants.
  - Tenant spaces and improvements are often subpar, in part because of lack of time to work with vendors on these issues and lack of a Tenant Design Criteria.
  - Market staff is severely overworked and underappreciated for all they do under very difficult conditions.
- Day-to-day operations of the market need to be ‘bumped up’ appreciably in order for management to take on the full scope of responsibilities for the property. Without proper resources the market cannot initiate much needed promotional programs, marketing, education, leasing, parking validation, tenant oversight – nor maintain adequate standards for cleaning and maintenance.
  - Current Rental income is very good. The market generates over a million dollars per year in income. Sales at the market are estimated at \$25M per year. The ‘market’ is healthy – the governance and financial structure is not.
  - Future Rental Income prospects are even better. With increased funds for operations, merchandising, promotions and outreach – the market can experience sales growth driven by rising interest and appreciation of local food and products. As the area around the market continues to evolve – the market will only get busier.

## RECOMMENDATIONS

### Overall Recommendations

- *Separate debt from Market Operations.* Going forward, the market needs to severely reduce and restructure its debt. This is paramount to the markets future and viability.
- *Manage and Operate the Market professionally.* This is the first and most essential step. To do so requires an adequate budget and an appropriate governance structure. Expenses categories in the projected/recommended operating budget in this section of the report have been increased/added as follow:

- *New Staff Positions:*
  - Executive Director – New position. Professional to oversee all aspects of the market
  - Marketing Coordinator – New position. Takes lead promoting and marketing the market.
  - Office Manager – New position. Also assist with grants, promotions and reports
  - Maintenance Staff– New part time positions:
    - Increase level of maintenance and janitorial duties. Market must be kept cleaner inside and out during days, including bathrooms.
    - Increase trash separation and recycling
    - Reset market layout – move into ‘accordion’ mode, building trade during the week
  - *Current Staff* – Merit pay increases
- *Create an operating budget that puts the market first.* It is not cheap or simple to run a market of this magnitude. With the proper resources the market can regain its footing as the focal point of locally owned and operated businesses enjoyed by millions of patrons each year.
  - Have a dedicated funding source for advertising and promotions
  - Update website and social media capabilities
  - Expand Advertising and Promotions – Events, ads, demonstrations, programs, communications, etc.
  - Expand Education and Outreach – Build partnerships and customer appreciation of market
  - Initiate a validated parking program for customers
- *Increase market income from several sources:*
  - *Sub-meter and Re-bill all Tenant Utility costs.* Market expense should be net utilities only.
  - *Institute Tenant Rebilling for Common Area Charges.* Current management is beginning to do this.

- *Lease 3<sup>rd</sup> Floor Office Space to a Rent Paying Tenant.* Non-rent payment is costing the market more than \$80,000/year. This space has the potential to be a significant income generator as a rental facility for meetings and events. It has a kitchen, bathrooms, elevator and some of the best views in town. Programs and educational events in this space could benefit and complement the market.
- *Build up other market days.* This will take more time, promotions and management.
- *Expand rental of public spaces in the building.* This will require a staff coordinator, but the market is already generating some income from weddings, receptions, meetings, and special events and there is more potential for this to be strengthened.
- *Develop Partnerships and Sponsorships.* There are many organizations in Halifax and the Province whose missions align with the market and who may be willing to provide support to advance the mission of the market as a center for healthy food and community building.
- *Consider percentage rents.* More markets are looking at percentage rents as a fair way to establish rents. Individual sales figures for HSFM are unknown. At markets where vendors were involved in setting fair rents, a range of 4% to 10% was considered reasonable. Using 7% as a midpoint, if the HSFM does \$25M per year, and every vendor paid 7% of gross sales as rent the market would generate \$1,750,000 in rent.

## Budget Summary

### Currently the market cannot meet its debt obligations:

#### Current Annual Budget

Income	\$1,169,365
Expenses	\$556,803
<b>Sub-Total</b>	<b>\$612,562</b>
HRM	\$182,161 (unpaid)
Rent to HPA	\$57,500 (unpaid)
<b>NOI*</b>	<b>\$372,901</b>

All Payables    \$732,456    (Past Due, as of 4/13/2012)

\*Net Operating Income before Debt Service and Payment of all Payable expenses

### **Projected/Recommended Annual Budget**

This is the projected budget going forward reflecting 3% annual rent increases and 1% annual expense increases:

	Year 1	Year 2	Year 3	Year 4
Income	\$1,373,400	1,438,852	\$1,482,018	\$ 1,526,478
Expenses	\$ 1,067,180	\$ 1,077,852	\$ 1,088,630	\$ 1,099,516
<i>Sub-Total</i>	\$306,220	\$361,000	\$ 393,388	\$426,962
HRM**	\$182,161	\$182, 161	\$182,161	\$182,161
Rent to HPA	\$57,500	\$57,500	\$57,500	\$57,500
<i>NOI*</i>	\$ 66,559	\$ 121,339	\$153,727	\$187,301

\*Net Operating Income before Debt Service and Payment of all Payable expenses

\*\* Will increase each year based on assessment

A detailed spreadsheet of the projected operating budget is presented on the next page.

	Current Budget	Projected Budgets					
	2011	YEAR 1		YEAR 2		YEAR 3	YEAR 4
<b>INCOME</b>							
Tables Rents	870,513	925,000		\$ 952,750		\$ 981,333	\$ 1,010,772
Boulevard Rents	75,225	75,000		\$ 77,250		\$ 79,568	\$ 81,955
CRU Rents	129,587	140,000		\$ 144,200		\$ 148,526	\$ 152,982
Special Events	13,480	20,000		\$ 20,600		\$ 21,218	\$ 21,855
3rd Floor Tenant Rents	0	80,000		\$ 82,400		\$ 84,872	\$ 87,418
Common Area Charges	4,787	20,000		\$ 20,600		\$ 21,218	\$ 21,855
Electrical/Natural Gas Billing	31,942	40,000		\$ 41,200		\$ 42,436	\$ 43,709
Membership Fees	2,400	2,400		\$ 2,472		\$ 2,546	\$ 2,623
Manage my Market Appl Fees	5,672	6,000		\$ 6,180		\$ 6,365	\$ 6,556
ATM	33,259	40,000		\$ 41,200		\$ 42,436	\$ 43,709
Fundraising	2,500	25,000		\$ 50,000		\$ 51,500	\$ 53,045
<b>Total Income</b>	<b>1,169,365</b>	<b>1,373,400</b>		<b>\$ 1,438,852</b>		<b>\$ 1,482,018</b>	<b>\$ 1,526,478</b>
<b>EXPENSES</b>							
<b>Personnel</b>							
General Manager	\$ 53,182	\$ 90,000		\$ 90,900		\$ 91,809	\$ 92,727
Operations Manager	\$ 40,302	\$ 55,000		\$ 55,550		\$ 56,106	\$ 56,667
Bookkeeping	\$ 39,383	\$ 45,000		\$ 45,450		\$ 45,905	\$ 46,364
Development and Events	\$ 23,367	\$ 45,000		\$ 45,450		\$ 45,905	\$ 46,364
Office Manager	\$ -	\$ 40,000		\$ 40,400		\$ 40,804	\$ 41,212
Ervan/Custodian	\$ 40,180	\$ 40,180		\$ 40,582		\$ 40,987	\$ 41,397
Part Time Maint and Janitorial	\$ 5,865	\$ 80,000		\$ 80,800		\$ 81,608	\$ 82,424
Security	\$ 2,577	\$ 10,000		\$ 10,100		\$ 10,201	\$ 10,303
Fringe Benefits	\$ -	\$ 80,000		\$ 80,800		\$ 81,608	\$ 82,424
Advertising/Promotion	\$ 8,906	\$ 100,000		\$ 101,000		\$ 102,010	\$ 103,030
Office	\$ 16,673	\$ 25,000		\$ 25,250		\$ 25,503	\$ 25,758
Bank Charges	\$ 6,853	\$ 7,000		\$ 7,070		\$ 7,141	\$ 7,212
Parking	\$ 1,061	\$ 50,000		\$ 50,500		\$ 51,005	\$ 51,515
Legal/Professional/Consultants	\$ 58,686	\$ 50,000		\$ 50,500		\$ 51,005	\$ 51,515
Insurance	\$ 14,670	\$ 20,000		\$ 20,200		\$ 20,402	\$ 20,606
Travel	\$ 2,150	\$ 5,000		\$ 5,050		\$ 5,101	\$ 5,152
Fees/Permits	\$ 9,575	\$ 10,000		\$ 10,100		\$ 10,201	\$ 10,303
Utilities	\$ 104,620	\$ 120,000		\$ 121,200		\$ 122,412	\$ 123,636
Janitorial Supplies	\$ 10,324	\$ 15,000		\$ 15,150		\$ 15,302	\$ 15,455
Janitorial	\$ 41,972	\$ 45,000		\$ 45,450		\$ 45,905	\$ 46,364
Maintenance Contracts	\$ 17,245	\$ 25,000		\$ 25,250		\$ 25,503	\$ 25,758
Maintenance / Repairs	\$ 15,530	\$ 50,000		\$ 50,500		\$ 51,005	\$ 51,515
Garbage	\$ 32,100	\$ 35,000		\$ 35,350		\$ 35,704	\$ 36,061
Additional Rent (Pavilion 20)	\$ 8,800	\$ 20,000		\$ 20,200		\$ 20,402	\$ 20,606
Miscellaneous	\$ 2,782	\$ 5,000		\$ 5,050		\$ 5,101	\$ 5,152
<b>Total Expenses</b>	<b>\$ 556,803</b>	<b>\$ 1,067,180</b>		<b>\$ 1,077,852</b>		<b>\$ 1,088,630</b>	<b>\$ 1,099,516</b>
<b>Sub-Total</b>	<b>\$ 612,562</b>	<b>\$ 306,220</b>		<b>\$ 361,000</b>		<b>\$ 393,388</b>	<b>\$ 426,962</b>
Rent to HPA	57,500	57,500		57,500		57,500	57,500
HRM	182,161	182,161		182,161		182,161	182,161
<b>NOI</b>	<b>\$ 372,901</b>	<b>\$ 66,559</b>		<b>\$ 121,339</b>		<b>\$ 153,727</b>	<b>\$ 187,301</b>



## **Additional Capital Requirements Halifax**

The following items - necessary for healthy market operations – are divided by ‘Critical’ for the most pressing and ‘Next Priority’ for others. Cost Estimates can be provided once items are prioritized and the full requirements known. (These items are more fully explained in other sections of the report.)

### ***CRITICAL***

- Cold and Dry Storage – market has almost no storage (may require elevator to mezzanine)
- Hot Water – current system inadequate, water runs cold on busy days
- Increase Electrical Capacity – market is at or near capacity
- Electronic Metering System – will eliminate estimates and increase fairness
- Gas Meters – will eliminate estimates and increase fairness
- Grease Traps – Installation required in many locations, some are not working
- Floor Grate/Utility Distribution System – problematic commingling of water and electric
- Air Handling and Exhaust Systems – not fully functional
- Parking Program – validated parking program needs to start ASAP
- Tenant Improvements – stall improvements needed for durability, sanitation and presentation
- Tables and Chairs (inside and outside) – will attract more people to the market for longer time periods
- Key Access Security System
- Partition/screening system for reorganizing market interior
- Exterior signage/awnings/sunshades for CRU tenants

## ***NEXT PRIORITY***

- Exterior Improvements
  - Signage
    - Market Iconic/General Signage
    - Directional signage from Pavilion 20 and 22
  - Restriping of the access road for diagonal parking, crosswalks, and plantings
  - Removal/relocations of selected trees and landscaping
  - New central entrance doors
  - Wind and pigeon control methods
  - Exterior vendor stalls (standard)
  - Traffic Counters at entrances (great management tool, understanding customer patterns)
- Interior Improvements – Main Floor
  - Interior signage system for stalls, mezzanine
  - Lighting modifications to enhance stall merchandising
  - Potential relocation of the Green Wall
  - Cracked concrete repair, showing up in several areas of the market
  - Tenant stall improvements/upgrading, especially for permanent stalls improvement or relocation, or creating new stalls
  - Potential new tables or day stall system
  - Potential redesign of cruise ship corridor wall
  - Potential sound baffle system

- Mezzanine Improvements. Depending on option pursued could include:
  - New passenger/freight elevator
  - New office space
  - New storage space
  - Maintenance/Janitorial room fit out – this is for market supplies
- Operational Support
  - Trash System – needs compactor, floor drain, baler and better containers
  - Manage My Market Database – improve stall management
  - Support for space programming and rentals (sound systems, tables and chairs, flipcharts, screens, projector, etc.)

## MERCHANDISE MIX & DAYS OF OPERATION

*It should be a full time shopping facility so that people can rely on getting the products they need when they need them. Right now I think for a lot of people it is more of a novelty, but if you could improve these things, it could replace Sobeys or Superstore for a lot of people. – HSFM Customer*

*On the whole the market is great, but Saturdays are still insane which is a deterrent for many that would like to visit the market. Getting more vendors in during the week would be really helpful in cutting down on some of the Saturday traffic or encourage people that don't normally go to the market to finally visit. I'd suggest more spaces to "hang out" but given that Saturdays are so busy, I don't know where you would be able to fit a space like that. Hopefully if the market becomes more successful on the "off days" some spaces for having a sit and a chat with some friends would be possible. Overall, I love HSFM. – HSFM Customer*

*An attempt to spread the peak Saturday load to at least Friday evening through Sunday afternoon would help ... but I know part of the appeal is the crowd on Saturday for many folks. As for weekdays ... a better presentation of the lunch options (with more seating in the open spaces) would help in advertising to office workers in the core CBD and along the waterfront ... I think it takes me 15 minutes to walk there from my office on George Street ... so my eating time is down to 30 minutes or so ... I don't always have confidence that I will find a lunch option that I want based on past experiences on weekdays (inconsistency in schedule, vendors, etc.). - HSFM Customer*

*Although market is open on other days, the vendors we tend to frequent are only all there on Saturdays. As we do most of our grocery shopping at the market we do not want to have to come back several days per week. More variety on more days of the week would allow us to do our shopping on other days. - HSFM Customer*

By and large, much is right with the merchandise mix of the market, at least on Saturdays. The issue of product mix is closely tied to the days of operation – what should happen with the market on other days of the week, including cruise ship days?

## FINDINGS

### Types and Perceptions of Vendors

The mix of the market is composed of four types of vendors:

- So-called “CRUs” which are the permanent storefronts facing the market exterior, with businesses that have invested substantial funds in infrastructure. These operate six days a week whether or not there is much activity in the main market hall.
- The “Boulevard” Vendors, mainly prepared foods, who are supposed to operate daily but rarely do. . Some of these vendors have access to vents and hoods for cooking, so they have somewhat more infrastructure.

- Market Hall vendors with permanent infrastructure: these vendors have permanent displays, refrigeration, and/or casework at their stalls. On the mezzanine level, this includes prepared food vendors who cannot do cooking requiring venting at their stalls.
- Market Hall “day” vendors: these are both food and non-food vendors, using tables and other movable display and storage units. Some day stall vendors have stretched this to include items like refrigerators. While portable, due to lack of storage, most of these items never or rarely move in the market, creating a poor impression for customers who walk in the market on other days but Saturday.

From the survey, we learned that most respondents (61%) have increased location at HSFM and are generally satisfied with the quality and mix of fresh food products and crafts, the “busy-ness” of Saturdays, and the market’s overall ambiance. Vendors were not satisfied with:

- vitality and “busy-ness” on weekdays – 78%
- variety of vendors Mon-Fri – 67%
- amount of storage – 63%
- amount of ad/marketing – 58%
- visibility of signage – 56%
- adequacy of parking – 54%
- availability of business planning assistance – 54%
- amount of seating/places to hang out – 50%

Finally, most vendors operate small staffs, often with just one staff person. A majority do not employ part time staff.

## **Types and Perceptions of Customers**

In terms of customers, survey results showed a very loyal customer base that currently spends considerable amounts of money at the market. Generally, customers are drawn by the quality and freshness of products, selection and variety of local products, and the social atmosphere. Only half the customers surveyed, however, were satisfied by the convenience of market days and hours. Half of the shoppers did more than 20% of their total household food shopping at the market. About 26% did between 21-40% of their food shopping at the market. A majority of respondents (58%) spend over \$31 at the market. This also is a high figure for average expenditures at a market.

As with vendors, customers were not satisfied with the variety of vendors during the week, the amount of seating, the frequency of events and activities, and the adequacy of parking. Respondents think that the following improvements are most important (at least 55% rated 7-10):

- More farmers selling local produce – 73%
- Free validated parking – 71%
- More places to sit – 65%
- More farmers selling organic – 63%
- More evening events at the market – 58%

In addition, customers think the following improvements would also benefit the market:

- More vendors selling on more days – 77 mentions
- New layout/circulation – 57 mentions
- More advertising/marketing/promotion – 29 mentions

There are several different types of customers, each with different priorities for why they are coming to the market:

- Saturday Shopper: This is the core HSFM market shopper, mainly interested in farm fresh product and the experience of going to market. Vendors report the vast majority of their sales are currently coming from these shoppers. While diverse, they are a younger crowd. Survey results showed stronger responses from under 40 women, with household incomes evenly split at all levels. Most customers are driving up to 30 minutes to get to the market, and the large majority is coming with family and friends so it is a shared experience.
- Sunday Shopper: This group is not buying as much fresh farm product as on Saturday and seems to be there more for the social experience, prepared foods, and browsing. While attendance is often not bad, sales are not robust.
- Weekday Shopper: This is currently a small group who has not been put off by the lack of vitality during the week, and only 30% of vendors reported that they made more than 10% of their total revenue on weekdays. Data is spotty on these shoppers, but we would expect people who live or work near downtown (many of whom may also go to the Super Store, two blocks away) could, with the right strategy of marketing and mix, become regular customers during the week. This was bolstered by customer comments in the survey.
- Lunch/Coffee Crowd: Again, this is a small group because the unpredictability of when lunch will be available beyond a few CRU vendors. The market during the week could reinforce the social/"Third Place" role with better coffee, more seating, and informal programming (like networking events). The current Wi-Fi system has limited capacity and needs upgrading to accommodate more and more users. Currently it is weakened because vendor and customer phones automatically link into the system as well as use by cruise ship

passengers which bogs it down Theavailability of a conference room to rent would also help bring in more traffic to the market

- Cruise Ship Passengers: In 2011, there were 122 cruise vessels, carrying 243,577 cruise passengers, on 20 major cruise lines between April and October (with a peak season in September and October.) The market is required by lease to be open all cruise ship days. Passengers cannot take agricultural products or liquor back on the ships, and are thus restricted to crafts and prepared foods. Although some craft vendors reported good sales, three quarters of vendors said they made less than 10% of their total revenue that day. Passengers also don't have much time, as they are whisked onto tour buses upon arrival and return later in the afternoon. They are often looking for someplace fun to buy locally made mementoes of their visit to Nova Scotia. .
- Wholesale Customers: Although 59% of vendors surveyed said they sell wholesale, 50% report that it accounts for less than 20% of their total revenue. This could be an increased source of customers in the future, however, enabling retail businesses to stay open on slower days because of this extra income.

## Overall Findings

- Vendors and customers agree the market seems “empty” except on Saturdays and, sometimes, Sundays. During these days of operation, CRUs are generally open, but, as the design section describes below, they have very little visibility. Inside the market, it is hit and miss with who is open, especially because vendors that are open are not clustered together. A farm stand is open at the south entrance, the flower shop at the north entrance, etc. An analysis of survey results about when the market should be open showed that there was customer interest for all seven days, although Monday and Tuesday there was less interest. Vendors tend to sell mostly on Saturdays, however. The following chart indicates that indicates that there is a link between customer shopping and the number of vendors open:

	% of vendors who say they are open on...	% of customers who currently shop at the market on...
Friday	15%	16%
Saturday	93%	93%
Sunday	47%	39%

When vendors and customers were asked about what days the market should be open, Friday, Saturday, and Sunday were the most common days. While Friday emerged as an important day, only 30% of the vendors they wanted to sell that day.

	% of vendors who want the market open on ....	% of customers who want the market open on ....	% of vendors who say they would like to be open on ...
Friday	71%	73%	30%
Saturday	99%	98%	98%
Sunday	90%	90%	60%

- The availability of lunch during the week is unpredictable. While Friday was promoted as an “international market” with more prepared foods, it has not taken off. Often only two vendors are regularly open for meals (Selwyn Green and the Fish Shop) and none of the Boulevard vendors are open. If more downtown workers (or nearby workers at the Nova Scotia Power and the Halifax Port Authority) are to be attracted, lunchtime vendors must be consistent.
- During the week, people show up sporadically with their laptops, buy a drink, and sit by the windows to work. Given the proximity of the market to downtown and emerging trends demonstrated by coffee shops to become ad hoc workspaces for freelance professionals, with more seating, access to the water, and availability of fresh roasted coffee, this trend could be encouraged.
- Generally, there is little demand for farm-fresh products by cruise ship passengers. Discussions with vendors who were selling well those days dealt with relatively small craft items (with a Halifax or Nova Scotia theme) selling for \$20 or less. Several vendors reported getting substantial orders from customers during the holiday season by cruise ship passengers who took their business cards. The challenge with cruise ship passengers is that



they usually arrive at Pavilion 22 (full of retail opportunities) rather than at Pavilion 20. Promoting and orchestrating a stronger connection between the cruise ships and tour buses (for example, by dropping passengers at the market on their return to the Port) should be combined with making the market look full and attractive during those days, including performances of local music, wine tasting, etc. Exterior vending may also serve as a sign that something is happening in the market.

- Rules and regulations at the market that require vendors to be open specific days are not enforced. In the vendor survey, 84% were in favor of establishing a clear, strong penalty system for vendors who don't show up days that they have signed up for. Respondents are evenly split as to whether the penalty should be a fine, temporary suspension, or both.

## RECOMMENDATIONS

### Rebranding and reconfiguration of the weekday markets

- *Brand and give new consumer awareness to the six core "CRU" (storefront) vendors:* These businesses are open every day (except Monday) and have put the largest personal financial and time investment in the market and, while they report brisk sales on Saturdays, weekdays are slow. These vendors currently sell local fish, meat, baked items, cheese, chocolates, some produce, and prepared foods (one potential additional store is currently used for storage.) Branding strategies will include physical design features, a new name for the CRU shops that consumers would understand (i.e., The Market Arcade), and other marketing strategies to promote consumer awareness about hours of operation and products offered.
- *Create an "Accordion Market" for the main market hall – where the amount of the market that is actually open depends on the number of vendors open. Vendors would cluster in the open areas and seating would be expanded as well.* Currently, the entire building is open all the time, so when a customer walks in on a weekday it looks empty even if there are 10-15 vendors actually operating. The design section (below) presents a number of options for allowing the interior of the market to function more flexibly on an "accordion" basis, so that no matter when someone shops, it looks as busy as possible and products/businesses are conveniently clustered. By concentrating activity, the market will be able to create a critical mass of activity within a smaller area. Leasing will have to guarantee that there will be a core group of vendors every market day. Adding more seating, a café, more coffee, etc will support the market as a "Third Place" to meet, work, and have a meal. Rules and regulation for vendors that agree to be open on specific days must be rigorously enforced.

- *Develop a “best of the market” store or stall:* So that vendors do not have to show up every day but consumers can still access some of their products, a market store or stall with a selection of market fresh food and value-added products could be open every day. This will broaden the attraction of the CRUs as a place to shop during the week where you can buy almost anything you need for a home meal. Such a store or stall could also round out the mix of the CRUs, by selling dairy products, eggs, bulk foods, spices, and products augmenting the selection for consumers from the CRUs. The market has already been approached by a few vendors interested in opening this as a business.
- *Upgrade Boulevard stalls and expand hours.* As part of the new flexible format, Boulevard stalls will have to open on days when that section of the market is open. Management should work with vendors on merchandising and signage opportunities (see next section) as well as product mix and quality.
- *Developing a pilot weekday farmers market:* We believe there is sufficient interest by a small group of farmers to do a small lunchtime or late afternoon open air farmers market in front of the market on a weekday, and heavily promote it to downtown residents and office workers. By design, this would be outside to give it easy visibility and access, adjacent to the entrances to the CRUs. We recommend a short (eight week) pilot season during the peak summer/fall of 2012 to test consumer reaction. This will require a considerable marketing push to consumers, and potential incentives like free parking.

### **Expanding and improving the core Saturday Market**

This is, of course, the market’s “best” day when most sales occur. Because of the crowds, there are many issues with flow and seating that customers complain about. Underutilization of spaces in the market persists on Saturday, especially on the mezzanine:

- *Expanding the number of fresh food vendors on Saturdays:* From the surveys, we learned that the number one thing customers want are more farmers selling local produce, and that customers do not want produce resellers or additional craft vendors in the market. Given the space crunch on Saturday this will be a challenge, but we are looking at expanding outdoor stalls and making more efficient use of interior spaces.
- *Design and Layout improvements:* Customers had many issues about design, layout and parking which are covered in the next section.

## **Make the Sunday Market a Fun, Family-Oriented Market**

- *Reduce operating hours – open later, close earlier.* The focus should be on building and sustaining a maximum number of people, not extending hours.
- *Focus on activities and products that are leisure or entertainment oriented.* More prepared foods should be in the market on Sunday and the mezzanine and central court should be programmed with a wide variety of family activities.
- *Maintain a core “farmers market”.* For shoppers coming for fresh food products, these should be clustered together to make it easier for food shoppers.

## **Creating a Viable Cruise Ship Market Day**

PPS has not had the opportunity to observe a cruise ship day in operation, but these are suggestions that have been made during the planning process. There are a lot of moving parts here: where the cruise ship passengers actually disembark, what type of passenger they are, whether they have any time on shore at the Port, and the day of the week they are visiting. Most of the time passengers disembark at Pavilion 22, where the Port has extensive retail facilities. About 30 times a season, when there is more than one ship in Port, the market closes its cruise ship corridor and Pavilion 20 becomes the point of arrival and departure.

Currently, the market suffers from a lot of disadvantages with being in a cruise ship terminal. The Cruise Ship Corridor in the market, used as a secure arrivals corridor about 30 days a year (mainly in September and October) is an awkward space for vendors the rest of the time. The wall itself, despite the gates, tends to block views of the harbor. Direct access to the water is totally prohibited for security reasons even when there are no cruise ships in port.. Ship exhaust sometimes enters the intake for the market’s ventilation system. The market has no control over the garage doors facing the water, which are only opened for cruise ship passengers to enter.

When Pavilion 20 is used, the front of the market is used for staging and boarding for tour buses and passengers are dropped off in front of the market at the end of the day. The rest of the time, passengers are dropped in front of Pavilion 22.

- *Make the “Cruise Ship” market day something worth going to.* The day of the week makes difference. Obviously, Saturday cannot be catered to cruise ship passengers (there are five cruise ship days on Saturdays in 2012 of which only two directly involve Pier 20 and the HSFM), but a weekday has much more flexibility. This market needs to provide the local flavor that is missing from the ample retail shops of Pavilion 22. The focus should be on

prepared foods and smaller craft items, and the producer of these items must be selling at the stall. Local music should be set up in the central court, and wine producers should provide tastings, even if they are for a small fee. Prepared food vendors could sell “tastes” of Nova Scotia – small portions, since people are not looking for meals.

- *Improve marketing and promotion.* If HPA is going to require that the market remain open during all cruise ship days, more needs to be done collaboratively to promote the market as an attraction. This needs to potentially begin before passengers leave the ship, when they are given options for tours and visiting local attractions. Signage at Pavilion 22 should direct people to all Port and waterfront attractions, including the market. The Port should allow tour operators to give passengers an option of being dropped off in front the market at the end of their tour.
- *Create a more defined link between Pavilion 20 and the market.* Opening up a door and providing signage to buses that takes people through the market when they arrive should be explored. Perhaps a tourist info desk could be set up in the market as well.
- *Creating a Port shuttle.* Creating a “Disney-style” open air vehicle that could shuttle people from the Cunard Center to the market and back could benefit all Port tenants. This shuttle could also be used on Saturdays to encourage shoppers to use parking further from the market.
- *Focus the market on hours when Passengers are in Port.* Opening hours of the component of the market geared to cruise ship passengers should correspond to realistic hours of visitation.
- *Marketing fresh food products to ship crews who cook on board.* This should be explored if this is at all a possibility.
- *Rethinking Port operations with regard to the market’s Cruise Ship Corridor.* As explored in the next section, the cruise ship corridor does little to enhance the market for its 300 or so other operating days.

## DESIGN AND LAYOUT

*Create a more impactful, efficient layout of tables/booths especially on 'slower' days. – HSFM Vendor*

*The noise levels in the market can make it hard to communicate with customers, particularly in the center areas. – HSFM Vendor*

*Better organization of vendor stalls -being consistent with rules of operation - having winter hours of 8am on Saturdays -being open fewer days -a small area of storage for day vendors. – HSFM Vendor*

*There needs to be a reconfiguration of the layout for better traffic flow to all booths. There needs to be standards for booth appearance. – HSFM Vendor*

*The building looks great, but it doesn't look OPEN – HSFM Vendor.*

*Better use of the space you have.....Some vendors have way too much room others have not enough. - HSFM Vendor*

*There is so much more that this building/place can be, way beyond what it is currently being used for. Come on folks... a world class building that's practically empty most days of the week. What gives? – HSFM Customer*

*I would like to see more space to be able to maneuver between vendors. It is difficult to navigate a busy Saturday market when you have small children with you. I would also like to see some tables and outdoor seating, both on the upper (outdoor) level as well as on the ground level – HSFM Customer*

*I always find the aisles too narrow, especially the back area before (running parallel to) the arts/craft area against the glass. -- HSFM Customer*

Had PPS been involved in the layout and design of the market from the outset, it would not have been set up the way it was. There are numerous dysfunctional issues which now cannot be practically addressed, but which can potentially be mitigated through design and operational retrofits. We have tried to be practical about these changes, acknowledging resources are limited

## FINDINGS

- Public markets are traditionally associated with dynamic and highly graphic signage which extend the excitement of the inside of the market to the outside. In contrast, HFSC does not look like a market from the outside, signage is “soft” and underplayed, and CRU tenants are particularly invisible.
- In addition to CRU tenants lacking a visible identity to customers, they do not connect to each other, inhibiting convenient cross-shopping and easy circulation. The information desk

(which is invisible to most customers) creates a major gap in what should be a focal point of activity in the market.

- Public markets need as many points of entrance as possible to even out circulation flow. It is a mystery to us why doors were not installed at the center of the market where the information desk is located.
- There are no tenant design guidelines, another required feature for public markets. The \$14 million dollar investment in infrastructure was never properly balanced by the hodgepodge of vendor table, signs, display units, unattractive refrigerators, and other assorted items which – because the market has virtually no storage (a major design flaw) – sits in full public view whenever the market is open. Less noticeable on Saturdays when the market is full, these details become very apparent the rest of the time. Some of the specific stall issues which have been identified include:
  - Stalls are often designed and positioned such that they block neighboring vendors. Most public markets have strict guidelines governing “high” zones and “low” zones to maximize customer visibility along the aisle. Gates to the cruise ship corridor act as barrier too.
  - Stalls requiring permanent utility connections, cold storage, and refrigerated display cases need different stall configurations than a day stall.
  - More clear guidance is needed about utility hook ups. While utility access panels permit water and electrical hookups at most stall in the main hall, there are documented code violations and safety violations with these hookups. In addition, hook-ups are permitted to be permanent rather than on a daily basis
- The market layout as originally designed featured two main North-South aisles, but this was changed at the last minute during construction to maximize front footage, which is how the market collects its rent. This has created very narrow aisles (6 feet) in places and an awkward flow for customers. This awkward layout also significantly reduces the visibility and resultant sales opportunities for vendors located on these side aisles.
- Utility floor access panels, intended to serve four contiguous stalls, now are located in very strange locations, sometimes in the middle of the aisle, which can be dangerous. The survey had many complaints about walking through crowded aisles with children, and how unpleasant Saturday could be at the market.

- As part of Phase II, when there will be more time to work one on one with individual tenants fitting them into a new market layout, the number of cross aisles will be more fully considered.
- Rents and whether they are charged by frontage or by square foot will also be addressed in Phase II to ensure the most equitable system for tenants.
- More seating is a high priority for customers and vendors, recognizing the social role the market plays as well as supporting eating on the premises. Currently seating is very limited on Saturdays: when movable tables and chairs are put away and when the space is turned over to vendors, people often sit on the radiators creating a safety hazard. Outdoor seating is also limited. On the mezzanine, windows where seating could be located over the vestibules are not connected to the mezzanine itself.
- Interior signage is currently “ad hoc” and generally unregulated. Some vendor stalls lack signage entirely. On the mezzanine, vendors have hung individual banners over the railing to promote their business – and over 15 vendors have posted signs on or near the north stair – resulting in a mish mash of signage that few people read. The banners also make it seem that the business below the banner is something different than it really is. Selwyn Green appears, for example, to be a pizza shop.
- The market’s mezzanine area is generally underperforming. While some businesses are doing well on Saturday on the mezzanine, many are not. Other than Saturday, the mezzanine is totally empty. Lacking a “grand stair” at the south end of the mezzanine has made that space, currently occupied by wineries, a dead spot in the market.
- The market’s exterior public spaces are also underperforming. There is limited outdoor vending as well as seating and table and chairs. The Cunard statue traffic circle is the only place where you can sit and look at the water, although it is somewhat blocked by a fence. Even here, seating and amenities are limited.
- The acoustics in the market make it difficult for both normal conversations as well as special events. In the survey, many customers and vendors suggested sound baffles and an improved public address system as a needed market improvements.
- Finally, Pavilion 20 is used as overflow vending on Saturdays when cruise ships are not using it, which is most summer Saturdays. It lacks signage and an identity to draw more shoppers to this area.

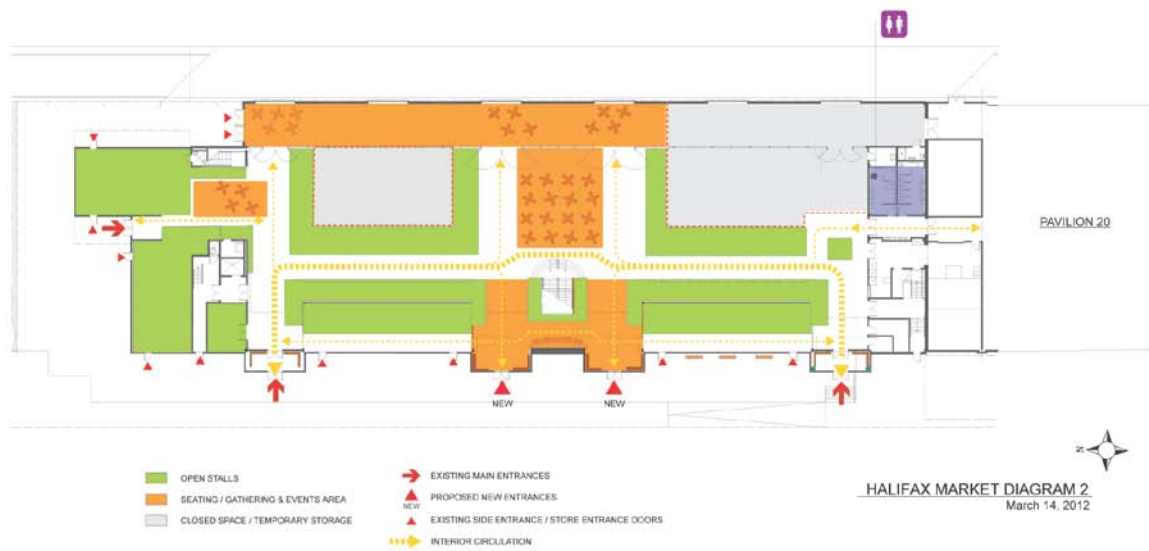
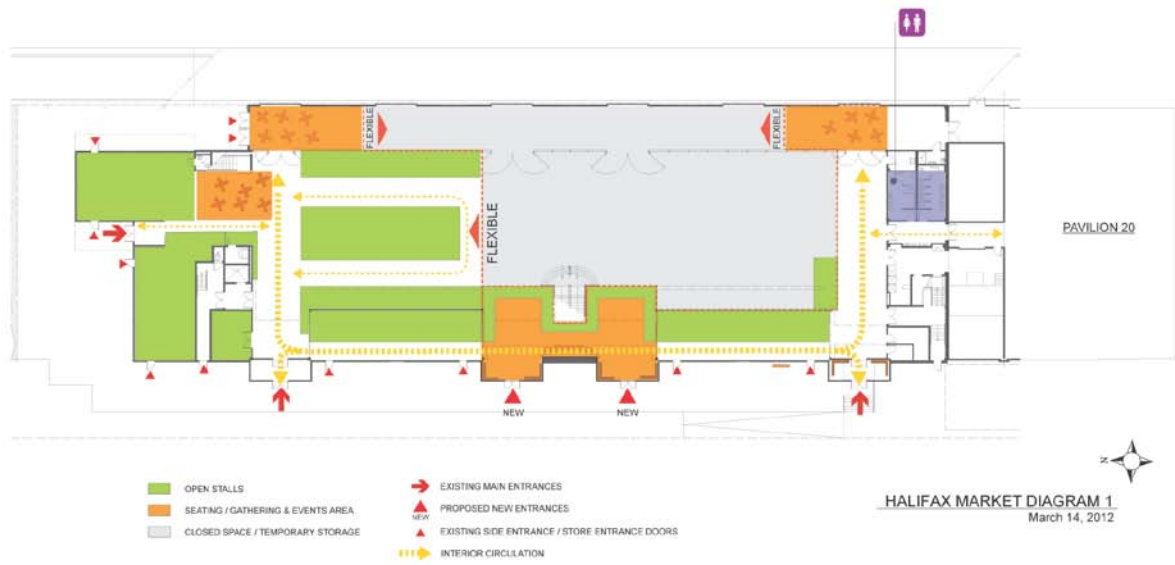
## RECOMMENDATIONS

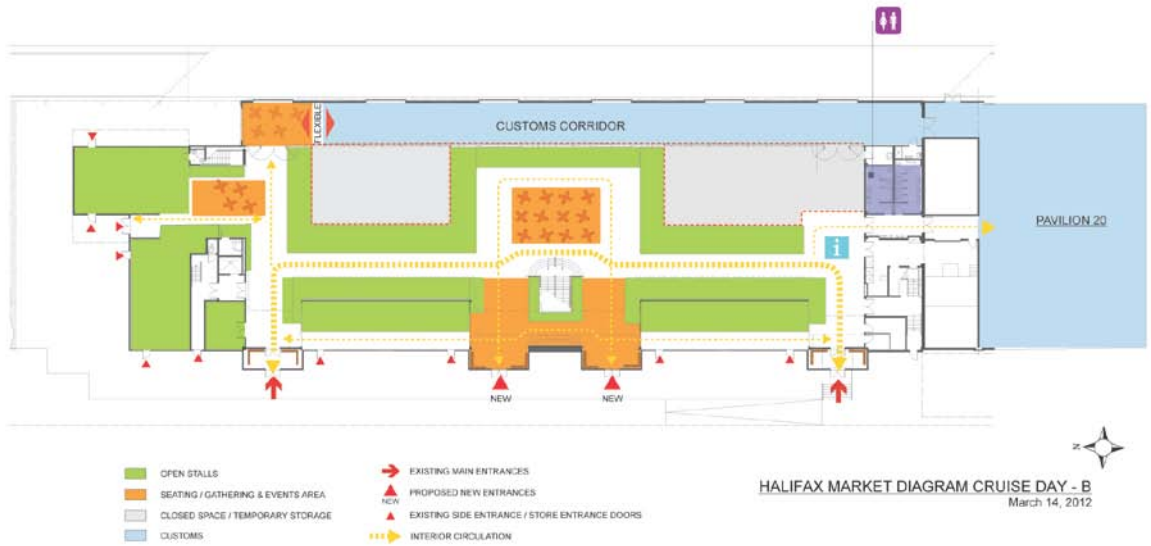
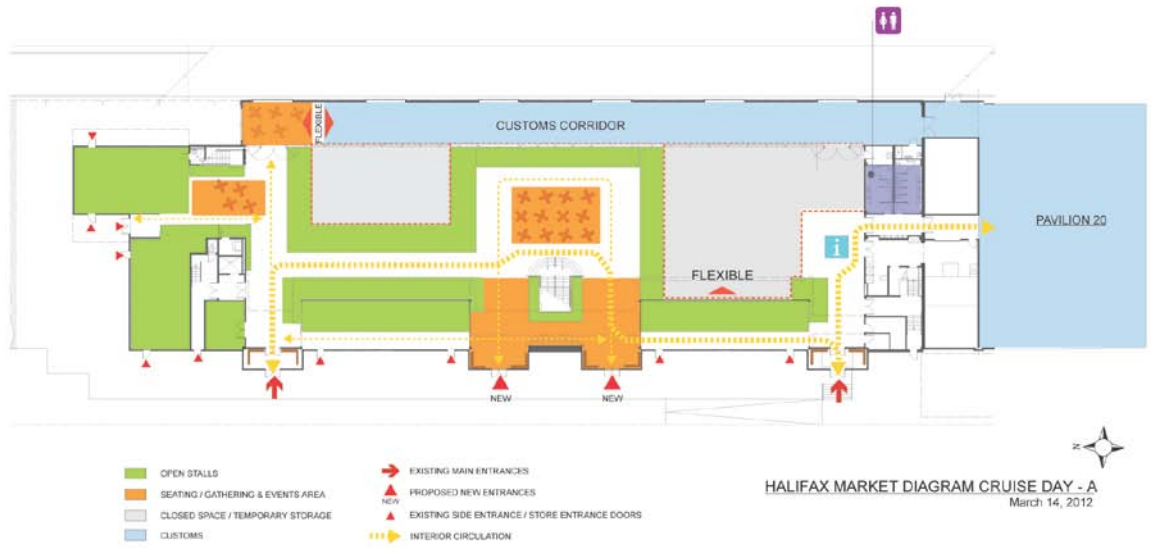
This section presents conceptual recommendations which were reviewed and comments at the community/vendor meetings in March. Based on these meetings, we have modified and eliminated some proposals. Further work is needed in Phase II to advance the design to the schematic level.

### Creating a Flexible Layout

- *The “Accordion” Market.* As noted in the Merchandise Mix and Days of Operation section of this report, the market needs to develop a way to expand and contract depending upon vendor and customer usage. The following diagrams illustrate options for how to achieve this “accordion” objective. Closing off parts of the market could be as simple as a system of movable partitions that will close off from view the parts of the market that are closed but that might also serve a dual marketing role by displaying photographs and information about the market’s local producers. “Closed” areas of the market would be used for storage, which as noted, is totally lacking in the market.
- *Adding New Entrance Doors.* These doors would be located adjacent to the green wall and may require vestibules which could be installed on the exterior of the market. These doors will create a “front door” for the market and help to even out circulation flow on the main floor. The doors will also make the existing information desk, which should be relocated to a more visible location, a viable retail location – thus better connecting the adjacent CRUs as well.
- *Adding more seating:* Within the context of a new layout, the following diagrams also look at ways to add small seating areas throughout the market, as well as on the market exterior, taking advantage of the views of the water during nice weather.

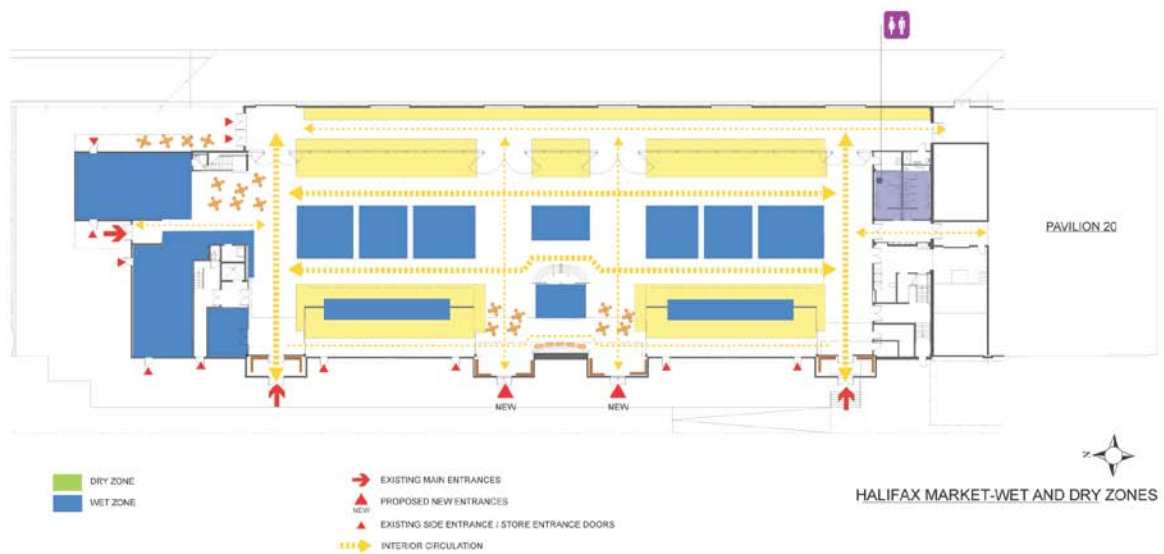
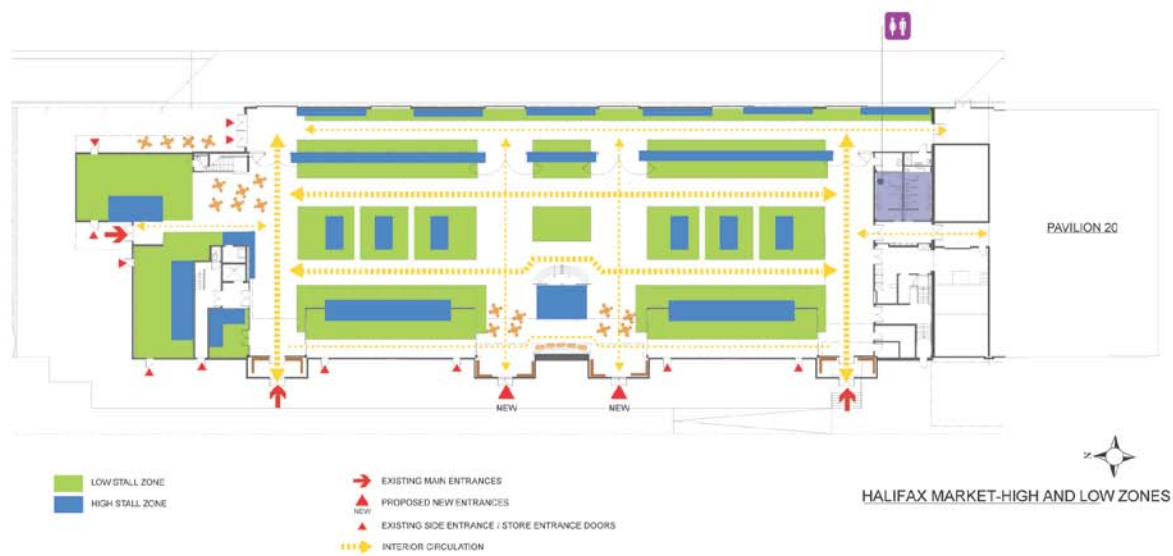




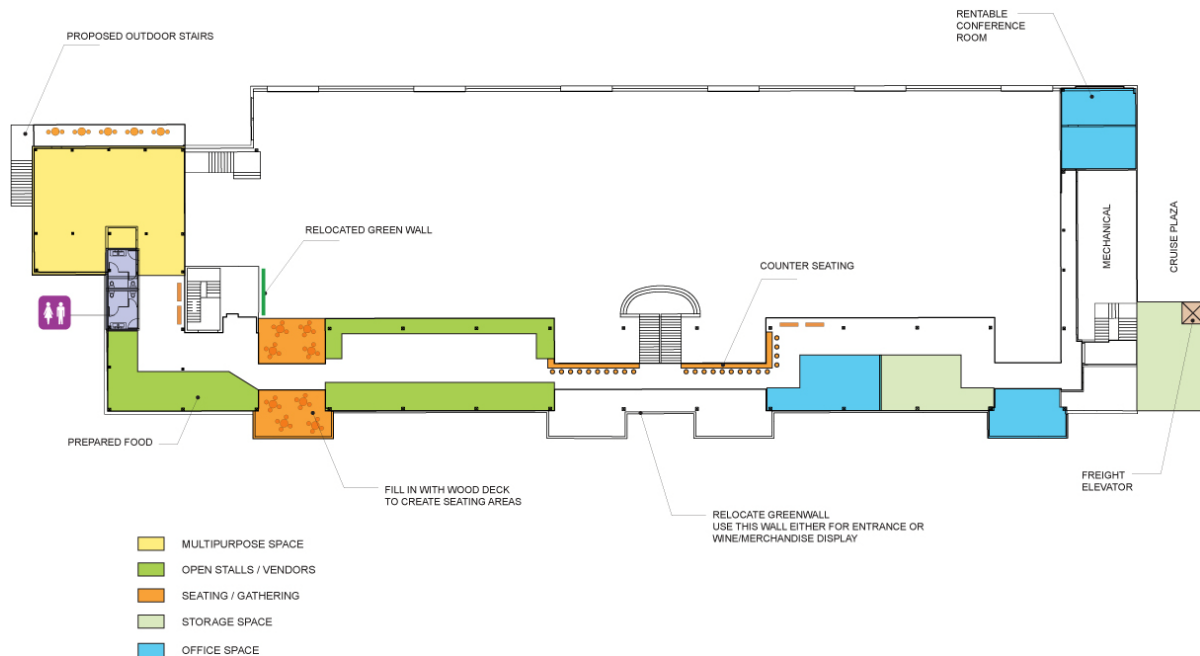


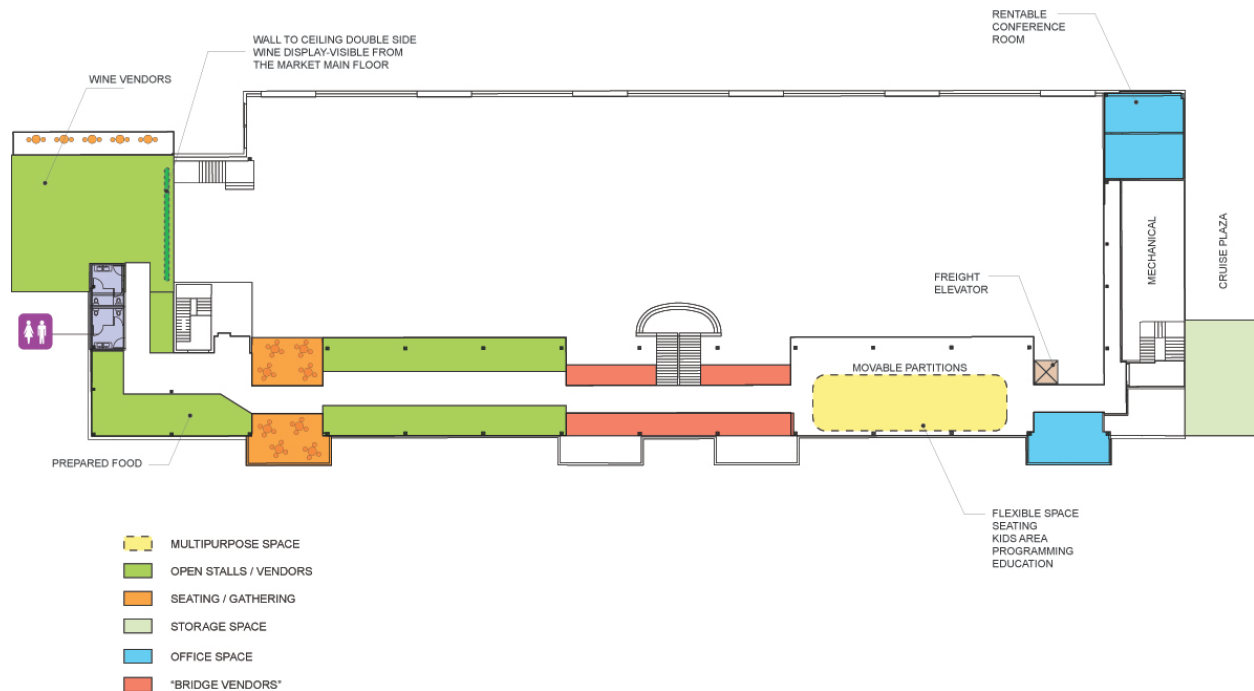


- *Rethinking the Layout of the Main Hall Floor.* Phase II will address options for detailed reconfiguration of the interior layout to improve customer flow and accessibility as well as the visibility of businesses. Vendors requiring refrigeration, glass display units, access to plumbing, and storage would be better clustered in one area of the market, where stalls could be deeper. Aisle and stalls dimensions and configurations need to be further explored as well, and in part informed by one on one discussion with tenants. Two key issues are the height of tenant displays and access to utilities. The following diagrams illustrate:
  - Proposed “High and Low” zones (based roughly on the current market hall layout) to facilitate customer views down aisles and allow for a continuous display of product. High zones would be locations where taller stall elements and display would be clustered, including wall display areas.
  - “Wet and Dry” zones in the market, where “Wet Zones” are those with access to water and utilities.



- Rethinking the Layout and Use of the Mezzanine:* As with the main floor, re-merchandising of the mezzanine is needed to optimize its use for vending, but other uses such as public seating, an event or multi-purpose space, expanded washrooms and office space, and storage should also be considered, especially in the “dead area” on the south side. The following diagrams illustrate some potential ways to reallocate space on the mezzanine floor. Both diagrams include relocating the winery section of the market (either to the main floor info desk area or to the front of the mezzanine area) and reusing this space for an office, programming space or storage. Existing food tenants could be consolidated within the mezzanine and craft vendors could remain as well. A multipurpose space could be located at the south end, or take advantage of the views and balconies in the northeast corner.
- Consider adding a second elevator and additional cold and dry storage.* It is very inconvenient that that loading dock does not connect to a service elevator. The diagrams which follow indicate the addition of a second service/passenger elevator (depending on location) and the possibility of a storage area above Pavilion 20 existing service area or on the market mezzanine. These require further study in Phase II. (To expand the storage area in Pavilion 20, more study should be undertaken to determine if it is possible to extend the mezzanine space over a larger portion of the Pavilion, while leaving the ground floor open for passenger and customs use.)





## Exterior Signage

The following illustrations show how existing exterior signage at the market can be enhanced, while adding more color and a sense of vitality to the otherwise bland exterior:

- *Add Iconic exterior signage for the market.* The addition of an iconic market sign could be along the roof ridge at the north end of the market, or attached to the trusses below. These signs should face three directions (North, East, and West, towards the harbor for arriving cruise ships and Dartmouth.) The addition of major market signage over every entrance as well as an awning over the trusses would help to animate the exterior as well. We recommend that the colors selected for these elements be brighter than the current subdued blue/green tones.







- *Create a storefront identity for CRU Tenants.* Signage which highlights CRU tenants, who act as a daily attraction of the market, will help them read more clearly as storefronts. The illustrations which follow show different options for store signage, general market “product signage,” shade protection especially from the late afternoon winter sun, and other design elements (seating, tables, etc) to animate the market exterior.



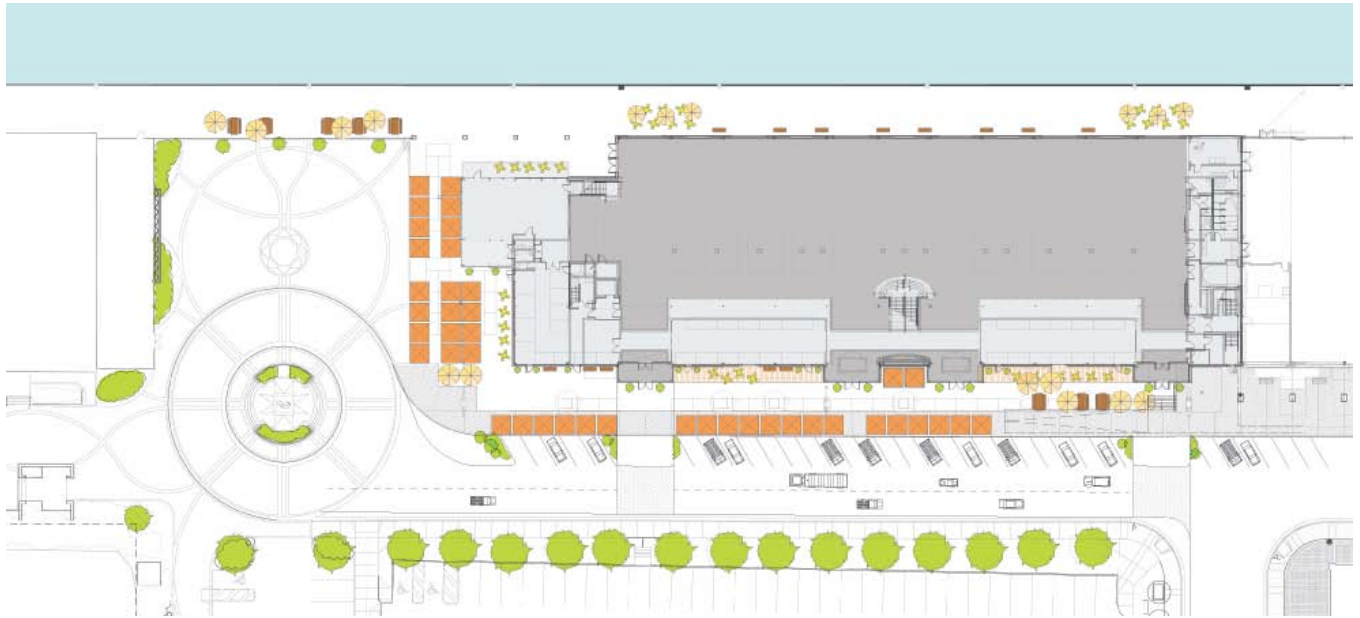






## Exterior Market Plan

This drawing illustrates how the number of exterior vendors could be included along with seating and other amenities. Further study on wind protection is needed. This drawing also illustrates diagonal parking directly in front of the market, which could be accomplished simply by re-stripping the street. (See Parking section, below).



## Tenant Design criteria

We are looking at options for both permanent and day stalls in terms of having stricter design controls. These controls should be combined with technical assistance to vendors about how to better market their product: many are good growers or makers, but have little design and marketing skills.

## Interior Signage

The following drawing illustrate how signage and colorful panels could be used to enhance both central day stalls and the Boulevard stalls, along with providing clearer signage about attractions on the mezzanine. While during the March meetings there was clear preference for the horizontal signs, more study is needed in terms of how the logistics of erecting signs relates to the “accordion” interior of the market and maintaining the individual identity of local producers. Signage should also be studied in terms as one strategy to mitigate noise and echo, and to provide additional sound baffles in the market.





## PARKING

### Findings

Parking is considered to be a problem both for customers and vendors. The issue is multifaceted: the cost of parking with limited free parking on weekends; proximity of parking to the market; and (some) abuse of customer parking spaces by vendors for all day parking. In general, parking is mostly “a problem” on Saturdays, although paid parking probably discourages quick weekday shopping for small items.

- Parking is not controlled by the market, although customers complain to the market about it. Parking is provided by the Halifax Port Authority as well as VIA and the Westin Hotel.
- The cost of parking varies by day of week and by owner:
  - HPA lots charge \$2/hour with a \$10 maximum (Monday – Friday)
  - the Westin Hotel charges \$2.50/hour with a \$18 maximum (every day)
  - VIA charges \$2/hour with a \$6 maximum 6am-6pm, and \$4 max. between 6pm and 6am, weekends are \$2 per hour, max \$4.
  - On street meters in front of the market are \$1.50/hour
- There is no validation program at the market.
- Free parking on weekends only is located at the Cunard Center but this is quite a distance from the market, and is mainly used (with some continual reminders by management) by vendors and their employees.
- The Super Store two blocks away offers free parking for its customers.

### Recommendations

- *Utilize the wide access road in front of the market for diagonal parking.* In the event that a fire lane is required adjacent to the building, this parking could be on the opposite side of the street. This parking would be restricted on Saturdays when vendors need this curbside space for drop-off/pick up, as well as during cruise ship days when buses use this space for loading and unloading.
- *Create a validation program.* More consideration needs to be given about how this would actually work, but the intent would be a program funded jointly by the market and vendors and provide one hour free parking.
- *Create a market shuttle.* Using the “Disney style” bus described above, the Port and the market could offer a frequent shuttle on Saturdays to free, but distant, portions of the parking lot. This would benefit all of the tenants in the Port.

## EVENT RENTALS

*Our family and business are very committed to supporting music and arts at the Market. We believe that growth will have a lot to do with events and community involvement. – HSFM Customer*

*Give people reasons to come to the market other than purchasing goods....post office, book drop off for library, clothing drop off for charities, shoe repair, key cutting, skate sharpening, tailoring etc...  
~Encourage various clubs to have meetings here or start some. Book Club, Singles Dance Night, Monthly Potluck Supper Club, Seniors Walkabout (safe exercise inside during the winter), Moms and Tot Get-Togethers, Tai Chi, Gardening Clubs, Boy Scouts, Girl Guides, Lecture Series, Movie night, Bird Watching clubs.... Engage the Community Service groups at the High Schools, they are always looking for projects and need to fulfill a certain amount of hours of charitable work . Establish a Volunteer Corp.of people to man the Recycling Stations - educate the public. Have a community garden club take charge of the rooftop garden, or "living" wall - HSFM Customer*

The goal is to assess the income potential, and management requirements, for more outside users of market spaces for special events.

## FINDINGS

Working with market staff and volunteers who have organized events in the market in the past, we have prepared an initial typology of events that have taken place in the market, along with issues about staffing, timing, infrastructure needed, etc.

### Issues with Event Rentals

While the market is being viewed positively by potential event sponsors, issues have emerged which limit this potential:

- Lack of a dedicated staff persons (until now) to oversee events
- Conflicts with market hours
- Acoustics in the market
- Limited controlled spaces (i.e., rooms or spaces that can be closed off)
- Weather issues on the roof and outdoor spaces
- Lack of infrastructure for events (i.e., table and chairs, sound system, etc.)
- Lack of a clear marketing brochure describing spaces, costs, etc.

- Lack of storage to clear out tenant tables and fixtures which clog market floor

## **Typology of Events**

### **Weddings**

**Public or Private:** Private

**Locations:** Rooftop, North Mezzanine

**Attendance estimates:** 50-100

**Infrastructure:** n/a. Clients rent own equipment

**Revenue:** Average full day \$1500.00 + HST, \$100-\$200 per hour depending on location.

**Time:** June, July, August, September, Evening, Day.

### **Receptions**

**Type of event:** Public and Private

**Attendance estimates:** 50-250

**Issue or problems:** Lack of seating

**Infrastructure (i.e., sound system, seating, etc.):** Clients rent own equipment

**Costs of producing:** Built into rental fee, staff set up and take down is added on as hours to total cost to client.

**Revenue:** \$125-\$750

**Time of day/day of week/month/season:** Year Round

**Example of specific events:** Fusion Halifax, Feed Nova Scotia Construction After Party.

**Tours:**

**Types of Organizations:** Public and private. Schools, Businesses, universities.

**Attendance estimates:** Up to 40

**Issue or problems:** none

**Infrastructure (i.e., sound system, seating, etc.):** None

**Costs of producing:** 1 Hour Manager time

**Revenue:** \$50 + HST per 1 hour tour

**Time of day/day of week/month/season:** All seasons, daytime

**Example of specific events:**

Business Education Teachers Assn.  
(BETA)

Department of Business & Tourism

Compass - Childrens Response  
Program

Visual Arts Nova Scotia

YWCA Food Security

**Receptions**

**Type of event:** Public and private

**Attendance estimates:** 50-250

**Issue or problems:** Lack of seating,

**Infrastructure (i.e., sound system, seating, etc.)** tables that are used are 8ft plywood tables , seating is rented externally by the client, P.A. system is rented.

**Costs of producing:** Set up and takedown 1-2 hour staff hourly rate.

**Revenue:** \$200-\$1500



**Time of day/day of week/month/season:** All Seasons, Night/day

**Example of specific events:**

Department of Labour & Advanced Education Reception, Farm Credit Canada Rooftop Reception.

**Meetings:**

**Type of event:** Public and private

**Attendance estimates:** 30 -50 people

**Issue or problems:** Lack of seating. Limited WiFi access for larger groups.

**Infrastructure (i.e., sound system, seating, etc.)** tables that are used are 8ft plywood tables, seating is rented externally by the client, Client brings own screen, projector for presentations.

**Costs of producing:** Set up and takedown 1-2 hour staff hourly rate.

**Revenue:** \$50-\$250

**Time of day/day of week/month/season:** All Seasons, Day

**Example of specific events:**

Fusion Halifax, Saint Mary's University Focus Group, Community Health Board Training sessions.

**RECOMMENDATIONS**

**Potential Event Spaces**

- Potential programming spaces include
  - Mezzanine (better sound control needed)
  - Main Floor – Center court or larger space if vendor areas can be “cleared”
  - Architect's office – potential to study feasibility of using this as a special event space
  - Roof – removing the planter would give more flexibility
- A recommended programming will completed as a next step in the planning process.

## **APPENDIX A: VENDOR AND CUSTOMER SURVEY RESULTS**

This section provides a short summary of the key results of both surveys.

### **Vendor Survey Results**

#### **Who Responded:**

- Breakdown of Respondents (top 5):
  - Arts/crafts/non-food – 125
  - Prepared foods – 30
  - Value-added – 28
  - Fresh Food – 23
  - Bread/baked goods – 19
- Most respondents (63%) have been with the market for fewer than 3 years and 80% of respondents have been in the market 9 years or fewer. Only 20% have been with the market longer than 10 years
- Large number of respondents (89%) are day vendors
- Relatively even response from primary vs. secondary producers (44% vs. 56%)

#### **What Vendors Like about the Market:**

- Most respondents (61%) have increased their sales at the new location and 96% plan on staying with HSFM
- Vendors who have experienced increased sales attribute this to:
  - good booth location - 24 mentions
  - more overall customers at the new location -21 mentions
  - infrastructure/new building -14 mentions
  - increased days/times of operation - 8 mentions
- In terms of specific issues, respondents are relatively satisfied (at least 55% rated 7-10) with:
  - Product Mix & Quality:

- quality of fresh food products – 86%
- variety of fresh food products – 79%
- overall mix of food products – 70%
- overall mix of arts/crafts – 65%
- number of places to eat – 61%
- variety of ethnic/specialty food – 57%
- Overall ‘busy-ness’ of Saturday – 86%
- Quality of vendor customer service – 84%
- Overall ambience – 76%
- Value of dollars spent – 69%
- Convenience of location – 64%
- Variety of price points – 61%
- Some design features:
  - condition of building/structure – 78%
  - amount of space at your booth – 67%
  - quality of entrances – 67%
  - width of aisles – 60%
  - lighting – 60%
  - attractiveness of boulevard stalls – 58%
- Management:
  - adequacy of snow removal – 84%
  - trash collection – 77%
  - quality of market staff – 67%
  - overall cleanliness – 63%
  - condition of bathrooms – 59%

- Vendors report that the greatest benefits of the HSFM for the community are:
  - Supporting local – agriculture, farmers, producers, artisans, etc. – 91 mentions
  - Public Space/Civic Pride – “the social hub” for Halifax, a community gathering space – 49 mentions
  - Economic Development – the place in Halifax for small businesses to start or thrive – 21 mentions

#### **What Vendors Don’t Like about the Market:**

- Respondents are relatively unsatisfied (at least 55% rated 1-4) with:
  - vitality and “busy-ness” on weekdays – 78%
  - variety of vendors Mon-Fri – 67%
  - amount of storage – 63%
  - amount of ad/marketing – 58%
  - visibility of signage – 56%
  - adequacy of parking – 54%
  - availability of business planning assistance – 54%
  - amount of seating/places to hang out – 50%
- Vendors who have experienced decreased sales attribute this to:
  - Bad booth location – 16 mentions
  - Lack of marketing/advertising – 6 mentions
  - Too much competition/bad product mix – 5 mentions
  - “wrong” customers/tourists – 3 mentions

#### **Days/Times of Operation:**

- Saturday is the most popular day to sell at the market (93%), and Sunday is far behind at 47%.

- Large percentage of respondents sell year-round, for example 77% sell in January, which is the least popular month
- Of those that sell through another retail/market, over half sell Thur-Sun
- Respondents think Friday (71%), Saturday (99%) and Sunday (90%) should be the market's operating days, but vendors who would sell on these days are lower: Friday (30%) and Sundays (60%).

#### **Sales:**

- Customers are spending significant amounts of money at the market:
  - 53% of respondents report that customers spend between \$0-20 at their booth
  - 21% of respondents report that customers spend between \$21 and \$30 at their booth
  - 27% report that customer spend more than \$30 at their booth
- Respondents reported their % of revenue comes from the following days:
  - Weekdays: Only 30% of vendors make more than 10% of their total revenue these days
  - Saturdays: Most (52%) of vendors make nearly all (81-100%) of their revenue this day
  - Sundays: 38% of vendors make more than 30% of their revenue this day
- Cruise ship passengers are not a major source of revenue for most vendors: 77% report that they make just 0-10% of their sales from them (in-person or after). However, some craft vendors do very well on cruise ship days, despite the lack of marketing and the disconnection between passenger arrival points in the Port and the market itself.
- Although 59% of respondents sell wholesale, 50% report that it accounts for less than 20% of their total business' revenue. Of those that sell wholesale, 69% report that only 0-10% of their wholesale business stems from being at the HSFM

#### **Business Characteristics**

- Most respondents operate small staffs - most just have 1 full-time staff member (including themselves) and a majority don't employ any part-time staff

- About a quarter of all vendors responding (24%) have permanent facilities installed at their space: this is very high for a market where there is supposed to be minimal such facilities

#### **Ideas for Improvement:**

- Respondents think that the following improvements are most important (at least 55% rated 7-10):
  - validated customer parking – 88%
  - better public transportation – 75%
  - more places to sit – 75%
  - more festivals/events – 70%
  - clustering vendors on non-Sat – 65%
  - improved tenant design criteria – 64%
  - reducing operating days – 62%
  - more evening events – 58%
  - opening the market later on Sundays – 57%+
  - more storage – 57%
  - provide merchandise assistance – 57%
- In addition, respondents think the following improvements would also benefit the market:
  - Advertising/marketing/signage – 35 mentions
  - Re-work the layout/improve infrastructure & building – 29 mentions
  - More professional/transparent management – 24 mentions
  - More events/activities – 19 mentions
- Respondents think the following improvements are least important (at least 55% rated 1-4):
  - Open before 9am on weekdays – 68%
  - Require vendors to operate a min. of 2 days/week – 60%
  - More vendors selling non-local produce – 60%

- Extend hours to 6pm on weekdays – 59%
- Adding a full-service restaurant – 56%
- High interest (84%) in establishing a clear, strong penalty system for vendors who don't show up when they are supposed to. Respondents are evenly split (33%ish) as to whether the penalty should be a fine, temporary suspension or both.

#### **CMHC Interest:**

- A large majority of respondents (80%) are not members of the CMHC (*see below for results specific to the 20% who are members*)
- Most non-members (65%) want to become members
- 80% of all respondents are in favor of CMHC increasing the number of members
- Those that are interested in increasing membership cite the following reasons:
  - Better representation of the variety of products/producers at the market – 26 mentions
  - Opportunity for more ideas/input – 22 mentions
  - Create more ownership among vendors – 17 mentions
- Respondents who do not want to increase membership were concerned about maintaining the role of the primary vendors (farmers) – how to keep it a farmers market?
- There were several respondents who were unclear about the role of CMHC, what it does, or how it operates
- There were virtually no positive comments about CMHC as manager of the market. “Perhaps it is time to reconsider those who run the market - previous experience as a farmer, artisan or vendor doesn't necessarily translate into knowledge about retail venues.”

#### **Customer Survey Results**

##### **Who Responded**

- Overwhelming number of respondents (98%) shop at the HSFM, the few that don't list the following reasons: parking/transit is inconvenient; the market is inconveniently located, prices are too high, don't know when the market is open
- Most respondents were under 44 years old (65%)

- Most respondents were female (71%)
- Household income was relatively evenly split (around 20% each) from \$26K - over \$100K
- Most respondents (72%) drive to the market and a large majority (80%) travel less than 30 minutes to the HSFM
- A large majority (72%) visit the market with family or friends

#### **Shopping Habits:**

- Slightly more respondents don't shop at another farmers market (53% vs. 47%). Those that do shop at (in this order): The Historic Farmers Market at the Brewery; Alderney Landing in Dartmouth, Partners in Care Farmers Market at the QEII and Wolfville Farmers Market.
- Respondents think the market should be open on Saturdays (96%), Sundays (90%) and Fridays (73%), but actually shop on these days: Saturdays (92%), Sundays (39%) and Fridays (16%).
- Most respondents visit the HSFM 1-4 times per month, or no more than once a week, during peak (76%) and low (86%) season.
- Overwhelming number of respondents (89%) visit between 2-7 vendors per trip

#### **Purchases:**

- Customers are spending large amounts of money at the market when they do shop there. . Half of the shoppers did more than 20% of their total household food shopping at the market. About 26% did between 21-40% of their food shopping at the market. A majority of respondents (58%) spend over \$31 at the market. This also is a high figure for average expenditures at a market.

#### **What Customers Buy at the Market:**

- The most popular market products purchased (in order) are: produce (89%), bread/baked goods (72%), meat/poultry (64%), cheese/dairy (59%) and eggs (47%).

#### **What Customers Like about the Market:**



- Respondents shop at the HSFM (at least 50% rated 7-10) because of the:
  - quality/freshness of product – 98%
  - selection of local products – 98%
  - variety of product – 81%
  - social atmosphere – 67%
  - convenience of days/times – 51%
- In terms of specific issues, respondents are relatively satisfied (over 55% rated 7-10) with:
  - Product Mix & Quality:
    - quality of fresh food products – 96%
    - variety of fresh food products – 90%
    - overall mix of food products – 80%
    - variety of ethnic foods – 67%
    - overall mix of arts/crafts – 64%
    - number of places to eat – 63%
  - “Feel” of the Building
    - overall cleanliness – 86%
    - overall ambience – 82%
    - condition of bathrooms – 77%
  - Price:
    - value of dollar spent – 81%
    - value of price points – 66%
  - Quality of vendors’ customer service – 61%
  - Convenience of location – 56%
- Customers report that the greatest benefits of the HSFM for the community are:
  - Access to local food and products – 419 mentions

- Supporting and interacting with local farmers/producers – 143 mentions
- Being a social hub for HRM – 124 mentions

#### **What Customers Don't Like about the Market:**

- Respondents are not relatively unsatisfied (1-4) with anything, but rate the following a "5":
  - Variety of vendors Mon-Fri
  - Amount of seating
  - Events/activities
  - Adequacy of parking

However, when asked to list improvements that could be made to the market all of the above issues were mentioned multiple times as problems for customers. Customers may not have wanted to rate these harshly, but when given the chance to openly discuss them they were by far the most complained about topics – along with the inconvenient location of the market, which obviously cannot be changed now.

#### **Ideas for Improvement:**

- Respondents think that the following improvements are most important (at least 55% rated 7-10):
  - More farmers selling local produce – 73%
  - Free validated parking – 71%
  - More places to sit – 65%
  - More farmers selling organic – 63%
  - More evening events at the market – 58%
- In addition, customers think the following improvements would also benefit the market:
  - More vendors selling on more days – 77 mentions
  - New layout/circulation – 57 mentions
  - More advertising/marketing/promotion – 29 mentions

- Respondents think the following improvements are least important (at least 55% rated 1-4):
  - More vendors selling non-local produce – 73%
  - Open before 9am on weekdays – 65%
  - More arts/crafts – 55%
  - Provide A/C – 55%