

THE NORTH MARKET

COLUMBUS, OHIO

NORTH MARKET
DEVELOPMENT
AUTHORITY

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“In order to survive, the North Market must strengthen its position in the North Market District, expand the number of merchants, the Market’s physical boundaries, and become more competitive.”

PUBLIC MARKET COLLABORATIVE
FINAL REPORT NOVEMBER 1989

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The purpose of the North Market Expansion project is twofold: to revitalize the historic public market and rejuvenate the surrounding North Market District neighborhood. The public/private partnership proposing this project is forged between the North Market Development Authority and the City of Columbus. Central Ohio residents have a vested interest in maintaining the North Market because it is a rare cultural setting for unique shopping, which promotes high quality food and food products. In addition, the Market's proximity to downtown and location in relation to the new convention center give even more credence to the expansion of the Market and revitalization of the area.

PROJECT DESCRIPTION:
A Vision of A New "Old" Market

The Authority envisions a thriving Market located on the first floor of what is now the Nationwide Warehouse on Front Street, with an attached, newly constructed Market hall. The interior spaces with high ceilings and brick walls, will be filled with natural sunlight and the smells and sounds of an active Market.

Outside, the Farmer's Market will be located on the current North Market site. This will be a simple open-air structure used during the local growing season, approximately May through October.

The old Central Market Bell Tower, now in storage, will be erected on the southwest corner of High and Spruce Streets to create a visible North Market presence on High Street and a "gateway" entrance to the Market area. The Tower plaza will invite pedestrians and High Street shoppers to walk to the North Market and adjacent businesses. The entrance will also serve as an external identity marker, alerting and educating people that the Market is within.

The project encompasses renovation of the old Nationwide Warehouse, new construction of an attached Market hall, demolition of the Quonset hut, and construction on that site of an expanded Farmer's Market, plus installation of the old Central Market Bell Tower at the High Street entrance to the Market.

THE NORTH MARKET DEVELOPMENT AUTHORITY:
The management organization for the Market

Established in 1983, the North Market Development Authority is an Ohio not-for-profit, 501(c)3 corporation. The purpose of the Authority is to preserve and promote the historic, commercial and cultural traditions of the North Market, Columbus' only remaining city marketplace. The Authority cooperates with federal, state and local government agencies to preserve and improve the North Market. The Authority has adopted the following mission statement:

The Authority believes the Market is:

Product-oriented; Bringing quality fresh food products and produce to market.

Shopper-oriented; Providing a social experience for the central Ohio community.

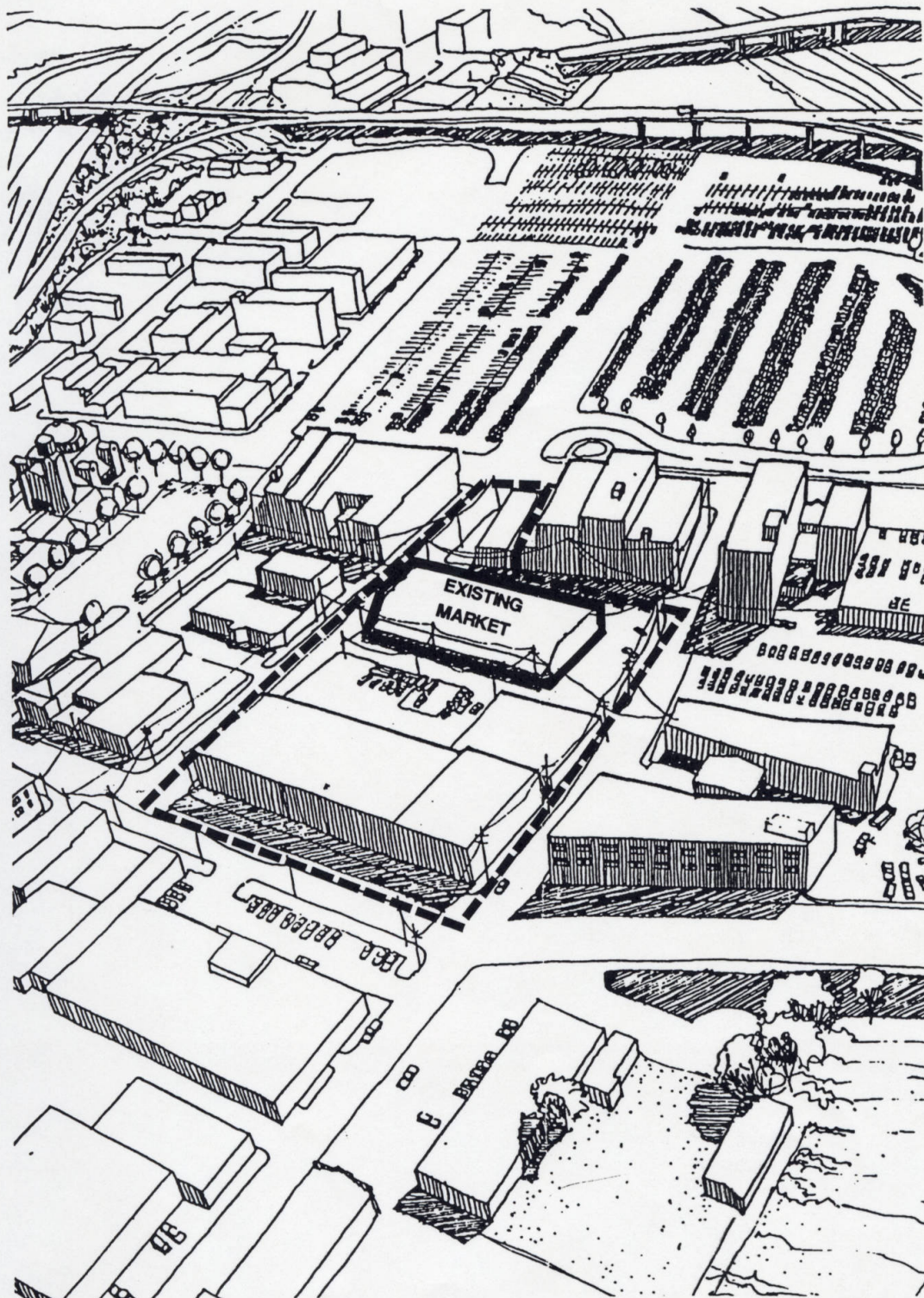
Merchant-(or family business) oriented; Offering a historic way of life and individual entrepreneurship.

The Authority holds itself responsible to promote and maintain the delicate balance of product mix, shopper experience, and merchant opportunity at the Market.

In May 1988, the Authority was granted a five-year lease (with two additional, five-year options) from the City of Columbus to manage the existing North Market. Previously, the Merchants Association managed the Market. However, the City was convinced that without consistent leadership, the Market would not remain vital and able to advance the desired redevelopment of the North Market District neighborhood.

During a six month study, the Authority determined that the preferred location for the North Market is a site expanded beyond the current boundaries of the Market at 29 West Spruce Street. This site will be composed of frontage on both High and Front Streets, and bound by Spruce Street on the north and Vine Street on the south.

The graphic on the next page shows the existing North Market and the proposed expanded Market site.



--- PROPOSED MARKET SITE

MANAGEMENT STUDY FOR AN EXPANDED MARKET:
The Public Market Collaborative Grant

In January 1989, the Authority received a \$58,000 grant from the U.S. Department of Housing and Urban Development (HUD) for technical assistance to facilitate the development of a more competitive and profitable expanded market facility with a professionalized management program. This grant was one of seven public market projects around the country which received help where Community Development Block Grant funds were committed.

The technical assistance program has been administered by the Public Market Collaborative (PMC), a program of Projects for Public Spaces, of New York City, which exists to strengthen and revitalize existing public markets and to assist in the development of new markets. With experience in successful public markets from Vancouver, British Columbia, and Seattle, Washington throughout the country to Cleveland and Baltimore, Maryland, the PMC team brought a wealth of expertise to the study.

The Executive Summary of the Collaborative's Final Report states,

"The North Market - the last remaining public market in Columbus - has provided entrepreneurial opportunities to family-owned and operated food businesses and the region's farmers since 1876. Its continued operation preserves a historic way of life for both sellers and consumers from throughout Central Ohio. The North Market currently offers an alternative food shopping experience as well as a unique cultural attraction to the entire region. In order to survive, however, the North Market must strengthen its position in the North Market district, expand the number of merchants, the Market's physical boundaries, and become more competitive."

THE HISTORY OF MARKETS IN COLUMBUS:
The North Market, 1876 -- ?

Market activity similar to the North Market has existed in America since colonial times. The first public market hall in Columbus was constructed in 1814, predating the founding of the City by twenty years. When the City incorporated in 1834, the original charter specifically gave the City government power to erect, establish, and regulate the markets.

Besides being the primary place to buy food and other goods from local merchants and farmers, the public market played a central role in the City's social and political life. From 1850 to 1872, the market building was used as Columbus' first city hall. The Central Market existed alone until population growth to the north of the City resulted in the construction of a second market in Columbus, the North Market, in 1876, at its present location on Spruce Street. The location of the North Market has never changed.

Prior to the erection of the North Market, the market site had only one other use. Starting in 1813, it was the first designated burial ground in the City. In 1821, the site was deeded to the City for use as a public cemetery, and was so used until the area was annexed in 1862. When construction of the North Market began in 1876, a number of additional graves were found. While the function of the site went from graveyard to public market, the public use of the present market location has been uninterrupted since the City's founding.

The establishment of the North Market accompanied the rapid industrialization of the district toward the end of the nineteenth century. In the years following 1870, the area between the railroad tracks and Goodale Avenue became the site of a number of industrial activities.

Later, an East Market and West Market were constructed, following the City's population growth at the end of the nineteenth century. By 1918, the City's four markets were doing an aggregate business of \$12 million per year (about \$126 million per year in 1988 dollars). Unlike the current North Market, which requires a City subsidy, the old markets turned a profit for the City. In the 1920s, the profit amounted to approximately \$15,000 per year over operating expenses (approximately \$157,500 per year in 1988 dollars).

The North Market became the last operating market in Columbus when the Central Market was razed in 1966. A number of the remaining Central Market merchants moved to the North Market.

MANAGEMENT STUDY FINAL RESULTS:
Public Market Collaborative Recommendations

The Executive Summary of the Public Market Collaborative's Final Report recommended,

The envisioned expansion plan for the Market includes the acquisition and rehabilitation of the two-story, 50,000 square foot Nationwide warehouse building that lies adjacent to the current North Market building on Spruce Street. To accommodate more merchants, an addition to the warehouse will have to be made to increase the first floor to approximately 45,000 square feet. The products sold in the expanded Market will be similar to the products currently offered, except there will be more merchants in each food category. A minimum of three merchants per category will ensure adequate internal competition, which will increase the Markets' dynamism, improve the quality and variety of products, and create the unique, vibrant market environment necessary to attract shoppers from throughout the Columbus metropolitan region.

Once the North Market moves into its new facility, the current market building should be removed and a farmers' market area constructed in its place. The proposed shed can accommodate 25 farmers on designated farmers' markets days, and will provide metered parking spaces at other times. Other outdoor public spaces should be designed to help create an exciting pedestrian-oriented environment throughout the district. Retail and other uses should be encouraged that enhance the Market as a great shopping experience. A public management program should also be implemented to provide activities and entertainment in the outdoor spaces, as well as monitor maintenance and security in the district.

Providing adequate parking for market shoppers is crucial to the Market's success. At present, there is an inadequate number of spaces available, and the opening of the new convention center across High Street will further strain the supply. The Authority and the City must make the creation of more accessible and convenient parking a high priority.

Columbus has the rare opportunity to preserve and enhance a landmark activity in its City that has cultural, economic and historic significance. The North Market can be redeveloped to run profitably for both the merchants and the North Market Development Authority, yet still maintain its public goals. To reach its potential, the community must assist the Authority by providing funds to begin the redevelopment process. The Authority, in

turn, must develop the capacity to undertake the task and work with the City and the community to ensure that the North Market continues to benefit its merchants, customers, and the City.

To fulfill its mission as a public market, the North Market must have clearly stated public goals. In every community with a public market, these goals are different. The North Market's public goals must be a reflection of the history of public markets in Columbus and the aspirations of the community, coupled with an understanding of the potential and the limitations of urban fresh food markets today. The North Market's development plan and its management program must be made consistent with these goals.

The goals of the expanded North Market:

1. The Market must be self-sustaining.

The Market management must do all it can to keep the Market financially independent of City subsidy. At the same time, it must create an economic environment in which the merchants can make a good living.

2. The Market must be customer driven.

The Market will succeed if merchants and management identify and respond to the needs of the shopper. Individual merchants must be open when the Market is open. There must be a wide range of quality products to attract the customers necessary to sustain the Market.

3. There must be strong internal competition.

Competition insures wide selection, product quality and reasonable prices. Where the Market can support them, there should be multiple vendors in each food category.

4. The Market must reflect the unique qualities of the North Market Historic District, the City of Columbus, and the Central Ohio region.

The Market's vendors, products, events, and design should reflect as much as possible both the historical purpose of public markets and the regional and ethnic character of the community.

EXPANDED MARKET REQUIRED ACTIVITIES
DECEMBER 1989 EXPECTATIONS

- STEP 1 DEVELOP PROSPECTUS -- COMPLETED
- STEP 2 CONTINGENT FINANCIAL COMMITMENTS
 Secure commitments contingent on projects' financial viability, total project financing, and project scope.
- STEP 3 DEVELOP SEED MONEY
 Secure interim \$400,000 for start-up costs and financing initial professional services.
- STEP 4 ACQUISITION OF PROFESSIONAL SERVICES, ARCHITECTS, ENGINEERS, ETC.
 Develop RFP's, select project team.
- STEP 5 SECURE CONSTRUCTION AND PERMANENT FINANCING
- STEP 6 BEGIN CONSTRUCTION
 Begin construction and rehab in time that project can open in Spring 1992.

NORTH MARKET EXPANSION PROJECT COMPONENTS
PHYSICAL DESCRIPTION
DECEMBER 1989

THE MARKET

	<u>SQUARE FEET</u>
MARKET AREA RESTORATION	17,100
MARKET AREA NEW CONSTRUCTION	20,000
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TOTAL MARKET	37,100
MEZZANINE OFFICES	8,000
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TOTAL	45,100

THE RESTAURANT

RESTAURANT (1ST FLOOR & LOWER LEVEL)	13,000
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OFFICE SPACE

2ND FLOOR RESTORATION	23,600
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PARKING

250 CARS ON SITE

FARMERS MARKET

25 STALLS FOR 24 WEEKS

PUBLIC SPACES

-BELLTOWER
-TERRACES
-EVENT AREAS
-ETC.

SOURCE AND APPLICATION OF FUNDS

ESTIMATED APPLICATION OF FUNDS

DEVELOPMENT COST	\$6,800,000
-ACQUISITION	
-REHAB	
-NEW CONSTRUCTION	
-SITE IMPROVEMENTS	
-SOFT COSTS	
-SOFT COSTS NOT ELSEWHERE	400,000
INCLUDED, INCLUDING	
CONSTRUCTION PERIOD	
INTEREST, PERMITS/	
LEASES/FEEES, LOAN FEEES,	
PROFESSIONAL SERVICES, ETC.	
TOTAL PROJECT COST	<u>\$7,200,000</u>

ANTICIPATED SOURCE OF FUNDS

20 Years 9%	\$3.7 million
Capital Improvements from CIP	\$900,000
Land Contribution from City	\$1.5 million
National Historic Preservation Trust	\$100,000
State of Ohio capital contribution	\$1 million
	<u>\$7.2 million</u>

ESTIMATED OPERATING SUMMARY

GROSS REVENUES (See Appendix A)	\$752,000
5 % VACANCY	<u>\$38,000</u>
GROSS REVENUES LESS VACANCY	\$714,000
LESS OPERATING EXPENSES (See Appendix B)	<u>\$230,000</u>
NET AVAILABLE FOR DEBT	\$484,000
NET AVAILABLE FOR DEBT AT 1.2 DEBT COVERAGE RATIO	\$403,300

APPENDIX A
GROSS REVENUES

NATIONWIDE SOUTH BLDG.

SQUARE FEET

1st Floor	6,500	A
2nd Floor	6,500	B
Basement	6,500	A

NATIONWIDE NORTH BLDG.

1st Floor	17,100	C
2nd Floor	17,100	B

NEW CONSTRUCTION	20,000	C
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A	Restaurant	13,000 sq ft	
		6,500 @ \$8 as is	\$ 52,000
		6,500 @ \$5 as is	\$ 32,500

B	Office		
		6,500 + 17,100 = 23,600	
		@ \$8.40 as is	
		(\$3.60 for \$25 psf in improvements)	\$ 198,240

C	Market		
		17,100 + 20,000 = 37,100	\$ 265,265
		x 65% = 24,115 x \$11 psf	
		(\$10 Base - Average \$11)	

8,000 sq ft office @ \$8 psf	\$ 64,000
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Common area utility reimbursement	\$ 66,000
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Parking 250 cars x \$3.00 x 1 day per week, plus events, closed days or evenings x 52 weeks	\$ 58,500
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Farmers Market 25 x \$25 x 24 wks Gross	\$ 15,000
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Total	\$ 751,505
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At 95% Occupancy	\$ 713,930
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APPENDIX B
ESTIMATED OPERATING EXPENSES
IN THE EXPANDED MARKET

Payroll	\$108,000
Market Master, Development Dir.	
Maintenance, Support staff	
Maintenance-part time	
Advertising (NMDA share)	12,000
Pest Control (Supplies)	3,000
Cleaning/Sanitary supplies	5,000
Insurance	
Liability	4,000
Health	4,000
Legal/Accounting/Consulting	5,000
Repairs & Maintenance	8,000
Supplies	5,000
Utilities	66,000
Misc.	10,000
Total	<u>\$230,000</u>