

West Side Market

Transition to non-profit operation

November 13, 2023



CITY OF CLEVELAND
Mayor Justin M. Bibb

Key objectives:

- Access to capital for historic City asset
 - Fundraising, parking revenue, tax credits and new sources of operational revenue (events, sponsorship)
- Board and staff focused on maximizing West Side Market's potential
 - Programs: food access, entrepreneurship, education
 - Better merchant and customer support

CPMC Lease

- Operating lease and management agreement, \$200,000 to CPMC for WSM operating support
 - Annual City support for West Side Market operations anticipated \$700k or less and only until capital improvements are complete
 - On par with current City spending
 - Faster the capital improvements are made, quicker the subsidy can be eliminated

Performance Requirements

- **Community benefits:**
 - Increase the diversity of tenants
 - Utilize union labor for services and construction
 - Meet or exceed City's OEO standards for construction projects
 - Expand the Market's positive impact on food access for city residents
 - Integrate workforce development programs
 - Further the City's sustainability goals including integrating cardboard recycling and food waste diversion into its operations
 - Support small business entrepreneurship and take reasonable measures to maintain, develop, and maximize the business generated by the Market Facilities
- **Financial and operational:**
 - Ensure Market vendors are involved in the governance and decision-making at West Side Market
 - Manage the Market consistent with sound business practices
 - Employee compensation shall not be substantially above average wage for similar positions in the region
 - Maintain at least 60% occupancy
 - Pursue grants and gifts and increase the operating revenue of the Market to minimize and eventually eliminate the need for City funding for operations
 - Preserve and improve the Market's historic facilities

Category	Metric	Description	Baseline 2022	Target/goal	Data sources
Customers	Attendance	Number of customers in the Market; weekday and weekends	882,095	Year-to-year growth 3-5%	Door counters
Customers	Diversity	Range of customers by age, race, income, gender, geography	Data from intercept survey (see charts)	Increasing diversity, regional attraction, substantial low income	Shopper intercept survey; POS data (zip codes)
Customers	Food access	Redemption site for SNAP, Produce Perks, DoubleBucks, Rx Bucks	Data from BW student survey	Year-to-year growth 3-5%	EBT data
Customers	Sustainability	Use of alternative transportation	Data from intercept survey	Increasing use of alternative transportation	Shopper intercept survey; RTA records
Vendors	Diversity	Minority, immigrant, women-owned businesses; multigenerational businesses	Merchant interviews	Increasing diversity; maintenance of multigenerational businesses	Leasing records, recruitment initiatives
Vendors	Occupancy	Tenanted stalls and participation in daystalls/farmers' market	See chart	Stall vacancy at 5% or less; increasing daystall/farmers' market participation	Attendance records
Vendors	Sales	Merchant sales: fresh, specialty, prepared, bar, nonfood	Data from intercept survey	Annual sales growth in each category	Shopper intercept survey, merchant reports, POS data
Vendors	Operating hours	Compliance with Market posted hours	Attendance data	100% compliance	Attendance records
Vendors	Satisfaction	Management, marketing, facilities, operating schedule	Vendor surveys	Increasing satisfaction	Vendor surveys, interviews
Events and Education	Public events	Number and type of public events	None	Increasing number of public events; diverse users	Event records; door counts; surveys of event participants; merchant feedback, POS sales data
Events and Education	Partnerships	Partnerships with mission-aligned organizations that share goals for programs and advocacy	FARE: Produce Perks	Number and depth of partnerships, clear outcome measurements	Program data
District development	Parking lot operations	Availability of convenient free parking for Market customers, net income from parking	90 minute free parking; backups from gates; \$160,000 net income	Free customer parking; gateless system, \$750k -1m net income	Parking manager data, observation, social media
District development	Neighborhood vibrancy	Active, safe, popular district	OCI studies	Low commercial vacancy rate, perceptions of safety	Vacancy rates, commercial rent rates, population

Tax Credits

- \$10-\$13M available to fund capital improvements and/or operating support through tax credits
- Tax credit projects are highly regulated, complex, and require professional assistance
 - Section 3 authorizes agreement necessary for tax credits



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