

REQUEST FOR PROPOSALS

December 2011



Public Food Market Developer and Operator

Parcel 7, Boston, MA

Massachusetts Department of Transportation
Massachusetts Department of Agricultural Resources



Deval L. Patrick
Governor



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The Commonwealth of Massachusetts is seeking proposals for a developer and operator for a public market in downtown Boston featuring Massachusetts grown and produced food products. This Request for Proposals (“RFP”) is being issued by the Public Market Commission (the “Commission”), an entity established by executive order, the Massachusetts Department of Agricultural Resources (“MDAR”), and the Massachusetts Department of Transportation (“MassDOT”).

The proposed food market (the “Public Market”) will provide Massachusetts farmers, fish and seafood producers, and producers of agricultural and specialty products with a year-round venue for direct sales, and will help to create jobs both at the Public Market and for producers. The Public Market will provide consumers with an opportunity to both learn about and purchase healthy, sustainable food. The products offered at the Public Market will respond to the cultural and economic diversity of Massachusetts. Based on the actual performance of the Public Market, the Commission may require changes to the mission or operations of the Public Market.

The Public Market will occupy approximately 28,000 square feet on the first floor of the Parcel 7 building, which was built by the Central Artery / Tunnel (“CA/T”) Project for several purposes, including a highway ventilation building. The building is located in, and will be an integral part of, the evolving Market District of Boston, near the Haymarket pushcart market, Quincy Market, and Rose Fitzgerald Kennedy Greenway.

The developer and operator (the “Operator”) of the Public Market will be partially responsible for designing and constructing the Public Market. MassDOT, which owns the building, will rough out the space and the Operator will do the tenant fit-out. In consultation with the Commission, the Operator will be responsible for all aspects of market operations, including determining the mix of products, contracting with individual vendors, compliance with all applicable regulations, and managing day-to-day operations. The Operator also will be responsible for fundraising to complete the build-out of support operations of the Public Market.

In consultation with the Commission, MassDOT will lease the Public Market space to the Operator for an initial term of five years, with renewals for up to 20 years in total. Subject to negotiation, the Operator will be required to pay rent to the extent that the Public Market is profitable.

Any individual, entity, or joint venture, including, but not limited to, for-profit and not-for-profit market managers, developers, institutions, businesses, and government agencies (each a “Proposer”) may submit a response (a “Proposal”) to this RFP. As described in detail in Section VI of this RFP, proposals are due at MassDOT’s Office of Real Estate and Asset Development by 2:00 p.m., local time, on Friday March 2, 2012. Each Proposal must be complete and in the format prescribed in Section VI of this RFP. Where specific details are unavailable or unknowable at this time, Proposers should provide as much information as is currently available and describe how and when they plan to provide the details requested.

Proposals will be evaluated by the Commission, which will recommend an Operator to MassDOT. Proposals will be made public, and Proposers will be asked to present at public meetings. The Commission reserves the rights to select finalists, to seek additional information or revised Proposals, to enter into negotiations with one or more Proposers, to select a single lessee, to seek a joint venture among more than one lessee, to reject all Proposals, to amend this RFP in any way, or to discontinue the lessee selection process altogether.

The Commission, MDAR, and MassDOT make no representation or warranty as to the accuracy, currency, or completeness of any of the information provided in this RFP. Proposers should carefully review the Reservations and Conditions set forth in Section VIII.

A. Mission

The Public Market seeks to fulfill several goals:

1. **Showcase Massachusetts agriculture and fisheries.** The Public Market will promote the Massachusetts agriculture, seafood and aquaculture, and specialty foods industries by creating a retail outlet for direct sales of these products in the heart of the state capital and largest city in New England.
2. **Create Jobs.** The Public Market will create jobs both at the market and on the farms, boats, and specialty food operations it will serve.
3. **Promote health and nutrition.** The Public Market will improve access to healthy, sustainable food in the greater Boston area.
4. **Educate.** The Public Market will provide a forum for ongoing educational and community programming that teaches consumers, visitors, school children, and residents about the importance of fresh, local, and sustainable food, especially as it relates to public health and the Massachusetts economy.
5. **Ensure diversity and affordability.** The Public Market will reach out to all cultural, social, ethnic, and economic groups and will offer a broad range of products at a range of prices, including products at affordable prices.

B. Background

The Public Market grew out of efforts of over more than 15 years by MDAR, the City of Boston, and others to bring such a market to downtown Boston. The effort to establish the Public Market was led for some years by the Boston Public Market Association; in recent years MDAR has worked in cooperation with various groups to implement the Public Market. In 2008, the Boston Redevelopment Authority (“BRA”) commissioned the Project for Public Spaces (“PPS”) to perform a study on the feasibility of establishing a Market District in the area between the Rose Fitzgerald Kennedy Greenway (the “Greenway”) and Boston City Hall, to include a public food market (attached as **Appendix A** to this RFP). Following up on that study, MDAR, in consultation with MassDOT and the BRA, commissioned a second study to determine the feasibility of and implementation steps for creating a Public Market for Massachusetts and other regionally produced foods at the Parcel 7 building, which had been built by the CA/T Project and is owned by MassDOT.

That study resulted in “An Implementation Plan for a Public Market in Boston,” issued in May 2011 (the “Implementation Plan,” attached as **Appendix B** to this RFP). Prepared for MDAR by PPS, the Implementation Plan not only analyzes the feasibility of the Public Market, but provides a conceptual plan and roadmap for creating a Public Market at Parcel 7. It includes analyses of demand and supply, a conceptual layout for the space, and recommendations for operating the Public Market. In selecting an Operator, the Commission will look to the Implementation Plan and input from several subsequent listening

sessions held by the Commission as a guide in judging the quality and content of Proposals, but is open to alternative approaches that build on the findings and recommendations of the Implementation Plan.

C. Public Market Commission

Governor Deval L. Patrick created the Commission by Executive Order 535, signed in August 2011 (the “Executive Order,” attached as **Appendix C** to this RFP). The Commission’s role is to define and protect the mission of the market; procure an Operator; and monitor the market’s operations, including its mission, economics, marketing, community programming, and any other issues that arise. The nine-member Commission comprises:

- Scott J. Soares, Commissioner of the Massachusetts Department of Agricultural Resources, Chair
- Nancy Brennan, Executive Director of the Rose Kennedy Greenway Conservancy
- State Representative Gailanne Cariddi, 1st Berkshire District
- Nancy Caruso, resident of Boston, recommended by Mayor Thomas M. Menino
- Carole Cornelison, Commissioner of the Massachusetts Department of Capital Asset Management, designee of Secretary Jay Gonzalez, Massachusetts Executive Office for Administration and Finance
- Mary Griffin, Commissioner of the Massachusetts Department of Fish and Game, designee of Secretary Richard K. Sullivan, Jr., Massachusetts Executive Office of Energy and Environmental Affairs
- State Senator Anthony Petrucci, 1st Suffolk and Middlesex District
- Lauren Shurtleff, Planner, designee of the Executive Director of the Boston Redevelopment Authority
- William Tuttle, Deputy Director, Office of Real Estate and Asset Development, designee of Secretary Richard A. Davey, Massachusetts Department of Transportation

Proposers or those with questions or comments about the Public Market or this RFP should not contact individual members of the Commission. All enquiries should be submitted in writing or by electronic mail as provided in Section VI.A.4 of this RFP.

D. Public Market Developer and Operator

The Developer and Operator of the Public Market (the “Operator”) will have primary responsibility for the creation of the Public Market and for overseeing and managing its day-to-day workings. The Operator will coordinate operations and report to the Commission on all aspects of operations and financial performance on a regular basis, at least quarterly. Specific responsibilities will include, but are not limited to: fundraising; design and construction; property management and maintenance; selection, contracting, and management of individual retail vendors within the market (“Vendors”); financial management; public education regarding food; and promotions and communications. The market will be staffed by a team of the operator’s choosing, including management, security, maintenance, clerical, inspectors, marketing, and development staff. Please see the Implementation Plan for a more complete discussion of the recommended responsibilities and structure for an operating entity.

The Operator can be either a not-for-profit or a for-profit entity, or a joint venture of both. All types of entities are encouraged to submit Proposals. In all cases, Proposers must describe how they and their proposed Public Market will fulfill all of the various goals of the Public Market and maximize the public benefits.

E. Products

To promote the Massachusetts agriculture, seafood, and specialty foods industries, the Public Market will feature a broad product mix that focuses on Massachusetts products. The Commission recognizes that foods and foodways are fundamental to cultural identity, heritage, and tastes. The Commission encourages the inclusion of food products common to the many different cultures and ethnicities living in Massachusetts in the Public Market, while maintaining the Public Market's focus on supporting local growers and producers. For additional discussion of products, refer to recommended product mix in the Implementation Plan.

- 1. Produce.** Fresh vegetables, fruits, flowers, and maple and honey products will represent the greatest volume of products in the Public Market during the height of the local growing season. It is expected that produce offered at the Public Market will be almost exclusively grown in Massachusetts, and, to the greatest extent possible, sold directly by the farms that produce them. The Commission received considerable feedback from both farmers and consumers about the feasibility of providing the Public Market with fresh local produce twelve months a year. Farmers indicated an eagerness to demonstrate the techniques and technologies (including cellaring, cold storage, greenhouse growing, etc.) for providing local produce on a year-round basis, and expressed optimism about being able to provide the market with adequate fresh, seasonal product. Consumers expressed a strong preference for locally grown produce. In general, the Public Market will not be a source of imported produce types. Initially, Vendors at the Public Market will be explicitly prohibited from selling produce purchased at large regional or national wholesale distribution markets, including and especially the New England Produce Center in Chelsea, MA. Sales of produce may be by individual farms, cooperatives, producer organizations, or distributors or other aggregators. The Commission is seeking to use the Public Market as an opportunity to educate consumers about the sources and seasonality of locally grown agricultural products.
- 2. Meat, poultry, eggs, and dairy.** Meat, poultry, eggs, and dairy products will form a key year-round offering of the Public Market. As with produce, it is expected that these products will come almost exclusively from Massachusetts farms. Sales of these products may be by individual farms, cooperatives, producer organizations, or distributors or other aggregators.
- 3. Fish and seafood.** Fish and seafood will be another important year-round offering of the Public Market. The category will include fresh fin fish and shellfish, both wild caught and farm-raised. It also may include some value-added products, such as freshly prepared lobster rolls or smoked fish products. It is expected that the fish and seafood sold at the Public Market will be exclusively landed at Massachusetts ports or grown at Massachusetts aquaculture sites. The Commission received varied public comment regarding the variety of fish and seafood to be offered at the Public Market and has elected to focus on Massachusetts products. The Commission recognizes that this will limit the availability of exotic or out-of-season ocean products, but believes there are a number of high-quality, locally caught or produced fish and seafood products throughout the year. The Commission is seeking to use the Public Market as an opportunity to educate consumers about the sources and seasonality of fish and seafood. Sales of these products may be by properly licensed Massachusetts seafood dealers.
- 4. Specialty foods and beverages.** Specialty foods are defined by the National Association for the Specialty Food Trade as “foods and beverages that exemplify quality, innovation and style in their category.” Examples of specialty foods include, but are not limited to: baked goods, jams and jellies, pasta, coffee, nuts, candy and chocolates, vinegars and oils, and wine, beer, and spirits. All specialty foods sold at the Public Market must be produced or manufactured in Massachusetts. When possible, preferential treatment will be given to specialty food products made from Massachusetts grown or

produced ingredients. In general, it is expected that specialty foods will be sold directly by their producers, not resold by others. Sales of these products may be by individual farms, cooperatives, or distributors or other aggregators. The Commission is seeking to use the Public Market as an opportunity to educate consumers about locally produced food products.

F. Operations

The Operator will oversee all aspects of the Public Market and Vendor operations.

1. **Hours.** The market will be open year-round. The Public Market will be open most days of the week and will have hours that are predictable and stable. While it is possible that the market will be open seven days a week, shorter hours may be acceptable, particularly in the first year or two of operations.
2. **Vendors and stalls.** The Operator will determine the mix of Vendors and products in the Public Market, and will be responsible for Vendor selection and, when necessary, removal. Selling spaces will include single-Vendor permanent interior stalls, permanent stalls with rotating occupants, and day stalls on the interior and exterior of the market. Some stalls, such as those dedicated to fish or meat products, will require water and drainage. Vendors will occupy their stalls on terms that vary according to the nature of the product and the Vendor, including: year-round or seasonal; and all-week, partial week, and occasional.
3. **Maintenance.** The Public Market must be clean and inviting at all times. The Operator will be responsible for all aspects of regular maintenance of the Public Market and surrounding sidewalks and plazas. The Operator will be required to coordinate trash pick-up with the Boston Transportation Department.
4. **Coordination.** The Public Market will be part of a larger, evolving Market District that will provide benefits to all activities in the district, serving as a complement to the existing Haymarket Pushcart Association operation. In addition to coordinating with the Commission and state agencies, the Operator will have the primary responsibility for coordinating the operations of the Public Market with a number of other parties, including: the BRA, Boston Transportation Department, and other city agencies; the HPA; the Rose Fitzgerald Kennedy Greenway Conservancy (the “Greenway Conservancy”); relevant neighborhood associations in the City of Boston; other abutters and advocates; and an eventual Market District oversight entity.

Of particular importance will be the relationship between the Public Market and the Haymarket Pushcart Association, which operates a year-round outdoor produce and fish market on adjacent streets on Fridays and Saturdays, described more fully in Section III, below. It will be important to both markets that the nature of the products offered be clearly distinguished and understood by consumers.

Parking is a challenge for all of the multiple uses in the area of Parcel 7. Available parking resources are described more fully in Section III, below. The Parcel 7 Garage will not offer any discounted or reserved parking for the Operator or any Vendors in the Public Market. As a business in the North End, however, the Operator may apply to the Parcel 7 Garage operator for a validation stamp for its customers. See the Transportation Access Plan Agreement (“TAPA”) for Parcel 7 attached to this RFP as **Appendix D** for a complete description of the various requirements for the Parcel 7 Garage.

The Operator will be responsible for coordination with MDAR and the Massachusetts Department of Fish and Game regarding programs related to agriculture and fisheries. The Operator also will be responsible for obtaining all necessary health, safety, and occupancy permits, and for coordination with the Massachusetts Department of Public Health, and all federal, state, and municipal agencies with jurisdiction over the sale of the various food products to be offered at the Public Market.

As described more fully in Section III of this RFP, the Public Market will be located in a multi-use building. The Operator will be responsible for coordinating its activities with MassDOT, the MBTA, and the Parcel 7 Garage operator with respect to building use and security issues.

5. **Marketing.** The Public Market will be a public and community asset and the Operator will provide a robust and sustained marketing campaign that will seek to integrate and solidify a branded identity for the entire Market District, generating and retaining customers for both the Public Market and the surrounding businesses. The Operator will be required to develop an annual marketing plan, to be reviewed and approved by the Commission, and will coordinate all public communications about the Public Market with Commission staff. The campaign should target not only those seeking to buy and sell locally grown products, but also should reach into historically underserved communities and food deserts by advertising on public transportation that passes near the Public Market. The Operator will be expected to implement the Supplemental Nutritional Assistance Program (“SNAP”) and Electronic Benefits Transfer (“EBT”) programs at the Public Market. Additionally, the proposals should be consistent to the extent possible with the requirements of the federal Healthy Food Financing Initiative and the New Markets Tax Credit Program to allow for the potential to leverage those resources

G. Market Design and Construction

As described more fully in Section III of this RFP, the Parcel 7 building is in a “core and shell” condition and requires completion of base building elements and systems, as well as typical tenant improvements. MassDOT is undertaking the build-out of the upper floors of Parcel 7 as state offices. In order to advance the schedule and simplify construction of the Public Market, MassDOT is planning to complete the base building and systems for the Public Market space as part of its build-out, in essence “roughing out” the space to a condition requiring only typical tenant improvements by the Operator.

It is anticipated that the Operator will design and construct the finish work and will procure and install all equipment and furnishings for the Public Market. The exact division of responsibility for various elements of design and construction of the Public Market will be negotiated with the Operator based on the capacity of the Operator, MassDOT’s work program, and the schedule for the opening of the Public Market.

The Operator and its designers and contractors will be required to coordinate all design and construction activities with the Commission and MassDOT. The design and construction documents for all Operator work will be subject to review and approval by the Commission, MassDOT, FHWA, and all applicable federal, state, and municipal agencies. The Operator may choose to hire its own contractors, or to use MassDOT’s contractor to complete the build-out of the space to the Operator’s approved design. The Commission, MassDOT, and the Operator will negotiate the exact contracting relationships after selection of the Operator.

H. Funding

The Public Market is intended to serve both public and private purposes, and is therefore expected to be supported financially by a combination public and private funding sources.

1. **State funding.** The Massachusetts General Court authorized state funding for the Public Market as part of Chapter 312 of the Acts of 2008. As a result of this authorization and other available funds, the Commonwealth is prepared to invest up to \$4 million from state and federal capital funds to support the opening of the Public Market. An undetermined portion of these funds will be used to reimburse MassDOT for its costs resulting from roughing out the Public Market space. It is anticipated that some or all of the remainder of the \$4 million will be made available directly to the Operator to pay its costs associated with designing, building, and equipping the Public Market space. Subject to negotiation, these funds also may be applied to other one-time start-up costs of the Public Market. It is not intended, however, that these funds will be used for ongoing operational costs of the Public Market. These funds will be made available only for specific, documented costs. These funds will be treated as a grant; there is no expectation that they will be repaid to the Commonwealth.

In addition to direct state funding, MassDOT is making the space for the Public Market available based on a rent structure that will reflect the ability of the Public Market to pay from actual operating income.

2. **Private funding.** It is expected that the Operator will contribute significant funds to the design, construction, and other start-up costs of the Public Market. The Operator will be required to plan and execute a capital fundraising campaign to raise additional funds for the start-up of the Public Market.

The Commission intends the Public Market to be operationally self-sufficient. The Operator is expected to generate adequate operating revenues to cover all regular operating expenses and any debt service. It is understood that the Public Market may require some time to reach operational self-sufficiency. It is expected that the Operator will engage in regular fundraising to supplement operating income as necessary to maintain the Public Market's financial viability.

I. Schedule

If all regulatory, contracting, and leasing challenges can be addressed and there are minimal construction delays, the Public Market Commission is seeking to have the Public Market fully opened during the late summer of 2012 in order to take advantage of the abundance of available fresh produce during the local growing season. If, however, additional time is required to complete the design, construction, and permitting of the Public Market, the Commission expects the Public Market open in spring 2013 with the beginning of the growing season.

J. Evaluation and Change

Because the Public Market represents a new approach to marketing local and regional food products in Boston, the Commission recognizes the need to maintain flexibility as the Public Market is established. The Commission anticipates that the Public Market will evolve over time in both its mission and its operations. The Commission will monitor the performance of the Public Market in terms of both fulfilling its mission and its maintaining financial viability, and will make changes as necessary in light of actual operations and

performance. These changes may include altering the mix of products offered and approaches to sourcing various products, as well as adjusting the underlying goals of the Public Market. The Operator will be expected to constantly evaluate the performance of the Public Market and to report to the Commission regularly. The Operator will be expected to recommend to the Commission changes that it believes will help the Public Market achieve its intended public purposes.

The Parcel 7 building was built as part of the CA/T Project, which replaced a former elevated highway with a new system of tunnels and bridges carrying Interstate 93 (the Central Artery) through downtown Boston and extended Interstate 90 (the Massachusetts Turnpike) from I-93 through a new tunnel beneath Boston Harbor to Logan Airport in East Boston. In addition, the CA/T Project constructed an entirely new surface street and sidewalk system along the Central Artery corridor in downtown Boston, and created a series of public parks now brought together as the Rose Fitzgerald Kennedy Greenway.

A. Context

- 1. Location.** The Parcel 7 building is located at 136 Blackstone Street, and is bounded by Hanover, Congress, New Sudbury, and Blackstone streets. Blackstone Street in front of the building is a large plaza and sidewalk that fronts on the John Fitzgerald Surface Artery and the Rose Fitzgerald Kennedy Greenway.

Parcel 7 is located at the confluence of the North End, Government Center, and Market District areas of Boston. The Building is located near some of the most important historic resources in Boston, including: Faneuil Hall, an 18th-century meeting hall with shops and historic displays; Quincy Market, an 1830s market restored as a festival marketplace; and the North End and the Blackstone Block, two districts of largely 18th- and 19th-century residential and commercial buildings listed on the National Register of Historic Places. Other nearby visitor attractions include the Freedom Trail, the New England Aquarium, and the TD Garden.

Parcel 7 faces the North End Parks, a pair of newly built open spaces that frame Hanover and Salem streets and form the gateway to the North End. The North End Parks are part of the Rose Fitzgerald Kennedy Greenway, a series of interconnected parks through downtown Boston created on top of the Central Artery tunnels. Parcel 7 is also adjacent to Boston's Government Center, which includes Boston City Hall, and the John Fitzgerald Kennedy federal building.

- 2. Haymarket.** Parcel 7 is adjacent to the site of the HPA's popular weekly produce and fish market on Blackstone, North, and Hanover streets. The HPA primarily sells deeply discounted fruits, vegetables and produce from the New England Produce Center in Chelsea that is viable but no longer useable to supermarkets and larger retailers. The HPA offers a wide variety of produce, including a number of exotic and imported products that will not be offered at the Public Market.

The HPA operates on Fridays and Saturdays throughout the year. On Fridays from October to May, the HPA includes sellers of fish and seafood on Hanover Street, adjacent to Parcel 7. The HPA sells from outdoor stands that are assembled each week on Thursday night and Friday morning, and dismantled for storage on Saturday evening.

The Operator will be required to work cooperatively with the HPA to ensure that the two markets complement and reinforce each other. It will be important to clearly differentiate the nature and offerings of the Public Market, while taking full advantage of opportunities for crossover customers for each market.

- 3. Market District.** The City of Boston and BRA have long sought to expand and enhance the City's historic Market District surrounding the Blackstone Block and the North End. The CA/T Project resulted in the creation of development Parcels 7 and 9, which, in turn, presented the opportunity to transform the historic Market District area into a year-round, seven-day a week destination for fresh and local foods. The expanded area and permanent, indoor facilities will allow for a broader range of food and related products available to residents, workers, and visitors, while enlivening the area. The Market District concept builds upon the energy that exists at the HPA market, the seasonal City Hall Plaza farmers' market, and the North End business district just across the Rose Kennedy Greenway.

This goal was formalized in the BRA's Market District Feasibility Study, commissioned in 2008 and produced by PPS. The report outlines how the ground-floor spaces within both Parcels 7 and 9, as well as adjacent privately-owned buildings, could be used together for food market purposes and draw customers and vendors from surrounding neighborhoods and the rest of Greater Boston area. The concept of the Market District is meant to be an economic generator of urban jobs, retail sales, and tax revenue, as well as an outlet for our rural communities that currently produce food often sold outside of the region. A link to the full PPS Market District Feasibility Study is included in **Appendix A** to this RFP.

An improved and expanded Market District in the area of Boston's historic downtown Market District has the potential to be not only a successful enterprise but an iconic place within the city. Boston is fortunate to have the essential ingredients for a market district in place: customers, vendors and a choice location. The BRA sees the present opportunity in Parcel 7 as the potential catalyst for the future expansion of the Market District into the surrounding area, including but not limited to Parcel 9, the Government Center Garage, the North End, and City Hall Plaza.

- 4. Parcel 9.** Contemporaneously with this RFP, MassDOT is issuing an RFP for the development of a building on Parcel 9, located in the next block, between the Fitzgerald Surface Artery and Hanover, Blackstone, and North streets. The two RFPs are being issued at the same time in order to allow interested parties time to review, and if so inclined, respond to both RFPs. Proposals for Parcel 9 will be evaluated and a developer selected by MassDOT.

A collaborative planning process over the last year has resulted in possible approaches to the development of Parcel 9 that include improvements to Blackstone Street to facilitate the HPA's operations, location of some HPA vendors on to the portion of Parcel 9 closest to Parcel 7, and inclusion of HPA storage and trash compaction facilities in the Parcel 9 building. The Operator and the Parcel 9 developer will be required to work closely with each other and with the HPA in planning, design, construction, and operations.

Proposers are welcome to suggest a coordinated approach to both parcels. To do so, Proposers must submit separate Proposals for both Parcel 7 Public Market Operator and Parcel 9. The proposals will be considered separately by the Commission and MassDOT, taking both parcels into consideration, and the City of Boston and BRA also will analyze and comment on each proposal. Although welcome, joint submissions are not required for either RFP. The Parcel 9 RFP can be found at www.mass.gov/massdot/re.

- 5. Transportation.** Parcel 7 enjoys excellent access via regional mass transit, with MBTA Green and Orange Line transit stations and a surface MBTA bus hub at Haymarket Station. An entrance to the Green and Orange Line station is located within the Parcel 7 building, with direct access to the Public Market space. MBTA Commuter rail service is located at nearby North Station. Parcel 7 is located on two main arterial roadways in Boston, Congress Street and the Fitzgerald Surface Artery. Connections to both north- and southbound I-93 are located within one block of Parcel 7.

- 6. Parking.** Parcel 7 includes a 310-space parking garage, described in more detail below. The garage was built by the CA/T Project as a mitigation commitment to replace parking located under the former elevated Central Artery. It is intended primarily for use by area businesses, and the daytime rates are structured to encourage short-term customer parking rather than all-day commuter parking. The Parcel 7 Garage also offers a number of special programs for North End businesses and residents, including: low-rate validated parking for up to three hours of parking for customers of any participating North End businesses; limited monthly parking for North End residents; and free overnight and snow emergency parking for North End residents. In addition, the Parcel 7 Garage hosts two valet parking programs used primarily by customers of North End restaurants.

The validation program allows customers to pay \$1 to park for up to two hours and \$3 for up to three hours. The program is available to any area business, including those located in the North End and the Blackstone Block. The Haymarket Pushcart Association uses this program to validate parking for its customers. As a business located within this area, the Public Market also will qualify to offer validated customer parking in the Parcel 7 Garage. Details of the parking programs offered at the Parcel 7 Garage are included in **Appendix E** of this RFP.

From Sunday through Thursday, parking is readily available in the Parcel 7 Garage. On Fridays and Saturdays, however, the Parcel 7 Garage is used heavily by customers of the Haymarket Pushcart Association, and parking is quite limited and congested. In addition to the Parcel 7 Garage, the Government Center Garage, located across new Sudbury Street from Parcel 7, has parking for 2,400 cars, and the Dock Square Garage, located a block away on North Street, has parking for 900 cars. On-street parking in the area is quite limited.

The Operator will be required to provide information to potential customers on the availability of parking near the Public Market, and in particular to note the limited parking within the Parcel 7 Garage on days when the Haymarket Pushcart Association is in operation.

B. Parcel 7 Building

The Parcel 7 building was designed and built as a multi-purpose building, housing highway facilities and satisfying a number of CA/T Project mitigation commitments. Specific uses and purposes of the building are:

- 1. Highway facilities.** Parcel 7 houses Ventilation Building Number 4, which provides fresh air to and extracts exhaust from the tunnels between State and Causeway streets. The ventilation building is located primarily below grade. Two sets of exhaust stacks extend through both the Public Market space and the office space above. An intake shaft is located at the northern corner of the building. Delivery and other access to the ventilation building are located primarily along New Sudbury Street. The ventilation building also houses a below-grade electrical substation for highway lighting and other electrical loads.
- 2. Transit station.** A portion of the Parcel 7 building is located over the MBTA Orange and Green Line Haymarket Station. A new entrance to the station was included on the Congress Street side of the building. There is a direct connection between the public area of the station entrance and the Public Market space.

3. **Parking Garage.** The Parcel 7 Garage was built as a CA/T Project mitigation commitment to replace functionally the 310 permitted parking spaces located under the former elevated Central Artery. The Parcel 7 Garage is located on the west (Congress Street) side of the building, over the first-floor Public Market space. The entrance and exit to the garage are located on New Sudbury Street, with a ramp up to the second floor of the building, where the gates, ticketing, and payment booth are located. The garage includes two levels of covered parking and a third open-air top floor. The main pedestrian entrance to the Parcel 7 Garage is on Hanover Street, where two elevators serve the garage only. The elevator lobby includes a door directly into the Public Market space; there are no other direct connections between the Garage and other uses in the building. Details of the parking programs at the Parcel 7 Garage are discussed in Section III.A.6, above, and in **Appendix E** of this RFP.
4. **Office Space.** On the east (Greenway) side of the building, the CA/T Project built four floors of office space over the first floor. The primary purpose of the office building was to ameliorate negative visual impacts on adjacent historic resources by nesting the ventilation building in a contextually scaled and designed building. The office space includes approximately 33,000 useable square feet on the second through fifth levels of the Building. The office space is served by two elevators (separate from the garage elevators) accessed from a first-floor lobby on the Blackstone Street (Greenway) side of the building. The office lobby includes a direct entrance to the Public Market space.
5. **Public Market Space.** Most of the first floor of the building is taken up by the retail space where the Public Market will be located. The Public Market space includes approximately 28,000 square feet of useable floor area, excluding the ventilation stacks and facility, the office and garage elevator lobbies, the MBTA entrance, the garage ramps, the service bay, and various emergency exits and utility chases for the other uses in the building. The Public Market space currently features seven public entrances: one from Blackstone Street (through the office lobby), two from Hanover Street (one shared with the Garage), one from the corner of Hanover and Congress streets, two from Congress Street (one through the MBTA lobby), and one at the corner of New Sudbury and Congress streets. Two spaces under the garage ramps were designated in the original design as restrooms in the Public Market space, and plumbing has been roughed in to these locations. In order to accommodate the various below-grade uses of the Parcel 7 building, the floor of the retail space has several level changes.
6. **Service Bay.** All uses in the building share a single service bay located on New Sudbury Street. This service bay connects directly to the Public Market space and to the ventilation building. The service bay includes a locked gate at the street, a ramp up to the Public Market space, a service elevator for the ventilation building, and a roll-up door that provides direct access to the intake portion of the ventilation building.
7. **Mechanical Spaces.** All building uses except the ventilation building are served by two mechanical spaces: a partial basement under the west side of the building, and a penthouse over the upper floor of the parking garage. All utilities for the Public Market space come through the basement area, and any exterior heating and air conditioning units must be located in the penthouse.
8. **Sidewalks and Plazas.** Parcel 7 is surrounded by public sidewalks on all sides, including a large plaza area on the east (Greenway) side of the building and a colonnade on the west (Congress Street) side. It is anticipated that care and control of the plaza and sidewalks, exclusive of the sidewalk area under the Congress Street colonnade, will be transferred to the City of Boston in the future. The sidewalk and plaza areas will be available to the Operator for day stall use by the Public Market, subject to approval by the City of Boston.

C. Current Conditions and MassDOT Build-out

Because it was included in the CA/T Project as a visual mitigation measure, the retail and office space in Parcel 7 was left in a core and shell condition, with the intention that a future developer would complete both the base building and the tenant fit-out. Only minimal building systems required for safety, such as fire detection and fire protection, were completed by the CA/T Project.

The Massachusetts Turnpike Authority (“MassPike”) previously designed and began construction of the build-out of the office space, but this work was abandoned before completion. During this process, some building systems and interior construction was completed, primarily in the upper-floor office space. MassDOT is currently planning to complete the base building and tenant fit-out for the upper floor offices for use as state offices. At this time, the upper floors of the building are not available for use by the Public Market.

As part of its build-out of the upper floors, MassDOT will complete the base building and systems for the Public Market space, bringing the space to a condition requiring only typical tenant improvements by the Operator. It is anticipated that MassDOT’s work may include, without limitation: bringing electrical, water, heating, ventilation, air conditioning, drainage, telecommunications, and fire detection and protection systems into the space and providing a basic distribution system through the space; installing a ceiling or other enclosure for building fireproofing, and installing floors as required. As a result of negotiations, design or construction of some of these building elements may become the responsibility of the Operator.

Until selection of an Operator, MassDOT’s design and construction activity will be based on the preliminary market layout provided in the Implementation Plan, with such changes, in consultation with the Commission, as needed to accommodate MassDOT’s build-out of the upper floors of the building. As they are completed, specific designs for MassDOT work will be made available to potential Proposers as addenda to this RFP. After selection of the Operator, MassDOT will coordinate its design and construction work with the Operator and its consultants.

As described in Section VI of this RFP, Proposers should review the Public Market layout plans included in the Implementation Plan carefully and indicate in what ways their proposed market layout and design differs from the one in the Implementation Plan.

D. Design, Construction, and Operational Considerations

1. **Design and Construction Considerations.** Considerations in the design and construction of the Public Market with respect to the Parcel 7 building include:
 - a. **Floor drainage and added restroom drainage.** It is anticipated that MassDOT will provide the rough construction of a floor drainage system for the Public Market space. There are several possible solutions to providing floor drains and drainage for added restrooms for the Public Market. These include: (i) installing a raised floor adjacent to raised sections of the floor on the west side of the building; (ii) using an existing channel below the floor on the east side of the building that currently acts as a route for the roof drain; and (iii) using an existing drain currently cast into the floor slab that provides drainage for the MBTA space and the planned restrooms. It will be the responsibility of the Operator to maintain new and existing drainage systems used by the Public Market space.

- b. Heating, ventilation, and air conditioning.** No HVAC system has been built for the Public Market space. It is anticipated that MassDOT will install an independent HVAC system for the first floor. The Operator may be responsible for the final distribution system through the Public Market space. MassDOT will evaluate the possibility of providing ventilation for a restaurant or food preparation area alongside the south exhaust ventilation stack. Connecting to the highway ventilation system or creating openings elsewhere in the upper floors are not possible.
- c. Electrical.** MassDOT will bring electrical service into the Public Market space from the basement mechanical area and will provide a trunk distribution system; consideration will be given to a bus duct suspended from the ceiling to distribute power to individual vendor locations in the Public Market. The Operator will be responsible for individual connections for stalls, storage and refrigeration, and lighting. The electrical system for the Public Market will be separately metered from other uses in the building. Accessible chases and other spaces for electrical service to the upper floors of the building will be required in the Public Market space.
- d. Water.** MassDOT will bring water service into the Public Market space from the mechanical area in the basement and may provide a basic distribution system. The Operator will be responsible for the final water distribution system. Accessible chases or other spaces in the Public Market space for water service to the upper floors of the building will be required.
- e. Fire protection.** A full sprinkler system will need to be built out for the Public Market space. The space currently is provided with a 6-inch wet header line. The Operator should provide for branching from this header line. This system is and should remain independent from the rest of the building.
- f. Fire detection.** MassDOT or the Operator must provide a fire detection system with both heat and smoke detection. The system should be an independent system that connects to the building's main fire detection system.
- g. Entrances, windows, and exterior wall changes.** Changes to the building entrances and first-floor façade are allowed, so long as they provide adequate building egress and are sealed and secured appropriately. Note that any changes to the exterior of the building are subject to review and approval of the Massachusetts Historical Commission, acting in its role as the State Historic Preservation Officer. Use of the existing entrance directly from the MBTA station and the introduction of any additional entrances from the MBTA station must be approved by the MBTA.
- h. Interior walls.** In general, existing interior walls are fixed conditions and cannot be moved or reconfigured. It may be possible to make minor changes to the interior wall that forms the edge of the MBTA station. It also may be possible to expand the Public Market space by eliminating one interior wall adjacent to the ventilation building space. MassDOT will evaluate these possible changes to determine if they will comply with applicable codes. MassDOT will be responsible for the reconfiguration of any interior walls.
- i. Ceiling.** The Public Market space was originally intended to have a ceiling treatment. Fireproofing on the underside of the second floor of the building is currently exposed. MassDOT will determine if a full or partial ceiling or other enclosure for the overhead fireproofing is required. If so, it is anticipated that MassDOT will design and construct the ceiling or other enclosure.

- j. Floor.** The Public Market space was originally intended to have an additional floor treatment on top of the existing floor condition. MassDOT will determine if a floor treatment is required for the space. If so, it is anticipated that MassDOT will design and construct the floor.
- k. Escalator.** MassDOT anticipates that use of the upper floors of the building will require the installation of an escalator between the first and second floors. The exact location of this escalator has not been determined, but it is most likely to be located to the right of the office lobby entrance. This space should therefore be assumed not to be available for Public Market use.
- l. Ventilation exhaust stacks.** The highway ventilation exhaust stacks on both sides of the office lobby are enclosed by a protective CMU wall, not to be breached or affixed against under any circumstances. The Public Market design should provide additional interior walls spaced from the existing CMU walls by at least the depth of a standard interior stud. These walls are not to be attached to the CMU protective wall. It is anticipated that MassDOT will design and construct these walls.
- m. Required building repairs.** MassDOT's planned build-out will address any needed repairs to the Parcel 7 building structure, elevators, and lobby doors.

2. Operational Considerations

- a. Service bay.** MassDOT currently uses the service bay regularly and will need 24-hour access for ventilation building operations. The Public Market's use of the service bay cannot obstruct the ventilation building freight elevator, the service bay entrance door to the ventilation building, or the roll-up door providing equipment access to the ventilation building. Specific considerations or proposals with respect to the service bay include:
 - i. Division of service bay:* To ensure flexibility for MassDOT use of the service bay for emergencies and major ventilation building repairs, the service bay is to be striped down the center and moveable cones used to limit the Public Market's use to the western side. If the Public Market uses a compactor or dumpster, it can be located immediately alongside the loading dock ramp in order to maintain MassDOT access.
 - ii. Supervision and hours of delivery:* Public Market deliveries must be supervised directly by Public Market personnel to ensure that delivery vehicles do not impede MassDOT access to the ventilation building at any time. Public Market deliveries should be scheduled to minimize conflicts and traffic impacts.
 - iii. Traffic management:* The traffic implications of Public Market deliveries must be analyzed and coordinated with the Boston Transportation Department.
 - iv. Alternate delivery locations:* In addition to or in lieu of sharing the existing service bay, the creation of alternative delivery entrances or curbside delivery for the Public Market also may be considered, subject to review and approval by MassDOT, the BRA, and the Boston Transportation Department.
 - v. Emergency and maintenance uses:* In cases of emergencies or scheduled repairs at the ventilation building, MassDOT will retain the right to use the entire service bay. Every effort will be made to coordinate these activities with the Public Market's use of the service bay.
- b. Security.** The ventilation building is considered a security-sensitive area and must be secure from public access. MassDOT will be responsible for specific security measures required to limit access to the ventilation building in the service bay and garage elevator lobby. Protocols for shared access to the basement building mechanical area must be developed with MassDOT. If used as a Public

Market entrance, the existing interior doors from the office lobby into the Public Market are likely to be secured when the office is not open.

- c. Cleanliness and pest control.** The Operator will be responsible for maintaining a clean operation throughout the building that does not attract rats, insects, or other pests, particularly in storage and compactor or dumpster areas. If any rat or other pest problems develop anywhere in the building, the Operator will be responsible for eliminating it. The Operator will be responsible for all trash removal.
- d. Snow removal and sidewalk maintenance.** The Public Market operator will be responsible for snow removal and sidewalk maintenance around the building.

IV. COMMITMENTS AND REGULATIONS

Use of Parcel 7 as a Public Market is subject to a number of federal, state, and municipal regulations and commitments. The Operator will be responsible for determining all federal, state, and municipal regulations and procedures that apply to the design, construction, and operation of the Public Market and for ensuring compliance with them. Any excerpts from or web links to any statutes, ordinances, bylaws, regulations, or guidelines included in this document and its appendices are provided only as a convenience to Proposers. Each Proposer and the selected Operator are responsible for verifying and interpreting all regulatory requirements.

A. MassDOT Requirements

As the successor in interest to the Massachusetts Highway Department and Massachusetts Turnpike Authority, MassDOT is responsible for legal and regulatory requirements and commitments associated with Parcel 7. The Operator's activities on Parcel 7 will be subject to all applicable MassDOT requirements and commitments. These requirements and commitments are derived from several sources, the most relevant of which are: the series of state environmental review documents for the CA/T Project (the "EIR Documents"); the Land Disposition Agreement (the "LDA") by which the Parcel 7 site was acquired from the BRA by the former Massachusetts Highway Department; a Section 106 Memorandum of Agreement (the "Section 106 MOA") governing historic resource impacts; and Federal Highway Administration ("FHWA") regulations regarding disposition of real estate.

The CA/T Project Commitments applicable to the Public Market and Parcel 7 include, without limitation:

1. **Municipal Zoning.** By statute and under the CA/T Project Commitments, because the Public Market is not a MassDOT use, it will be subject to all applicable municipal regulations, including the Boston Zoning Code and Zoning Maps.
2. **Pedestrian environment.** The EIR Documents provide that pedestrian needs are to be a priority in new uses along the Central Artery corridor. Continuity of pedestrian access and amenities will be required in any use of Parcel 7, particularly ones that occupy adjacent sidewalk or plaza areas.
3. **Future MEPA review.** The Project EIR Documents require that future building developments on Central Artery Corridor parcels will undergo individual state environmental ("MEPA") review. Because the CA/T Project completed this process for the initial construction of the Parcel 7 building shell, the Operator will need to undertake a new environmental review process only if specific MEPA thresholds are met or if the Public Market affects other CA/T Project mitigation commitments.
4. **Building Access.** The Building has been designed to allow for barrier-free access to allow physically disabled persons to enter and travel through the building in a reasonable manner and without obstruction. Future interior design and construction of the Parcel 7 building must continue to ensure this barrier-free access.

5. **Pushcart Storage.** The EIR Documents provide that space in Parcel 7 was to be used to provide storage for HPA stalls. MassDOT has met and exceeded this commitment on Parcel 9, where the storage is more conveniently located for the HPA. MassDOT will continue to meet this commitment on Parcel 9, and will ensure that any future development of Parcel 9 will accommodate this commitment.
6. **LDA Requirements.** Provisions of the LDA which may affect the development and operation of the Public Market include:
 - a. **Uses.** The LDA defines allowed uses for the Building, and encourages market uses in the ground-floor retail space.
 - b. **Design.** The LDA includes requirements regarding the design of the building and obtaining a Certificate of Completion for construction work in the Parcel 7 building from the BRA.
 - c. **Tenant selection.** Pursuant to the LDA, preference must be given in the selection of tenants and other occupants of the Parcel 7 building to persons and entities displaced or adversely affected by the CA/T Project, for which relocation on Parcel 7 is to constitute a replacement site and/or a construction mitigation measure in anticipation of the project. The Operator must consult with MassDOT and the BRA with respect to fulfilling this commitment.
 - d. **Haymarket Pushcart Association.** The LDA requires that the Haymarket Pushcart Vendors should be considered as part of the retail mix for the first floor of Parcel 7. The Operator must consult with MassDOT and the BRA with respect to fulfilling this commitment.
7. **Section 106 MOA Requirements.** The Section 106 MOA required that CA/T Project work be reviewed by the Massachusetts Historical Commission, acting in its role as the federal State Historic Preservation Officer, in consultation with the Boston Landmarks Commission. The Parcel 7 building was designed and built in response to this commitment, given the site's proximity to the Blackstone Block and the North End. The exterior design of the building was fully reviewed and approved in accordance with the Section 106 MOA. Any changes to the exterior of the building, such as reconfiguration of entrances, new awnings, or extensive signage, also will be subject to Section 106 review.
8. **State Building Code.** Because it is located within and affects a state building, the design and construction of the Public Market may be subject to the State Building Code instead of, or in addition to, local building codes.
9. **Federal Highway Administration.** The CA/T Project was a federal-aid highway project and is therefore subject to FHWA regulations relating to use of "airspace" within the highway right-of-way, which includes Parcel 7. These regulations require that any leases and proposed construction for non-highway uses are subject to prior FHWA review and approval. MassDOT will make all submissions to FHWA related to the Public Market, but the Operator will be required to support MassDOT in this effort. The web reference to the applicable FHWA regulations (23 CFR 710, Subpart D) is shown in **Appendix F.**

B. City of Boston Requirements

In addition to the contractual requirements of the LDA, which are discussed in Section IV.6, above, specific regulatory requirements of the City of Boston include, without limitation:

1. **Article 49 Zoning.** Based on the Boston 2000 Plan for the Central Artery corridor, the BRA in June of 1991 adopted Article 49 of the Zoning Code, establishing the Central Artery Special District. The Zoning Code includes specific land uses, dimensional regulations, and design guidelines for individual parcels in the Central Artery Corridor. Parcel 7 is within the Central Artery Special District established by Article 49, as shown on City of Boston Zoning Maps 1Xa and 1Xb. Parcel 7 is subdivided into two parcels designated “7W” (the Parcel 7 building) and “7E” (the adjacent plaza on the Greenway). As outlined in Article 49, it should be noted that modifications made to the building as part of the Public Market shall be subject to Small Project Review (Design Review) by the BRA. A web reference for Article 49 and Maps 1Xa and 1Xb is included in **Appendix G**.
2. **Government Center Urban Renewal Plan.** Parcel 7 was one of the parcels created pursuant to the Government Center Urban Renewal Plan. The Plan, compliance with which is a condition of the LDA, defines allowed uses for the parcel, including ground-floor retail.
3. **Other Municipal Permitting Requirements.** The design, construction, and operation of the Public Market will be subject to review and approval by all applicable departments of the City of Boston, including but not limited to: the Inspectional Services Department (for both building and health permits), the Boston Transportation Department, the Public Works Department, the Boston Police Department, the Boston Fire Department, and the Boston Public Health Commission.

C. Food and Health Regulations

The Operator will be responsible for ensuring that the design, construction, and operation of the Public Market will be subject to all applicable food safety and health regulations, including, without limitation, all federal, state, and municipal regulations. These include, without limitation:

1. **FDA Food Code.** The operation of the Public Market may be subject to the provisions of the FDA Food Code regarding food safety and retail food protection. A web link to the FDA is included in **Appendix H** of this RFP.
2. **Massachusetts Fish Products Regulations.** The sale of any fish or other seafood at the Public Market will be subject to the Massachusetts regulations regarding Fish and Fishery Products at 105 CMR 533.000. A web link to these regulations is included in **Appendix H** of this RFP.
3. **Massachusetts Farmers Markets Guidelines.** Although the Public Market will be primarily an indoor facility, MDAR guidelines with respect to the operation of farmers markets will apply in general to its operations. A web link to these guidelines is included in **Appendix H** of this RFP.
4. **Health Regulations.** The Operator will be responsible for determining all other federal, state, and municipal health regulations and procedures that apply to the operations of the Public Market and for ensuring compliance with them.

A. Ownership

By operation of legislation, MassDOT is the current fee owner of Parcel 7. MassDOT was created in 2009 with the merger of several separate state transportation departments and authorities, including the Massachusetts Turnpike Authority (“MassPike”) and the Massachusetts Highway Department (“MassHighway”). M.G.L. chapter 6C (the “Enabling Act”) provides that all assets, contracts, and responsibilities of each of the constituent transportation agencies were assumed by MassDOT.

At the time that MassDOT was created, Parcel 7 was owned in fee by MassPike, which had acquired it from MassHighway by a deed and transfer agreement in 2007. MassHighway, in turn, as the proposer of the CA/T Project, had acquired the parcel from the BRA by virtue of a Land Disposition Agreement (“LDA”), an Order of Taking, subsequent confirmatory deed, and state highway layouts.

In accommodating the creation of the Public Market within Parcel 7 and entering into a Lease with the Operator, MassDOT is acting on behalf of the Commission and the Commonwealth. MassDOT will work in close consultation with the Commission, the Executive Office for Administration and Finance, and the Department of Agricultural Resources.

B. Lease Terms

As the owner of the property, MassDOT expects to enter into a lease with the Operator that will govern both the final fit-out and operation of the Public Market. MassDOT’s authority to lease real property derives from and is subject to the Enabling Act.

The Lease will include, without limitation, the general terms described below and such other terms as determined by MassDOT in consultation with the Commission. Submission of a Proposal in response to this RFP shall constitute agreement by the Proposer to the terms and conditions set forth below.

- 1. Leased Premises.** The Leased Premises will include exclusive use of the retail area of the first floor and common rights to the garage entrance lobby, loading dock, and basement and penthouse mechanical areas, as described in Section III of this RFP. The Operator also will have rights to occupy portions of the surrounding sidewalks and plaza for day stalls. At this time, no space in the upper floor office section of the building is available for market activities.
- 2. Term.** The Lease will include an Initial Term of five (5) years, and up to three (3) Extension Terms, each of five (5) years. The overall Term is not to exceed twenty (20) years. The election to extend the Term will be by mutual agreement of the Operator and MassDOT, acting in consultation with the Commission. The Lease will provide for termination rights at the sole discretion of MassDOT in the event of the Operator’s failure to meet its obligations under the Lease.

3. **Rent.** All provisions of Rent to be paid by the Operator to MassDOT are subject to further negotiation. The Commission's and MassDOT's highest priority is the successful start-up and operation of the Public Market, and the Rent provisions to be negotiated are intended to support that goal. At such times that the Public Market is profitable and produces a surplus of revenue, however, the Commission and MassDOT expect that an appropriate and commensurate level of Rent will be paid to MassDOT for use of the property. Rent to MassDOT may be structured to include one or more types of payments, including: non-recurring fixed rent in one or more payments; recurring rent on a monthly or annual basis; and performance-based or contingent rent based on revenue to the Operator or other performance criteria.
4. **Deposit.** Each Proposer will be required to provide a deposit (the "Deposit") of Ten Thousand Dollars (\$10,000) with its proposal. Upon selection, the Deposit submitted by the Operator will be deemed fully earned and non-refundable by MassDOT. The Deposit will not be attributable to Rent due under the Lease. See Section VI.A.2(c) for instructions regarding the Deposit.
5. **Operating Standards.** The Operator will be required to develop and adhere to operating standards and procedures regarding all aspects of the Public Market. The Operator will be required to ensure that the goals of the Public Market are being met, including the development and implementation of a protocol for the inspection and certification of products available for sale at the market.
6. **Improvements.** In general, MassDOT will provide a base build-out of the Public Market space, as described in Section III.C. The Operator will be required to complete the design and construction of the Public Market space as necessary. The Operator shall be responsible for independently determining the scope and completing the design and construction work, subject to the provisions of the Lease and all applicable governmental regulations. The design and construction of the Public Market must ensure the viable use of the upper floors of the floors of Parcel 7 building, including, without limitation, the routing of any necessary building systems through the Public Market space.
7. **Title and Yield Up.** MassDOT will retain title to all improvements, equipment, and furnishings performed or installed at the Leased Premises by MassDOT, unless explicitly transferred to the Operator. Title to all improvements, equipment, and furnishings performed or installed at the Leased Premises by the Operator will be held by the Operator during the Term of the Lease, but they will become the property of MassDOT upon the expiration or earlier termination of the Lease.
8. **Utilities.** MassDOT will provide utility connections and basic distribution throughout the Public Market, as described in Section III.C. The Operator will be solely responsible for completing utility systems in the leased area and for the payment of any charges associated with such utilities. Any areas of the Building retained by MassDOT for its sole use are or will be separately metered and MassDOT shall responsible for payments relating to any such utilities.
9. **Real Estate Taxes.** Under the Enabling Act, land leased from MassDOT and any buildings or other improvements located on such land are subject to local real estate taxes. The Operator will be responsible for the payment of any and all local real estate taxes, fees, or other impositions assessed on the Public Market.
10. **Insurance, Indemnification, and Hazardous Waste.** The Operator must provide insurance of types, in amounts, and with provisions to be specified by MassDOT, including, without limitation, commercial general liability and property insurance. The Operator will indemnify the Commonwealth, the Commission, MassDOT, MDAR, the MBTA, and others as required against all claims or liabilities related to the

Lease and the Leased Premises that arise during the Lease term, including any related to hazardous waste contamination.

11. **Guarantees.** MassDOT will require the Operator and its contractors to provide guarantees in the form of bonds or letters of credit for the completion of any construction undertaken by or on behalf of the Operator. MassDOT also may require guarantees for the Operator's performance of its financial and operational obligations under the Lease.
12. **"As Is," Due Diligence.** The Leased Premises and any appurtenant rights shall be leased on an "as is," "where is," and "with all defects" basis, subject to the completion of construction, all liens, encumbrances, restrictions, and all other acts, matters or occurrences as of the effective date of the Lease, without representation, warranty, condition or covenant, express, implied or statutory, of any kind whatsoever. The Operator shall be responsible for conducting its own due diligence investigations of, and/or confirming the accuracy of prior investigations of, any and all site and building conditions.
13. **Assignment and Sublease.** The Operator will not be allowed to assign or sublease its interest in the Leased Premises, except with MassDOT's prior written approval, which may be withheld or denied in MassDOT's sole and absolute discretion, and only for the purposes and uses set forth in the Lease. The Operator will not be allowed to mortgage its interest in the Leased Premises. In no event shall MassDOT subordinate its interest in the Leased Premises, which interest shall be freely transferable by MassDOT. The Operator will be allowed to enter into contracts or licenses with individual vendors on terms and using forms to be pre-approved by MassDOT.
14. **MassDOT Access to Facilities and Utilities.** The Lease will provide for reserved rights for MassDOT, the MBTA, and FHWA, and their respective employees, agents, grantees, and assigns to enter or pass through the Leased Premises in order to install, inspect, operate, and maintain MassDOT's and the MBTA's facilities and utilities, and for ensuring the safe and efficient operation and security of the highway and MBTA facilities. MassDOT also will retain the right to inspect the Leased Premises on a regular basis and upon emergency, and to make any repairs to the Leased Premises to the extent MassDOT determines such repairs necessary. In the event of an emergency, MassDOT will reserve the right to close the Public Market and require the removal of equipment and furnishings as necessary.
15. **MassDOT Review.** MassDOT must review and approve all design and construction drawings for the Public Market. The Operator will not be allowed to begin any construction without prior written approval by MassDOT. Any future changes to or additional construction within the Leased Premises will be subject to the same requirements. MassDOT reserves the right to approve or change any access to the Parcel that may have an impact on any highway or MBTA facility.
16. **MEPA Review.** The Lease will be subject to any required MEPA approvals. Because the Parcel 7 building itself was the subject of MEPA review by the CA/T Project, it is anticipated that no further review will be necessary, except to the extent that the use and design of the Public Market vary from the CA/T Project MEPA review. See Section IV.A of this RFP for a summary of CA/T Project EIR commitments relating to Parcel 7
17. **Section 106 Approval.** To the extent that it affects the exterior of the Parcel 7 building, the Operator's design and construction documents may be subject to the provisions of the Section 106 Memorandum of Agreement for the CA/T Project. If so, it will be subject to the review and approval by the Massachusetts

Historical Commission, acting as the State Historic Preservation Officer, in consultation with the Boston Landmarks Commission and other parties.

- 18. FHWA Review.** To the extent required by applicable regulations, FHWA must review and approve the form of Lease and the construction drawings for the Public Market. MassDOT will be responsible for submissions to FHWA. A web reference to the applicable federal regulations is included in this RFP as **Appendix F**).
- 19. Zoning, Building and other Local Approvals.** The Operator must ensure that the proposed use of the Leased Premises and its own construction activities comply fully with any and all local zoning, building, and other regulations, including but not limited to review by the BRA. The Operator will be solely responsible, including financially responsible, as the proponent of any and all zoning, building, design, and other regulatory applications and/or reviews for its design and construction activities.
- 20. Health and Safety Regulations.** The Operator will be required to understand and comply with all federal, state, and municipal health and safety regulations related to the operation of the Public Market. Compliance with such regulations will be the sole responsibility and at the sole cost of the Operator.
- 21. Design, Construction, and Operations Coordination.** The Operator will be required to coordinate its design, construction, and operations activities with: (a) MassDOT; (b) the Commission; (c) the MBTA, the operator of the Parcel 7 Garage, and any other lessee, operator, or occupant of any portion of Parcel 7; (d) the City of Boston; and (e) the HPA, utility companies, and nearby residents and businesses. The Operator will be required to establish regular meetings and other communications processes to facilitate this coordination. The Operator will report at least quarterly to the Commission on all aspects of operations and financial performance of the Public Market. The Operator will be required to respect existing MassDOT, MBTA, and utility uses, facilities, and easements. Any construction activities that affect highway structures will be performed in accordance with MassDOT design criteria, requirements and specifications.
- 22. Audit.** The Commission and MassDOT will retain rights to audit the books of the Operator at any time to ensure compliance with the terms of the Lease.
- 23. Non-Discrimination and Affirmative Action.** MassDOT's policy is to further the goals of Executive Order 526. The Operator will be required to comply with MassDOT's Non-Discrimination and Affirmative Action Requirements, included in this RFP as **Appendix I**.
- 24. Lease Approval.** The Lease must be approved by the Commission. The Lease must be approved by the MassDOT Board of Directors or its delegee.
- 25. Reservation.** MassDOT reserves the right to negotiate any and all aspects of the Proposal, including but not limited to the terms the Lease, prior to or following selection of the Operator.

VI.

SUBMISSION REQUIREMENTS

A. Submission Process and Procedures

1. **Submission Schedule.** The schedule for the submission process for this RFP is shown below. The Commission and MassDOT reserve the right to change or amend this schedule at their sole discretion. Prior to the Proposal Due Date, all parties who have requested a copy of the RFP in writing or electronic mail will be notified of any changes.

Pre-Submission Meeting and Building Tour	10:00 a.m.	Wednesday, January 25, 2012
Written Questions Due Date	5:00 p.m.	Wednesday, February 2, 2012
PROPOSAL DUE DATE	2:00 p.m.	Friday, March 2, 2012

2. **Submission Procedures.**

- a. **Submission Location.** Proposals will be deemed to have been received only if and when delivered directly to MassDOT's Office of Real Estate and Asset Development, at Suite 4470 on the fourth floor of the State Transportation Building, at the following address:

**Office of Real Estate and Asset Development
Massachusetts Department of Transportation
State Transportation Building
10 Park Plaza, Suite 4470
Boston, MA 02116**

ATTN: PUBLIC MARKET OPERATOR RFP, PARCEL 7

Proposers are responsible for determining and complying with all current procedures for entering the State Transportation Building, including without limitation, providing necessary identification. In light of security measures in effect at the State Transportation Building, Proposers should allow extra time to sign into the building when delivering Proposals. Proposals not delivered in person by the Proposer should be sent via a courier or delivery service that provides written evidence of delivery.

Whether delivered by the Proposer or a courier or delivery service, Proposals will not be deemed to be received if delivered to any other MassDOT office or facility, any other state or other agency, the State Transportation Building information desk, the main MassDOT reception desk, the MassDOT mail room, or any other location.

- b. **Submission Time.** All Proposals must be received by the time and date shown above as the Proposal Due Date. Time-stamped receipts will be provided for any hand-delivered Proposals. Any Proposal submitted after the Proposal Due Date will be returned to the Proposer unopened.
- c. **Deposit.** Each Proposal must include a Deposit in the amount of Ten Thousand Dollars (\$10,000). The Deposit shall be in the form of a bank, cashier's, or certified check drawn on a Massachusetts

bank without intervening endorsement made payable to the “Massachusetts Department of Transportation.” The Deposit must be submitted with the Proposal by the Proposal Due Date. Deposits will be held by MassDOT in separate accounts and will be refunded (without interest) to all Proposers whose Proposals are not selected. Upon selection, the Deposit submitted by the Operator will be deemed fully earned and non-refundable by MassDOT. The Deposit will not be attributable to Rent due under the Lease.

- d. Other.** All Proposals must be sealed to provide for confidentiality of the information contained therein and to ensure that the Proposals remain intact until MassDOT opens them. Proposals submitted must contain all required forms and information, and must be in the format described in this Section VI. Proposals must be complete, and must provide sufficient information for the Commission to evaluate them. No additions or supplements to Proposals will be accepted after a Proposal is submitted, unless specifically requested or allowed by the Commission. Once submitted, all Proposals and accompanying materials are the sole property of MassDOT. All Proposals are subject to the reservations and conditions specified in Section VIII of this RFP.
- 3. Pre-Submission Meeting and Building Tour.** A Pre-Submission Meeting and Building Tour has been scheduled on the date shown above in Section VI.A.1. Prospective Proposers must confirm their attendance of the Pre-Submission Meeting and Building Tour by sending an e-mail with the subject line “Public Market Parcel 7 – Pre-Submission Meeting and Building Tour” to PublicMarket@state.ma.us.
- 4. Written Questions.** All questions regarding this RFP document or any matter relating to the RFP selection process must be submitted by e-mail to PublicMarket@state.ma.us, with the subject line “Public Market Parcel 7 – RFP Questions.” Questions must be received by MassDOT/MDAR on or before the Written Questions Due Date, shown above in Section VI.A.1. All questions received will be responded to in writing to all parties who have requested this RFP in writing or have submitted questions. A list of those who have requested the RFP will be provided with the answers to questions.

B. Proposal Format

- 1. General Proposal Format.** Proposals must address all of the submission requirements called for in this Section, and must be in the format specified. Proposers are encouraged to keep their Proposals simple and to address the submission requirements straightforwardly and concisely. Proposals must be submitted in two separately bound components:

 - a. Component I – Proposal.** Proposal form; mission and philosophy; Proposer team; Market program, design, design drawings, operations, permits, and schedule; rent proposal, financial projections, and financing.
 - b. Component II – Additional Information.** Proposer officers and owners; certificates and forms; non-discrimination and affirmative action compliance; answers to financial questions; Proposer financial statements; additional financial information; additional developer information.
- 2. Public Circulation.** Component I of all Proposals will be made public upon submission, including posting on the MDAR and/or MassDOT websites and circulation to the BRA and other stakeholders. If requested by Proposers and to the extent allowed by law, certain financial statements of the Proposers will remain confidential. Pursuant to the laws of the Commonwealth regarding disclosure of public

records, however, all materials submitted in connection with all Proposals may be required to be made available to the public. For additional information, see Section VIII.C.

3. **Page Limits and Size.** All pages shall be 8½ by 11 inches in size, including the required drawings. Maximum page limits for each component, including all forms, tables, and drawings required are:
 - a. **Component I.** Thirty (30) pages.
 - b. **Component II.** As long as necessary to provide the required information, but limited to information needed to evaluate the Proposal.
4. **Copies.** Each Proposer must submit fifteen (15) complete copies of the Proposal, with each of the two Components bound separately. In addition, each Proposer must submit one electronic copy of the Proposal on a CD-R, with each of the two components in a separate Portable Document Format (PDF) file. Each PDF file must be no larger than five (5) megabytes in size.
5. **Drawings.** The drawings to be submitted in the Proposals should be conceptual in nature. All plans included in the Proposals should be bound with the Proposals, and must be 8½ by 11 inches in size. Larger size drawings, physical models, or computer graphics or models may be used by Proposers at interviews and presentations, but are not required for and should not be submitted with the Proposals. Each drawing must be labeled to indicate key features of the Proposals and must include a graphical scale bar and north arrow where applicable. Each drawing must include the Proposer's name and must be dated.
6. **Submission Forms.** Proposers must complete all of the forms described in this RFP section. All schedules must be bound with the appropriate components of the Proposals.

C. Component I – Proposer Team and Market Description

Component I of each Proposal must include the following information about the Proposer team and the proposed Public Market. It should be organized clearly, and in the order and in general with headings as presented below. Where specific details are unavailable or unknowable at this time, Proposers should provide as much information as is currently available and describe how and when they plan to provide the details requested.

1. **Proposal Form.** The Proposal Form, included in this RFP as **Schedule 1**, must be completed in its entirety, signed by an authorized officer of the Proposer, and bound at the beginning of Component I of the Proposal package.
2. **Mission and Philosophy.** Describe the Proposer's philosophy with regard to markets in general and the Public Market at Parcel 7 specifically, including the mission and nature of the Public Market that the Proposer will design, build, and operate, the approach to defining "local" products, and the approach to public education. Describe how the nature of the Proposer entity (not-for-profit, for profit, hybrid) will best fulfill the various goals of the Public Market and maximize the public benefits to both producers and consumers.

3. Proposer Team.

- a. **Leasing Entity.** Identify the specific entity that will enter into the Lease with MassDOT and the precise nature or form of that entity (e.g., limited partnership, non-profit corporation, corporation, etc.). Identify any companies or organizations of which the entity is a subsidiary or with which it is affiliated. Describe the Proposer entity, including, without limitation: all ongoing projects, past experience, examples of similar projects, and the names of key individuals who will be assigned to this project (include resumes in Additional Information in Component II). If the Proposer is a joint venture or partnership, identify each party to the joint venture or partnership and provide all of the information required above for each party. Describe in detail the provisions of the joint venture or partnership and each party's role in the joint venture or partnership agreement, including without limitation: financial interests and liabilities, operational responsibilities, role in decision-making, and authority to act on behalf of the joint venture or partnership.
- b. **Other team members.** Identify all other members of the team known at this time. For each team member that is known, describe the role that the team member will play, and provide a company profile including ongoing projects, experience, examples of similar projects, and the names of key individuals who will be assigned to this project (a limited number of resumes may be included in Additional Information in Component II). Examples of other team members may include, but are not limited to: market consultant, architect, engineer, legal counsel, construction manager, investor, lender, fundraising consultant, and any tenants. Limited additional materials relating to the other team members, such as photographs, longer descriptions, or promotional materials relating to past projects, if included in the Proposal at all, should be included in Additional Information in Component II.

4. Market Proposal.

- a. **Program.** Describe in detail the proposed program for the Public Market. Use of tables to list various types of products and vendors, types of stalls, floor areas, and other information is encouraged. Make reference to the recommendations in the Implementation Plan and note how the proposed market program fulfills or differs from those recommendations. Where the proposed program differs from the Implementation Plan, explain why. Information provided should include:
 - i. *Product mix:* Describe the product mix throughout the year, including the various types of products to be offered, such as produce, meats, seafood, agricultural products, and value-added products and prepared foods. Describe the number of vendors, number of stalls, and approximate square feet or percentage of market sales area devoted to each.
 - ii. *Sourcing:* Describe the proposed sources for each type of product, including both the geographic range and types of providers for each product type.
 - iii. *Seasonality:* Identify which products are seasonal in nature and describe how this seasonality will be addressed.
 - iv. *Type of vendors:* By product, describe the type of vendor to be sought, such as individual farmers or producers, cooperatives, dealers, distributors, or other aggregators of producers.
 - v. *Occupancy:* By product, describe the periods of occupancy for vendors, including year-round or seasonal, number of days per week, permanent stall or temporary stall, indoors or outdoors.
 - vi. *Food preparation and service:* Describe the nature, extent, and frequency of on-site food preparation, including cooking demonstrations and food service.
- b. **Design.** Describe the proposed layout and design of the Public Market. Make reference to the recommendations in the Implementation Plan and note how the proposed market design fulfills or

differs from those recommendations. Where the proposed design differs from the Implementation Plan, explain why. Information provided should include:

- i. Layout and circulation:* Describe the overall layout of the Public Market and the circulation system through the Market.
- ii. Access:* Describe the access points to the Public Market, making particular note of any new exterior entrances to be added and existing entrances to be closed.
- iii. Storage:* Describe the location, types, and design of all storage areas.
- iv. Delivery and loading:* Describe the design of any proposed physical changes to accommodate delivery and loading. See Sections III.B.6 and III.D.2(a) for a description of the existing loading areas and limitations on its use.
- v. Restrooms:* Describe the location, size, and design of all restrooms, including both public and staff restrooms.
- vi. Sidewalk and plaza:* Describe the design of any proposed use of the surrounding sidewalk and plaza areas, including any proposed permanent changes or improvements.
- vii. Exterior façade:* Describe any proposed changes to the exterior façade of the building.
- viii. Signage:* Describe all proposed exterior and interior signage, including size, lighting, and content.
- ix. Utilities:* Describe how utilities will be distributed throughout the Public Market, including the layout, types, and capacities of utilities required. Utilities should include without limitation: electric, water, drainage, heating, ventilation, and air conditioning.
- x. Food preparation:* Describe the location and design of any facilities for on-site food preparation, including provisions for exhaust.
- xi. Floors and ceilings:* Describe the preferred design approach for MassDOT to use for the floors and ceilings or other enclosures for overhead fireproofing throughout the Public Market.
- xii. Stalls:* Describe the different types of stalls, including their location, required utilities, size, design, and whether they are permanent or moveable.
- xiii. Security:* Describe provisions for security within market itself and to protect MassDOT and MBTA facilities in the Parcel 7 building.
- xiv. Other building uses:* Describe design provisions to accommodate other building uses, including the upper floor office space, the garage, and the MBTA station.

c. Design Drawings. Provide at least three conceptual drawings of the proposed Public Market design, described below. Additional drawings may be included in the Component II, Additional Information.

- i. Layout plan:* Show the layout of stalls, storage, restrooms, and circulation for the entire Public Market, including all interior and exterior spaces.
- ii. Improvements plan:* Show the location of all physical improvements or changes to the Public Market space and adjacent sidewalks and plaza.
- iii. Elevations:* Show changes to the exterior of the building, including new entrances, closed entrances, changes to windows, signage, and lighting.

d. Operations. Describe the operations of the Public Market. Make reference to the recommendations in the Implementation Plan and note how the proposed market operations fulfill or differ from those recommendations. Where the proposed operations differ from the Implementation Plan, explain why. Information provided should include:

- i. Vendor selection, contracting, and removal:* Describe the process and criteria for selecting Vendors. Describe the contractual relationship between the Operator and individual Vendors, including the length of the contracts, the basis of payments to the Operator, responsibilities of the Vendors, and the process and criteria for removing Vendors. Sample contracts may be included in Component II, Additional Information.

- ii. *Vendor monitoring:* Describe proposed provisions to ensure the quality of Vendor operations, including ensuring compliance with Public Market rules regarding the source and nature of products sold.
 - iii. *Pricing:* Describe the approach to pricing within the Public Market and any proposed rules for Vendors regarding pricing and internal competition.
 - iv. *Maintenance standards:* Describe proposed standards for both the Operator and Vendors for maintenance of the Public Market. Detailed proposed standards may be included in Component II, Additional Information.
 - v. *Days and hours:* Describe in detail the days and hours that the Public Market will be open to the public for business during the first three years of operations. Describe any additional hours the Public Market will be open to Vendors for delivery, set-up, and clean-up.
 - vi. *Governance and senior management:* Describe how the Public Market will be governed and the senior management structure, including any board, committee, or corporate staff that will oversee the Public Market operations, how they will interact with the Commission, how they will oversee senior staff, the structure of the senior on-site Public Market staff, and the name and past experience of the senior on-site market manager with day-to-day responsibility.
 - vii. *Staffing:* Describe the proposed Operator staffing, including job titles, job descriptions, hours per week, staffing levels throughout the week, and training and oversight to be provided.
 - viii. *Marketing and advertising:* Describe a program for marketing and advertising during the first year of the Public Market's operations, including initial marketing campaigns to create public awareness of the Public Market.
 - ix. *Coordination:* Describe plans for construction-period, start-up, and ongoing coordination with the Commission, MassDOT, MDAR, the MBTA, the BRA, the HPA, the Greenway Conservancy, and other abutters or interested parties.
 - x. *Parking:* Describe plans for providing and publicizing patron and Vendor parking. Parking plans should include parking locations other than the Parcel 7 Garage, and should specifically address how to avoid parking conflicts with existing area uses, particularly during Haymarket Pushcart Association operations on Friday and Saturday.
 - xi. *Evaluation and change:* Describe how the Operator's oversight entity and senior management will monitor and evaluate the performance of the Public Market, and what the mechanism will be for seeking and implementing changes to the mission or operations of the Public Market.
- e. **Public education:** Describe proposed programs for public education. Include, without limitation: relevance to the Public Market and its mission; nature and size of intended audiences; programming; staffing; frequency; location; and connections to product offerings and other activities at the Public Market and the Market District.
 - f. **Permits and approvals.** Identify all permits and approvals required for the construction and operation of the Public Market, including any conditions that may be placed on any permit or approval. Include all permits related to the handling and sale of food to be offered in the Public Market.
 - g. **Schedule.** Provide a conceptual schedule in a graphic format, including start and finish times and duration for all design, permitting, financing, construction, and occupancy activities through the opening of the Public Market.

5. **Financial Proposal.**

- a. **Financial projections.** Provide financial projections sufficient to determine the financial feasibility of the proposed Public Market. These projections must include:

- i. *Budget*: Provide a project budget detailing all start-up costs associated with the Public Market, including, without limitation: design, engineering, and other consulting; construction; equipment; utilities; permitting and fees; insurance; legal and other professional fees; financing and fundraising costs; and all other start-up costs. Identify any start-up deficit and how it is to be funded.
 - ii. *Operating pro-forma*: Provide an operating pro-forma for the first ten (10) years of operations for the Public Market, commencing upon public opening. The pro-forma must detail all operating income and expenses and assumptions, including: Vendor rent revenue, including gross rental rates charged to Vendors, total gross rent received from Vendors, any rent concessions or adjustments, lease-up schedules, Vendor rent escalations, assumed vacancies, other fees or memberships; annual fundraising revenue; government funding or reimbursement; ongoing grants or other gifts; operating expenses, including without limitation, salaries and benefits, utilities, and maintenance; capital replacement reserve; funding of prior operating or start-up deficits; real estate taxes, if any; marketing and advertising expenses; debt service for each source of permanent financing; fundraising expenses; Rent paid to MassDOT; and inflation assumptions. The pro-forma must include a separate line item for proposed Rent to MassDOT, which must reflect escalation and projections for any participation or other performance-based rent as proposed in each Rent Offer Form. All assumptions and bases for performance-based rent projections should be stated clearly. Indicate when the Public Market will reach stabilized, self-supporting operations.
- b. Financing.** Provide a description of the method(s) and amounts of financing the initial construction and start-up costs of the Public Market, including:
- i. *Fundraising*: Provide a detailed fundraising plan, including descriptions of: the overall fundraising strategy; overall fundraising goals; goals for fundraising from different types of funders, such as government entities, private foundations, corporations or other private sources, and individuals; and a schedule for achieving fundraising goals, with annual or other periodic fundraising targets. Indicate the source and amount of any funding already received or committed for the Public Market project, including the grant to be made by the Commonwealth.
 - ii. *Equity*: Describe all other sources of equity funding, including Operator or public equity
 - iii. *Debt*. Describe all anticipated sources of private or public debt, including loan terms and the security to be provided for each loan. No securitization of the real or personal property or the leasehold interest will be permitted by MassDOT under the Lease.
- c. Rent to MassDOT.** It is the Commission’s and MassDOT’s intent that Rent to MassDOT will be subject to the Public Market’s profitability. Due to the uncertainty regarding the exact allocation of financial responsibility for the build-out and fit-out of the Public Market space, lease terms regarding rent payments to MassDOT will be subject to further negotiation and no commitment to specific proposed Rent amounts is required in Proposals. Rent to MassDOT may be structured to include one or more types of payments, including: non-recurring fixed rent in one or more payments; recurring rent on a monthly or annual basis; and performance-based or contingent rent based on Operator revenues or other performance criteria. Describe the proposed approach to Rent, including, without limitation: the type(s) of Rent to be paid; the proposed measures and levels of profitability that will trigger payments of Rent to MassDOT; and the projected timing and amounts of payments over the entire potential twenty (20) year Lease Term. For any recurring Rent, describe provisions for rent escalation, including without limitation, the basis (fixed percentage, CPI, or other measure) and frequency of escalation. For performance-based or contingent rent, describe the measure of performance and the percentage or other factor to be applied to it.

- d. **Alternative Financing and Rent proposals.** In addition to the information above, Proposers may suggest alternative financing or rent proposals or approaches not addressed above. If so, describe the alternative approach in detail and the reasons for proposing it.

D. Component II – Additional Information

Component II of each Proposal must include the following information and forms. It should be organized clearly, and in the order and in general with headings as presented below.

1. **Proposer Officers and Owners.** List all officers and others with an interest in the Proposer:
 - a. **For-Profit Corporation.** If the Proposer is a corporation, list all officers, directors, and owners of five percent (5%) or more of the capital stock.
 - b. **Non-Profit Corporation.** If the Proposer is a non-profit corporation, list all officers, and directors or board members. List any other entities that control or are controlled by the Proposer.
 - c. **Non-corporation.** If the Proposer is other than a corporation, list all persons or entities with an interest of five percent (5%) or more in the operations of the entity, including the title and percentage of the interest for each.
2. **Certificates and Forms.** Each Proposer must complete the following certificates and forms and include them in Component II of the Proposal. MassDOT reserves the right to require additional certifications of the Operator.
 - a. **Chapter 7, Section 40J Disclosure Statement.** The Chapter 7, Section 40J Disclosure Statement form, included in this RFP as **Schedule 2**, must be completed, signed by an authorized officer of the Proposer.
 - b. **Evidence of Authority.** Proposers must provide evidence of authority of the person signing the Proposal Form to submit the Proposal on behalf of the Proposer. If the Proposer is a corporation, said Proposer must include a duly executed resolution of its Board of Directors either approving the particular Proposal being submitted, or specifically authorizing and empowering a designated agent of said corporation to bind the corporation in all matters involving, related to, or incidental to the submission of a Proposal hereunder and, if accepted by MassDOT, the corporation's full performance under the terms of the RFP. A sample Clerk's Certificate is included as **Schedule 3** of this RFP.
 - c. **Additional Certifications.** In order to substantiate compliance with: (i) Chapter 66A of the Massachusetts General Laws regarding confidentiality and privacy; (ii) Section 49A of Chapter 62C of the Massachusetts General Laws regarding taxes; and (iii) other matters deemed necessary or appropriate by MassDOT, all of the certifications included in this RFP as **Schedule 4** must be completed and signed by an authorized officer or agent of the Proposer.
3. **Non-Discrimination and Affirmative Action.** MassDOT's policy is to further the goals of Executive Order 526. Each Proposer shall indicate in writing that its firm and designated contractors and subcontractors, if any, will comply with MassDOT's Non-Discrimination and Affirmative Action Requirements, included with Executive Order 526 as **Appendix I**.

4. **Financial Questions.** Each Proposer must answer the following questions. Note that for purposes of these questions, the “Proposer” shall include: (i) the entity submitting the Proposal; (ii) any director, principal officer, partner, or owner of five percent (5%) or more of stock or with an interest of five percent (5%) or more in that entity; and/or (iii) any partnership, corporation, or other entity with which any of the foregoing individuals or entities are or have been affiliated. If “yes” is answered to any of these questions, describe the circumstances in detail.
- a. **Bankruptcy.** In the past ten years, has the Proposer filed for bankruptcy or been declared bankrupt?
 - b. **Foreclosure.** In the past ten years, has the Proposer been the subject of a foreclosure proceeding?
 - c. **Loan default.** In the past ten years, has the Proposer defaulted on a loan?
 - d. **Lease default.** In the past ten years, has the Proposer been in default of a ground or other lease or had such a lease terminated due to such Proposer’s failure to comply with the terms of the lease or agreement?
 - e. **Prohibition.** Has the Proposer ever been prohibited from doing business with any government agency?
 - f. **Felony.** Has the Proposer ever been indicted for or convicted of a felony?
 - g. **Illegal purpose.** Has the Proposer ever been involved, affiliated, or in known contact with any entity intending to utilize the subject property for an illegal purpose or with any entity, individual, or member of any organized crime group or similar criminal enterprise?
5. **Proposer Financial Status.** Provide evidence of the Proposer’s current financial position and capacity to undertake and complete the Proposal. For any Proposer that is or will be a single purpose entities (“SPE”) created specifically to be the Operator of the Public Market, the applicable information described below must be provided for the SPE and for each entity and individual holding a beneficial interest of twenty percent (20%) or more of such SPE. The information to be provided for each Proposer, SPE, and other individual or entity must include:
- a. **Publicly held.** If the entity or any part of the entity is a publicly-held corporation, submit the following documents as filed with the Securities and Exchange Commission: Annual Reports on Form 10-K for the last two fiscal years, including any consolidated financial statements filed therewith and any amendments thereto or restatements thereof; all Quarterly Reports on Form 10-Q filed since the most-recently filed 10-K; and, any Current Reports on Form 8-K filed since the last fiscal year.
 - b. **Privately held.** If the entity or any part of the entity is a privately held organization, this must include: certified balance sheets for the last two fiscal years; a statement of income for the last two fiscal years; and a management discussion and analysis of the organization’s financial condition for the last two fiscal years indicating any changes in the organization’s financial position since the financial statements were prepared.
6. **Additional Financial Information.** Include in this section any additional financial information, including, without limitation: letters of interest from prospective donors, investors, lenders, or Vendors; and any market data to support sales or rent projections.

7. **Additional Information**. If desired, a Proposer may include any of the following information to supplement a Proposal. This information should be bound in Component II. Although there is no specific page limit for this additional information, Proposers should make every effort to limit the amount and nature of information included to only that which will assist in evaluating the Proposal.
- a. **Resumes**. Resumes of all key team members listed in Component I may be included here.
 - b. **Past projects and related experience**. Include any additional information, descriptions, or materials relating to past projects by the Proposer or other team members that will be helpful in understanding the qualifications of the team members to undertake the project.
 - c. **Additional drawings**. Include any drawings and other graphics in addition to those called for in Component I.

A. Selection Process

In general, the Commission will act as the selection committee for proposals and will recommend the designation of an Operator to MassDOT. The Commission will be supported by staff from MDAR and MassDOT in the selection process.

The Commission and MassDOT reserve the right to change or amend this selection process at its sole discretion in order to further the purposes of the RFP. Prior to the Proposal Due Date, all parties who have requested a copy of this RFP in writing will be notified of any changes electronically or in writing. Subsequent to the Proposal Due Date, only Proposers who have submitted Proposals in accordance with the Submission Requirements described in Section VI of this RFP will be notified of any changes electronically or in writing.

The selection process will include the following:

1. **Proposal Submission.** All Proposals must be submitted in accordance with Section VI of this RFP.
2. **Distribution of Public Components.** Component I of Proposals will be distributed to interested parties and agencies, and made available to the public electronically.
3. **Proposal Evaluation.** MassDOT and MDAR will review all the Proposals to determine if they contain the required forms and if submission requirements have been met. Failure to submit specified forms and follow submission requirements could result in a Proposal being rejected. The Proposals will be evaluated by the Commission, MassDOT and MDAR staff, and possibly outside consultants to determine how well they meet the selection criteria. In addition to reviewing the Proposals, the Commission and staff will review references, and may conduct visits to Proposers' other projects or operations, and use the results in evaluating the Proposals.
4. **Public Consultation.** The Commission will consult with the public through one or more public meetings at which Proposers will make presentations of non-financial aspects of their proposals and answer questions from the Commission, MassDOT, MDAR, the BRA, and the public. The commission will invite and collect written or electronic comments from the public and from stakeholder groups and surrounding communities, in particular the North End community and community groups.
5. **City Consultation.** The Commission will seek written comment from the City of Boston regarding the Proposals.
6. **Interviews.** The Commission may require interviews with all Proposers or just finalists. Interviews may be public or in executive session, and may include discussion of any aspects of the Proposals.
7. **Additional Information, Interviews, or Reviews.** At any time in the selection process, the Commission may or may not: (a) request additional information, revised Proposals, or best and final Proposals; (b) hold additional interviews; or (c) conduct additional rounds of reviews and evaluations.

8. **Finalists or Joint Ventures.** If there are more than two Proposers, at any time in the selection process, the Commission may or may not select finalists for further consideration and eliminate other Proposers from further consideration. The Commission also may request that two or more Proposers enter into discussions regarding the formation of a joint venture to be considered.
9. **Recommendation.** At its sole discretion, the Commission may recommend the designation of an Operator to the Secretary/CEO of MassDOT. If it determines that there are no qualified Proposers, the Commission may recommend that no Proposer be designated and may consider alternative approaches to operating the Public Market.
10. **Designation.** If a recommendation is made by the Commission, the Secretary/CEO or his designee may choose to designate an Operator, or to request further consideration by the Commission.
11. **Lease Negotiation.** If an Operator is designated, MassDOT, supported by the Commission and MDAR staff, will negotiate a form of Lease.
12. **Lease Approval and Execution.** If required, the Secretary/CEO or his designee will seek approval of the Lease from the MassDOT Board of Directors. Upon approval by the MassDOT Board of Directors or acting under an applicable prior delegation of authority, the Lease will be executed by the Secretary/CEO of MassDOT.

B. Selection Criteria

In evaluating the Proposals, the Commission will consider the criteria listed below. These criteria are not listed in any order of importance, nor have specific weights been assigned to any of these criteria.

1. **Experience.** The previous experience of the Proposer, including the Proposer entity, other members of the Proposer team, and key team personnel, will be considered. Factors evaluated will include, without limitation: (a) demonstrated experience planning and operating public or other food markets, (b) demonstrated experience related to the production or marketing of fresh and value-added agricultural or fisheries products; (c) references for similar work; and (d) resumes.
2. **Approach.** The proposed approach to developing and operating the Public Market will be considered. Aspects of the Proposals to be evaluated will include, without limitation: (a) market layout and design; (b) mix of vendors and products; (c) staffing; (d) marketing and promotions; (e) project schedule; (f) project permitting; and (g) satisfaction of the goals and specific requirements of this RFP.
3. **Financial Proposal and Feasibility.** The financial proposal will be considered. Aspects of the Proposals to be evaluated will include, without limitation: (a) overall financial feasibility of the proposal; (b) development budget; (c) operating pro-forma; (d) sources of funding and fundraising plans; (e) projected Rent to MassDOT; (f) alternative financial proposals; and (g) financial capacity of the Proposer entity.
4. **Community Input.** Comments from the BRA, the North End Central Artery Advisory Committee (or any successor group), as well as other members of the public will be considered.
5. **Responsiveness to the RFP.** The responsiveness of the Proposal to the RFP will be considered. Factors to be evaluated include, without limitation: (a) demonstrated understanding of the purpose and

goals of the Public Market and the RFP; (b) submission of all required information and materials; and (c) submission of the Deposit.

6. **Non-Discrimination and Affirmative Action.** Proposers' willingness to comply with MassDOT's Non-Discrimination and Affirmative Action Requirements will be considered.

VIII. RESERVATIONS AND CONDITIONS

A. Reservations

1. The Commission, MDAR, and MassDOT make no representation or warranty as to the accuracy, currency, and/or completeness of any or all of the information provided in this RFP. The furnishing of information by the Commission, MDAR, or MassDOT shall not create or be deemed to create any obligation or liability upon it for any reasons whatsoever, and each Proposer, by submitting a Proposal in response to this RFP, expressly agrees that it shall not hold the Commission, MDAR, or MassDOT, or any of their respective officers, agents, contractors, consultants, or any third party liable or responsible therefor in any manner whatsoever.
2. The Commission, MDAR, and MassDOT reserve the right to suspend, withdraw, or amend this RFP for any reason or for no reason at any time. The Commission, MDAR, and MassDOT reserve the right to change the selection process or any schedule with written notice to all Proposers or finalists, as appropriate. The Commission, MDAR, and MassDOT shall not be liable to any actual or potential Proposer or the Operator for costs or expenses incurred as a result of the issuance, extension, supplementation, withdrawal, or amendment of this RFP or the process initiated hereby.
3. The Commission, MDAR, and MassDOT reserve the right to seek additional information, revised Proposals, and/or best and final offers from Proposers at any time prior to selection through written notice to any or all Proposers. The Commission, MDAR, and MassDOT reserve the right to seek joint ventures among two or more Proposers.
4. The Commission, MDAR, and MassDOT reserve the right to reject, in their sole discretion, any Proposal not submitted in conformance with this RFP and any amendments hereto, or to reject any and all Proposals, in its sole discretion, for any reason or for no reason. The Commission, MDAR, and MassDOT further reserve the right to waive or to decline to waive any irregularities in any Proposal when it determines that it is in the best interest of the Commission, MDAR, or MassDOT to do so, and to waive any defects in the RFP submission process when they determine such defects are insubstantial or non-substantive.
5. The Commission, MDAR, and MassDOT reserve the right to select an operator in any way and on any basis that they determine is in the best interest of the Commission, MDAR, or MassDOT. The Commission, MDAR, and MassDOT reserve the right not to select an operator for the Public Market as a result of this RFP or any subsequent process. The Commission, MDAR, and MassDOT reserve the right not to lease or have any other party operate the Public Market. The Commission, MDAR, and MassDOT reserve the right to discontinue its selection of any operator or to discontinue the entire RFP process for any reason whatsoever or for no reason. In such event, the Commission, MDAR, and MassDOT shall not be liable to any actual or potential Proposer for costs or expenses incurred by them as a result of the issuance and subsequent withdrawal of this RFP or the process initiated hereby.
6. The Commission, MDAR, and MassDOT reserve the right to negotiate any and all terms of any Lease or other agreement with an Operator. If such negotiations cannot be concluded successfully with an Operator, the Commission, MDAR, and MassDOT may choose to negotiate an agreement with another Proposer, to terminate the selection process, or to begin a new selection process.

7. If any matter or circumstance under this RFP requires the consent or approval of the Commission, MDAR, or MassDOT or that such matter be satisfactory to the Commission, MDAR, or MassDOT, then same may be granted, withheld, denied or conditioned by the Commission, MDAR, or MassDOT in the exercise of their sole discretion.

B. Conflict of Interest, Collusion

1. By submitting a Proposal, a Proposer certifies that no relationship exists between the Proposer or any of its officers, employees, agents, or representatives and MassDOT, MDAR, or the Commission, or any of their respective officers, employees, or agents that constitutes unfair competition or a conflict of interest.
2. By submitting a Proposal, a Proposer certifies that it has not acted in collusion with any other Proposer or other entity doing business with MassDOT, MDAR, or the Commission in any way that would constitute unfair competition.

C. Confidentiality

1. Proposers should assume that all material submitted in response to the RFP will be available to the public. To the extent allowed by Massachusetts public records laws, MassDOT will use best efforts not to disclose or make public any financial statements submitted on which the respondent has stamped or imprinted “confidential.” MassDOT assumes no liability for disclosure or use of any information or data.
2. All information submitted in response to this RFP becomes the sole property of MassDOT, with the exception of confidential financial information concerning the Proposer or its financial partners. MassDOT reserves the right to share any and all ideas or information from any of the Proposals submitted with the Operator, public agencies, or the affected communities. No Proposer has proprietary rights to any ideas or materials submitted in its Proposal to the RFP.

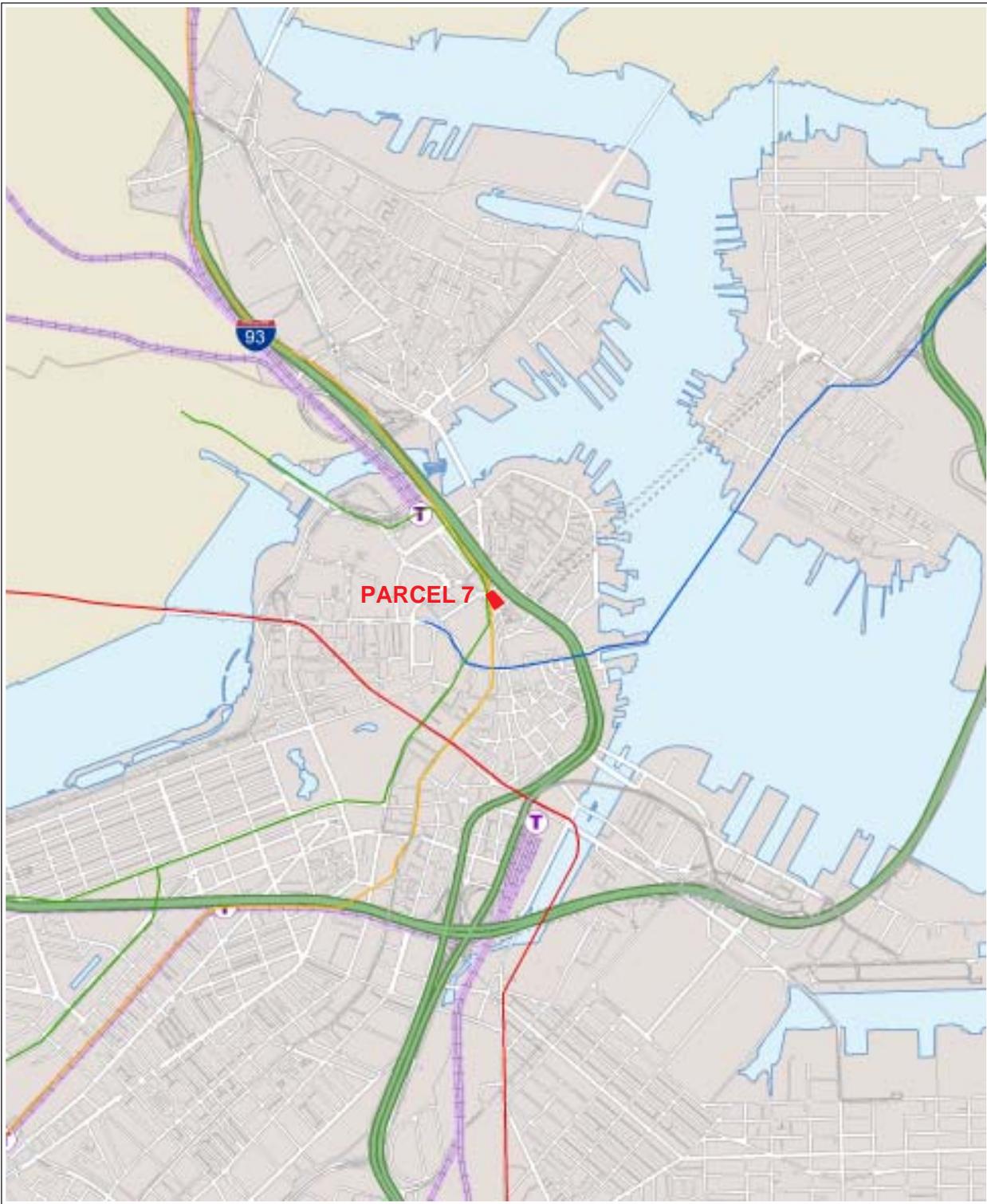
D. Proposers’ Responsibilities

1. All Proposers shall thoroughly familiarize themselves with the provisions of this RFP. Upon receipt of the RFP, each Proposer shall examine the RFP for missing or partially blank pages due to mechanical printing or collating errors. It shall be the Proposer’s responsibility to identify and procure any missing pages.
2. Proposers shall be entirely responsible for verifying zoning requirements, environmental requirements, and any other regulatory information. Proposers shall be entirely responsible for verifying any and all physical or other site conditions of the subject property. Copies and summaries of such information are included in this RFP only as a convenience. MassDOT and any of its respective officers, agents, contractors, or consultants shall not be liable for any mistakes, damages, costs, or other consequences arising from use of this information.
3. Proposers shall be entirely responsible for any and all expenses incurred by Proposers in the preparation of any Proposals in response to this RFP. MassDOT shall not be responsible for or pay for any such expenses.

FIGURES

- Figure 1** Locus Plan
- Figure 2** Area Plan
- Figure 3** Context Plan
- Figure 4** Existing Floor Plan
- Figure 5** Proposed Public Market Layout Key
- Figure 6** Proposed Public Market Layout Plan
- Figure 7** Aerial Photograph

N.B.: These figures are intended for illustrative and planning purposes only. They should not be relied upon for survey, engineering, or legal purposes. The Public Market Commission, the Massachusetts Department of Transportation, and the Massachusetts Department of Agricultural Resources do not warrant the accuracy, currency, completeness, or correctness of these figures for any use. RFP respondents and the selected Operator are responsible for verifying all site conditions. Scale of figures and configuration and location of parcels are approximate.



MassDOT / MDAR
**Public Market Developer
 and Operator RFP**

Figure 1
 Locus Plan



Note: Scale of figures and location and configuration of parcels are approximate.



PARCEL 7

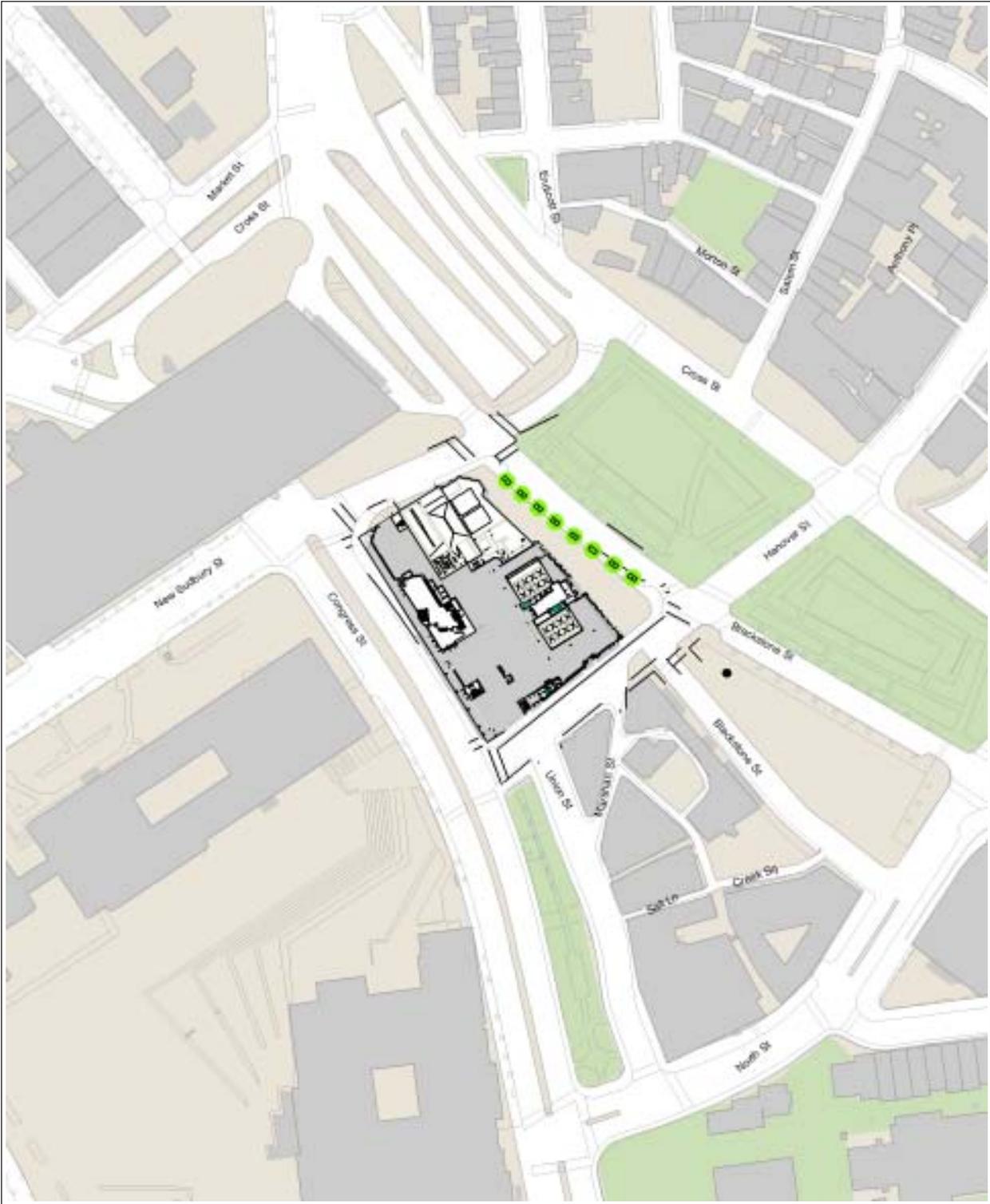
MassDOT / MDAR
**Public Market Developer
 and Operator RFP**

Figure 2
 Area Plan

0 | 250 | 500
 feet

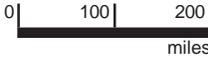


Note: Scale of figures and location and configuration of parcels are approximate.

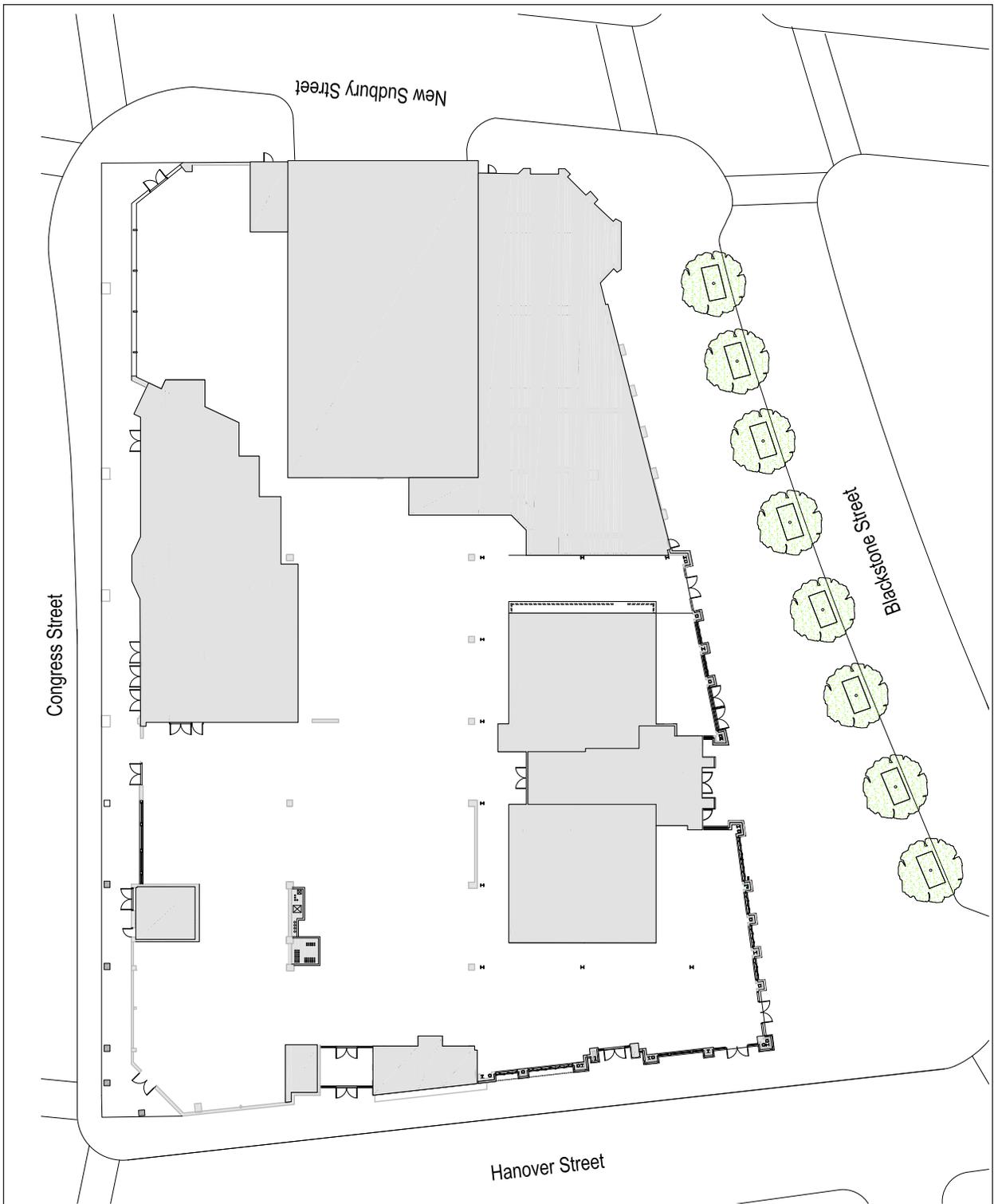


MassDOT / MDAR
**Public Market Developer
 and Operator RFP**

Figure 3
 Context Plan



Note: Scale of figures and location and configuration of parcels are approximate.



MassDOT / MDAR
Public Market Developer
and Operator RFP

Figure 4
Existing Floor Plan

0 | 25 | 50
 feet

Note: Scale of figures and location and configuration of parcels are approximate.

Leasable Retail Space:		
Area 1	1,000	SF
Area 2	830	SF
Area 3	1,329	SF
Area 4	106	SF
Area 5	647	SF
Area 6	600	SF
Area 7	604	SF
Area 8	727	SF
Area 9	455	SF
Area 10	327	SF
Area 11	427	SF
Area 12	853	SF
Area 13	2,005	SF
Area 14	621	SF
Area 15	1,124	SF
Area 16	908	SF
Bakery Café	629	SF
Interior day stalls @50% of Flex area	953	SF
Total Leasable Retail Space	14,145	SF
Other Leasable Space		
Storage area	TBD	SF
Flexible area	2,185	SF
Mezzanine /storage/office	2,858	SF
Total Gross SF =	27,300	SF

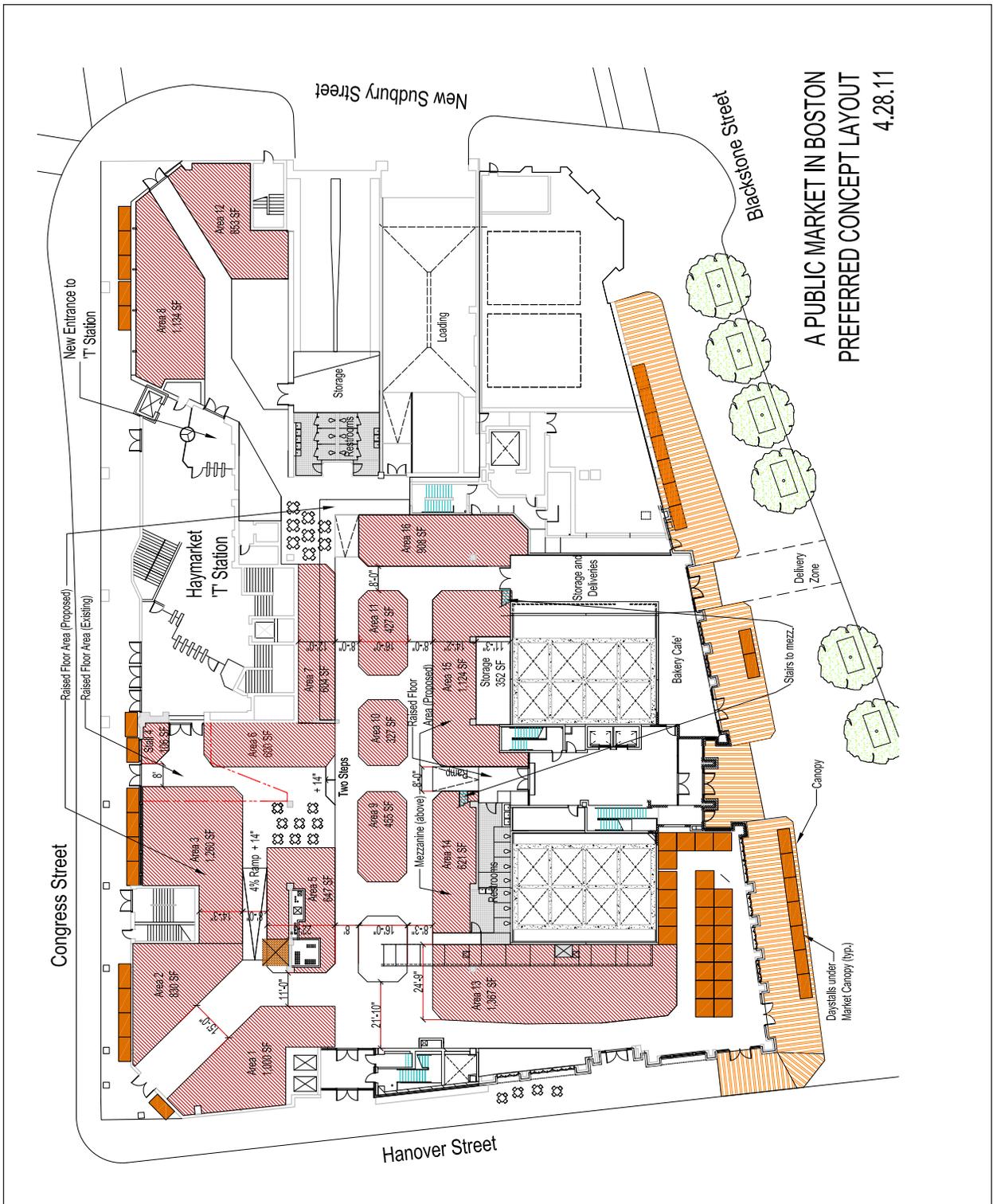
LEGEND

-  Permanent Stalls
-  Flexible Space/ Daystalls
-  Daystalls
-  Drainage opening to Level B1
-  Vents for cooking

MassDOT / MDAR
**Public Market Developer
and Operator RFP**

Figure 5
Proposed Public
Market Layout Key

Proposed Public Market Plan and Key from "An Implementation Plan for a Public Market in Boston," May 2011, prepared for MDAR by PPS. Note that Implementation Plan does not account for possible changes to accommodate MassDOT use of upper-floor office space. See Appendix B for full Implementation Plan.



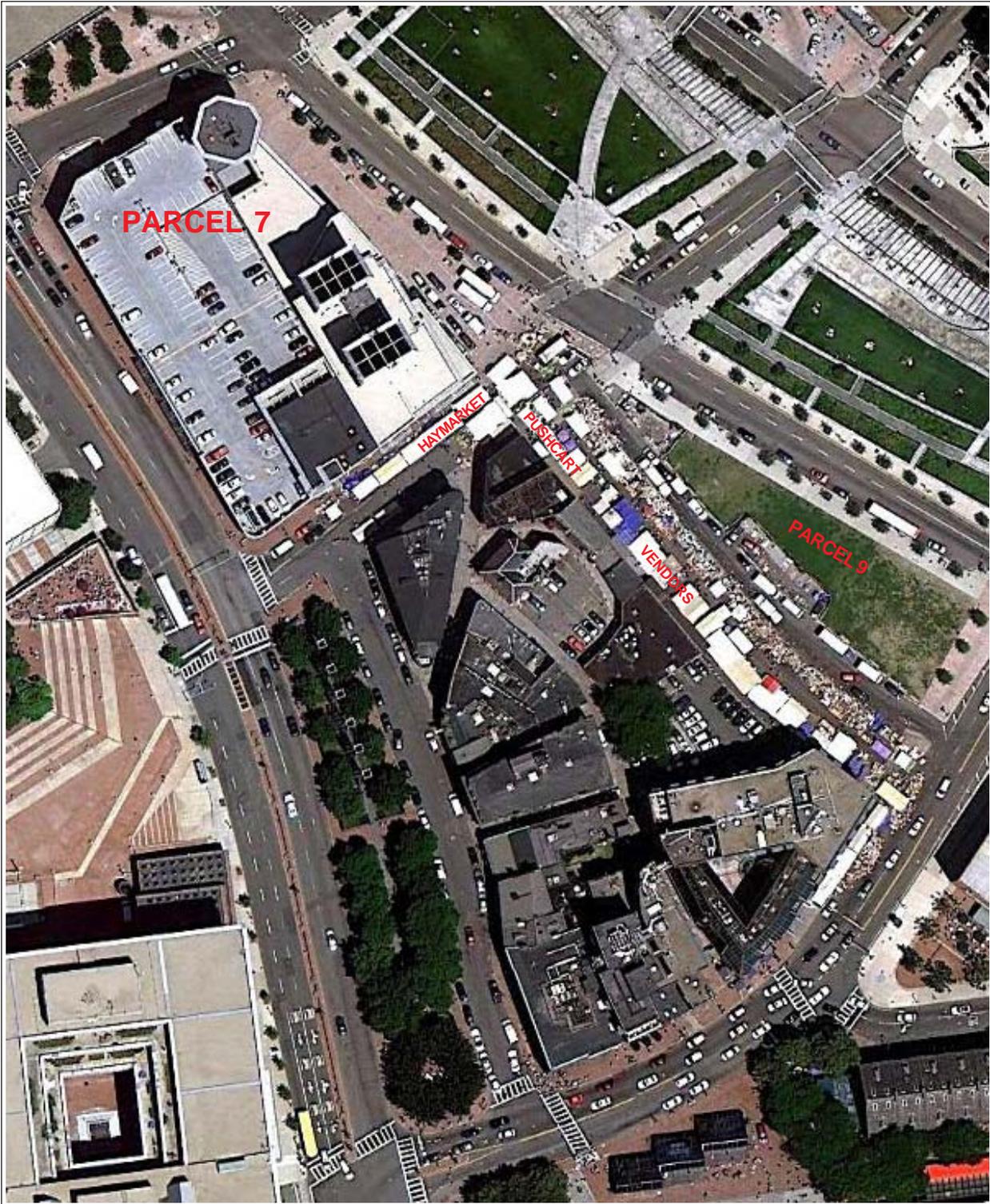
**A PUBLIC MARKET IN BOSTON
PREFERRED CONCEPT LAYOUT
4.28.11**

**MassDOT / MDAR
Public Market Developer
and Operator RFP**

Figure 6
Proposed Public
Market Layout Plan

0 | 25 | 50
feet

Note: Scale of figures and location and configuration of parcels are approximate.



MassDOT / MDAR
**Public Market Developer
and Operator RFP**

Figure 7
Aerial Photograph



Note: Scale of figures and location and configuration of parcels are approximate.

SITE PHOTOGRAPHS



Parcel 7 building, looking west across Rose Fitzgerald Kennedy Greenway parks.



Parcel 7 building sidewalk condition, looking southeast along Blackstone Street / Fitzgerald Surface Artery.



Parcel 7 building with Haymarket Pushcart Association vendors in operation, looking west at the corner of Hanover Street and Blackstone Street.

Parcel 7 building with Haymarket Pushcart Association vendors in operation, looking north at the corner of Hanover Street and Congress Street.



Parcel 7 building, Congress Street facade, looking northwest



Parcel 7 building, Congress Street facade, looking southeast





Public market space,
looking southwest



Public market space,
looking southwest



Public market space,
looking north

APPENDICES

Appendix A	Market District Feasibility Study
Appendix B	Public Market Implementation Plan
Appendix C	Executive Order 535
Appendix D	Transportation Access Plan Agreement
Appendix E	Parcel 7 Parking Programs
Appendix F	Federal Highway Administration regulations link
Appendix G	City of Boston Zoning Code and Map links
Appendix H	Federal and State food regulation links
Appendix I	MassDOT Non-Discrimination and Affirmative Action Requirements
Appendix J	Schedules:
	Schedule 1 Proposal Form
	Schedule 2 Chapter 7, Section 40J Disclosure Form
	Schedule 3 Sample Clerk's Certificate
	Schedule 4 Additional Certifications

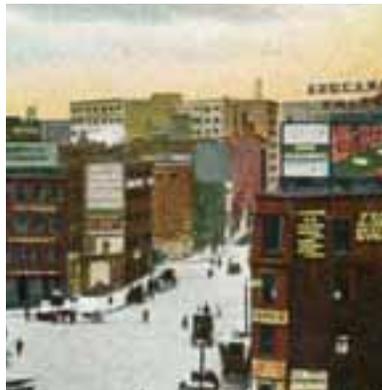
Appendix A

Market District Feasibility Study





Boston Market District Feasibility Study



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New York, NY 10003
T (212) 620-5660
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www.pps.org

Boston Market District Feasibility Study

January 2009

SUBMITTED TO: THE BOSTON
REDEVELOPMENT AUTHORITY

SUBMITTED BY: PROJECT FOR
PUBLIC SPACES



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EXECUTIVE SUMMARY

An improved and expanded market district in the area of Boston’s historic downtown marketplace has the potential to be not only a successful enterprise but an iconic place within the city. Full-fledged market districts are the most highly evolved form of public markets. They function as synergistic economic zones in which open air markets, specialty food stores, and market halls reinforce each other’s customer base and their economic dynamism attracts related businesses. A Boston market district would increase the range of healthy food available to its residents, stimulate its economy, and enliven its culture.

Boston is fortunate to have the essential ingredients for a market district in place: customers, vendors and a choice location. The Haymarket, the historic Blackstone Block, the nearby North End neighborhood, and the Rose Kennedy Greenway provide an attractive physical and urban environment as well as commercial activity, year-round foot traffic and considerable spending power. In addition, the region has a strong and growing vendor pool of farmers, producers, resellers, and established food operators, many of whom have declared their interest in the market district concept and would add their own unique character to its authenticity.

The present open air market, Haymarket, operates Fridays and Saturdays. It generally resells produce its vendors obtain from wholesale distribution terminals north of Boston. Haymarket serves customers of all income levels, including individuals, families, smaller shop owners, and restaurateurs seeking to pick up a bargain or shop in bulk in a bustling environment. It attracts one of the most diverse populations of any market Project for Public Spaces has

worked on, and its geographic reach exceeds any we have seen. Its annual sales volume appears to be equivalent to that of an average supermarket. In addition to the essential service it brings to its customers and to the livelihood it provides its vendors, its social character and atmosphere are Boston attractions in their own right. At the same time, Haymarket presents issues of trash management, limited cold and dry storage, and oversight by its management association and the City of Boston.

The addition of one or more market halls accommodating both the existing pushcart market and new vendors and food operators would add significantly to the district’s merchandising and its public appeal by diversifying its vendors and expanding its customer base. Generally, such halls are the most challenging elements of a market district to develop. The availability of Central Artery Parcels 7 and 9 for development proposals, however, offers an extraordinary opportunity to create such market halls by incorporating them within the two parcels’ development. So does the current widespread availability of public and non-profit funds for market development—not the least of which may be the Commonwealth’s recent authorization of funds for a public market in Boston. We therefore recommend that the BRA take the lead in insuring that development proposals for Parcels 7 and 9 contain non-profit public markets within the ground floor of each property. Each should have a distinct identity. The public market on Parcel 7 should broaden the range of food offering in the district by offering a variety of local and culturally significant food products that highlight the diversity and talent in Boston’s neighborhoods and in the region’s food and farming communities. Parcel 9, on the other hand, would

emphasize basic fresh foods—meats, fish and produce—in a simpler, utilitarian style, complimenting the businesses of Haymarket vendors and Blackstone Block merchants and offering them opportunities to expand or relocate. Its design and stall layout would blur the boundary between the vendors occupying Blackstone Street and the market hall's indoor stalls.

Over time, the market district has the potential to extend further into the North End and Government Center through redevelopment and re-tenanting of nearby sites, including the Cross Street parcels along the Greenway, the Government Center Garage and City Hall Plaza.

The success of such a market district would be substantially improved by keeping rates low for patrons parking in the Parcel 7 Garage. It would also require the formation of an umbrella management organization with responsibility for district standards, supplying cost-effective shared services, promotion, and other common activities. While there are many successful forms of such organizations in place around the country, we recommend that the City consider taking the lead in the formation of a 501(c)(3) non-profit private corporation employing a full-time manager and small staff to carry out these functions, as well as raising funds for future capital and operating costs. Such an organization would make it possible for the City to get out of the market management business, as have most municipalities around the country. It would be the responsibility of the management organization to develop an identity for the market district that encompasses the Haymarket as well as the widened vendor pool. Other successful public markets, including the Eastern Market in Detroit, combine resellers, farmers and other vendors, each with different qualities and price. To do so successfully in Boston, the Haymarket Pushcart Association should be represented on the board of directors of the umbrella man-

agement organization, as would the interests of other vendors, the City, adjacent businesses, and the North End neighborhood.

In summary, Boston has the opportunity to produce one of the most exciting and successful market districts in the country. It would enhance the quality of life for residents by promoting fresh food and expanding the range of affordable food. It would create a micro-economy that would increase local retailers' success and, because market districts are incubators of small businesses, create new enterprises and new jobs. By carrying out trash collection for the district as a whole, the district's umbrella management presents the opportunity to complement the sustainable principles being pursued by the Rose Kennedy Greenway Conservancy, as well as to make surpluses that would otherwise go to waste available to charitable food services. Finally, the district would enhance the experience of visitors to Boston and bring thousands of additional people to the new Greenway park system.

To grasp the opportunity such a market presents, the BRA will need to,

- Continue to pursue the development of market halls on Parcels 7 and 9
- Collaborate with other City agencies to organize an entity for the management of the district
- Continue to work with the Haymarket Pushcart Association to insure that these district components not only protect its vendors but enhance their businesses.

INTRODUCTION



The once thriving tradition of public markets in the United States can be seen in all too few cities today, Boston among them. The conversion of the Faneuil Hall Marketplace into a ‘festival market’ over 30 years ago reflected a national trend where most markets closed, were torn down or converted into other uses. However, public markets are making a comeback in American and Canadian cities. From Seattle, WA to Baltimore, MD, historic public market halls and districts have been redeveloped and upgraded, allowing them to compete in a contemporary retailing environment while still retaining their essential, authentic elements. At the same time, public markets in the open air, including many farmers markets and craft markets, have sprung up in cities throughout the country attracting people back to the public spaces of their downtowns and neighborhoods. Whether in the form of weekly outdoor markets that convene only in the warmer months, indoor market halls that operate every day year-round, or entire market districts, a number of American cities are finding that public markets are providing an effective strategy for economic development which brings new life to public spaces and which creates a focal point for community life. The City of Bos-

ton is no different, and the proposed market district surrounding the historic Haymarket has the potential to create a new focal point for a revived market tradition in the city.

About Public Markets

The reasons for the renaissance of public markets, one of the oldest and most universal forms of retail trade, are diverse. Cities looking to bring consistent activity to their public spaces are using regularly scheduled markets to transform streets, plazas, and parking lots into bustling “people places,” alive with vitality and commerce. Public markets are valued because they create common ground in the community, where people feel comfortable to mix, mingle, and enjoy the serendipitous pleasures of strolling, socializing, people-watching, and shopping in a special environment. Others see public markets as an effective way to support local economic development and small businesses in their city. As a means for the distribution of needed goods and services, market merchants and vendors provide farm-fresh fruits and vegetables, ethnic foods, crafts, and personal services that are often unavailable elsewhere at the same level of quality, variety, and price. People are rediscovering that public markets, with their emphasis on locally grown, locally made, and locally owned businesses accentuate the qualities that make their community special.

Although start-up costs generally require public or philanthropic support, successful public markets operate self-sufficiently, and can fulfill an often elusive principle of public-private partnership: the achievement of public sector goals through the harnessing of private sector means. They are a proven vehicle for non-profit

and the public sector to get involved with entrepreneurial activity.

What is a Public Market?

The term “public market” has changed in meaning over time and still differs between places. Traditionally, in the United States, a public market has been defined as a municipally owned and operated building where vendors sell fresh food from open stalls. While some public markets still match this definition, public markets now come in many shapes and settings, offer a wide range of different products, and are owned and operated by various types of organizations, not just city governments.

At their most basic, markets include vendors or merchants who meet at the same location on a regular basis, a sponsoring entity that has legal and financial responsibility and that oversees operations, and, in some cases, structures or facilities to house the market activity.

Public Markets: A Business Enterprise...with Public Benefits

Public markets achieve a variety of public goals, including attracting shoppers to a commercial district, providing affordable retailing opportunities to small businesses, preserving farming or farmland in the region, activating an under-utilized public space, or creating an inviting, safe, and lively public place that attracts a wide range of people. As an effective place where people mix, public markets can become the heart and soul of a community, its common ground, a place where people interact easily and a setting where other community activities take place.

A public market can achieve these benefits over time only if it is operated in a business-like manner and pays for the full cost of

operation within the first several years of start-up. Public markets require constant, on-site management and promotion, as they operate in a highly competitive retail environment where there is a great deal of choice for the consumer. Because of their focus on fulfilling public goals, public markets typically require assistance to cover the costs of start-up and capital development. However, a market that has long-term operating subsidies may not operate in a business-like manner, with adequate effort going to attracting a mix of vendors and customers, which could make the market self-sufficient.

This emphasis on the business aspects of developing and running a public market should not diminish the importance of community benefits. In practice, the market sponsor must artfully blend the economic imperatives with the greater good. Market sponsors face the difficult task of balancing the market’s public goals with the hard-nosed economic realities of developing a viable, competitive, and self-supporting business activity. In general, social benefits of public markets come from economic strength, not the other way around.



Forms of Public Markets

Markets have been developed or redeveloped in a wide variety of physical shapes and configurations. These forms can be viewed along a spectrum, from simple and temporary at one end, to complex and permanent at the other. These different forms are not necessarily cast in stone, as a market can evolve from the simpler open-air approach to the more complex indoor market hall over time.

While many combinations and variations exist in between, there are four basic forms:

Open Air Markets

At the simple end of the spectrum are markets which take place on a seasonal basis and meet once or twice a week in the open air. The site might be a plaza, street, or parking lot with little or no site improvements. Vendors bring their own tables and umbrellas or canopies and all trace of the market is removed at the end of the day. Most of the country's nearly 4,700 farmers markets take this form, as well as many craft and flea markets (which may or may not be considered public markets, depending on whether they have public goals and meet the other established criteria). On days when open-air markets do not operate,

there might be little or no physical indication of their existence. Without buildings or the need to own property, open-air markets can be inexpensive to develop and operate.

Covered Markets

A more complex form of market includes some kind of overhead structure, similar to a shed roof. In this form, the market retains an open air orientation, but vendors and customers are protected from the weather, and the market assumes an air of permanence because the structure remains in place even if the market operates only several days each week. Sometimes shed roof structures are used in other ways on days when the market does not operate, such as covering a parking area. In other cases, a market will use an existing structure, such as a highway overpass or the portico of a building. The Toledo Farmers Market in Toledo, OH and the Richmond Farmers Market in Richmond, VA are both examples of markets with open structures.

Market Halls



Public market halls or enclosed buildings—often of historic significance—represent a significant step forward in terms of complexity, risk, and potential reward. Indoor markets must be located within built space that is completely

devoted to the market activity. Merchants generally sell throughout the year, six days per week, although some indoor markets operate only several days per week. To supplement their full-time tenants, many indoor markets have part-time vendors, such as farmers and crafts people, who sell from “day tables.” Day tables are spaces within the market that can be rented by the day or for the short-term. They serve to bring new or seasonal products into the market and encourage fledgling entrepreneurs to get started in retailing by offering inexpensive space without the need for commitment to a lease.

In large indoor public markets, customers can find a tremendous selection of produce, dairy products, bakery goods, meat, poultry, seafood, coffees, teas, and spices. On this large scale, the number and diversity of vendors creates a critical mass that can attract customers from throughout the city. However, successfully operating a large market hall generally necessitates long hours and operation on the weekend, when most shopping at public markets takes place. Complex building systems, storage, and refrigeration make market halls a considerable investment for sponsors and merchants alike. While the costs and effort needed to maintain these large markets are great, the potential benefits to the community are considerable and can justify the large expenditures of time and money.

Most public markets in traditional buildings somehow managed to survive the post-World War II shift of food buying to supermarkets. Market halls in Philadelphia, PA (Reading Terminal); Lancaster, PA; Baltimore, MD; Washington, DC (Eastern Market); Cleveland, OH; Buffalo, NY; and Los Angeles, CA (Grand Central Market) are examples of market halls largely built over 50 years ago which are still operating and, in most cases, thriving today. Many cities have developed new public market halls over the past 20 years. One of the

most successful is the Granville Island Public Market in Vancouver, BC, Canada, the centerpiece for a major waterfront redevelopment of a dilapidated industrial island adjacent to the downtown. Other new downtown markets have opened in Milwaukee, WI; Nashville, TN; Little Rock, AK; and San Francisco, CA; and cities such as Portland, OR are now in the planning stages.

Market Districts



In their most evolved state, public markets become the centers of districts where related businesses choose to locate, creating a highly synergistic and dynamic economic zone. Once the market activity is established, and people are drawn to it on a regular basis, complementary businesses such as restaurants, specialty food stores, and neighborhood services will locate nearby, filling vacant storefronts and, thereby, renewing urban areas.

Some market districts have strict and legally enforceable use and architectural controls to maintain the district’s flavor and purpose, as well as common management and marketing efforts. In these cases, preference is given to fresh-food and related businesses and those serving a diversity of economic and ethnic groups, as well as start-up businesses. Pike Place Market in Seattle, WA, generally rec-

ognized as the premier public market in the United States and the Roanoke City Market in Roanoke, VA are both examples of thriving market districts in historic areas, which have been revitalized by the market activity.

Evolution of Markets

Finally, it is important to stress that many of today's large, successful public markets evolved from modest beginnings, with little initial capital investment. Pike Place Market began with farmers selling produce in the open air on a downtown street; today the market includes hundreds of farmers, craftspeople, and independent businesses. Greenmarket, located in New York City, got its start with one location in 1975; today, Greenmarket operates over 40 farmers markets throughout the city, over 15 of which function year-round. A potential sponsor with limited resources can start its involvement with public markets by conceptualizing and developing a low capital, open-air market that operates once per week for several months. Even at this scale, the market can provide a significant, positive impact on the life of the community. With time and experience, and with ground-level success, the market can be expanded to take advantage of new opportunities that will broaden its impact.

Note: This section was adapted from Project for Public Spaces' book, Public Markets and Community Revitalization, co-published in 1995 with the Urban Land Institute.

THE BOSTON MARKET DISTRICT

With careful investment and effective management, the proposed Boston Market District site has great potential to become the center of a rebounding local food economy and community life in Boston.

Creating a public market district of this scope is not without risk. It is important to understand what has worked and has not worked with recent public markets. Indeed, the traditional market hall remains the most challenging to implement in today's competitive food economy. These markets require a significant real estate investment, with greater capital costs. To be successful, a market district in Boston will not only need the right plan and merchandise mix, but it will require a management and financing structure that allows it to grow and thrive in the future.

It is also important to understand the unique context of the proposed market district site, which is the current home of Haymarket. Haymarket operates Fridays and Saturdays re-selling produce (mostly) from the Chelsea wholesale terminal. Customers represent all income levels and are either seeking to shop in bulk or pick up a bargain in a raucous environment. This presents a challenge for establishing the identity of the public market for the customer, as well as management issues for working with an existing established organization. However, Haymarket has kept the district operating as a historic market venue, and many successful public markets—like Eastern Market in Detroit (where PPS has been working for almost a decade)—include both farmers, as well as resellers, with different qualities and price points. The social character and atmosphere of Haymarket are as important as the products themselves.

Another challenge is the proximity of the proposed site to the Faneuil Hall Marketplace. Currently under the management of General Growth Properties, this former historic market has devolved from a public market to become largely a tourist destination. While tourists would expect to be drawn to a public market, they can also have a destructive impact. Pike Place Market is so clogged with tourists that many locals avoid the market, and the number of farmers has declined significantly.

PPS has found that an expanded market district in Boston is indeed feasible—economically and operationally. There is more than adequate consumer buying power, a strong level of tenant interest and a location with access, history, character, and a reassuring human scale.

Concepts for the Market District

Market districts represent the most mature and intensive type of market facility. A district generally encompasses a variety of market uses and can include multiple market halls, sheds and open-air vending spaces. Districts often have wholesale and retail components and operate around the clock, all year long. Most true historic market districts are remnants of central food distribution centers, which are now typically located on the outskirts of the city center. This is indeed true in Boston, where nearly all of the large wholesale and distribution functions have vacated the historic core.

The Haymarket is the remnant of what was once a much larger historic market district in Boston. It is the intention to enhance and

enlarge this district with the development of Central Artery Parcel 7 as an indoor market hall featuring fresh, prepared and ready-to-eat foods that are rooted in local traditions. The ground floor of Central Artery Parcel 9 would also be for food retailing, but with more emphasis on basic fresh foods—meats, fish and produce—in a simpler, utilitarian style complementing the historic Blackstone Block merchants and outdoor Haymarket vendors.

The district would embrace its surroundings—while being cognizant of the need to preserve itself from becoming overtaken by tourists and visitors who would enjoy the market experience—but who would not want to buy basic foods. The merchandise would be geared to local customers and would be carefully controlled by lease agreements and management directives intent on preserving the functionality of the market

Characteristics of the Market District

Among the proposed Boston Market District's assets is its history and character. It will have challenges as well. The following assets and liabilities of this area should be considered as the market district is developed:



Assets

- Historic continuity—both in use and physical characteristics
- Located at the nexus of Boston's public transportation system
- Several parking garages nearby, one of which provides reduced rates for shoppers
- Easy access from the highway system and city arterials
- Walkable from neighborhoods and offices
- Strong vendor pool
- Supporting food stores along Blackstone Street and in the North End
- Loyal and widespread customer base
- Increased public interest in food
- No chain retailers
- No vacancies among the storefronts in the area
- Lifeline for low-income shoppers
- Local job creator

Liabilities

- Trash
- Condition of Creek Square and Blackstone Block alleys
- Deterioration within the buildings and stores facing Blackstone Street
- Rodents
- Lack of general oversight and responsibility
- Tourist encroachment
- Deferred maintenance
- Lack of public restrooms
- Lack of public seating
- Lack of cold and dry storage

In addition to addressing the opportunities and challenges of this site, a successful Boston Market District will need to take the following into consideration:

Physical Character

- New development should retain the area's human scale
- Streets and sidewalks should become more accessible to all forms of travel and to the

handicapped

Public spaces should be designed for flexible, continuous use

The historic granite sidewalk paving stones should be retained

Canopies, or other forms of weather protection for patrons, should be introduced

The history and use of Creek Square should be celebrated

Materials selected should be sturdy

Operational Challenges

Loading and service functions will become more challenging as the market grows

The layout of vendors' selling frontages should be improved to increase direct contact with the public

Market vendors should retain their informal character

Merchandising must respond to weekly and seasonal use patterns

The organization of the market district should encourage the interplay of distinctive markets within it

Potential Size & Configuration of the Market District



PROPOSED MARKET DISTRICT BOUNDARIES



Boston Market District Boundaries



Boston Market District Uses

Management Options

Public markets and districts around the country use a variety of management systems, and Boston can look to these examples as they consider their possibilities. Boston's management considerations should keep in mind the following:

- **Most municipalities have gotten out of the market management business** and transferred operations to a publicly accountable, yet independent form of management;
- **Municipalities can maintain various forms of control** through charters, rules and regulations, board representation, and overseeing capital obligations;
- **Boston can design its own preferred management** by learning lessons from other markets that have recently made the switch; and
- **Management options can be further investigated** once Boston decides how it wishes to proceed with the market district.

The following management forms are all in use today:

Market Authority or Market Commission

Market authorities and market commissions are terms that are used interchangeably by different cities. In this market management system, a city commission or authority is generally appointed by the Mayor, City Council, or some combination thereof to oversee the market. Market staff reports to the commission or authority, which operates relatively independently although some cities have a specific agency to provide staff support. An authority is similar, except that the market may have bonding capacity.

Examples

Pike Place Market—Seattle, WA
Richmond Farmers Market—Richmond, VA

Enterprise Funds

This form of city operation—often used for entities like airports—simply puts all revenues and expenses in a separate city account so that costs can be better monitored, rather than intermingled within agencies. In other words, the market generates its own revenues and spends what it makes, and any surplus is kept by the market. Market employees are city employees, and there is usually an oversight commission appointed by the city associated with it.

Examples

City Market—Nashville, TN
River Market—Little Rock, AR

Private Management Contract

The city establishes an oversight committee, but the actual operation of the market is undertaken by a private or non-profit corporation, usually selected through competitive bid. Generally the city must periodically re-bid the management contract competitively.

Examples

City Market—Kansas City, MO
City Market—Charleston, SC

Private, Non-Profit [501(c)(3)]

Many markets have converted to private, non-profit management over the past 20 years. Under this system, the city retains ownership and control over the facility, and establishes a long-term lease with an independent, 501(c)(3) corporation to operate the market. The lease spells out the terms of the agreement, and varies according to each city. The structure of most of the non-profits includes a broad-based board of directors, including citizens, vendors, nearby businesses, and usually one or more representatives of the city government.

Examples

Reading Terminal Market—Philadelphia, PA

Lexington Market—Baltimore, MD

North Market—Columbus, OH

Market District Management

A larger district encompassing the outdoor Haymarket, Parcels 7, 9, and contiguous public spaces will raise challenging issues of leadership and management that would be best addressed through the formation of an umbrella non-profit organization funded by the district's constituent components. The responsibilities of such an organization would include clean up of the district's streets and sidewalks, disposal of waste materials in an environmentally advantageous fashion, the coordination of each vending operation's access to delivery areas and service facilities, oversight of the merchandising mix in the district as a whole, promotions, outreach, educational programs, fundraising, capital improvements, and community relations. Such an organization would allow the City to maintain overall control of the district's public spaces through its ownership of its streets, sidewalks and plazas, through operating agreements, and through its regulatory enforcement functions, while delegating its present responsibilities for waste collection, disposal and clean-up.

The organization would employ a full time manager and a small staff to carry out these functions under the direction of a broad-based board of directors representing the City, the

Haymarket Pushcart Association, the operators of the markets within the Parcel 7 and 9 developments, abutting and affected property owners, and North End food businesses.

Fundraising

Currently, in the United States, there is more money being allocated or raised for public markets than has been the case in decades. This is as good a time in recent memory to be developing a public market and accessing federal, state, foundation, and corporate funding.

Notwithstanding the recent economic upheaval, we still feel that momentum is building for local markets, local economies and projects that create local jobs and industry.

Recent cases show that many markets are raising hundreds of thousands, millions, and even tens of millions of dollars.

There are a number of philanthropic entities likely to fund a market district located in Boston. Furthermore, in 2008 the Massachusetts Legislature authorized \$10 million for the development of a public market in Boston.

Potential Sources of Federal and Foundation Funding

United States Department of Agriculture (USDA)—Despite its shortcomings, the new Farm Bill is making more federal money available for farmers markets in the U.S. since the

GRANT PROGRAM	2008	2009	2010	2011	2012
Farmers Market Promotion	\$3,000,000.00	\$5,000,000	\$5,000,000	\$10,000,000	\$10,000,000
Specialty Crop Funding (Portion Estimated to Support State Farmers Markets)	\$1,000,000	\$2,000,000	\$3,000,000	\$3,000,000	\$4,000,000
EBT/Food Stamp Redemption	\$500,000	\$1,000,000	\$2,000,000	\$3,000,000	\$5,000,000

Great Depression. The USDA has a number of programs, two of which are listed below by dollar amount over the next four years that can help markets do marketing and outreach, start new programs, gain design assistance, and more.

- *The Farmers Market Promotion Program (FMPP)*. Grants of up to \$75,000 are targeted to help improve and expand domestic farmers markets and other direct producer-to-consumer market opportunities. Past grants have supported marketing and promotional programs, implementation of EBT programs, signage and equipment, soft costs for infrastructure development, and more.
- *CSREES Community Food Projects (CFP)*. Grants of up to \$300,000 for programs designed to meet the food needs of low-income people and to meet specific state, local, or neighborhood food and agriculture needs, including:
 - Increasing the self-reliance of communities in providing for their own food needs;
 - Promoting comprehensive responses to local food, farm, and nutrition issues;
 - Infrastructure improvement and development;
 - Planning for long-term solutions; or
 - Creating innovative marketing activities that mutually benefit agricultural producers and low-income consumers.

For a full list of federal sources of funding for farmers markets download the *Farmers Market Resource Guide* from the Agricultural Marketing Service website at <http://www.usda.com/ams>.

The United States Department of Commerce (USDC)—The Economic Development Administration (EDA) branch of the USDC has been a long-time supporter of the develop-

ment and revitalization of public markets, mainly through its regional offices, and is a good potential source of capital funding.

Recent market projects that have received EDA funding have been the Milwaukee Public Market (\$2.5 million for new construction) and Eastern Market in Washington D.C. (\$2 million for renovations following a devastating fire).

W.K. Kellogg Foundation—The Kellogg Foundation has funded more projects related to supporting local farmers and food production in the U.S.—including farmers markets—than any other national foundation in the country, mainly through their Food & Society program. However, Kellogg has recently refocused their mission on supporting vulnerable children. For more info about the Food & Society initiative, go to <http://www.wkkf.org/default.aspx?tabid=75&CID=19&NID=61&LanguageID=0>

THE HAYMARKET



The historic Haymarket is the heart of the proposed Boston Market District. Thousands of Bostonians have strong connections to the market either as customers or as vendors, and many family histories align with the history of the Haymarket. This history and character will bring great vibrancy to the proposed market district.



Key Findings

- **Haymarket attracts one of the most diverse populations of any market** we have worked on, and has a reach well beyond the typical primary trade zone (fifteen minute drive and walk time) seen at similar markets. In fact, most Haymarket customers are from outside this primary trade ring. Customers include almost every imaginable ethnic group and income level.
- Haymarket is the primary place where most of its shoppers buy produce and it serves **a vital role in the Boston food distribution system.**
- **Shoppers come by transit, car, and foot.** It is encouraging to see unusually high percentages of people coming by non-auto modes, particularly on foot and by public transportation.
- **Cheap prices, great selection and the 'atmosphere' need to be preserved.** This is obvious from the surveys, personal observations and interviews.

- While there are no truly reliable sales figures, (we estimate that a majority of customers spend between \$10-30 per visit) we venture to say the **annual volume is equivalent to an average, healthy supermarket**—and Haymarket does it all in two days. Extraordinary!
- **Customers come in droves.** During five minute tracking periods, we consistently counted 400 people (and higher) in the main aisle on Blackstone Street. People are attracted to Haymarket because it offers value and a bargain, especially important for low-income shoppers.
- **The gravity model shows less spending potential in the primary trade than we would have expected, but much greater ‘reach’ into outlying areas based on the current spending patterns at Haymarket.** That is, most of the dollars spent at Haymarket are coming from outside the primary trade ring. An enlarged district would also have to appeal to this larger population ring in order to be successful. This will require strong merchandising, low prices and focused management to get people to bypass other shopping options. This is essentially a continuation of what makes Haymarket work.
- While much has changed around Haymarket over the decades—it is now time for Haymarket itself to **adapt and grow within changed surroundings** while preserving its continuity, character and customer base.
- **Trash handling needs a lot of attention.** There is an opportunity to address this issue in a way that not only improves the market’s appearance, but saves money and makes the market ‘greener’ by implementing separation, recycling and possibly off-site composting. The Rose Kennedy Greenway Conservancy has raised the possibility of collaborating in a composting program. In addition, local food security agencies, or “gleaners”, might act as distributors for unsold produce to the needy at the end of the day.
- **Haymarket is not a tourist attraction** despite its proximity to Faneuil Hall Marketplace and the Freedom Trail. Any future plans for the market district must be cognizant of the profoundly different needs of Haymarket shoppers who need to stretch their food dollars and who relish the old world, face-to-face commerce.
- **Given the strong economics of Haymarket, we see great potential for Central Artery Parcels 7 and 9.** The underlying economics of Parcels 7 and 9 must be structured so they don’t measure success purely based on the bottom line of real estate performance and inadvertently squeeze out the Haymarket push-cart vendors. This will require a deliberate effort and must not be left to chance. The economics and merchandising of Parcel 9 must complement the Haymarket and not push up prices, while Parcel 7 can feature more upscale products (but not fancy or over-priced), value-added products, and ready-to-eat foods.
- The **food-related uses on the first and lower floors of the historic Blackstone Block** are essential to the Haymarket shopping experience. Their preservation in any future redevelopment plan should be reflected in the BRA’s ongoing Greenway District Planning Study, as would design elements that compliment the protection of customers provided by the Parcel 9 development.

Haymarket Operating Characteristics

The experience of shopping at Haymarket is composed of many things; prices, selection, historic setting, accessible location, personal relationships and commingling with a myriad of people, smells, color and languages. These experiences need to be protected, but there are also improvements that can be made through the construction of Parcel 9 and other changes in the immediate area.



The following are defining characteristics of Haymarket:

Assets

Low Prices—Great deals are what pull in the thousands of shoppers every week.

Good selection—Haymarket has more items than the farmers and supermarkets.

Atmospheric—Haymarket is a fascinating place to shop, meet, watch, eat, and take in sights, sounds and smells.

Vendor Association—The Haymarket Pushcart Association (HPA) takes the lead with internal organization.

Historic—Haymarket is the last authentic connection with centuries of market activity.

Diverse shoppers—Surveys and observation show Haymarket attracts all types of people.

Diverse vendors—New waves of immigrants



are joining in with the traditional vendors.

Intense activity—The hustle of the market connotes success and keeps prices low.

Lots of public transportation options—Multiple subway and bus lines serve the market.

Plenty of parking—Several parking garages flank the market.

Low parking rates—Validated reduced rates at the Parcel 7 garage are important to maintaining the market's patronage.

Niche wholesaling—Small shops and restaurants shop at the market.

No junk food—Products offered are fresh and healthy—little or no junk food sold.

Asset to Chelsea Markets—Haymarket provides a valuable outlet for Chelsea overstock.

Dependable rhythm—The market comes and goes, with an elaborate set up each week.



Liabilities

Trash—This situation can be better managed.

Storage—Can be addressed in a more suitable manner.

Rodents—Needs to be addressed through better maintenance and improved infrastructure.



Traffic Congestion—Surrounding streets get clogged. The North Street leg of the market impacts traffic entering the city from the I-93 off-ramp as well as access to the Millennium Hotel.

Pedestrian Congestion—Standard sidewalk widths must remain open for customers.

Handicap accessibility—The layout of vendor stalls makes the market tough to negotiate for wheelchairs and the disabled.

How it can be more successful

Modern trash facility—Make the market cleaner, safer, and cheaper to operate.

Adequate cold and dry storage—Outdoor, temporary storage areas need replacement.

Improved circulation—Create more even circulation for all vendors, such as adding well-placed cross aisles. This will also create more frontage and valuable display areas for vendors.



Increased management, promotion and fundraising—Build sales and attract new customers through a planned, open and fair management system.

Improve public facilities—Shoppers need places to rest, meet and go to the bathroom.

Keep operating expenses low—In order to keep prices low, expenses must be kept low.

Add vendors and merchandise in Parcels 7 and 9—The gravity model shows how an enlarged market district can increase overall sales and increase customer visits.

Haymarket Customer Survey Summary



Over the course of two days, PPS conducted a customer survey and customer count on-site at Haymarket (results can be found in Appendix D). Though the customer surveys took under five minutes to complete, they relayed quite a bit of information about the impact of Haymarket on Boston and the surrounding region. The survey helped PPS understand where customers live, how they travel to the market, how much they purchase, and how important Haymarket is to their family's food buying needs.

Of the responses collected, PPS was able to ascertain the following about Haymarket's customers:

- About 15,000 customers visit the market on Fridays and Saturdays, depending on season and weather;
- They travel from a wide geographic area;
- Represent a wide and diverse ethnic demographic;
- Return repeatedly to shop;
- Spend a fair amount of money on each trip; and
- Consider Haymarket their primary source of fresh produce.



Haymarket Price Comparisons

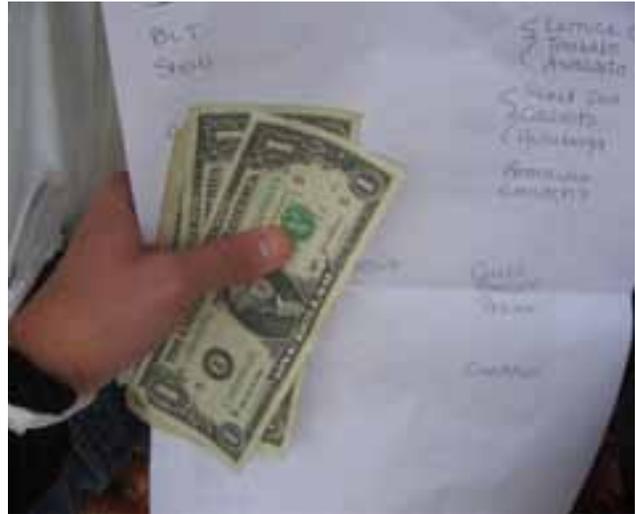
Haymarket is known for bargains—one of the main reasons for its long-standing success. While it is common knowledge that Haymarket's prices are much lower than their immediate competition, PPS conducted a price comparison to calibrate this point. During the price comparison, PPS also determined that Haymarket's product mix was the greatest, offering local apples and greens, as well as imported exotics.

During the week of September 22, 2008, price checks were made at the following markets:

City Hall Plaza Farmers Market
Wednesday, September 24th

Johnny's Foodmaster, Charleston
Friday, September 26th

Haymarket
Friday/Saturday, September 26th/27th



	City Hall Farmers Market	Johnny's Foodmaster	Haymarket
Tomatoes	\$3-4/lb.	\$2.99/lb.	\$1/2 lbs. *
Green peppers	.50 each	\$1.99/lb.	3 for \$1 *
Red peppers	\$2.50/lb.	\$3.99/lb.	4 for \$1 *
Carrots	\$2.50/lb.	.99/lb.	\$1/2 lbs. *
Green beans	\$2.50/lb.	\$1.79/lb.	\$1.49/lb. *
Apples	\$2-3/lb.	\$1.99/lb.	.75/lb. *
Corn	n/a	.50 ear	.25 ear *
Pineapples	n/a	\$3.99 each	\$1.50 each *
Lemons	n/a	2 for \$1	10 for \$1 *
White asparagus	n/a	n/a	\$1/bunch

*Cheapest prices are marked by with **

Haymarket was cheaper on all items—often as much as 1/16th the price.

Time Lapse Photography

On Friday, September 26th and Saturday, October 11th, 2008, a camera was placed on the upper floor of the Hard Rock Café parking garage located on North Street, and time lapse photography was captured of the general Haymarket area, covering all of Blackstone Street and parts of North Street. A copy of the time lapse films have been provided as part of this report.

The following observations and comments are in response to the film:

People Loop

Many customers go up or down the Blackstone sidewalk and loop back up by traveling on the street itself.

Cross Aisles are Important

Customers often circulate from the street to the sidewalk and find their way between stalls. A better system of wider cross aisles would improve overall circulation.

Parcel 7 Plaza

It appears that customer traffic has a more natural tendency to migrate north towards Parcel 7's plaza. This bodes well for future market uses on this site, or as a temporary location for displaced Haymarket vendors during the construction of Parcel 9.

Better Night Lighting

Haymarket is too dark—improved lighting would help the general tone of the area.

Many Customers Arrive in Groups

It is evident that many people come to the market in groups of two or three—and stay together.

Service Aisle in Street Underused

Blackstone Street gets very little traffic compared to the sidewalk.

'Back' Aisle is Busier Later in the Day

The secondary aisles get more use as the day progresses and merchandise is put on display.

Trucks Enter the Blackstone Street Service Aisle in Reverse from North Street

Market trucks drive in reverse into the market.

Storage Areas in Constant Use

The two open-air storage areas get used all day.

One Gas Powered Pallet Truck in Use

One mechanized pallet truck services various market stalls.

ADVANCING THE MARKET DISTRICT

Parcels 7 and 9 offer Boston a strategic opportunity to restore Boston’s historic market district by expanding upon its already successful Haymarket. While an indoor market hall is the most complicated aspect of a market district, it can anchor the district, offering a full-time shopping opportunity for customers and vendors alike.



Concepts for a Public Market in Parcel 7

The Parcel 7 public market would be quite distinct from retail projects generally being built in urban centers today, including Quincy Market, which itself was once a public market. Instead of being a “festival marketplace” or an area generally meant to encourage tourism and strictly commercial activity, a public market is seen and felt by the citizens to be a true public amenity, providing both a variety of local and culturally significant products and experiences and public spaces in which to enjoy the city and appreciate its residents. Below are three key characteristics of a public market and some specifics as to how they pertain to this site.

The public market on the ground floor of Parcel 7 should be instilled with public goals—such as:

- **Create an anchor for economic activity that is more than just a shopping mall or a tourist destination.** A public market holds tremendous potential for being a destination for a wide variety of people—residents, office workers, and tourists—throwing off economic activity both in the market itself and in surrounding areas.
- **Highlight and promote the diversity and talent in Boston’s food and farming communities.** By attracting and fostering Boston-based food and products, a market in Parcel 7 would become a tribute to ethnic and cultural diversity in the city. Prepared and fresh foods are the key anchors for the public market, and can also draw on regionally-produced farm products.
- **Create the center of the food world in Boston.** An indoor public market, with its focus on fresh and prepared food products, will not only enhance the availability of food found at Haymarket, but its variety as well. With multiple vendors within the market selling similar categories of food, competition is created that keeps prices low and quality high and attracts more customers.

Merchandising and Operating Characteristics for Parcel 7



Locally owned, independent businesses

It is of utmost importance that the providers in the market are not chain stores, but represent the diversity and talent of Boston's food and cultural communities. Public markets are particularly good at incubating small businesses and helping them thrive because it takes relatively little startup capital to open a small business in a public market, and because stalls or shops are small and manageable. Through special user clauses built into the operating agreement, chain stores and franchises will be prohibited and only locally-owned and operated businesses allowed. While the market would certainly expect tourists to shop there, it is not a tourist attraction per se, but a real public amenity for workers, residents and visitors to the area. Particular attention should be given to make leasing opportunities available for businesses in the immediate area including the North End.

Fresh Food Should Predominate

The market should not devote more than 1/3 of its floor space to ready-to-eat foods and priority should be given to fresh food vendors who can hybridize their stalls to include prepared foods—for instance: a deli could sell lunch items, a produce stall could sell fresh squeezed juices, and so forth.

Indoor/outdoor Flexibility

Allow for flexible use of the market to adapt to the seasons and the nearby Haymarket.

Large spaces

The footprint of usable space in Parcel 7 is conducive to several large spaces for walk-in stores or a café/restaurant. These would potentially be located in the area north of the elevators and the corner section closest to Sudbury Street.

Small spaces

The southern section towards Hanover Street is more suitable to a typical market layout with smaller 'stalls' displaying products directly onto the customer aisles.

Ample Storage

Provide accessible space for cold and dry storage.

Maximize Internal Circulation

In a public market, frontage is the most valuable asset for tenants—that is where products are best displayed and where money is made. The market should have a series of interconnecting aisles to encourage circulation and maximize displays.



Encourage On-site Production

Customers are attracted to visual and sensory activity. Tenant spaces should be enlivened and designed to feature on-site production; coffee roasting, chickens roasting on spits, slicing of meats, mixing and baking and dicing are all interesting and should be part of the show, not hidden from customers eyes.



Activate the Outdoor Plaza

The large plaza is a natural place for outdoor markets, public seating, events, and other activities that would help to broaden the appeal of the indoor market and larger market district. It should be noted that the Haymarket vendors may need to be temporarily relocated here during construction on Parcel 9.



Promote Accessibility and Visibility

The market should look like a market from the outside. It should have good sight lines to the

interior to entice people to come inside and shop. Multiple entrances are common at many successful markets. Ground floor facades should be operable to maximize customer flow in good weather and to allow displays to spill out onto the plaza and surrounding sidewalks, provided they do not interfere with normal pedestrian flow.

Lighting of the interior must be carefully chosen to enhance views through windows and not create reflections that block visual penetration.

Parking

Many customers will drive to the market and park in the Parcel 7 garage. Parking fees must remain economical so shopping at the market does not become prohibitive. A validation system to provide reduced rates to shoppers will be necessary to keep the market viable. The Parcel 7 garage is currently used by many Haymarket shoppers on the weekend and the current validation system should be continued in some form.

Provide for Storage and Trash Handling

There will be a need for 'back of the house' facilities for trash handling, recycling, cold and dry storage, maintenance, and janitorial closets.

Flexible Utility Grid

Tenants will come and go over time and the stalls will need to be readapted for incoming vendors. All stalls will need a minimum of 100 amp service, some with three phase electrical requirements. Exhaust systems for cooking will also be needed and this can be done with individual systems, but it is often preferable to have a ganged system that individual tenants can tap into. Cleanliness of the market's public spaces and tenant stalls is paramount—so floor drains and provisions for getting water in and out are key elements to making the market run smoothly.

Management

Because public markets have ‘public’ goals, it is appropriate that a market within Parcel 7 be operated by a non-profit entity. In addition to normal maintenance responsibilities for the market hall, its responsibilities would include maintaining the quality and mix of vendors, insuring that all vendors maintain a suitable level of design, and the interface of market management with the overall building management..

Financial Expectations

The goal of a standard commercial market or mall is to turn a profit. While a public market can be profitable or at least operationally self-sustaining, it has a broader set of goals and its success is not measured by the bottom line. Most public markets in the United States ‘bury’ their capital costs and open debt free. The master developer should not expect more than minimal income from the market.



Concept for a Public Market in Parcel 9



Parcel 9 is well suited to becoming a market. The site is public and visible. It does not have a ‘back’, and therefore each face of the building must work aesthetically and operationally while being a good civic anchor for the larger district and surrounding neighbors.

The ground floor of Parcel 9 would be dedicated to food retailing, with an emphasis on basic fresh foods—meats, fish and produce—in a simple, utilitarian style complementing the historic Blackstone Block merchants and outdoor Haymarket vendors.

The ground floor, preferably with high ceilings, should embrace the street life with a flexible façade that can be opened to the seasons and connect with the outdoor activity of Haymarket. One should be able to walk through the market and have a pleasant, sensory experience.

The ground floor and basement is also the best place to house a proper trash handling facility for the larger district—particularly the waste stream from the outdoor Haymarket. Cold and dry storage areas can also be provided in here. A small basement may also be put to use for storage and service of the district. These operational functions can be ‘nested’ into non-essential retail areas out of public view.

Characteristics for Parcel 9



Basic Fresh Foods

Emphasis on meat, fish, produce and other fresh foods.

Indoor/outdoor Flexibility

Allow for flexible use of the market to adapt to the seasons and the adjacent Haymarket.

No ‘Back’ of the Building

Each side of the market should be functional during market hours and attractive to look at when the market is not in operation.

Maximize Internal Circulation

In a public market frontage is the most valuable asset for tenants—that is where products are best displayed and where money is made. The market should have a series of interconnecting aisles to encourage circulation and maximize displays.



Durable Materials

Working market will need high level of ‘clean ability’. The slope of the site can be tied into a floor drain system so the market can be steam cleaned on a regular basis.

Flexible Utility Grid

Tenants will come and go over time and the stalls will need to be readapted for incoming vendors. All stalls will need a minimum of 100 amp service, some with three phase electrical requirements. Exhaust systems for cooking will also be needed and this can be done with individual systems, but it is often preferable to have a ganged system that individual tenants can tap into. Cleanliness of the market’s public spaces and tenant stalls is paramount—so floor drains and provisions for getting water in and out are key elements to making the market run smoothly.



Ample Storage

Provide accessible space for cold and dry storage—including needs of Haymarket. The slope of the site may allow for certain ‘high zones’ where pallets can be stacked.

Trash Handling/Recycling

Set up an efficient and sanitary facility to handle/separate/recycle/remove waste, including that from Haymarket.

Loading/Unloading

Designate adequately sized and functional area for service area.

Public Restrooms

A critical component for comfort and public health.

Parking

As is the case with Parcel 7, a validation system to provide reduced rates to shoppers in the Parcel 7 garage will be necessary to keep the market viable. The Parcel 7 garage is currently used by many Haymarket shoppers on the weekend and the current validation system should be continued in some form.

Proformas

The following proformas include income and expense projections for Parcels 7 and 9. These are working documents that can be modified to reflect changes in leasing, merchandising and overall finish that could have an effect of operating expenses. The figures shown are a conservative approach based on figures from other public markets and prevailing expenses in Boston.

Note:

- Real estate taxes were estimated at \$7/sf of the gross market footprint (netting out areas that will be used for upstairs and basement tenants). Taxes at this level would be a challenge to the economics of the market. As public markets typically use almost half of their space for circulation, entrances, seating and staging areas, this \$7/sf translates to almost double—or \$14/sf in rent. Most markets in the US are exempt from real estate taxes charges. If this were the case in Boston, it would reduce the rents by almost a third to an average of \$31 to \$34/sf per year.
- Each proforma is shown as a base year, break even scenario.
- If the two parcels were developed and combined under one management entity, there would be cost savings and advantages as discussed as the end of this section.

Parcel 7 Assumptions:

Size of Market—Indoors

Gross available footprint	26,000 sf
Usable ratio for market	55%
26,000 sf x .55	14,300 sf gross leasable area

Outdoor Plaza

Operates 2 days a week with 30 spaces @\$25 per space, per day = \$78,000 annually

Operating Hours

The market is open six days a week from 8am to 6pm for customers = 60 hours/week

The market is open six days a week from 6am to 8pm for vendors = 84 hours/week

Tenant Payments

The market will be operated on a triple net basis and tenants pay:

Base rent

Square foot rents on vendor's leased premises.

Utilities

All vendor utilities will be sub metered and re-billed.

Common Area Maintenance (CAM)

All tenants to pay a prorata share of all operating expenses over the base year operating expenses.

Percentage rents (option)

Landlord should reserve the right to require tenants to report gross sales and pay a percentage of gross sales over a predetermined base amount.

Advertising Fee

Tenants charged separate fee for 100% of market advertising.

CAM charges are passed through as increases over the base year only. The base year will be the first year that CAM charges start. This will stop the landlord's obligation to incur increases in market operating expenses over the base year.

Current range of rents in the district:

North End	\$40-100 per sf
Historic Faneuil Hall	\$65 per sf
Faneuil Hall Marketplace	\$100-200 per sf after additional charges

Parcel 7 Break Even Base Year Operating Budget

Income

Rent 14,300 sf @ \$44.89 per sf (average) =	\$642,000
CAM	All increases over base year expenses
Advertising	Pass through
Utilities	Pass through
Percentage rents	Future Opportunity
Outdoor market (plaza area)	\$78,000
Total Income	\$720,000

Expenses

Manager	\$75,000
Facilities Manager	\$45,000
Custodial 1-FT, 3-PT	\$80,000
Security 2-PT	\$40,000
<i>Subtotal</i>	\$240,000
Benefits (25%)	\$60,000
Subtotal Labor	\$300,000
Legal and accounting	\$10,000
Office expenses	\$5,000
Supplies	\$10,000
Advertising and promotion	Pass through
Insurance	\$13,000
Real estate taxes (26,000 x \$7)	\$182,000
Maintenance and repairs	\$20,000
Contract Services	
Trash	\$50,000
Pest	\$10,000
Alarm	\$6,000
HVAC Maintenance	\$10,000
Net Utilities	
HVAC, Electric, water	\$104,000
Subtotal Expenses (non-labor)	\$420,000
Total Expenses	\$720,000
Net Income	\$0

Parcel 9 Assumptions:

Size of Market

Gross building footprint	29,000 sf
Less 10% for stairs, service, lobby, mechanicals	(2,900)
Less 5% for basement access	(1,450)
Less 5% for trash/recycling	(1,450)
Less 5% for cold/dry storage	(2,900)
Net available for market	20,300 sf
Usable ratio for market	60%
 20,300 sq.ft. x .60	 12,180 sf gross leasable area

Operating Hours

The market is open six days a week from 8am to 6pm for customers = 60 hours/week

The market is open six days a week from 6am to 8pm for vendors = 84 hours/week

Tenant Payments

The market will be operated on a triple net basis and tenants pay:

Base rent

Square foot rents on vendor's leased premises.

Utilities

All vendor utilities will be sub metered and re-billed.

Common Area Maintenance (CAM)

All tenants to pay a prorate share of all operating expenses over the base year operating expenses.

Percentage rents (Option)

Landlord should reserve the right to require tenants to report gross sales and pay a percentage of gross sales over a predetermined base amount.

Advertising Fee

Tenants charged separate fee for 100% of market advertising.

CAM charges are passed through as increases over the base year only. The base year will be the first year that CAM charges start. This will stop the Landlord's obligation to incur increases in market operating expenses over the base year.

Current range of rents in the district:

North End	\$40-100 per sf
Historic Faneuil Hall	\$65 per sf
Faneuil Hall Marketplace	\$100-200 per sf after additional charges

Parcel 9—Break Even Base Year Operating Budget

Income

Rent 12,180 sf @ \$ 48.06 per sf (average) =	\$585,400
CAM	All increases over base year expenses
Advertising	Pass through
Utilities	Pass through
Percentage rents	Future opportunity
Haymarket trash fee	\$100,000
Haymarket storage fee (2900 x \$24 per sf)	\$69,600
Total Income	\$755,000

Expenses

Manager	\$65,000
Facilities Manager	\$45,000
Custodial 1-FT and 2-PT	\$70,000
Security 2-PT	\$40,000
Subtotal labor	\$220,000
Benefits (25%)	\$55,000
Subtotal Labor	\$275,000
Legal and accounting	\$10,000
Office expenses	\$5,000
Supplies	\$10,000
Advertising and promotion	Pass through
Insurance	\$15,000
Real Estate Taxes (22,000 gross usable x \$7)	\$154,000
Maintenance and repairs	\$20,000
Contract Services	
Trash	\$150,000
Pest	\$12,000
Alarm	\$6,000
HVAC Maintenance	\$10,000
Net Utilities	
HVAC, Elect, Water (22,000 x \$4 per sf)	\$88,000
Subtotal Expenses (non-labor)	\$480,000
Total Expenses	\$755,000
Net Income	\$0

ProForma Options, Cost Savings and Additional Revenue Potential

The stand alone proformas for Parcels 7 and 9 represent one approach to the development of an indoor public market in the market district. Other approaches can be considered, each of which has potential operational and financial advantages including the following:

Combined development/management of Parcels 7 and 9

- Combined management savings potential of \$40,000
- Savings would reduce base rents by \$1.50/sf
- Pooled advertising funds
- Creates a larger 'draw' for the district

Combined development/management of Parcels 7, 9 and Haymarket

- Same savings as shown above
- Additional income from HPA for market management
- Possible cost savings with trash for HPA and indoor markets
- Relieves HPA board of management and oversight time
- More promotional opportunities
- Shared storage, bathrooms, trash and utilities

Percentage Rents

There are only a few markets in the country that charge a percentage of sales in addition to a base rent. Some markets tried and gave up due to the difficulty of ascertaining correct information and tenant resistance. Tenants prefer to pay a higher base rent than pay percentage rents.

The break even rent projections for Parcels 7 and 9 are approximately \$45-\$48/sf

If a market vendor can pay 7% of sales as 'rent' at \$48/sf that would mean that a vendor would need sales of \$685/sf. Many public markets experience sales in excess of this amount. If vendors were to achieve sales of \$1000/sf, there would be \$315 available to be charged a percentage rent. Seven percent of \$315 is equal to \$22/sf and would generate the following additional rent:

Parcel 7

14,300 sf (total GLA) x \$22 = \$314,600

Parcel 9

12,180 sf (total GLA) x \$22 = \$267,960

Possible additional rent income \$582,560

This is a potential scenario only and would obviously require skilled leasing, merchandising, promotion and management.

Note: Granville Island Market and Reading Terminal Market both experience sales levels approaching \$2000/sf so \$1000/sf is certainly a possibility.

Vendor Interest



A successful public market requires dynamic vendors who offer diverse product lines, are owner-operated, and reflect their region's bounty and culture. In 1998, PPS completed a feasibility study for the Boston Public Market Association (BPMA) and concluded that there was significant interest from potential vendors for participating in a public market. This interest has not waned, and in fact, has grown over the last decade as the public has become more interested in local and artisan foods. In reaching out to the BPMA, Federation of Massachusetts Farmers' Markets (FMFM), the Massachusetts Department of Agriculture, as well as canvassing local Boston-based retailers PPS determined that there is widespread interest in all the opportunities that are present in this proposed district including Parcels 7

and 9 and for both indoor and outdoor vending opportunities.

To gauge potential vendor interest PPS reached out via an on-line survey and through phone interviews to a diverse group of producers and farmers recommended by the BPMA, FMFM, and the MA Department of Agriculture. In addition, PPS interviewed in-person or on the phone several established Boston-based retailers.

The online survey was sent out to over 40 farmers/producers within the greater Massachusetts region; of those producers, 18 completed the survey (results can be found in Appendix E), and eight went on to participate in an interview. Eighteen Boston-based retailers were contacted and of those, nine completed an interview.

The 36 potential vendors who participated in the survey or interviews self-identified their businesses as the following (some sell more than one item):

- Vegetables/fruit—4 responses
- Meat/poultry—4 responses
- Fish/seafood—3 response
- Dairy/cheese—4 responses
- Bread/baked goods—11 responses
- Value-added (jams, preserves)—5 responses
- Flowers/nursery—1 response



- Wine—1 response
- Vinegar/oils/spices—3 responses
- Candy/chocolate—2 responses
- Coffee/tea—1 response
- Maple products—1 response
- Kettle corn—1 response
- Prepared foods—5 responses



From the surveys and interviews, PPS was able to conclude the following:

- Interest in the market district is high
- Potential vendors want to vend full-time
- Potential vendors want to locate their businesses indoors, while several expressed interest in vending both indoors and outdoors
- A majority of potential vendors could be ready to vend within the market district in less than six months.

Throughout the surveys and interviews potential vendors expressed concerns and/or opinions regarding the establishment of a market district in this location, these fell into the following categories:

Access & Location

- Great visibility
- Easy access on and off highways
- Proximity to Haymarket Pushcart Vendors seen as both a positive and negative
- There was concern that, should a vendor keep his current business while expanding into the district, the new location might be too close

Cost

- Cost to lease space
- Adequate sales and customers
- Some producers expressed interest in owning rather than leasing a space in the market district

Operational Issues

- Several producers want the ability to wholesale products as well as have a retail space
- Majority were interested in full-time, year-round sales
- Adequate facilities in market, e.g., water, electricity, refrigeration
- Adequate space and facility hook-ups to produce on-site
- Ability to set up a cooperative or comparable group to arrange for staffing and management in order to sell similar products, e.g., farmstead cheese, local meat and poultry

Overall Market Design & Management

- Ability of market to attract customers, but not turn into a tourist “trap”
- Variety and quality of products sold
- Quality and competence of management
- Several producers mentioned the need to retain the “culture” and “feel” of the area so that current Haymarket customers would still feel welcome



Product Issues

- Compliance with City and State codes (specifically cited by farm wineries who are currently restricted by state law to sell only on their farm)
- Competition with other vendors selling same or similar product
- Who will be allowed to sell (wholesalers and/or non-local producers)
- Ability to expand product line to include more prepared and convenience foods, e.g., lobster rolls, clams on the half-shell, cleaned fish, breakfast sandwiches



CONCEPTS FOR OUTDOOR MARKET SITES AND USES



City Hall Plaza

The plaza surrounding Boston’s City Hall is frequently used for a variety of special events, as well as a semi-weekly farmers market operated by the FMFM. In addition to this seasonal farmers market, the plaza is well suited to feature an artisan/craft market, as well as to continue to serve as a location for special events, city-wide holiday events, and the farmers market.

The key to a vibrant market district are successful outdoor markets. These markets compliment the other market district uses, including an indoor market, cafes, shops, and restaurants. Ultimately, attractive outdoor markets that reflect the needs and interests of their local community will be the greatest draw for customers because they add character to the urban environment.

There are many types of outdoor markets that are recommended for the Boston Market District. Along with the successful Haymarket, which will in many ways be the anchor of the market district, a farmers market, night market, and craft/artisan market are all recommended additions to this market district. As mentioned earlier in the Market District section, the map of uses shows the locations of the outdoor markets and what type of market is recommended. A mix of markets in the right locations will be crucial to the district’s ability to draw and retain customers.





The SoWa Open Market is a successful, seasonal artisan market in Boston's South End, featuring hand-crafted jewelry, original art, antiques, clothing and fresh foods. This type of market would work well in City Hall Plaza, and an additional location may be of interest to the operators of this market, which has already expanded to include two holiday markets located in the Prudential Center and Cathedral High School.

Pros

- Large, open space
- Plaza is city-controlled
- Excellent visibility
- "T" station is located in plaza
- Near major tourist attractions
- Near major employment centers
- Existing farmers market on site

Cons

- Level changes make set-up complicated
- Separation from the rest of the market district
- Near major tourist attractions
- City may sell City Hall and surrounding plaza

Parcel 7 Plaza

The plaza outside of Parcel 7 is an ideal location for an outdoor market. It is well suited to feature a farmers market or another food-related market activity that compliments the market uses on the first floor of Parcel 7. The outdoor market would operate one or two days of the week and would draw attention and customers to the plaza as well as into the indoor public market located in Parcel 7.



In conversations with the FMFM interest was expressed in operating a farmers market on Parcel 7's plaza. Either the existing Government Center Farmers Market could relocate to this site, or a new farmers market could be established on this site. There are mixed feelings about when this market should operate, either on the same day(s) as the Haymarket Pushcart Vendors or on different days. Either way, this neighboring market would most likely feature products at a higher price point originating from the Boston-area region and would compliment rather than compete with the Haymarket produce.

Pros

- Large, open space which can accommodate many vendors
- Enlivens the front of Parcel 7
- Compliments Parcel 7’s first floor retail uses
- Excellent visibility
- Adjacent to Haymarket
- Public transportation is nearby
- On-site parking
- Near major employment centers
- Near major tourist attractions



Cons

- Plaza space is irregular
- Vendors will have to off-load
- Adjacent to Haymarket
- Near major tourist attractions
- May be the temporary location of Haymarket during Parcel 9 construction

Creek Square and the Alleyways of the Historic Blackstone Block

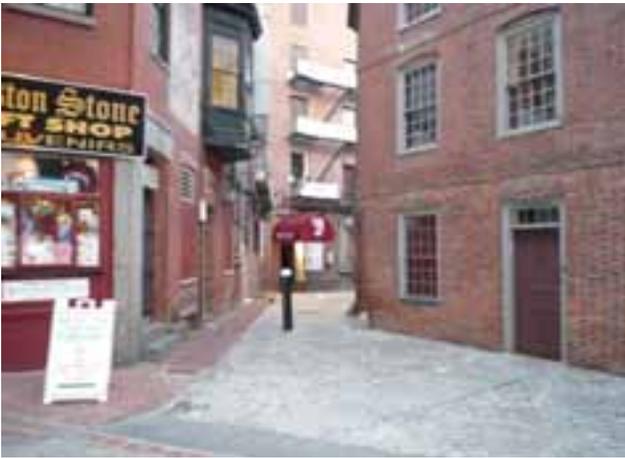
Despite the distinctive character and history of Blackstone Block, located between Hanover, Blackstone, North, and Union Street, there are few current uses of its streets and alleys. The misuse of the alleys and plaza space form-



ing Creek Square, is particularly wasteful.. They would be ideal for outdoor market activity. During the day, they could be the site for cooking demonstrations, Haymarket customer seating, and prepared-food vendors. At night, they could offer family-friendly nighttime activities, with an outdoor seating area, featuring lights strung above, music in the evening and a few small prepared food and crafts/artisan vendors.



The balance of the streets and alleyways running throughout the Blackstone Block would also be ideal for nighttime market activity. While Marshall and Union Streets are bustling with activity morning, noon and night, the adjacent lanes are underused. They would be ideal for prepared food vending, crafts/artisan goods and outdoor seating. This area is well known for not only the adjacent Haymarket, but also for a lively pub and restaurant scene, which attracts locals and tourists alike.



Pros

- Area is an established entertainment scene
- Area is historic, attractive, and has a lot of character
- Near major tourist attractions
- Adjacent to hotel

Cons

- Area needs to be cleaned-up and made welcoming
- Alleys are narrow
- Adjacent to hotel



Cross Street Plaza



The plaza/parking area adjacent to Cross Street, between Endicott and Hanover Streets, is fronted by several iconic North End stores, including a bakery and deli/grocery. They compliment the Boston Market District.



With a revision to the parking arrangements on the plaza, they could “spill out” into this space, displaying and selling products such as coffee, sandwiches, and gelato or other food-related items, as well as offer seating for their customers. This type of outdoor market activity would enliven this space, create an entrance to the North End from the downtown and Greenway, and connect the North End to the market district.

Pros

- Related retail present
- Excellent visibility
- Near major tourist attractions
- Attractive site

Cons

- Space is being used for parking and driving
- Somewhat removed from the rest of the market district



PARCEL 9 CONSTRUCTION AND MITIGATION PLAN

Though the feasibility of a Boston Market District on the proposed site is strong, it will take a few years until the entire district is complete and functioning. Construction on Parcel 9 will create disruptions not only for Haymarket, but will ripple into surrounding areas. It is in the best interests of those affected—Haymarket vendors, customers and storefront retailers, North End shops, restaurants and residents—that a plan be agreed upon to minimize disruption while allowing construction to proceed.

As Parcel 9 is not yet designed, the exact nature of the disruption can not be known. Noise, dust and traffic problems will likely exacerbate an already busy Haymarket. Blackstone Street will likely be narrowed with the placement of a construction barrier. Parking in loading areas on surrounding streets will be further stressed. And of course, the ill-effects of negative public relations and perceptions must be considered.

In order to minimize disruption and maintain continuous operations of Haymarket, the following steps are recommended:

- Identify a responsible and accountable party to oversee the planning and implementation;
- Work closely with the HPA and other affected businesses;
- Coordinate and involve the North End Central Artery Advisory Committee;
- Establish a formal liaison with the contractor and developer of Parcel 9;
- Identify temporary locations for any displacement of a portion of the Haymarket;
- Set and agree upon a reasonable timetable;
- Develop a strategy to maintain communications with all parties;
- Create a PR campaign to address shoppers needs;
- Create a budget to account for all costs associated with the mitigation; and
- Identify sources of funding for mitigation.

CONCLUSION & NEXT STEPS



The Boston Market District has the potential to be a successful and iconographic place for Boston that stimulates the local economy and culture. The city is fortunate to already possess the necessary ingredients for success: customers, vendors and a strategic location. The Haymarket and the historic Blackstone Block provide the proposed market district with a solid vendor base and strong customer spending power. The creation of market halls on the ground floors of Parcels 7 and 9 would significantly enhance the feasibility of the project by expanding its merchandising, adding to its appeal, and upgrading the operations of the district. Proven management options and funding strategies are in place elsewhere in the country for integrating these elements into a vibrant and economically successful whole.

Boston and its surrounding region has a strong and growing vendor pool of farmers, producers, resellers, and established food operators, many of which have expressed interest in the district and will bring with them their own unique character to add to the district's authenticity. The Boston Market District is poised to become the keystone location to coalesce and strengthen the rapidly growing interest in local food production and distribution.

Next Steps

With the feasibility of the Boston Market District established, the BRA, working in collaboration with other relevant City departments, is in a position to begin the practical work of creating the district. Among its next steps are to,

- Develop a strategy through which to create a mechanism or an entity for district management;
- Use the management entity as the coordinator/clearinghouse for the overall project;
- Clarify the relationship between management and the city;
- Initiate a development and funding scenario;
- Continue to inform the identity and uses of Parcels 7 and 9;
- Begin to formulate operating guidelines and requirements;
- Work with the HPA to address ongoing issues;
- Continue outreach to potential market tenants;
- Continue communication and involvement with adjacent businesses and residents; and
- Identify future uses for historic Blackstone Block redevelopment.

APPENDIX A: Market Analysis

Memorandum

Date: November 11, 2008
To: Haymarket Team
Fr: Larry Lund
Re: Preliminary Market Analysis

Summary and Opinions

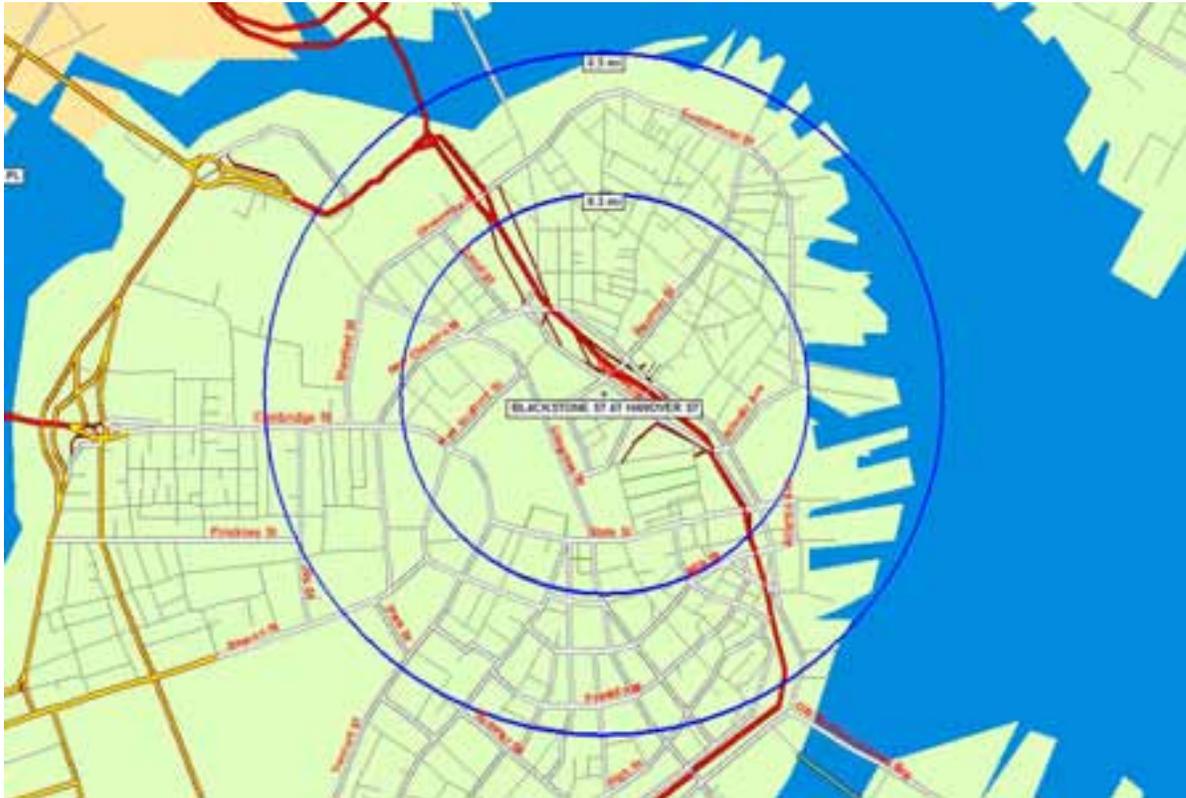
- Haymarket's attraction is very low cost produce and serves as an important channel of food distribution particularly to low income and ethnic populations.
- The downtown residential and office populations represent only a small part of Haymarket's success.
- Strengthening the offering of fresh fish and seafood along with other fresh food products will compliment Haymarket's operations and provide more food shopping opportunities to underserved populations.
- Development of an expanded Haymarket to Parcel 9 needs to maintain the low price point position. The economics of delivering low cost food is reflected in part of less expensive real estate. Keeping occupancy cost low is a particular challenge with any new or expanded Market. Possible solutions maybe how to maintain the open-air character and still meet food safety concerns.
- Continuing to serve the needs of Boston's underserved populations and meeting the wants of nearby populations presents marketing challenges. Parcel 7 may provide sufficient distance to operate a distinctive Market targeted at a different audience.

Overview Demographics

Markets can function differently in cities some have local appeal and others can transcend local geography and pull from a wide area. The first look at Haymarket is from the local perspective, which in Haymarket's case is walking distance. Walking distance varies, but for most people carrying groceries a quarter to a third-mile is the extent people will walk. Some may walk up to a half-mile. However, after a quarter-mile distance, people quickly begin looking for transportation solutions, frequently the auto, but in highly urbanized areas like Boston, public transit may be a viable solution for many.

Scan/US, our demographic service provider estimates for 2007 -- 3,512 households within a.3 miles and 8,716 households within .5 miles of this site. (Households are the standard unit of measurement for buying food at home.) The daytime employment

population is estimated at 42,043 working in 3,241 establishments with .3 miles and 102,043 working in 7,736 establishments within .5 miles.



Rings show third and half-mile areas from Haymarket

The Boston Redevelopment Authority (BRA) provided better data, which includes estimates of projects that will be completed by 2010. The BRA uses a different geography (Transportation Zone Analysis -TZA) than the Census Bureau; the BRA areas used for the quarter-third mile area includes 2-12, 29, 32, and 36-39 and at the half-mile radius adds TZA's: 1, 13, 30-31, 34-35, and 40-54.

Looking at a half-mile radius, which is the entire North End, Government Center part of downtown Crossing up to Franklin St. and the Financial district also up to Northern Ave bridge, this area has an estimated 9,266 households (BRA data). Three supermarkets serve this area: a 40,000 square foot Whole Foods on Cambridge Street, a 57,000 square foot flagship Shaw's on Huntington Avenue, and a soon to be built 50,000 square foot supermarket just a block from the Market at Washington and Canal. In addition, to these three supermarkets the area has several supperettes, which are small convenience type and specialty food stores that serve the area. Across the River in Charlestown, is a supermarket known, as Johnny's, which primarily serves the local Charlestown area customers.

This trade area is affluent, with average household income estimated (2007) at \$104,800 annually. Residents are also highly educated with 4.8 times the number of college degree + residents as there are high school graduates. Another distinguishing

demographic characteristic is a very low household size of 1.5 persons with 58% of the households, single householders. Also 49% of the households do not have cars. The largest age segment is 25-34 years, representing about a third of the population.

The half-mile trade area does not have ideal demographics for food at home purchases. Typically, high-income households with children present are the best customers for food at home purchases, but the immediate area demographics are ideal for buying prepared foods, carryout, and food eaten away from home, i.e. restaurants.

Accessibility

The area around Haymarket has a couple of transportation hubs; the Haymarket T Station has 8,600 weekday boarding counts and North Station 13,220 (North Station commuter rail 25,500). (As a comparison, South Station serves 22,657.) The T Station brings traffic from the immediate area and North Station (commuter rail) pulls traffic from much broader area. The public transit, including buses at Haymarket provides the Market with both visibility and accessibility.

In vehicular counts, Hanover Street has only 3,000 vehicles (ADT), but Washington Street has 23,000. Average daily counts of over 20,000 are considered very desirable for retail.

Moreover, the daytime employment population within half mile of Haymarket is estimated at 111,663 people. This population is frequently associated with providing people looking for food to consume on the premise, although some clearly can take food home if it is well packaged.

Another advantage is the estimated 1.7 million visitors that take the Freedom Trail annually, an average of 4,658 people daily. This provides another good market for prepared foods.

Survey

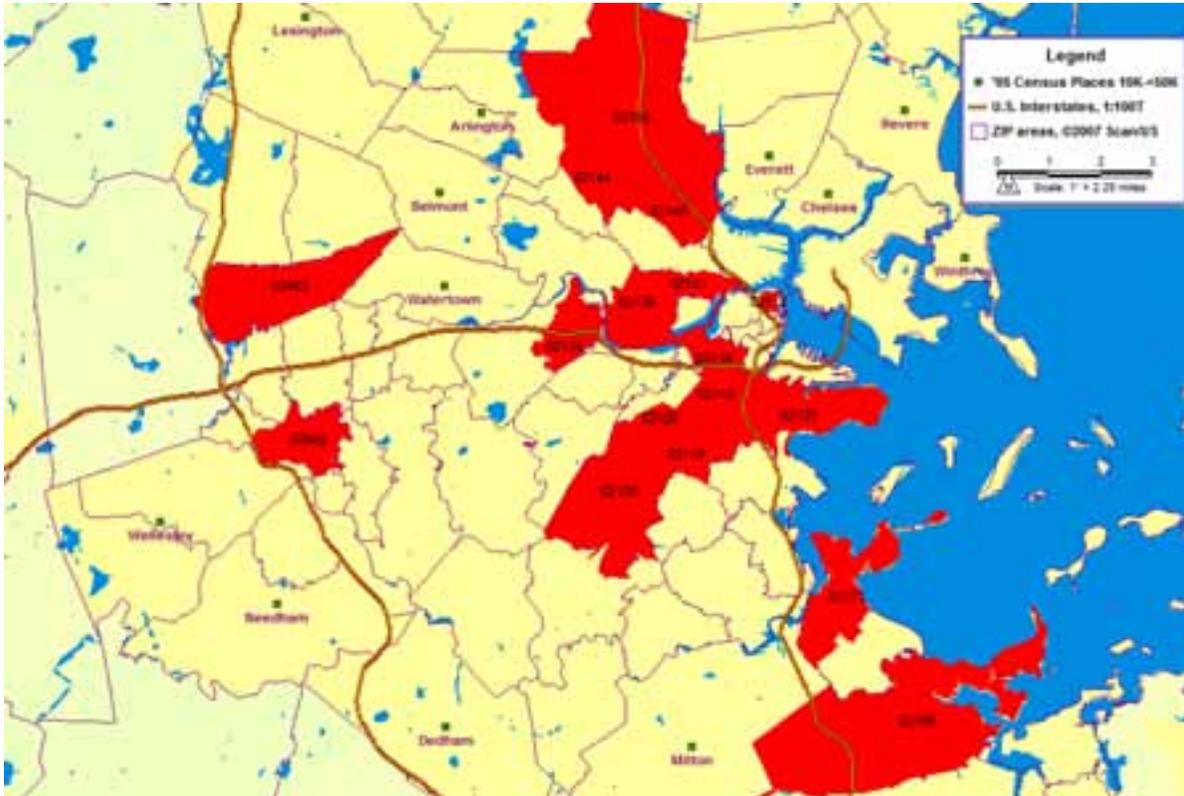
The customer intercept survey of 161 people at the Market is helpful, although the sample size is very small. In addition to the full survey, 265 people in total were asked about their home zip code and if they could walk to the Market from work. This too is a very small sample for zip code analysis and if the Market enters a Phase II, additional surveys should be taken to add to their validity.

The most striking results of the survey are the large number of respondents where the Market is their primary source of fresh produce. Another striking finding is the large number of ethnic shoppers. Compared to other surveys done in other Markets, the number of shoppers taking public transit is higher in Boston than say in Philadelphia's Reading Terminal Market, which has similar locational attributes as Haymarket.

The zip code survey shows that Haymarket is not geographically bound and customers come from a wide area within the beltway.

In total, the 265 respondents came from 78 zip codes or an average of 3.4 per zip code.

A quick look of the 265 zip codes – the seven top zip codes provide 26% of the respondents. So, 9% of the zip codes reflect 26% of the customers.



Zip Code Map. Red shows Zip Codes where half customers Live

Top Seven Zip Codes by Zip Code name:

Cambridge (13) 5%
 Somerville (13) 5%
 Allston (10) 4%
 Jamaica Plain (9) 3%
 Waltham (9) 3%
 Quincy (8) 3%
 Medford (8) 3%

Top Quarter: Total: (N=70) 26%

Top Half (45%):

In order to identify the top half (45%) of the market area, ten more zip codes were added (each with 6 respondents). This added Boston with 6 zip code areas (N=36), another zip code in Cambridge (N=6), Somerville (6), and Quincy (6) to the existing zip code town names. The other new zip code was added -- Waban (6). In summary, seventeen zip codes or 22% of the zip codes represent 50% of the customers. This is known as the Pareto Principal, where a small number contribute to a much larger affect.

Top Half (45%) Overall Towns by Zip Code Names (N=265)

Boston (61) 23%
 Cambridge (27) 10%
 Somerville (19) 8%
 Quincy (19) 8%
 Allston (10) 4%
 Jamaica Plain (9) 3%
 Medford (8) 3%
 Waban (6) 2%

Note: This is a very small sample size and a few different responses could change the order, add or delete zip codes. If a Phase II is undertaken, a larger sample size survey should be conducted to validate these findings.

Zip Codes are for the convenience of the post office and are not homogenous. Zip codes also have significantly different populations. The following map shows the Boston Zip codes by penetration, that is, the number of people in that zip code by the number of households estimated in 2007 by Scan/us

All Boston Zip Codes

Boston Households	Survey Number	Penetration
02108	1,794	0
02109	1,878	3
02110	313	3
02111	2,315	0
02113	3,921	6
02114	6,025	3
02115	10,061	5
02116	10,702	6
02118	10,220	6
02119	8,937	6
02120	4,758	6

Charlestown			
02129	7,118	0	0
Boston (cont)			
02127	13,500	6	.0004
02199	687	3	.0044
02215	7,997	4	.0005
Cambridge			
02139	14,767	13	.0009
02142	962	0	0
02141	5,478	6	.0011

For comparison purposes, the zip codes below show where high numbers attending Market, but these zip codes not shown in following map.

02130 Jamaica Plain	13,468	9	.0007
02134 Allston	8,814	10	.0011
02145 Somerville	9,688	14	.0014
02155 Medford	21,721	8	.0004
02169 Quincy	25,066	8	.0003
02453 Waltham	11,686	9	.0008

The zip codes within “walking distance” are:

Zip Code	Penetration
02109 (Government Center and North End)	.0016
02110 (Harbor and Financial District)	.0096
02113 (North End)	.0015
02114 (West End/North Station)	.0005

Based on the 286-person intercept survey at the Haymarket, 33% of those surveyed lived in one of four zip codes that are within walking distance of the Market (02109, 02110, 02113, and 02114) (N=18 – 6.8%) and from those who live outside these four zip codes and said they worked within walking distance of Haymarket (N=70—26.4%).

We have defined the geographic primary trade area as those that can walk to Haymarket and that they represent a third of the customers. The primary trade area might also be defined as ethnic without geographic boundaries within the 127 Beltway



Zip Code Map of Central Boston

Gravity Model

The gravity model is a tool to help estimate sales potential for food. Traditionally, two significant factors convenience and selection play an important role in the consumer's decision of where to shop for food. Price, however, is the most significant factor, but geographic models do estimate sales based on price. Low price is frequently traded off with quality in the search for value. Haymarket delivers on value with acceptable quality at an extremely low price (see David O'Neil survey of prices between Haymarket and Johnny's Supermarket in Charlestown.)

Another element that is not measured with the gravity model is the familiarity many of the ethnic shoppers have with shopping at a market and find it preferred over supermarkets.

The gravity model, which analyzes travel distance and selection, estimates that the primary trade area without the new supermarket at Canal and New Chardon Street has a capture rate of 46% (current situation) within the primary area and that the primary area represents a third of the Market sales.

The gravity model with the proposed new supermarket at Canal St at New Chardon Street of 50,000 square feet would theoretically drop the market share at Haymarket from 46% to 24% within the primary trade area.

We have one estimate of the Market fresh produce sales of about \$15 million, so the gravity model in some scenarios may be underestimating fresh produce sales by 60% if the produce sales projections are accurate. The table below shows both the trade area at a third and at 13% reflecting a 60% adjustment from the third. So instead of the primary trade area representing a third of the sales, it represents about an eighth.

Next, we ran the model with the Market at 41,000 square feet, which includes the 26,700 square foot Haymarket and Parcel 7; at 46,700 square feet (with parcel 9); and at 61,000 square feet to reflect different scenarios with both parcels 7 and 9 added to the Haymarket.

The primary area, as defined in this analysis, has an estimated 9,266 households (BRA estimates 2010). In addition to fresh produce, we have estimated other food categories:

Estimated Gross Annual Sales Potential under Different Size Assumptions and Trade Area Capture Assumptions.

.33 PTA	.13 PTA (60% adjustment from .33)
Bakery products:	
41,000 sf. = \$3,346,000	\$8,484,000
46,700 sf. = \$3,641,000	\$9,242,000
61,000 sf. = \$4,231,000	\$10,742,000
Meats:	
41,000 sf. = \$6,668,000	\$16,926,000
46,700 sf. = \$7,255,000	\$18,417,000
61,000 sf. = \$8,432,000	\$21,404,000
Poultry:	
41,000 sf. = \$1,868,000	\$4,742,000
46,700 sf. = \$2,031,000	\$5,156,000
61,000 sf. = \$2,361,000	\$5,993,000
Fresh Fish/Seafood:	
41,000 sf. = \$794,000	\$2,016,000
46,700 sf. = \$864,000	\$2,194,000
61,000 sf. = \$1,005,000	\$2,550,000

Fresh Produce:

41,000 sf. = \$4,691,000	\$11,909,000
46,700 sf. = \$5,105,000	\$12,959,000
61,000 sf. = \$5,933,000	\$15,061,000

Total Fresh Food Products:

41,000 sf. = \$17,912,000	\$47,181,000
46,700 sf. = \$21,494,000	\$56,616,000
61,000 sf. = \$23,733,000	\$62,513,000

\$423 psf. annual	\$334,000 week	\$1,075 psf. annual	\$848,000 week
\$405 psf. annual	\$363,000 week	\$1,027 psf. annual	\$1,027,000 week
\$360 psf. annual	\$422,000 week	\$914 psf. annual	\$1,072,000 week

Haymarket compared with U.S. Supermarket Metrics

We compared the sales estimate of Haymarket with national statistics on supermarkets. The median supermarket transaction is \$28.88. The average number of transactions per week is 14,892.

Based on our survey, Haymarket has a median expenditure of \$20 for produce (average expenditure \$33.12) and at an estimated \$15 million gross -- that would be the equivalent of 14,423 transactions per week. Haymarket then has the same number of transactions in two days operating in 7 hours a day, as a supermarket has in 7 days operating at 24 hours.

Also based on our survey with 35% of the customers driving, Haymarket uses 2,524 parking spaces each day for shoppers at with an estimated shopping time of 30-minutes that is a about 360 cars an hour turn-over.

With 37% using the subway, that 2,668 riders carrying groceries daily, if all used the Haymarket T station (with 8,600 boarding weekdays), that means that almost one in three people boarding are carrying groceries.

APPENDIX B: Questions, Issues and Concerns for Boston City Agencies (November 12, 2008 meeting)

Health

What are the outdoor food vending regulations pertaining to Haymarket?

What are the indoor food vending regulations per Parcel 7 or 9?

What are the food sampling regulations?

What are the indoor food business requirements for?

- Sinks, utilities, floor finishes, materials, grease traps, hoods
- Build-outs
- Screens, doors etc

What are the storage requirements for?

- Temperature requirements
- Shared storage

What are the requirements for the trash systems?

- Open vs. closed containers

What are the insurance requirements?

Are there any considerations for historic areas/markets?

How are farmers markets addressed?

Streets

What are the existing regulations for street vendors?

What are the permitting requirements?

What are the reporting requirements?

In terms of the overlap with indoor/outdoor areas; how are regulations applied?

Do the 'streets' include sidewalks?

What are the rights of ways—measurements/allowances?

Are there allowances made for historic areas?

Are there surface treatments for easy cleaning and safety?

Could there be night lighting for Haymarket?

Is the ability to use the 'French system' of stall setups available (implanted into street bed)?

Can the canopies stretch to curb line?

Are the streets available as trash holding areas?

- Containers
- What are the times

Utilities

Are water hookups available for outdoor vendors?

Are electric hookups available for outdoor vendors?

Is there any use of the storm drains?

Sanitation

What is the amount/type of Haymarket waste?

Can recycling be instituted?

Can the HPA claim responsibility of the trash?

Do you need a formal or informal agreement?

What is the cost of trucks/labor?

- Seasonal variation
- Friday, Saturday variation

Are there any ongoing plans/desires?

Fire/Police

What are the requirements for street width/clearance?

Is there an incident history for this area?

What personnel are assigned?

Are there vendor requirements?

Are there any risk reduction strategies?

APPENDIX C: Market District Case Studies

Market districts are reviving across the country - proving that markets are good economic investments which create attractive, functional and memorable places where people like to commingle while they buy and sell. Historically, market districts have also been directly responsible for enhancing real estate values and fostering innovation.

The following districts - each different and reflective of their environments and people - have all survived into the 21st century with relevant highlights for Boston's Haymarket.

City Market, Charleston, SC

Eastern Market, Washington, DC

Eastern Market, Detroit, MI

Pike Place Market, Seattle, WA

Borough Market, London, England

Granville Island Public Market, Vancouver, BC, Canada

City Market, Charleston, SC



History

Established in 1804 on land donated by a private citizen, the market is built over an old creek bed. It is in the open shed style, narrow and long with a single aisle flanked by vendors. The market sheds have been extended numerous times and extend down four blocks. It was the anchor of a growing commercial district and was the public heart of the city. Over the years the market has survived earthquakes, hurricanes, fires, tornadoes and bombardment during the Civil War.

The traditional market uses (meat, fish, and produce) declined in the mid twentieth century and the city leased the market to a private operator who revived its function with arts, crafts and antiques. It regained its popularity and is full of vendors and mostly tourist customers, which is not unusual as it is in the center of the historic district which caters to tourists. Hotels, restaurants and shops surround the market.

Size

4 blocks long

Ownership

City of Charleston

Merchandise Mix

Hundreds of vendors selling arts, crafts, cook-books, sweet grass baskets, and clothing.

Access and Parking

The market is in the center of the historic district. Parking is at a premium although discussions are underway to build a new garage adjacent to the market.

Management

The city just completed a public RFP process to engage new, private management that will preserve the market and work to improve its connection with local products and customers-



Financial

The market is operationally one of the most profitable in the country. The new management arrangement will allow the city to participate more equitably in the profits.

Housing

There is no housing adjacent to the market; the closest is a couple blocks away.

Current or Recent Development Initiatives

New management has already begun to restore the semi-neglected structures and will be required, by the city, to work on improving merchandising, streetscape and possibly expand the market with a new shed that will feature local produce, fish and other products to attract more local residents.

Why it works

Great central location in historic district, surrounded by retail, restaurants and hotels. Colorful, owner-operator vendors and interesting merchandise. Large tourist trade provides a constant flow of customers.

Challenges

Repositioning the market as a local attraction. Expanding the market back to the riverfront by adding a new shed.

Relevance to Haymarket

City is paying for physical improvements while outsourcing management to a private contractor. The City is investigating the feasibility of adding a new section of the market which would focus on local foods and producers, with the intent of attracting residents instead of tourists.

Eastern Market, Washington, DC



History

Built in 1873, Eastern Market is located in the district's Capitol Hill neighborhood and is the last remaining historic market still in operation. Like Boston, DC had a series of public markets to feed the metropolis. Enlarged twice, the market continues to serve its primary role as an outlet for fresh foods and has become the center of a larger district with outdoor markets and traditional storefront retail in the middle of a residential area. The market slowly declined in occupancy and patronage in the middle of the last century and began to revive in the 1980's and 1990's and is now exceptionally popular on weekends.

Size

The overall district runs for two blocks. The market hall is 16,500 square feet. Adjacent is a small shed for about 20 farmers. Outdoor plazas surrounding the market are used for arts, crafts and flea markets on weekends for over one hundred vendors.

Ownership

The market hall and plaza is owned by the District of Washington. Surrounding retail, small offices and residential is all private. A public school is across the street from the market hall and is rented to a private flea market operator on Saturdays.

Merchandise Mix

South Market Hall—all fresh foods and one lunch counter.

North Hall—cultural and educational activities.
Outdoor shed—farmers and resellers.
Outdoor plaza—arts, crafts, antiques, and flea markets.

Access and Parking

A city street runs alongside the market and has some metered parking. Limited vendor parking is available behind the market hall. Public parking is limited; shoppers must find spaces on the street. There is good public transportation and a Metro Station is 1 ½ blocks away.



Management

The District subleases management of the hall and shed to a private real estate company. This agreement has been controversial and the District is looking for another operator. The outdoor crafts and flea markets are also operated by a for-profit, private management company.

Management is generally quite poor in the shed and hall, and ironically quite good in the outdoor markets.

Financial

The market hall and shed income in 2007 was \$280,000 and expenses were \$340,000. Management was paid a fee of \$173,000. Deficits are covered by the District. The outdoor markets are profitable, although no figures are available.

Housing

There are some houses on one street adjacent to the market. The houses are on the quietest side of the market and there are no apparent clashes or issues.

Current or Recent Development Initiatives

The market was nearly destroyed by a fire in 2007 and is currently being rebuilt. Market hall vendors are selling in a temporary structure and all the outdoor markets are still operating.

Why it works

Tradition. It is the last municipal public market in the district.

Vigilant oversight by the neighborhood association.

Long term vendors have established relationships with customers.

Outdoor selling activity allows the market to expand.

Synergy of uses—market, stores, cafes, small offices, residential.

Challenges

Coordinating the diverse interests of the vendors, residents, retailers, historic preservationists, politicians, city agencies and neighborhood activists.

Maintaining business continuity during the reconstruction.

Working within the bureaucratic confines of the District.

Relevance to Haymarket

Preservation of traditional market activities in gentrifying neighborhood.

This market is more upscale than Haymarket—although it is still a very important gathering place for a diverse clientele.

City is the broker/negotiator for multiple interests—market, retail, housing, public school and public spaces.

Market does not produce any income for the city and capital costs are increasing.

Eastern Market, Detroit, MI**History**

Eastern Market is an outgrowth of the earliest markets in Detroit that were once located on the banks of the Detroit River. As the city grew, market activity was relocated to its present location (just northeast of downtown) beginning with a single shed in 1891. It is the largest historic market district still operating in a metropolitan core.

Size

80+ acres

Ownership—mixed public and private

The City of Detroit owns the five market sheds and parking lots in the center of the district. The surrounding properties are all privately owned and operated.

Merchandise Mix

The bulk of business is wholesale—over a billion dollars a year, primarily in meat, produce, nursery stock and specialty foods and operates at night and early morning.

Retail activity in the sheds is mostly fruits, produce, plants and flowers, including both farmers and resellers.

Saturday is the busiest day.

Buildings adjacent to the sheds are converting to retail activity including restaurants, delis, clubs, art, antiques, poultry, fish, spirits and garden supplies.

Access and Parking

Centrally located on the fringe of downtown, the market has excellent vehicular access from major and secondary roads.

Public transportation is limited and served by busses.

There is a large surface lot and a multi-story garage that handle several hundred cars.

Parking is free.

Parking is not considered a problem and there are many options for parking on surrounding streets and vacant parcels.



Management

In 2006 the City conveyed control of the market sheds, planning, economic development and operations to a newly created Eastern Market Corporation, a non-profit [501(c)(3)] with a board composed of the many constituencies that make up the market. The Corporation operates under a Management and Protection Agreement with the City of Detroit.

Financial

Rental income of nearly one million dollars from the sheds provides the bulk of revenues for the Corporation.

Fundraising initiatives provide the balance and the Corporation has raised over \$10 million towards a \$20 million capital campaign.

Housing

There have been some recent conversions of commercial properties into loft apartments and more are scheduled. The new residents have begun to complain about market noise from trucks making early morning deliveries and pickups to wholesalers. To date, there has been no resolution to the complaints.

Market management intends to zone certain areas as preferential for residential conversion—although private developers are already proceeding with new conversions right in the middle of commercial areas.

Current or Recent Development Initiatives

Renovation of the historic market sheds and provide for more year round opportunities.

Establishing the market as southeast Michigan's food center.

Establishing an education center and community outreach program.

Streetscape and public space improvements.

Support of surrounding businesses.

Attract new businesses and residential development.

Why it works

The market tradition has deep psychic and cultural connections to residents.

The experience is unvarnished and 'real'.

The combination of wholesale, retail and residential composes a city within the city.

Challenges

Fundraising in a city with many other 'needy' projects.

Preserving traditional wholesale uses with increased retail traffic.

Increasing food security and access for at-risk residents.

Creating economic development in a depressed economy.

Relevance to Haymarket

Surrounding properties with year-round wholesale/retail are privately owned by multiple

parties; uses of these spaces (specialty foods, a diner, wholesale retail bedding plants, spices, etc.) suggest opportunities to expand mix of Haymarket.

There is public ownership of all the streets and the sheds, similar to Blackstone Street and Parcels 7 and 9.

Eastern Market Corporation involves both shed vendors and property owners in a unified organization which improves cooperation and communication.

Eastern Market has discussed setting up a Business Improvement District to better manage streets and public spaces in the district as well as expand marketing and promotion.

Sheds provide more weather protection for vendors and make year-round use more practical in a climate colder than Boston.

Food security component of markets similar to Haymarket and Eastern Market is working to strengthen this role as the city of Detroit will soon have no supermarket within the city limits. Local foundations are supporting this activity.

Sheds have traditionally mixed resellers and farmers; market has recently separated farmers into their own shed.

Non-profit management entity able to fund-raise for capital improvements and programs.

Pike Place Market, Seattle, WA



History

The market was officially established in 1907 when a group of farmers left Seattle's wholesale district in order to sell directly to the consumer. Starting as an open-air market, it gradually expanded to include a series of private market houses, stores and residences that surrounded the farmers' stalls.

Continued growth was threatened in the 1970's by a plan to raze the market for a large urban renewal project. A huge citizen-led effort mobilized to 'save the market' which culminated in a successful ballot initiative. The result was the establishment of a formal historic market district.

Size

8.5 acres

Ownership

City of Seattle owns 80% of the property within the district. There are still a number of private properties in the district.

Merchandise Mix

200 year-round commercial businesses— including restaurants which are the largest

square foot user in the market.
 190 craft vendors
 120 farmers
 240 registered street performers
 300 apartments

Access and Parking

The market built its own parking garage although parking is still considered difficult. There is limited street parking and many people park blocks away and walk. Public transportation is also available on many of Seattle's bus routes.



Management

The market has its own Charter and is managed by multiple organizations. Pike Place Preservation and Development Authority is the principal management entity and is a public development authority which is legally separated from the city. It has a 12 member board. Historical Commission has authority over allowable design and uses to preserve the character of the market. Market Foundation is a non-profit organization that serves the markets human service agencies. Merchants Association advocates for and serves its members primarily with professional services and insurance. Market Constituency exercises the public's oversight of the market. Its powers are as

advisors and lobbyists.

Financial

The market's annual revenues exceeded \$13 million in 2007 and it has traditionally operated with a surplus that goes into a capital reserve fund. It does some fundraising through the Market Foundation.

Housing

The market itself has 300 apartments for low income tenants sprinkled throughout the market. Pike Place is nearly all retail so there is not that much noise before 7 or 8 o'clock in the morning. There is also a small luxury hotel in the market district, but it is not affected by much noise or other disturbances. In fact, the market is a selling point for attracting guests. Adjacent to the market there are new luxury high rise apartments that actually use the market as a selling point and asset for residents.

Current or Recent Development Initiatives

A \$75 million levy will be put on the Seattle ballot this November asking citizens for money to repair and upgrade the market's structure, infrastructure and accessibility.

Why it works

Visually and sensorial stunning.
 Fantastic and dramatic location.
 No chain stores or franchises—a true alternative shopping environment.
 Human scaled and organic atmosphere—not perfect, but highly satisfying.

Challenges

As the market becomes increasingly popular, it is working diligently to keep its local flavor and clientele. Tourism has become a problem and the aisles are flooded with visitors who are not interested in buying fresh fish and vegetables—only looking at them.

This influx has deterred many locals from shopping at the market. Farmers are leaving and setting up in new outdoor markets in neighborhoods.

Relevance to Haymarket

Preserved historic district is similar in size to Haymarket with similar mix. City intervened and brought multiple properties under unified management. City defined and created a historic district with distinct boundaries and use controls. Market became too tourist-friendly and lost local customers.

Borough Market, London, England



History

An ancient market, Borough has been in its current location for 250 years with most of the current buildings dating from the 1860s. Originally a wholesale market, Borough is expanding its retail trade and has developed an identity as ‘London’s Larder’.



Size

4.5 acres

Ownership

City of London

Merchandise Mix

Essentially all food and food-related.

62 greenmarket (farmers and producers) vendors
 56 shops and restaurants
 36 fresh food vendors

Access and Parking

1 block from the Underground.
 7 bus stations within walking distance.
 Street parking and a parking garage 2 block away.

Management

A new not-for-profit corporation was established in 1999 to operate the market. The board of trustee members are all from the surrounding neighborhood.

Financial

n/a



Housing

n/a

Current or Recent Development Initiatives

A physical restoration started in 2001, “to bring sights, smells, tastes and experiences to the people of London, and at the same time, to support the small farmers, growers, producers and importers that put so much effort into the products they sell,” and continues today. A trust was set up to purchase adjacent real

estate parcels to preserve their scale and uses complementary with the market.

Why it works

Atmosphere and quality—not too upscale or contrived.

Overall experience highly satisfying.

Community involvement with all aspects of management.

Attracts people from all over London—it is the center of the food world for the city.

Challenges

Preserving the grit and authenticity in the midst of a gentrifying area.

Maintaining non-intimidating atmosphere and bargains to continue attracting low and middle income shoppers.

Relevance to Haymarket

Community based, non-profit board has changed the way market is managed resulting in improved services and patronage by residents.

Non-profit board is able to fundraise and augment limited city resources.

The market’s commitment to being a ‘local’ attraction has positively influenced adjacent private properties, many of which now offer specialty foods and products.

The market is close to a major subway station. The market successfully mixes resellers and farmers improving business for all.

Granville Island Public Market, Vancouver, BC, Canada



History

In 1970 Granville Island was an industrial area in decline; today, it is a vibrant, modern community that includes over 300 businesses, studios, schools and facilities and employs more than 2,500 people. The Public Market is a centerpiece of the island.



Every day, locals and tourists shop, dine and enjoy the unique and varied activities the island has to offer. More than 12 million visitors travel from near and far to enjoy the Granville Island experience each year, and for residents living on the picturesque floating houseboats

of Sea Village neighborhood, Granville Island is home.

Visually, it's a unique mix of historic and modern structures, with many of the old industrial spaces being reclaimed as theatres, artists' studios, retail shops, and a large public market. Surrounded by waterfront walks, quayside activity and open-air performances, there's as much to see outdoors as there is indoors.

Size

Island—35 acres
Market—40,000 sq. ft.

Ownership

Federal government—Canadian Mortgage and Housing Corporation

Merchandise Mix

Market is all food with some craft day stalls. The Island has retail, restaurants, education, hotel, offices, and houseboats.



Access and Parking

2 bus lines
Ferries and aqua buses
Bike paths and walking routes
1200 parking spaces on the island—some spaces have 1 to 3 hours of free parking.

Management

CMHC—Canadian Mortgage and Housing Corporation

Financial

Economically self-sustaining, receives no public funding.

Market sales are monitored and exceed \$1000 per square foot per year.

Housing

There are some houseboats on the Island, but they are not near the market.

Current or Recent Development Initiatives

Long term planning underway for the entire island— with a public input initiative.

Market considering an expansion with more stalls, better storage and larger washrooms.

Why it works

Carefully managed mix of merchandise—fresh and prepared foods.

High quality tenants.

Excellent public spaces for gathering adjacent to the market.

Market experience tied into other attractions on the island.

Challenges

Increased competition for the food dollar with supermarkets and outlying markets.

Relevance to Haymarket

Indoor market is the anchor for a larger market district.

Market is in a mixed use area—retail, hotel, housing and open space.

Market ‘drives’ the surrounding commercial area.

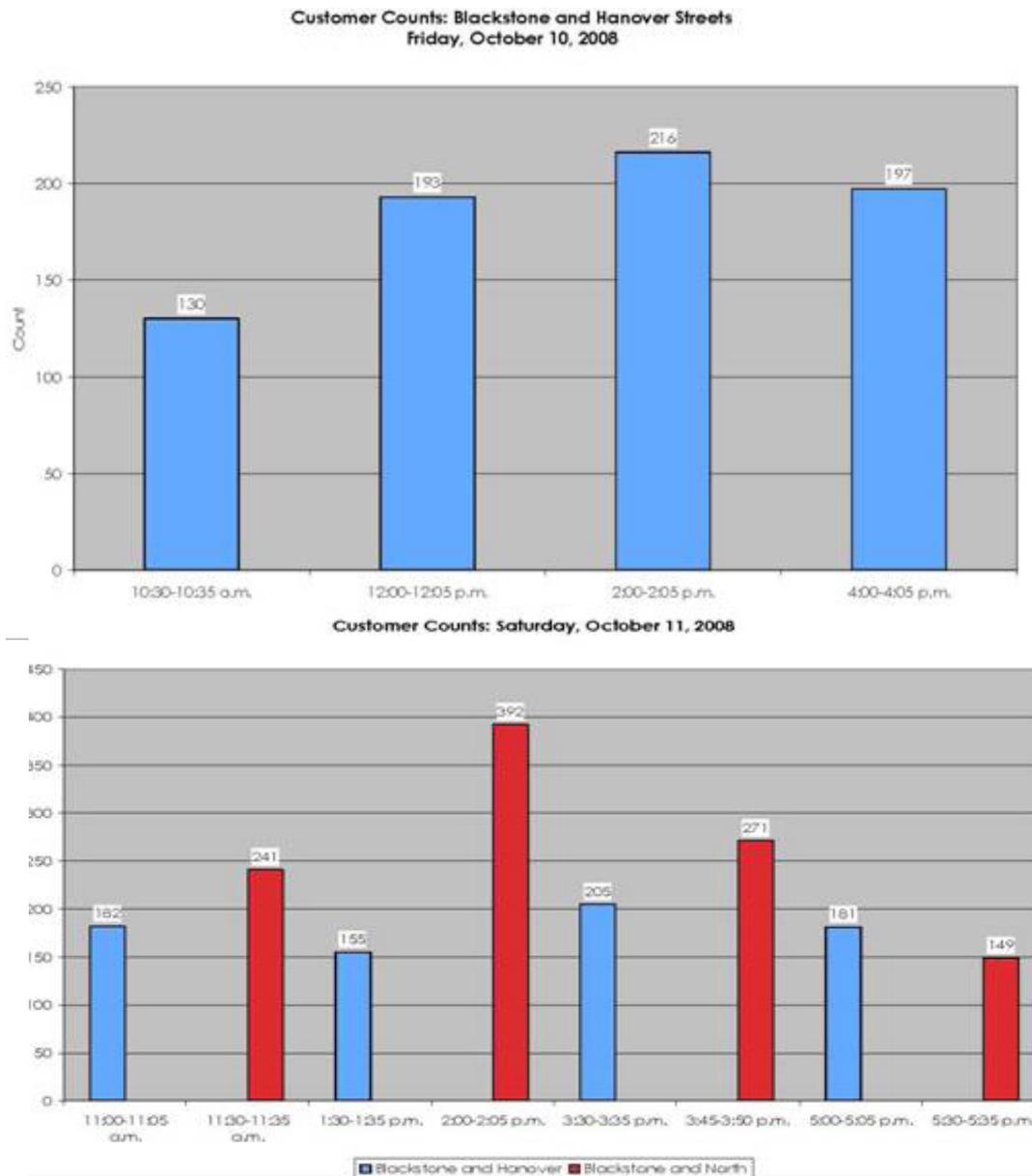
Government took the lead in the development of market.

APPENDIX D: Haymarket Customer Survey

On Friday, October 10 and Saturday, October 11, 2008, PPS conducted customer counts and 161 customer surveys on-site at Haymarket. Respondents were approached while they were shopping in the market on Hanover, Blackstone and North Streets.

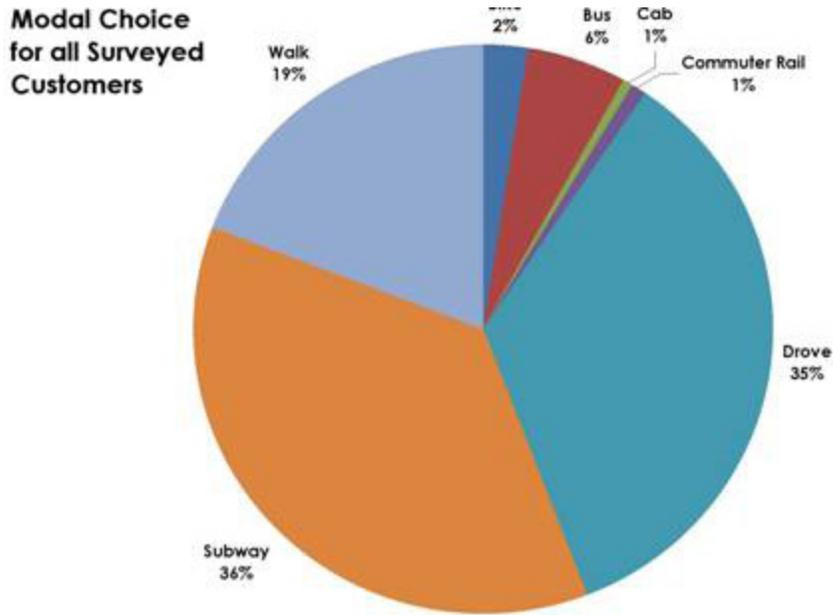
The survey questions and responses, as well as charts displaying the customer counts, can be found below.

Customer Counts



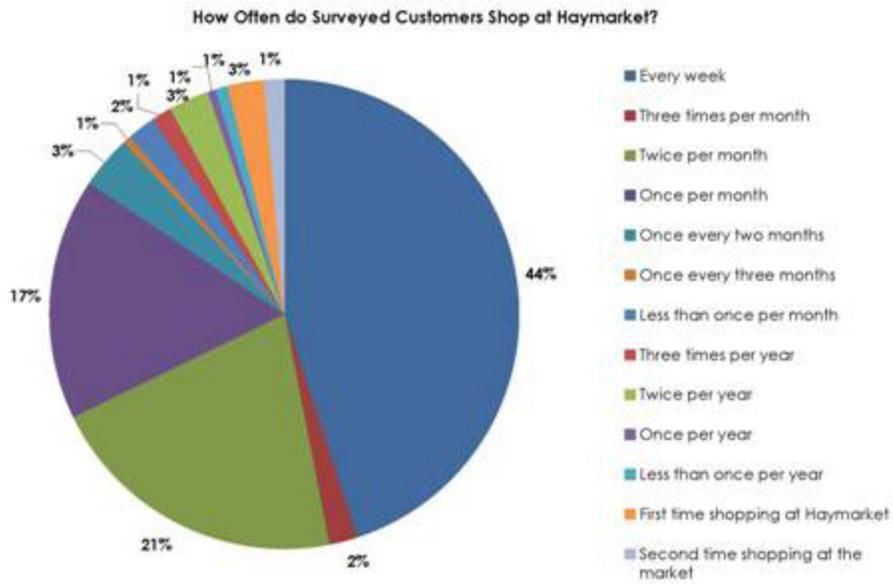
Customer counts were tallied throughout both days and show that Haymarket attracts about 15,000 customers on a daily basis, depending on the season and weather.

How did you travel to Haymarket today?



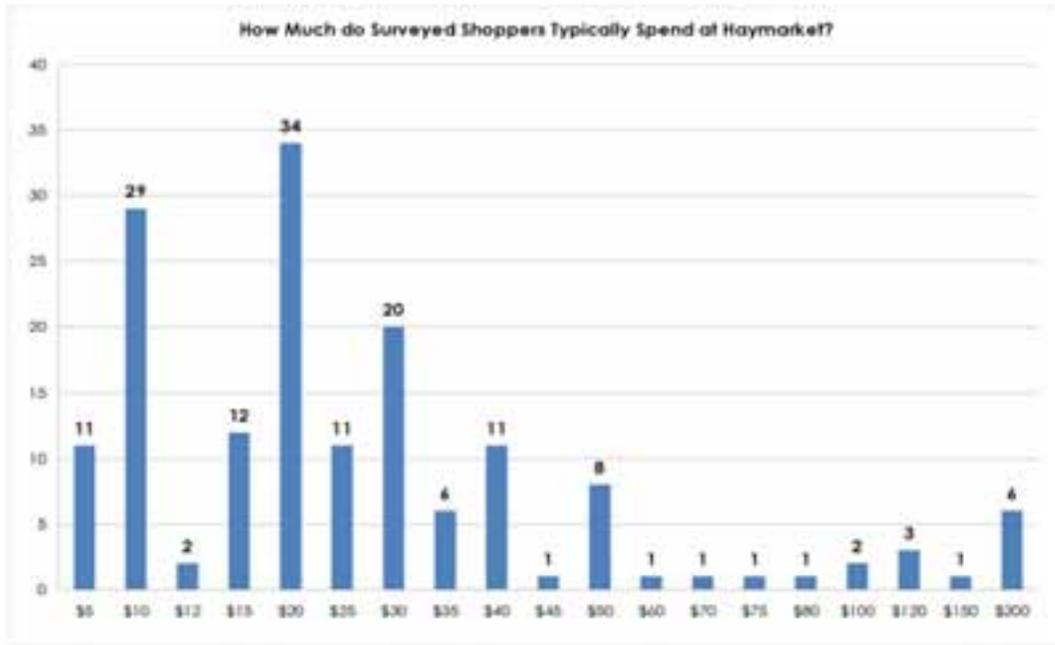
While 36% of the surveyed customers reported that they took the subway to and from the market, a significant portion of those surveyed drove to the market, therefore parking is an important consideration.

How many times a month do you visit Haymarket to shop for food?



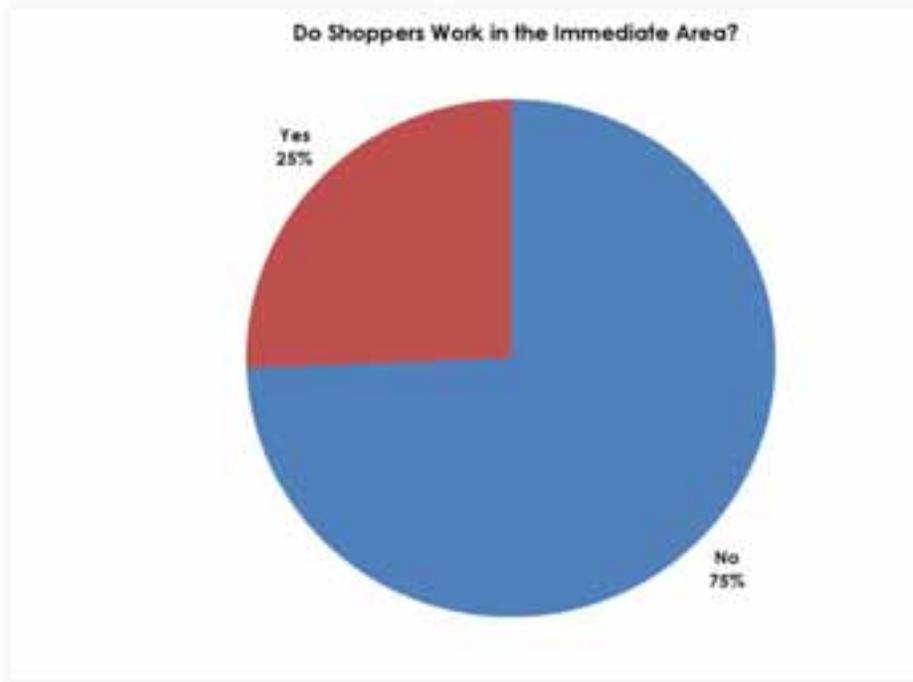
Eighty-four percent of surveyed customers report shopping at Haymarket at least once a month. These repeat customers are loyal and important to the sustainability of this market.

How much did you spend (or do you expect to spend) today at the Haymarket?



A majority of surveyed customers report spending between \$10-30 on groceries at Haymarket.

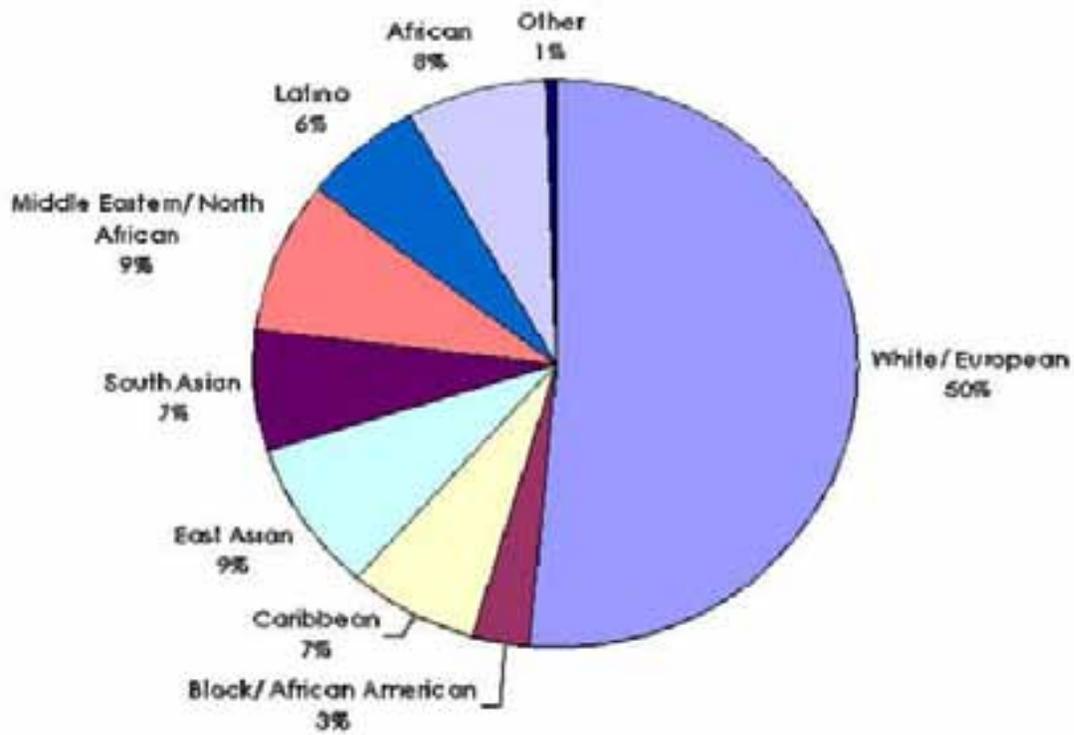
Do you work within walking distance of the Haymarket?



Most Haymarket customers do not work in the surrounding area, and come specifically to this area for the market.

Please identify your Race/Ethnicity.

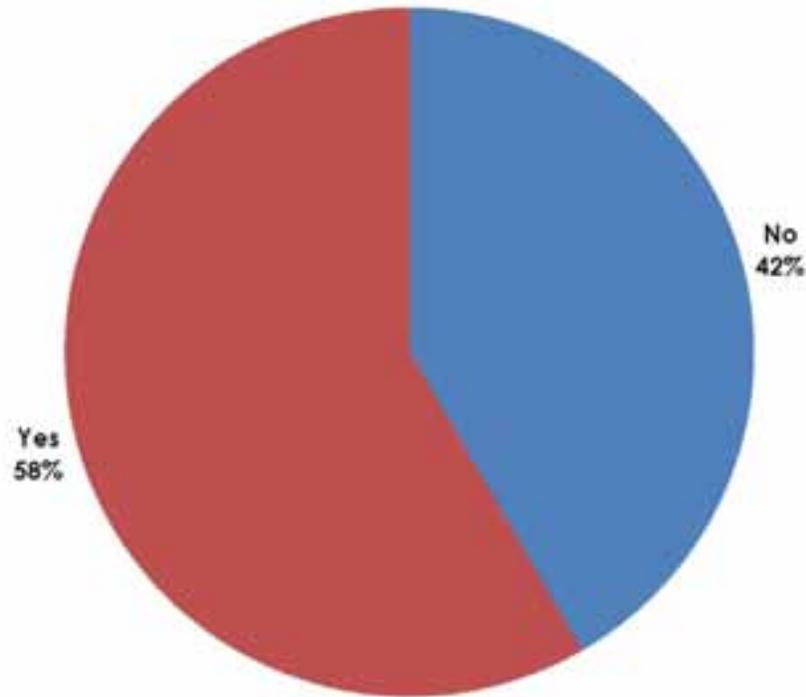
Racial/ Ethnic Composition of Surveyed Shoppers



The diversity of the Haymarket customer base is evident, with almost half of the surveyed customers self-identifying themselves as non-White/European.

Is Haymarket your primary source for produce?

Is Haymarket Your Primary Source of Fresh Fruits and Vegetables?



Perhaps most striking was that a strong majority of surveyed customers use Haymarket as their primary source of fresh fruits and vegetables.

APPENDIX E: On-line Vendor Interest Survey

PPS contacted over 40 farmers/producers within the greater Massachusetts region to complete an on-line survey gauging interest in participating in an indoor, year-round public market on the proposed Boston Market District site. Of those 40 contacted, 18 completed the survey. The survey questions and results can be found below.

Are you interested in participating in a year-round public market located in the Haymarket District?

- Yes—10 responses
- No—2 responses
- Maybe - 6 responses

How often would you want to sell at a year-round public market?

- Full-time—9 responses
- Part-time—7 responses

Would you prefer to sell at an indoor or outdoor public market within the district?

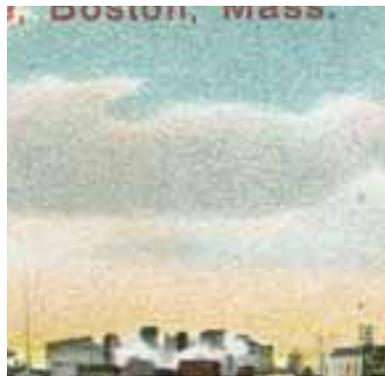
- Indoor—10 responses
- Outdoor—1 response
- Both—7 responses

How long (months, years) would it take you to prepare to sell at a year-round public market?

- Ready immediately—3 responses
- 1-3 months—6 responses
- 3-6 months—4 responses
- 6-12 months—1 response
- Not sure—3 responses

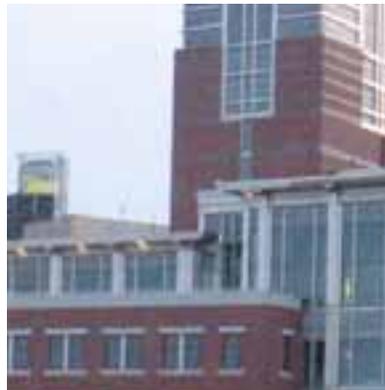
Appendix B

Public Market Implementation Plan



An Implementation Plan for a Public Market in Boston

May 2011



Submitted to:

Massachusetts Department of Agricultural Resources

Submitted by:

Project for Public Spaces
700 Broadway, 4th Floor
New York, NY 10003

May 2011

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EXECUTIVE SUMMARY

Boston has a long history of public markets – at one time the city boasted a series of markets to serve its citizenry and visitors. As in most cities, Boston’s indoor public markets fell victim to ‘modernization’ and they all closed, with the exception of the revamped physical structures of Quincy Market and Faneuil Hall which were converted to ‘festival markets’ having little connection to Massachusetts’s producers, farms and fisheries.

As the tradition of the public market makes a well-deserved reappearance into the everyday life of American cities, Boston – with its burgeoning popularity of outdoor farmers markets - is well positioned to be the next great market success story. Moreover, a new public market has the potential to strengthen Massachusetts’s agricultural economic base by providing farmers, fisheries and producers of value added products a new and significant outlet for their products. The proposed market also has the potential to save small family farms from going out of business, thus strengthening the communities from which these farms and businesses are based. Public markets are also job creators, and the proposed market has the ability to create new jobs for Massachusetts residents, both in the market and throughout the regional food industry.

Project for Public Spaces’ (PPS) overall effort in this project was to provide the Massachusetts Department of Agricultural Resources (MDAR) with a guide to successfully implement the long-awaited public market in Boston. This implementation guide was created utilizing our research on the market’s potential consumer demand and vendor/product availability, as well as our experience and knowledge in planning and operating public markets. Meetings with the Task Force, interviews with local stakeholders, and two public meetings also informed our work. Accompanying this guide is a portfolio of resources (each chapter ends with a list of relevant resources) including the results of our detailed research and sample documents provided by public markets from around the United States.

Ultimately, the proposed public market is well positioned for success. It has a strong sales potential, extensive interest from potential Massachusetts vendors, enthusiastic support from the public, a great location and strong government commitment. We believe that this implementation guide showcases the market’s potential and will support the Commonwealth in its effort to create a great, new destination with broad public benefits.

Key Findings

1. **Customers:** Management needs to have laser focus on its core customers for the public market -- nearby Boston residents who will use the public market as their secondary food store and who will be looking for quality product, a unique experience, and a personal connection to the vendors. Customers from the immediate Boston metro area can also be expected to be attracted, albeit less

frequently than nearby residents: they too will be drawn by special products, one of kind vendors, and the experience. Office workers and tourists will be attracted to the market for lunch and eating food on the premises, but it is critical that the market not devolve into a food court.

- 2. Connection to Haymarket and Market District:** Consumers surveyed clearly understand that Haymarket offers a different, low-price option. Because many consumers currently frequent both Haymarket and farmers markets, there should be a strong synergy between Haymarket and the public market. The principle of agglomeration economics used in our study shows that both markets will have higher sales when both are operating, in part because of the broader selection and range of price-points that the two markets will offer. To encourage synergy and coordination, market district interests and communication should be coordinated by the public market operator to include the operators of Haymarket, Parcel 9, and local independent businesses.
- 3. Focus on Quality, Freshness, and Value:** The public market's primary emphasis should be on a full range of high-quality, fresh products, including high quality specialty foods. Shoppers must, in the least, be able to buy the fresh product that they can buy at any competing supermarkets and more. The public market cannot be viewed only as an expensive place to shop. A range of price points should be available in the market, and product sold by weight, allowing smaller purchases. The connection to Haymarket, as noted, increases supply for the bargain and specialty food shoppers on Fridays and Saturdays.
- 4. Product Source:** The public market can showcase a wide range of Massachusetts products, especially during the growing season (June through October) and strengthen the region's agriculture and fisheries economy, but it will need to extend its product selection to meet consumer demand. Whenever possible, product sold at permanent stalls and daystalls should be source-identified from Massachusetts, the New England region, nationally and internationally. Permanent market vendors should be offered incentives, both financial and promotional, whenever practical, to increase the amount of Massachusetts product in their inventory and/or product ingredients used, as well as setting guidelines on the amount of non- Massachusetts inventory that can be carried on a year-round basis, so that consumer demand can also be met. Daystalls can have more rigorous limits in terms of product sourcing, and priority should be given first to products that are "Massachusetts grown or produced."
- 5. Buy Local Branding for the Market:** While the market should strongly embrace the buy local message, consumers from our surveys are not currently clear what "local" means, and many consider "New England" as "local". A branding consultant should be retained by the market operator so consumers clearly understand the mission and character of the public market, including how this relates to Massachusetts's "Commonwealth Quality" program.

- 6. Vendors and Businesses:** All businesses should be locally owned and operated. To provide customer choice, the market should have internal competition within food categories, and no exclusives on products should be granted. There is an ample pool of potential vendors interested in full time stalls to recruit from for the market, especially given the limited amount (about 14,000 rentable square feet) of retail space that needs to be filled. There are a number of existing aggregator and consolidator businesses poised to provide Massachusetts and regional product to potential permanent stall vendors. Because cooperatives organized by commodity groups to sell product at the market either do not currently exist, take time and financial resources to establish and/or have a high rate of instability and failure, the market needs to be open to using third party retailers with strong business skills. The majority of farmers surveyed are mainly interested in using daystalls and selling their fresh produce on a seasonal basis. Management will have to be selective in achieving the right mix, and utilize daystalls to keep the market fresh and changing.
- 7. Merchandise Mix:** While primarily a fresh food market, the market can feature limited prepared foods without becoming a food court. There is great opportunity for some of the vendors to supplement their fresh product with prepared foods, even if the market has limited venting potential for cooking. Public seating will provide a place to eat, but outdoor café seating and picnic tables on the Greenway could seasonally expand seating. The market is not dependant on having a full service restaurant, which would increase the construction budget and be challenged by a lack of ventilation for cooking. Small cafes are possible, however.
- 8. Market Character:** The public wants the public market to be welcoming, not fancy in appearance, and a “real place.” Display should not be too “precious.” All shoppers should feel welcome. Finishes and design treatments assumed in the cost estimate are “basic”: sealed concrete floors, painted ceilings, etc. with an emphasis on lighting product and displays. Vendors will be responsible for their own stall designs, but design guidelines should be clear about the character and functionality of these stalls.
- 9. Layout and Facility:** While accommodating a public market in many positive ways, the Parcel 7 site will present ongoing challenges for management, due to lack of onsite storage, non-universal plumbing access, limited venting for cooking, and small loading areas. The layout of the market, to be more fully developed during the design process, should emphasize ease of customer circulation and flexible public spaces that can be used for seating, demonstrations and daystalls.
- 10. Market Exterior:** The exterior arcade for the building should extend the daystalls along the perimeter of the market. The building should have an “indoor outdoor” feeling, especially on the Blackstone-side of the building to create a connection

with Haymarket. Within the constraints of Haymarket utilization of the space on Fridays and Saturdays, the outdoor space should be programmed as a multi-use public space. The market building does not look currently like a market, but, its height and architectural features such as the towers, offer great potential for iconic signage that customers can see from the downtown area and the North End.

- 11. Greenway Connection:** The public has stated that they are looking forward to the public market bringing activity to the Greenway, and there were extensive ideas provided at the public community workshop about specific uses and activities that are appropriate for the park space adjacent to the market. While not necessary to implement the market, the public market's oversight committee should develop a plan working with the community to retrofit the adjacent Greenway to better accommodate the types of recreational uses identified at the workshop and to develop ways to better program and manage this space in concert with the public market and the market district.
- 12. Parking and Deliveries:** Parking and deliveries will be a challenge and require further investigation. Parking for vendors and delivery access were identified as major obstacles. While there are 310 public parking spaces in the Parcel 7 garage, half are monthly parking spaces and data shows that the garage is often heavily occupied midday weekdays and Saturdays. Validations for Haymarket and local restaurants are provided, and the public market will need a similar program. Additional parking in the Government Center garage should also be arranged by the public market's oversight committee. For deliveries, access to the current loading dock will not provide nearly enough space, and curb deliveries will have to take place on Blackstone Street and Hanover, and coordinated with Haymarket. A thorough assessment of parking should be undertaken by the public market's oversight committee so that an accurate picture of the volume, timing, and location of parking and deliveries can be better planned.
- 13. Organization and Oversight:** The Commonwealth, as owner of the building, should organize a seven to nine member public market oversight committee representing different state and city agencies and public interests to assist the Commonwealth in establishing a lease of the market, set the mission for the market, and establish broad guidelines for its development and operation. The oversight committee will decide how the real estate development and construction process should be organized as well. A non-profit market operator should be selected through an RFP process.
- 14. Operator is Key:** Establishing an effective operator is core to the successful implementation of the public market. Responsibilities will include creating the right tenant mix, atmosphere, and image; dealing on a daily basis with vendors; promoting and marketing the market; and managing the mechanics of property management on a complex site. For start-up, the report outlines an extensive list

of operator requirements, which includes real estate development experience and establishing relationships within the market district with Haymarket and the future operator of Parcel 9. The market will require extensive permitting. The operator will also have significant fundraising responsibilities for the market.

- 15. Budget and Funding:** The total cost of implementing the public market is estimated to be at least \$8.5million, including design, build-out, construction contingency pre-opening expenses and a projected operating shortfall. The construction budget is order-of-magnitude and will need to be recalculated during the market design process. It is critical that the market operator have access to sufficient working capital, including the ability to provide rent incentives and tenant allowances for stall construction. In addition to funding from the Commonwealth a fundraising campaign led by the operator should approach a variety of Federal, State, local, and private sources and should commit to opening the market debt-free.
- 16. Break Even Success:** Sources of income for the operator include rents from permanent stalls and daystalls. The operator will achieve break-even status at an average of \$75/sq ft for permanent tenants, using triple-net leases – with annual sales of \$16 million. Vendor sales should be able to sustain higher rent levels, however. Using the Huff Gravity Model, we estimated that the market has the potential to capture \$15.5 to \$19.5 million in sales, so the break-even level is well within the range of feasibility.

CONSUMER DEMAND

Introduction

Farmers Markets have been growing rapidly throughout America as consumers are looking for fresher, natural, and organic products as well as supporting local businesses. Following the success of farmers markets, interest is expanding in continuing the farmers market experience beyond the traditional harvest seasons and making it a year-round experience in the form of what some may call a public market.

However, public markets are different from farmers markets. These public markets require a different business model, which requires more capital and a management structure to operate the stalls. Many of the vendors at public markets are no longer seasonal sellers, but year-round vendors. As a result, one of the draws of farmers markets – their ephemeral nature - has changed. In addition, the public market's strength is in fresh foods and not in selling frozen foods, grocery items, national branded products, or sundries. To compete for the consumer's time, the public market must provide in-depth variety offered through internal competition. Vendors selling similar products distinguish themselves through price, service, and unique offerings. In essence, a public market is a cluster of specialty food stores taking advantage of agglomeration principles for the common benefit of the public and the vendors.

Developing public markets is complicated and there is a paucity of reliable information on existing public markets. This primary research is designed to help provide information about the customers that will help management make better decisions about the market's design and mix.

Goals

The objectives of the research are to gain an understanding of consumer beliefs, opinions, attitudes, and behavior in order to establish a niche for the public market in Boston. Another major objective is to estimate potential sales for the market to help establish an appropriate tenant mix. The overall goal of these objectives is to provide a comfort level that the public market can be economically sustainable.

Methodology

To achieve the goal, three avenues of market research were conducted. First, there was a focus group among 12 local citizens; next, was the completion of an online survey with 400 Boston area residents. The analysis concluded with using an economic model used by the supermarket industry, known as a Huff Gravity Model, to estimate market shares among the trade area's competition.

Key Findings

Competitive Analysis

- The marketplace is very competitive with shoppers fulfilling their food needs through multiple delivery channels. Every place where food is sold is competition for the public market and food purchases today are spread among many different channels and within each channel has its own set of competitors. The public market will likely compete more intensely with Whole Foods and will mostly complement Trader Joe's and Haymarket – each of these are specialty niche channels providing a different offering than the public market. (Resource Portfolio A, p. 50-51)
- The public market will feature Massachusetts grown and produced products as a way to help differentiate it from its competitors; however, there is no indication that a public market exclusively selling Commonwealth grown and produced products can be economically sustainable. (*ibid.* 24)
- Consumers are generally satisfied with the current offerings especially in the areas that they consider important. (*ibid.* 54-59)
- High quality fresh produce is the most important reason in selecting where to shop and it is essential for this market. (*ibid.* 58)
- While the public market's emphasis is on locally grown and produced products, it is also essential that the market carry other produce that is not indigenous to New England, such as citrus fruits and bananas. The lack of these types of items will diminish the attractiveness of the market and lower overall sales potential because these are products that consumers buy regularly. If such products are not available, the consumer will reduce their frequency of visiting the public market and will shop at the public market only for special occasions. (*ibid.* 17-18, 55)

Haymarket

- Customers understand the difference between Haymarket, farmers markets, and the concept of a public market. (*ibid.* 24, 44-48)
- About three of 10 Boston area residents now shop at the Haymarket at least annually and this will provide excellent exposure to the market as well as providing new customers for the Haymarket. (*ibid.* 45)
- Haymarket customers frequently shop at farmers markets and should by inference shop at the public market. (*ibid.* 44)

Local Food

- Emphasis on locally grown and produced foods will be very important to the success of the public market and it will serve to help differentiate the public market from conventional supermarkets and Haymarket.
- Customers perceive local as being from New England/100-miles from Boston. Defining the Commonwealth as "local" did not register highly with customers. (*ibid.* 33)
- Customers buy local if they think it helps the local economy, but more importantly, they also want to buy the freshest products. (*ibid.* 34-35)

Sales Potential

- The Huff Gravity Model, which measures the interaction between *convenience* and *selection* estimates the market could have the potential to capture approximately \$19.5 million of Boston's \$548 million in fresh food expenditures. (As a conservative approach, we recommend providing a range which starts at 20% less than the model suggests, that is, \$15.5 million to \$19.5 million in estimated sales potential.) The model's proxy for selection is the size of the market; it is self-evident that the larger the size of the public market the more products it can offer. However, while the public market will not have the same overall variety as supermarkets; ideally it should exceed supermarkets in the depth of offering in fresh and specialty food items. The sales potential includes the expenditures for all produce items. The model assumes that the public market will offer customary fresh products found in local supermarkets. (*ibid.* 10-16)
- If items such as citrus are not available and other fresh fruits and vegetables are only available seasonally the estimated produce sales could drop by more than half. Likewise, if seafood and meats, such as lamb, are also seasonally limited, further erosion of sales will occur. These limiting affects become cumulative because customers seldom are aware of the seasonality of food and when they find that products are not available they look elsewhere to fulfill their needs. (*ibid.* 14-16)
- Not included in the potential capture of fresh food sales is the approximately \$25 million in lunchtime prepared food expenditures by the estimated 56,668 office workers within a quarter-mile. (*ibid.* 19-20)
- In addition to the office workers, tourism, which brings an estimated 19 million people annually to Boston, was not considered. The Freedom Trail, which runs adjacent to the market site, is estimated to bring more than a quarter-million visitors to this site annually. The office workers and tourist were not considered because their primary purchases are in prepared foods and consumable food products. (*ibid.* 21)
- Survey results show that the Congress/Hanover location is a convenient place to shop for food for 46% of the respondents. (*ibid.* 19)

Challenges

The market conditions for this public market are sufficient to it. However, market conditions alone are insufficient to ensure a successful public market. Any introduction of new channels of food distribution, like the public market, need to earn a place among the many choices their customers have in shopping for food.

The ability for this public market to be successful depends upon it capturing sufficient market share from other food channel venues. The public market captures market share by doing a better job than its competitors do in meeting the needs and wants of its customers. This can be accomplished by being more convenient to the customer or by

offering more selection (this is what the Huff Gravity Model measures). Increased market shares can also be accomplished through a combination of meeting other factors important to customers in choosing where to shop, like product freshness, better pricing, or a host of other factors --including local Massachusetts products.

This public market will feature local food products and a challenge is to create a stronger desire to purchase Massachusetts products than our research now shows. (*ibid.* 24, 33)

The plan for this public market is to tap into what our research shows is the customer's desire for very fresh local foods at an affordable price point. Another part of the plan is to provide the customer with a wide variety of locally grown and produced specialty foods that are not widely available at other food venues in the area and in providing a continuous stream of innovative food ideas that will regularly bring the customer back to shop.

The public market needs to provide customers an experience of both place and shopping. It does this through appropriate atmospherics in the design of the public market and in keeping the offering fresh by bringing in daystall vendors with a combination of the freshest produce or unique product offerings that provide the public market with "affordable exclusivity."

Recommendations

- Provide a non-exclusive focus on Massachusetts fresh products.
- The public market should lead the process of building the Massachusetts "brand" by showcasing local items and providing demonstrations showing how consumers can incorporate Commonwealth grown and produced products into their meal planning.
- Remain flexible if execution of the plan does not achieve sales objective by expanding the offering to include more prepared foods. This location can serve a very large office market population and with its location on the Freedom Trail, it can serve tourists.
- In addition to providing the staple fresh food products like produce, meat and fish, provide a wide selection of high quality, specialty, fresh foods products.
- The public market must look and feel different from local supermarkets and especially from Whole Foods, Trader Joe's, and Haymarket. The design of vendor stalls should allow for individual character and identity, but together the public market should have an underlying design theme that creates a sense of place. The public market also needs to deliver a different shopper experience – the public market has the ability to engage its customers more directly and interactively with its individual vendors in a way that other channels cannot. Emphasis should be on high-quality, fresh products, but the display should not be too "precious" and pricing of the products should allow everyday shoppers feel welcomed at this market.

Conclusion

This location provides the public market with many attributes for success. Adjacent to the Haymarket this location is an established regional center for buying fresh food products. The public market is well served by public transportation and also offers very convenient parking. The primary trade area (*ibid.* 7) provides an immediate residential base of high-income households and the office population within walking distance (*ibid.* 10) offers more than 56,000 workers. While this public market is not targeted to tourists, its location on the Freedom Trail and proximity to the historic Quincy Market, Boston's major tourist attraction, provides additional potential support.

The success of the public market relies upon it becoming a destination for fresh food products. The public market should offer very high quality fresh foods, feature locally grown and produced products, and a wide assortment of products that are only sold at the public market. Careful attention is needed for developing appropriate "atmospherics" that create a shopping *experience*. Finally, product pricing must be competitive to create value.

Resource

A_Consumer Research PowerPoint

VENDOR AND PRODUCT AVAILABILITY

Introduction

The creation of a public market in Boston offers the opportunity to strengthen the region's farm and fisheries economy through direct sales at the market, and offers a powerful tool for creating more awareness of, and demand for, Massachusetts farm and fisheries products. Vegetable and fruit producers, livestock farmers, the horticulture industry, fisheries and seafood industry, and specialty food producers have expressed an overwhelmingly positive response to selling year round and seasonally at this market. Even with this positive response, it is important to understand the impact that seasonal production and producer capacity will have on product supply and diversity, as well as consumer demand for products grown outside of this region and climate. Despite some of the seasonal barriers to product availability, there are strategies identified in this report that allow the focus to remain on family farms, sustainability of production and product source identification, all of which are growing trends in agriculture in Massachusetts and across the United States.

Methodology

To assess vendor and product availability and to collect the broadest base of information, a combination of methods were used to gauge the following:

- Models of selling: permanent stalls, daystalls, selling to independent retailer at market
- Product Mix: supply, seasonality, advice on product selection based on Massachusetts production
- Vendor Interest: vendor availability and barriers to participation

Information was gathered through:

- Interviews with: (Resource Portfolio B)
 - MDAR project and department coordinators and managers
 - Commodity group leaders
 - Buy-local project managers
 - Distributors
 - Consolidators
 - Farmers
 - Specialty food producers
 - Food business owners
 - Local food consolidation, distribution and retail businesses
- Vendor Interest Survey: paper and online surveys were submitted by 138 potential vendors, with approximately 128 surveys fully completed. (Resource Portfolio C)
- Informational Meetings:

- Vendor Information Meeting and Market Site Tour, February 24, 2011 at the Massachusetts State House. Over 125 potential vendors were in attendance. (Resource Portfolio D)
- Harvest New England Conference Trade Show, March 2-3, 2011. Photo display, information and education provided to potential vendors; survey dissemination; interviews with potential vendors and industry professionals.

Key Findings and Challenges

1. There is more potential interest for vending space than there will be space available. (Resource Portfolio C, p 3, Question 7)
2. Potential vendors would like to sell products as follows: (*Ibid.* 3, Q9)
 - a. Permanent stall, selling year round - 46%
 - b. Daystall, similar to a temporary farmers market model, especially when seasonal product is available - 44%
 - c. Sell product to an independent retailer at the market or hire staff to sell product at the market: This model includes producers clustering their product in one space, for example meat and cheese, and having staff to manage it or collectively selling to someone who will retail it at the market – approximately 10%.
3. Core agriculture, seafood and horticulture products – meat, dairy, fish, shellfish, cheese, plants and flowers – are available year round in Massachusetts, with an interested pool of vendors poised to establish permanent stalls with these products, especially for fish and seafood where producer groups appear to have the necessary infrastructure to move forward as soon as possible. (*ibid.* 1, Q2)

Challenges:

- Producers are more interested in having someone sell their product rather than being present to sell it, in most cases, and recognize the need to cluster products from other farms. For example, a meat counter may feature a number of farms' products because one farm may raise beef while another raises pork. (Producer and Distributor Interviews)
- There are few commodity or producer cooperatives that have already formed or have the necessary infrastructure to meet the demands of maintaining a permanent stall at a market and the long term survival rate of commodity or producer cooperatives has been relatively low. The lobster and fishery industries may be the only exception at this time. (Interviews with DAR staff, commodity group leaders, farmers, fish and seafood industry members)
- Product supply and variety will be an issue with some commodities and outside of the growing season (June through October).

- Some agriculture producers have said they will not participate in the market unless they receive exclusive rights to sell their commodity product.
4. Fresh produce will be abundantly available from Massachusetts farmers during the typical growing season (June through October). In addition, more farmers are growing greater quantities of winter storage crops and extending their season by producing leafy and salad greens during the winter months. However, quantities and varieties of fresh Massachusetts produce outside of the typical growing season will always be limited. At the same time, warm weather produce and produce not typically grown in the Northeast, such as bananas, avocados, and citrus fruits, will always be in high demand by consumers. (Resource Portfolio E, p. 1)

Challenges:

- Of the 46 produce farmers who completed the survey, only 12 are interested in having a permanent stall, and of those only five want to sell year-round; the remaining produce farmers are interested in daystalls, but only six of these want to sell year-round.
 - Farmers interested in daystalls want guarantees that they will be able to have the same space in order build up their customer base.
 - Most of the produce farmers plan to hire someone to represent their farm at the market rather than be present to sell all the time, but are willing to be present on occasion.
 - A considerable number of farmers and farmers market managers who were interviewed want this site to be most like a year round indoor producer-only farmers market at which there should be absolutely no re-selling of any type despite consumer demand.
 - Market organizers will have to grapple with the issue of selling out of season and non-native produce in order to meet consumer demand and ensure economic sustainability. (*Ibid.* 1)
5. Over 60% of survey respondents (Resource C, p. 1, Q2 & 3) - the largest group in attendance at the Vendor Interest Meeting on February 24 - were non-agricultural, food-based businesses from the Boston area who expressed strong interest in selling at permanent stalls. Many of these potential vendors want to sell specialty foods (nuts, coffee, tea, spices, oils, vinegars, etc.), value-added products, baked goods, and prepared foods. Competition for space will be highest among these businesses.

Challenges:

- The majority of the product ingredients are not from locally sourced materials, but the final product is mostly, but not always, made in Massachusetts. For example coffee beans grown in Mexico are roasted by local independent roasters. (Vendor interviews)
- Most of these businesses are not yet interacting with or supporting the farms and fisheries of Massachusetts; however, they are independent,

local businesses. (Vendor and sustainable business network personnel interviews)

6. Barriers to Participation: The following are the most commonly identified barriers to participation by all potential vendors: (Resource Portfolio D, vendor, consolidator, distributor and Buy Local program personnel interviews)
- The cost of participation—rent, utilities, etc.
 - The availability of stall storage (both day and permanent) and remote ‘dry’ storage
 - Availability of refrigeration
 - Size of stall
 - Loading and unloading conditions
 - Location, availability and cost of parking
 - Travel expenses (tolls, etc.)
 - The success of the market and the vendor’s ability to get a good return on investment

In summary, there is a strong supply of potential vendors:

- There is a wide variety of products that are grown, raised and caught in Massachusetts that could be sold at the market, both on a permanent and daily basis, allowing for the variety of product sold at daystalls to be constantly changing.
- Fresh Massachusetts grown produce will be abundant during the growing season (June through October) but will be very limited during other times of year while the demand for a year round supply of fresh fruits and vegetables will remain high. (Resource E, p. 1)
- There is an abundance of non-agricultural food businesses that would like to sell at the market.
- However, there are limits to vendor participation at the market. Despite a strong desire to have farmers and fishermen/women selling at the market on both a full and part time basis, the reality for these professionals is that they have their businesses to run and will be available on occasion, but more likely will hire staff to be present at the market or have one person sell clustered products from a number of businesses, such as meat, cheese, dairy and fish.

Recommendations

The opening of the public market is only the beginning of an opportunity to support Massachusetts producers and we believe that opportunity will increase as producers become confident in the market as a viable outlet for their goods. We think the best strategies to ensure availability of the maximum amount of Massachusetts product are to provide incentives (rent reduction, added promotions, linkages between the market’s food businesses and producers of local ingredients) for participation and to promote Massachusetts producers through a comprehensive branding message that identifies the market as a trusted source for Massachusetts grown and produced products. The following are specific recommendations on how to address the key challenges while

focusing on strengthening the region's farm and fisheries economy through direct sales at the market while also maintaining an economically sustainable, vibrant market.

- All vendors should be locally owned and operated businesses.
- In the absence of producer or commodity group cooperatives that are poised to be vendors, the market needs to have independently owned, third-party businesses with strong business and marketing skills to sell agriculture, horticultural and fish/seafood products.
- Product Mix: In order to provide a year-round product mix, while supporting Massachusetts producers in a major way, market management can employ a variety of strategies including:
 - Heavily promote Massachusetts products grown seasonally and year round, especially "Commonwealth Quality" program vendors, through the market's branding message and ongoing marketing strategies, for example hosting "Massachusetts Apple Month" and "Maple Breakfasts" at the market.
 - Work to expand linkages between Massachusetts producers and permanent stall specialty and value added food vendors (bakery, prepared foods, etc.) as part of the role and responsibility of the daystall manager.
 - In light of the demand for a year round supply of fresh produce, limit the number and square footage of year-round fresh produce resellers at the market and offer incentives (rent reduction stall location, added promotions, etc.) for buying and source-identifying local produce, and for using local consolidators/distributors.
 - For year round, permanent-stall produce vendors, establish guidelines that encourage inventory to include an annual cumulative minimum percentage of Massachusetts grown produce (selling maximum amounts of Massachusetts grown produce in season but also offering out-of-region produce throughout the year to meet demand). This would take into consideration seasonal availability while making a wide variety of produce available year-round.
 - Daystall participation should be limited to producers only, and first prioritize Massachusetts producers and secondly New England producers, in order to replicate a typical farmers market environment.
 - Retailers selling only fresh Massachusetts produce could receive financial incentives or priority space assignments, especially during the non-growing season.
 - In order to benefit from the market's branding message, food businesses, especially those selling prepared foods and value added products, should be strongly encouraged, if not required, to identify product ingredients that are sourced in Massachusetts. And, businesses using local ingredients should receive additional promotional attention with signage, media attention, etc., to spotlight the producer/business linkages.

- Source Identification: When it is not possible to provide product from Massachusetts, initiate a system to identify the source of fresh food products, especially that which supports family farms from the region and beyond:
 - Develop a strategy for selling products from other regions, especially in the off season, which is source identified. (*ibid.*1)
 - When practical, utilize consolidators/distributors that only source local products or from source identified producers. (*ibid.* 3)
 - Encourage market participation by source identified product retailers. (*ibid.* 2)

- Producer Participation: In order to encourage producers to sell their product directly at the market, either full time or at daystalls:
 - Provide incentives for farmers/fishermen/women and/or their family members to attend the market. These incentives could include a reduction in rent or a priority stall placement.
 - Develop a schedule of promotional activities that bring producers to market for special events and allow producers or commodity groups to participate, educate and promote themselves, for example, “Meet Your Farmer Day” or “Massachusetts Livestock Farmers Day”.

- Non-agriculture food businesses, vendors selling specialty foods, value added products or prepared foods: Vendors that are not growing their own ingredients or who don't yet sell source-identified products/ingredients but are locally owned businesses.
 - Actively support and promote all local businesses at the market even if not yet sourcing local ingredients because they are Massachusetts-based and independent.
 - Non-agriculture food businesses could have a higher rent for their stall spaces that offsets lower rent for producers' spaces. It could be a temporary start up program or could be a permanent part of a rent structure.
 - Develop guidelines for specialty food and value added product vendors that encourage them to use Massachusetts sourced ingredients in the creation of their products.
 - Heavily promote businesses that are working in partnership with Massachusetts agriculture and fisheries, so that there will be an incentive for other businesses/vendors to follow suit.

- Institute an inspections program that will ensure the integrity of the market's rules and regulations.

Resources

B_Interview List for Vendor Study

C_Vendor Interest Survey Results – Aggregate

D_Vendor Meeting Notes – Feb 24, 2011

E_Case Studies of Local Food Businesses

F_Vendor Feasibility Studies

PUBLIC MARKET DESIGN, MERCHANDISING AND ACCESS

Introduction

Parcel 7 is a building that was largely planned as a way to disguise the ventilation shafts for the Central Artery, and as a transportation hub, including a 318-car parking garage and new entrance to the Haymarket T Station. The existing retail configuration, approximately 27,500 square feet in size, was not laid out as a public market and therefore some specific planning parameters that would normally be included in a design process (venting, plumbing, service, storage, etc.) for a public market were not integrated into the design.

As part of preparing the implementation plan for the market, PPS prepared a conceptual layout of how the space could be configured. The purpose of this plan was to identify overall operating constraints and opportunities for the public market, while developing a preliminary number of leasable square footage and an order-of-magnitude cost estimate. While the plan shows that a market can be successfully accommodated on Parcel 7, the building does present some constraints which will present on-going operational challenges for the market.

The building can accommodate a broad merchandising mix of food products. The location of plumbing and storage facilities, however, will constrain the location of vendors that require these facilities to certain locations. A draft merchandising plan and layout presented below will provide general guidance to management to guide their leasing efforts. Leasing, by necessity, involves working with specific tenants to accommodate their specific needs so the “merchandising plan” must remain flexible and responsive to changing conditions, now and over time.

Because markets function as strong social spaces, flexible indoor and outdoor spaces need to be built into the market design. On the interior, these spaces can accommodate public seating, events and demonstrations, and daystalls. On the exterior, the layout of the market includes a public plaza space adjacent to Blackstone Street and there is additional public space available on the Greenway.

Finally, parking and deliveries will be a challenge for Parcel 7. Potential vendors have already indicated these as major concerns. Because many customers for the market will come from the immediate downtown area, access needs to be viewed as “multi modal” – walking, biking, and taking advantage of the connection of the market to the Haymarket “T” station; nonetheless affordable parking will still be required.

This section contains the following main sections:

- **Design and Layout**
- **Merchandising Plan**
- **Parking and Deliveries**

DESIGN AND LAYOUT

Goals

The goals of the design component are:

- To identify the potential amount of leasable square footage and public, flexible space
- Maximize customer circulation throughout the market
- To develop a preliminary cost estimate for development and construction
- To identify key design opportunities that need to be carried through in a future architectural design process

Methodology

To achieve these goals we conducted multiple site visits to Parcel 7, reviewed existing construction drawings and MassDOT provided a detailed memo about the constraints of the site, along with detailed information about the operational practices and usage patterns of the parking garage. (Resource Portfolio G) Based on this information, we prepared two optional concepts and order of magnitude cost estimates, reviewed with the project Task Force. These two concepts were consolidated into a preferred plan and revised cost estimate presented in this report.

On February 23, during our second site visit, we also facilitated a Community Workshop in which over 100 members of the greater Boston community weighed in on the types of products they would like to buy and activities they would like to see at the proposed market. Workshop participants also shared their thoughts about how the market should “look and feel”. (Resource Portfolio H)

Key Findings

1. Parcel 7 can accommodate a public market of approximately 27,500 square feet with approximately 14,000 square feet of indoor leasable space for permanent retail stalls and daystalls, plus storage and service areas. However, there are several challenges, as outlined below that will need to be addressed in detail design and in market operations.
2. Relatively few modifications to the existing building will be necessary to accommodate the market. These include new entrances and storefronts with flexibility facing Blackstone and the installation of interior ramps to accommodate level changes. The total estimated construction cost is \$7.6 million or \$280 per

square foot (not including additional start-up costs presented *Start Up Financial Requirements and Sources*). This cost estimate is based on specific exclusions which are identified on the first page of the estimate. (Resource Portfolio I)

3. Attendees at the February Community Workshop would like to see the following activities and design elements in the proposed market:
 - Indoor Activities – Attendees would like the market to host a range of educational opportunities including cooking classes, activities related to the seasonality of local food and kids activities.
 - Outdoor Activities – Attendees would like the outside of the market to feature live music/entertainment, outdoor public seating, a variety of agricultural/food demonstrations, and food trucks.
 - Design Elements: Attendees would like to see the market be built in a sustainable and “green” manner; have a lot of natural light; reflect Boston and the New England tradition ; feel comfortable, inclusive, and rustic.

Challenges

The key challenges for the design of the market deal mainly with servicing, support, and HVAC/plumbing issues:

- Lack of basement /storage area: there is no storage on the lower levels and there is no freight elevator to the upper floors. All storage will have to be accommodated in vendor stalls or in limited storage areas on the ground floor or on a small mezzanine.
- Plumbing: existing plumbing service can be provided only to stalls where there can also be a drainage system set up. About 25% of the permanent stall square footage shown on the conceptual plan does not have direct access to water. Tenants in ‘dry’ areas could have access to water across the aisle, or in other non-contiguous spaces.
- Kitchen Venting: because of the parking garage and office space on the upper level, there is currently only one location where kitchen exhaust can be located. This will restrict the amount of on-site premises cooking that can take place in the market. A restaurant, under this circumstance, is not feasible for the market.
- Loading: because of the limited size of the loading dock on New Sudbury Street, along with general traffic flows on this street, additional loading in and out of the market will have to take place from Blackstone and Hanover Streets, though loading docks will not be required on these streets. Curb cuts for hand carts would be helpful.
- Restrooms: because of limited space and plumbing issues, the size of restrooms is 15-18 stalls, depending on configuration.
- Identity: Parcel 7 does not look currently like a market, because of the function the building serves as a ventilation system for the Central Artery. However, it is a very visible structure, both from the downtown area and the North End.

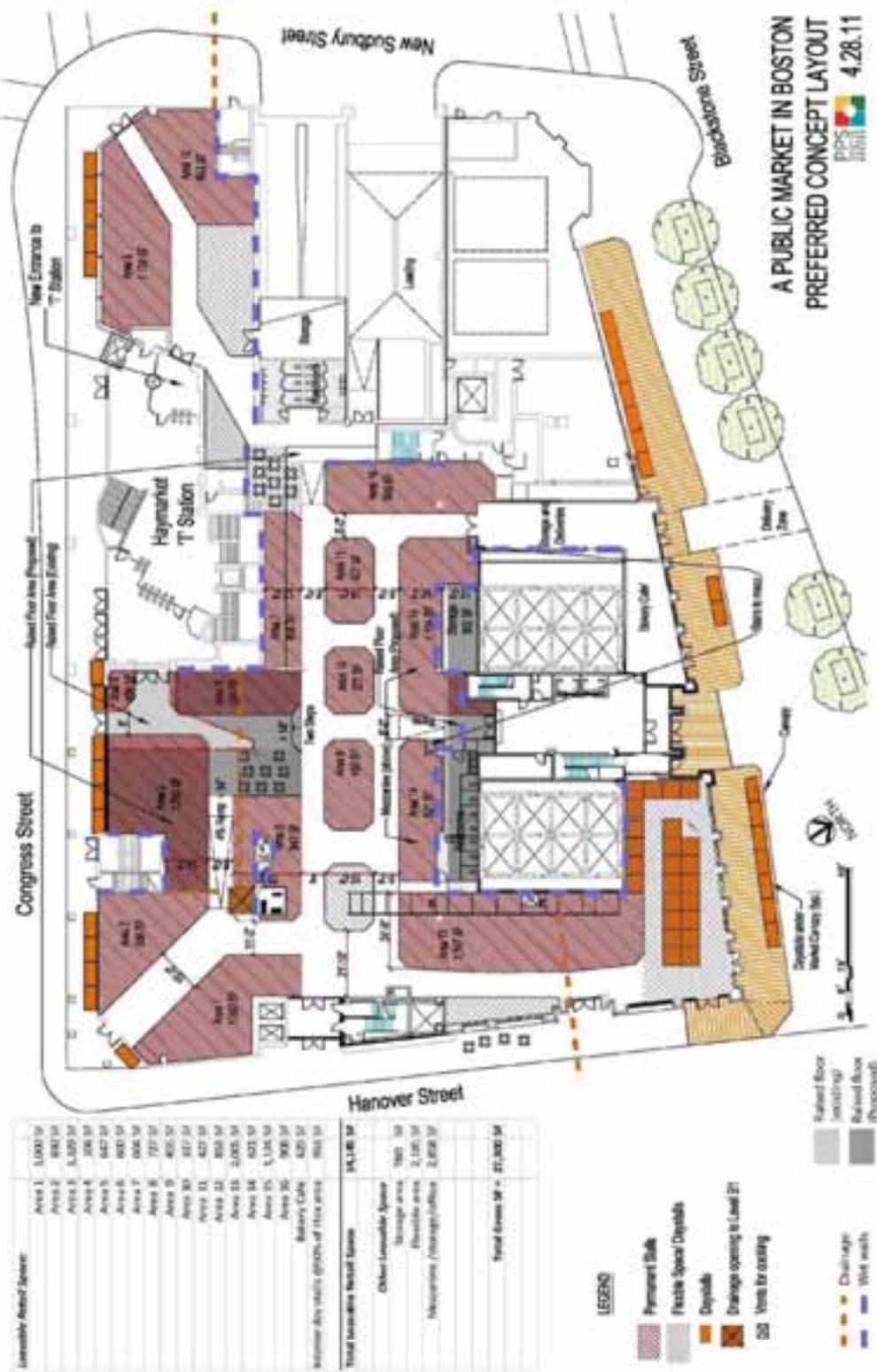
Recommendations

- **Design Character:** The public wants the public market to be welcoming, not fancy in appearance, and a “real place.” Display should not be too “precious.” All shoppers should feel welcome. Finishes and design treatments assumed in the cost estimate are “basic”: sealed concrete floors, painted ceilings, etc. with an emphasis on lighting product and displays. Vendors will be responsible for their own stall designs, but design guidelines should be clear about the character and functionality of these stalls.
- **Layout Principles:** The public market layout (See Figure 1) includes the following characteristics:
 - Provides multiple entrances from all surrounding streets, adding additional doors on Blackstone and Hanover to increase connectivity to Haymarket. A diagonal aisle from the Congress Street corners will bring people towards the center of the market. An additional direct entrance into the Haymarket “T” Station is also recommended.
 - “Race track” circulation with generally eight foot aisles that allow customers to flow through the market without encountering dead-ends. Multiple cross aisles also allow customers to shop between vendors.
 - Approximately 14, 000 sq ft of permanent stall space. Actual stall spaces will range from 100 – 600 [or more] sq ft and will feature an overhead structural frame for signage and lighting, and stubbed in utilities. Tenants will responsible for their own equipment, subject to design guidelines which should be developed for the market during the design process.
 - Approximately 2000 square feet of interior flexible program space. This space can be used for seating, daystall rentals, and special events, such as cooking demonstrations.
 - Exterior daystall vending spaces, located beneath the arcade of the building, including an extended canopy structure facing Blackstone Street. Additional multi-use programming as well as a wide range of community activities, as suggested at the public workshop meeting could take place around the exterior of the market.
 - Storage space to be incorporated into vendor stall. Limited storage space is shown at the Blackstone entrance and under the parking garage ramp, or possibly in mezzanine space. There will be little or no overnight storage for daystalls.
 - Mezzanine space for market management office. Alternatively, offices could be located on an upper floor of Parcel 7, although the finishing of this space may not coincide with the market development schedule.
 - Separate restrooms for vendors and customers.
 - The existing loading dock will be used to locate the market’s trash and recycling facilities.
 - Many of these suggested community activities for the public market are more appropriate to be accommodated on the Greenway itself, and this will necessitate more active programming along with some design

modifications to the park. Activities mentioned at the workshop that could be featured on the Greenway include agricultural demonstrations such as milking and temporary cranberry bogs, a bocce court, public seating and an urban vegetable garden.

- Not shown on the plan, but included in the cost estimate, is the need to create an iconic signage system that takes advantage of the building's height and architectural features, such as the towers, and its visibility to the North End and downtown.

Figure 1: Public Market Conceptual Layout (Resource Portfolio J)



MERCHANDISING PLAN

Goals

The overall goal of the merchandising plan is to pull together the results of many different aspects of the study: the demand analysis assessed what would draw customers to the market; the public workshop identified specific products people wanted and the vendor availability study identified the issues and opportunities specifically for Massachusetts producers. The merchandising plan is intended to be a guide for the leasing effort, during which specific space needs and requirements of recruited tenants can be identified. The location of specific tenants in the market will drive circulation patterns, and create synergies and competition important for overall customer interest and satisfaction.

Methodology

The merchandise plan guidelines were prepared after all of the other research (consumer, vendor, and community) was completed.

Key Findings

1. With the 14,000 square feet of indoor leasable, there is space for 20-30 permanent retail stalls plus 40-60 interior and exterior daystalls, totaling close to 100 individual vendors during peak season. There will be sufficient space to create competition in major food categories (meat, fish, poultry, produce, dairy and baked items) as well as considerable product variety.
2. Daystalls seem to be in high demand by farmers and small scale producers and will allow management to vary the merchandise mix on different days of the week and seasonally. There is room for 40-60 smaller interior and exterior daystalls which can be rented by the day, week or month. With flexible areas, in fact, management can increase daystalls by removing seating if so desired.
3. Potential customers are looking for a wide variety of fresh, specialty and prepared food products, as demonstrated in the list generated at the public meeting. Attendees at the February Community Workshop would like to see the following products in the market: cheese, affordable fish and seafood, produce, bread, meat and poultry, locally grown or made products, wine and beer, eggs, and coffee/tea, etc.
4. Because of limited access to venting, there will be limited cooking in the market. However, foods can be prepared off site or cooking not requiring hood vents could take place in the market.
5. Cost estimates showed a restaurant tenant allowance would increase the construction budget by as much as \$1 million.

Challenges

The key challenges for the merchandising of the market deal mainly with servicing, support, and HVAC/plumbing issues that have been identified in the design section, above. Specifically, a restaurant is challenging because of the lack of kitchen venting potential in the corner space at Congress and Sudbury, the only location where a large restaurant would be suitable. Finally, recruiting and leasing to specific tenants will be a challenging task – perhaps the most important task—of market management. The complexity of the real estate development and construction components of the market cannot be allowed to distract from this task.

Recommendations

- **Fresh Food Product Mix:** The market should provide the following fresh food products, with more than one vendor carrying each product:
 - Fish and Seafood, 10%
 - Produce – Fruit and Vegetables, 12%
 - Cheese and Dairy, 6%
 - Bread and Baked Goods, 10%
 - Meat, Poultry and Eggs, 12%
 - Deli/Charcuterie, 8%
 - Daystalls, which will feature a variety of fresh and specialty food, 8% (can be increased, based on actual demand)

- **Specialty Food Product Mix:** The following types of products should be provided to augment the fresh food products:
 - Locally Roasted Coffee/Tea, 3%
 - Herbs and Spices, 3%
 - Pasta - fresh and dry, 3%
 - Maple and Honey products, 1%
 - Nuts and Dried Fruit, 1%
 - Candy and Chocolates, 3%
 - Vinegars and Oils, 1%
 - Preserves - Jams, Jellies, Salsas, 1%
 - Wine, Beer and Spirits, 7%
 - Bakery/Café, 5%
 - Flowers, 5%
 - Miscellaneous – 1%

- **Prepared Foods:** While primarily a fresh food market, the market can feature limited prepared foods without becoming a food court. Prepared food offerings can be part of a fresh food tenant's offerings, rather than renting space to an exclusively prepared food tenant. There is great opportunity for some of the vendors to supplement their fresh product with prepared foods, even if the market has limited venting potential for cooking, but this needs to be managed so

it does not take over. Public seating will provide a place to eat, but outdoor café seating and picnic tables on the Greenway could seasonally expand seating.

- Non-food products: Generally, there should be minimal non-food products at the market, although there should be one or more flower vendors and cooking related uses (i.e., a cookbook stall) would reinforce the mission of the market.
- Restaurant: The market is not dependant on having a full service restaurant, which would increase the construction budget and be challenged by a lack of ventilation for cooking. Small cafes are possible, however.
- The merchandising diagram (Figure 2) shows a layout of permanent market stalls and temporary daystalls in the market, with an overlay of the following criteria for locating specific types of vendors - these factors will also have to be taken into consideration in producing a Tenant Design Criteria: (Resource Portfolio K)
 - “Wet” Stalls: stalls with direct access to water; appropriate for meat, fish, etc.
 - “Dry” Stalls: stalls without direct access to water
 - Locations for vendors who create maximum visual impact on customers (flowers, produce, etc)
 - Location for vendors who require a venting system in order to bake or cook on site (prepared food, bakery, etc.)
 - Key locations for “anchor” vendors that will be viewed by customers as major destinations (to be determined during the leasing process)

Figure 2: Merchandising Diagram (Resource Portfolio L)



PARKING AND DELIVERIES

Goals

Developing a complete plan for vendor parking and deliveries, and customer parking was not part of this implementation planning process. During the study however, some limited analysis was conducted in order better understand the key challenges with parking and deliveries.

Methodology

Vendor surveys and outreach identified concerns for parking and deliveries, and during the conceptual design and layout process, the need for additional service and delivery areas was evaluated and provided. MassDOT provided information about the current utilization of the Parcel 7 garage for two, one month periods (November 2010 and January 2011).

Key Findings

1. Parcel 7 Garage is a heavily used facility:
 - There are 310 public parking spaces, including 154 monthly parking spaces, although management “uses” many of these spaces during the day when monthly parkers are not using their spaces.
 - January 2011 data showed that garage is often heavily occupied midday weekdays, Saturday (day and evening) and Friday evenings (patterns change).
 - The garage is used extensively for short term parking: The majority of non-monthly customers (56%) park for less than one hour. Less than 10% park for more than two hours. Cars are entering the facility throughout the day, almost equally.
 - Validations for Haymarket and North End businesses are provided. Most of the validations are for North End businesses: in November, 2010, there were 13,459 validations with 2/3 being for less than \$2, compared with 2,104 validations for Haymarket with 93% being for less than \$2. (Validation for Haymarket is available only on Friday and Saturday).
2. Additional parking in the Government Center garage is available but this was not investigated during the study.
3. For deliveries, we found the following:
 - Access to the current loading dock will not provide nearly enough space. MassDOT has stated that they need 24 hour access for a vehicle to enter the loading dock area and service the ventilation system. This reduces the loading area in half, with space for only a few trucks at one time.

- While many public markets load from all sides (which is part of the market experience) it will not be possible to load from Congress Street due to vehicle volumes. Blackstone and Hanover will have restrictions on Thursday afternoons, Fridays, and Saturdays because of Haymarket vendors.

Challenges

The limitations on parking and delivery will require creative management strategies.

Recommendations

- The public market's oversight committee should hire a transportation consulting firm to thoroughly analyze the parking demand so that an accurate picture of the current utilization of parking can be assessed and parking plan developed, including validation procedures for the Parcel 7 garage for public market shoppers. This study should include a more thorough utilization study of the Parcel 7 garage as well as the Government Center garage.
- Given the parking challenges, transit, pedestrian and bike options should be encouraged, The location of the Haymarket "T" Station with direct access into the market presents important marketing opportunities, and the proposed market design adds an additional entrance as well as circulation which allows commuters to short-cut through the market.
- Deliveries will need to take place on Hanover and Blackstone Street, in addition to the loading dock on Sudbury. The loading dock will need to be managed to assure that access by MassDOT is possible 24 hours a day. The loading dock will also be where the market's trash and recycling facilities should be located. Loading from Hanover and Blackstone will require further study in terms of current utilization of these streets for traffic, parking, and loading, including for Haymarket, and how to manage loading from these streets for the public market.

Resources

G_MassDOT Parcel 7 Memo
H_Community Meeting Notes – Feb. 23, 2011
I_Conceptual Cost Estimate
J_Public Market Conceptual Layout
K_Sample Tenant Design Criteria
L_Merchandising Diagram

MARKET OVERSIGHT AND MANAGEMENT STRUCTURE

Introduction

The best public markets are governed by and for the public.

Everyone thinks of a successful market as ‘theirs’ and this will certainly be true in Boston – where many will lay claim to this right including the Commonwealth, City, food community, customers, taxpayers, and the Haymarket vendors.

Based on our knowledge and experience working with other public markets we are recommending a structure for the oversight, development and management of the market to provide the people, the Commonwealth and the City the security that they are proceeding in a manner based on proven, best practices of successful public markets.

Goals

The following goals address the needs of the Commonwealth, City, vendors and customers.

Oversight Objectives

- Fiscal solvency of market
- Maintain integrity of the building
- Maintain the mission of the market
- Operate with public goals

Operational Objectives

- Operate at a high standard of maintenance, cleanliness and security
- Have centralized control over all aspects of the market
- Solicit and attract owner operators with an emphasis on local products
- Operate primarily as a fresh food shopping destination
- Reduce waste – operate in as ‘green’ a way as possible

Fundraising and Economic Objectives

- Maximize ability to raise public and private funds
- Leverage Commonwealth funds
- Open the market debt-free
- Build the local food economy
- Operate self-sufficiently in terms of annual budget

Public Goals

- Preserve the integrity of the market
- Provide affordable business opportunities for local vendors

- Offer healthy, reasonably priced products
- Educate market shoppers about the importance of buying local food and community health
- Make the market a welcoming gathering place

Market District Goals

- Build the market district as a destination
- Work collaboratively with vendors from Haymarket, the Blackstone Block and the North End
- Work collaboratively with diverse community and business interests
- Help with the evolution and planning for Parcel 9

Methodology

PPS researched and presented to the Task Force a broad spectrum of management structures that are in use today at public markets. (Resource Portfolio M) Based on the particular needs and resources available in Boston, three markets were looked at in more detail: (Resource Section N)

Eastern Market, Detroit
 Reading Terminal Market, Philadelphia
 City Market, Kansas City

Each of these markets has developed its own approach that works – and they are all different. In each case, the owner of the market is either the City or the State – and each wanted to preserve some oversight because they are ultimately responsible for the project

The unique nature of the public market scenario – property ownership by MassDOT; available State bond bill funding for the project designated for the MDAR; the Boston Redevelopment Authority’s plans for the district; the public’s enthusiasm for the market; the operating history of Haymarket vendors and a growing pool of local vendors –must all be considered when crafting a management and oversight structure that is right for the interim period of development and the long term operations.

Key Findings

1. MassDOT, landlord of the property, needs to have a strong ability to oversee the development and operation of the market project in a way that does no harm to the extensive exhaust and control systems operating within the premises, nor to inhibit its ability to lease the upper floors and operate the Parcel 7 building for the best interests of all its tenants.
2. The Commonwealth, working with MDAR, intends to apply millions of dollars of public funding into the market project and needs to ensure the project is developed and operated responsibly in accordance with a publicly stated mission.

3. It is imperative to institute an authoritative oversight entity to give this project focus, impetus and guidance. The oversight entity can manage the development and interim phases of the project until an operator is selected and full funding is in place.
4. There is broad public interest in the market which needs to be formally included in the process.

Challenges

- Maintaining positive momentum and opening the market by 2012.
- Building consensus through openness and public participation.
- Completing the fundraising.
- Having enough faith in the project to proceed without knowing every detail first.
- Allocating time and commitment from key people to make this happen.

Overall Recommendations

- The Commonwealth as Landlord and Chief Funder is the primary force to create the market. As such, the Commonwealth has the responsibility of assembling a group of stakeholders that will become the principal public overseers in the project as recommended herein.
- The support of the Governor in conjunction with the Mayor of Boston is imperative.

Market Oversight Recommendations

PPS recommends a tiered system of oversight as follows:

- Create a Public Market Oversight Committee (seven to nine members from the Commonwealth, the City of Boston and public) with the responsibility to guide the mission, development and operations of the public market, without getting bogged down in the day to day management of the market.
- Recommended members of the oversight committee are such that no single interest group is in control and the market is operated for the best interests of the public.

Initial Roles and Responsibility

- Set mission and broad guidelines for development and operations of the market. (Resource Portfolio P)
- Assist in the development and pre-opening phases of the market.
- Issue an RFP and select the market operator. (Resource Portfolio O)
- Assist the Commonwealth in the establishment of a lease to an operator. (Resource Portfolios R and S)
- Act as a liaison for future development in the market district.

Future Roles and Responsibilities

- Ongoing overseer of the markets operator and mission. (Resource Portfolio P)
- Ongoing fundraising assistance.

Management Structure Recommendations

The Task Force was presented with a thorough overview of management structures currently used in the United States. (Resource Portfolio M) Historically, most markets were publicly operated by the municipalities in which they were located. Over the last few decades during which there has been a strong revival of public markets, we have witnessed a major shift away from publicly operated markets with many cities getting out of the market management business.

The three forms of management structures are as follows:

Public

This form, once common, is when the city owns and operates the market. The few cities that still manage markets have, for the most part, assigned the responsibility to a city department, such as parks and recreation, with additional help provided from other city agencies such as sanitation. At one time it was common for a city to have a department of markets because many cities had more than one market - sometimes as many as two dozen. Baltimore is the last city in the United States with any vestige of this type of system but even they have set up a non-profit corporation to assist in the management of their historic municipal market system.

It is also our experience that cities are not effective at keeping markets competitive in an increasingly fierce battle for the consumer's time and money. As cities continue to experience fiscal challenges, their markets are often shortchanged with limited labor, maintenance, promotions and other tools to operate competitively and effectively.

More and more cities have transferred operations of their markets to non-profit entities, which unburdens the city from coming up with ongoing capital and operating funds. In every case, this transfer has proven to be a good move for the market and the city.

Private

Some cities have transferred operations of their public market to a private operator, generally a commercial real estate management company. In each case, the transfer has been with a historic market (Resource Portfolio M), not a new undertaking such as the proposed market in Boston. In this instance the city enters into a management contract after soliciting competitive bids for an operator through an RFP or RFQ process. The city maintains oversight to periodically review the performance of the private management entity.

In other cases, such as the new Ferry Building Marketplace in San Francisco, the new indoor market is operated by a private real estate development company. Products at this market are extremely high end, with a lot of prepared foods and tourist oriented merchandising. This type of arrangement would not be appropriate in Boston, where the proposed public market is intended to sell primarily local products to local people. The need to constantly increase revenues would put undue strain on the mission of the market.

Non-Profit

The most successful and prevalent way to organize and operate a publicly owned market is through a non-profit management structure. This type of structure can be organized to suit the particular needs of the 'public' whether it is a city or state.

Under this system, the city or state retains ownership and control over the facility, and establishes a long-term lease with an independent, 501 c(3) corporation to operate the market. The lease spells out the terms of the agreement, and varies according to each city or state. The structure of most of the non-profits includes a broad-based board of directors, including citizens, vendors, nearby businesses, and usually one or more representatives of the city or state government.

Most of the historic publicly owned markets in the United States have within the last three decades been transferred to non-profit operators. In each case, the operator must work within guidelines set forth and approved by a public body whether it is in a lease document or formal operating guidelines.

Non-profits are also tapping into new sources of funding (foundations, corporations, grants) that public entities were not able to access. The results are in many cases dramatic – such as in Detroit where the city-owned Eastern Market, recently transferred to non-profit operation, and has raised millions of dollars. (Resource Portfolio X)

Recommendation for the Public Market in Boston – Non-Profit Operator

We believe a non-profit management structure is the best way to proceed in Boston because a non-profit market operator can access wide sources of funding, easily establish partnerships, be held publically accountable to the mission of the market and unburden the government from managing and operating the public market. This will require a strong commitment by the Commonwealth (with help from the City) to set in place the appropriate oversight and control mechanisms and then, most importantly, move to the side and let the non-profit operator run the market without political interference.

Recommended Management Structure Next Steps

Solicit Responses for a Market Operator

- Based on the recommended mission and guidelines from the oversight committee, a public RFP should be issued to solicit bids from those qualified to operate the market. (Resource Portfolio O)
- An open RFP process stipulating the goals and characteristics of the public market in Boston as defined by the market oversight committee will be the best process to find the most effective operator.

Note: For a more complete description of the roles and responsibilities of a market operator, see *Operator Capabilities*.

Selection Criteria for Market Operator

Ability to:

- Adhere to the mission of the market
- Fundraise now and in the future
- Balance and satisfy the many constituents of the market
- Attract the right tenants and merchandise mix
- Strong management and organizational capabilities
- Strong retail and promotional skills
- Financial strength to get through the opening years
- Understand and appreciate the burgeoning local food movement

Create a Lease between the Commonwealth and the Operator

- Once an operator is chosen, the lease agreement would be written as the final agreement between the Commonwealth and the operator.

Key lease terms:

- Reporting methods to the Commonwealth and the oversight committee
- Operating and Maintenance Standards
- Clear definition of roles of Landlord and Operator (i.e. capital costs and which party is responsible)
- Role of operator in the pre-opening and development phases

Resources

M_Public Market Organizational Options

N_Public Market Management Structures

O_Sample RFQ for Market Operator

P_Pike Place Market By Laws

Q_Eastern Market By Laws

R_Lease Agreement between the City of Detroit and Eastern Market operator

S_Lease Agreement between the City of Kansas City and the City Market operator

OPERATOR CAPABILITIES

Introduction

Operating a public market is considered one of the most demanding jobs in real estate management – for you are not only dealing with the basics of property management, but with an emotionally charged background where people’s livelihoods are on the line every day.

The mechanics of property management are a given – the facility must be well run for the benefit of the tenants, customers and the landlord. Bills must be paid, staff hired and reports written – these are all expected as a minimum from a market operator.

Creating the right tenant mix, atmosphere and image of the market are the truly critical skills to ensure the success of the market.

A skillful market operator must be able to juggle many responsibilities without losing sense of the priorities and without getting overwhelmed with demands that are often just ‘ventings’ from frustrated tenants.

Markets are inherently competitive and while vendors’ needs are relentless, the market ought to be operated first and foremost for the customer, as they are the arbiters of the market’s success.

For all the surveying we have done at markets, ‘the atmosphere’ is what customers like most, a culmination of management decisions that create the overall experience.

Leasing (the merchandising) and promotions are the two most important parts of managing a market. Weak market managers are those who spend too much time on the computer in the office worrying about the paperwork (which is important too!) and not enough time managing the merchandising and experience for the customers.

Goals

See *Market Oversight and Management Structures*.

Challenges

- Getting the market opened on time and on budget.
- Managing the diverse needs of vendors and customers.
- Making the market an affordable place to shop for all income levels.
- Constructive coexistence with the Haymarket Pushcart Association.
- Establishing and maintaining the market as a regular, fresh food shopping destination.

Recommendations

Ten Capabilities for the Operator of the Public Market:

1) **Property Management:**

- Physical Plant – keeping the building and building systems in good condition
- Maintenance – cleanliness, safety and durability
- Improvements – constantly making things better
- Janitorial – day to day cleaning of all public spaces

2) **Tenant Management:**

- Leasing – getting the right tenants, bolstering the mission
- Lease Maintenance – rent collection and billing, lease renewals
- Relations – spending time with each tenant, troubleshooting, coaching
- Enforcement – rules and regulations (Resource Portfolio T); abiding by the lease terms (Resource Portfolio U)

3) **Financial Management:**

- Accounting Systems – tracking all income and expenses
- Reports to Board and oversight committee – regular and transparent reporting
- Goal Setting – break even operationally and establish a capital reserve
- Long Range Capital Planning – capital improvements and long term maintenance

4) **Fundraising:**

- Fundraising campaign – initial development and ongoing

5) **Promotions and Communications Management:**

- Customer Relations – keeping the customer informed and happy
- Media Relations – keeping the market in the public eye
- Events, Promotions, Advertising – reinforce the mission and build sales
- Education – promote awareness of how the market builds community health
- Outreach to Partners – stretch limited advertising dollars through partnerships

6) **Staff Management:**

- Hire – interview and hire all staff
- Fire – monitor performance and if necessary replace employees
- Direct – motivate good conduct, teamwork and efficiency
- Oversee – evaluate needs and redirect staff as needed

7) **Board Management:** If a non-profit is chosen to be the market operator, it will have its own board of directors, which is a separate entity from the market's oversight committee and the board will establish its own reporting requirements from the market operator.

- Reports – present regular operating and financial statements

- Meetings – schedule and plan
- Committees – work with subcommittees as needed
- Fundraising – assist with planning and execution of fundraising

8) Manage the Mission:

- Education – make it obvious why the market is in business
- Leasing – recruit tenants whose products fulfill the mission
- Outreach/Partners – work with like-minded partners whose missions overlap

9) Manage the Merchandise Mix:

- Use Clause in the leases – prevent merchandise ‘creep’ and unfair competition
- Inspections – regularly inspect farms/food businesses to ensure product integrity and compliance with market’s rules and regulations
- Balance of product categories – manage the overall percentages of products sold
- Internal Competition – builds quality, keeps prices fair and attracts customers

10) Community Engagement:

- Outreach to all sectors of the food buying public
- Encourage community participation in educational and promotional events

Intangible Capabilities

• **The Importance of Satisfying the Customer:**

All of the above responsibilities need to be orchestrated and executed to suit the boss – the customer. No market can succeed, if it does not first and foremost satisfy the needs of the customer. The market should not be a special occasion shopping venue, or too expensive – both will result in negative word of mouth that can douse the highest and most noble ambitions. Management must spend quality time on the floor of the market every day, engaging and observing customers.

There needs to be a wide range of product choices to satisfy the ethically high-minded as well as the cost-conscious.

• **Creating a Welcoming, Inclusive and Enjoyable Atmosphere:**

The market should not be intimidating – it should be comfortable and informal - putting people at ease to spend time and money in the market. Some of this can be controlled through design, but much of it is an attitude of caring and courtesy (not forced or unnatural) that gives the market a good feeling. Many markets rely heavily on repeat customers, and a positive word of mouth about the market experience is one of the most important outcomes that must be created.

Market Staff and Responsibilities

- **Manager/Director** – overall responsibility for market including operations, staff oversight, financials, reports, planning and development (Resource Portfolio V)
- **Assistant Manager** – assists Manager and takes lead with promotions, events, education, outreach
- **Facilities Manager** – oversees market maintenance, security and physical property
- **Daystall and Outdoor Manager** – manage schedule of daystalls and outdoor market, manage inspections program and connect Massachusetts producers to permanent vendors
- **Clerical** – Office administration, phones, correspondence, billings, records and lease maintenance
- **Maintenance** – daily cleaning and upkeep of market and surrounding sidewalks and plaza
- **Inspectors** – Ensures compliance with the market's rules and regulations, including sourcing and quality
- **Security** – Uniformed presence during limited market hours – can be eliminated or increased based upon actual need

Potential Additional Staff

- **Loading and Traffic Management** – based on the suitability of the loading dock and other doors for vendors and deliveries, additional personnel may be required to police and coordinate activity.
- **Daytime cleaning** – based on actual customer traffic volumes, additional daytime help may be required to keep the market floor, bathrooms, entrances, etc. clean and presentable.

Resources

T_Sample Rules and Regulations

U_Sample Landlord and Tenant Lease

V_Sample Manager/Director Job Description

START UP FINANCIAL REQUIREMENTS AND SOURCES

Cost Estimate

The following figures represent all costs to design and build-out the market, pre-opening expenses and projected operating shortfalls. (Resource Portfolio I) These financial estimates do not include the important capital improvements that must be made before any tenant may occupy the building, including the design and repair of the expansion joints and elevator shafts, which the Commonwealth will make but were outside the scope of this project.

DIRECT COSTS (INCLUDING GENERAL CONDITIONS)	\$ 4,391,710
Overhead and Profit (7.5%)	\$ 329,378
Contingency (15%)	\$ 708,163
Escalation (3%)	\$ 162,878
Architectural, engineering and sub consultant fees (7%)	\$ 391,449
SUBTOTAL	\$ 5,983,579
COST PER SQUARE FOOT	\$ 219.18
 ALTERNATES	
Mezzanine Allowance	\$ 160,048
Tenant Interior Allowance - Inclusive of Equipment and Lighting	\$ 1,085,175
Café(s) Allowance - Inclusive of Equipment and Lighting	\$ 125,108
Day Stall Allowance	\$ 213,840
Office Allowance	\$ 69,615
SUBTOTAL	\$ 1,653,786
 SUBTOTAL DIRECT COSTS AND ALTERNATES	\$ 7,637,365
COST PER SQUARE FOOT	\$ 279.76
 START UP AND PRE-OPENING COSTS (see details below)	\$ 667,000
 OPERATING LOSS PROJECTIONS (see details below)	\$ 265,000
 FUNDRAISING EXPENSES	TBD
 TOTAL	\$8,569,365

Start Up Budget and Pre-Opening Costs

Labor		
	Manager - 1 year prior to opening	\$90,000
	Assistant Manager - 4 months	\$20,000
	Facilities Manager - 2 months	\$10,000
	Maintenance Staff - 2 weeks	\$5,000
	Subtotal	\$125,000
	Benefits – 30%	\$37,000
	Labor Total	\$162,000
Leasing Expenses		\$25,000
Tenant Coordination		\$75,000
Development Coordination		\$100,000
Graphics and Communication		\$25,000
Office Set-up		\$30,000
Legal – leases, forms, documents		\$15,000
Accounting – set up systems		\$10,000
PR and Opening Campaign		\$25,000
	Subtotal	\$305,000
	Total with Labor	\$467,000
Fundraising Campaign		(5% - 10% of total campaign costs)
Operating Loss Projections (see proforma)		\$265,000
Start-Up Capital Reserve		\$200,000
TOTAL START UP COSTS		\$932,000

Funding Guide

In spite of the economic challenges we are facing, public markets are proving to be excellent investments which spur local job creation and provide venues for small scaled businesses that are priced out of traditional retail projects built to suit larger tenants.

More money is being raised as a result of decades of continued growth in public markets and foundations and government agencies see the evidence that markets help people and communities to sustain themselves.

While there are no specifically designated capital funds for public markets, many market projects have received Federal (capital and/or operating) funding from sources listed in this section. (Resource Portfolio X)

The timing for the public market could not be better in terms of interest and credibility for the project.

Federal Funding Sources

United States Department of Agriculture

USDA – Rural Cooperative Development Grants

http://www.rurdev.usda.gov/RD_Grants.html

Grants are made to non-profit organizations for establishing and operating centers for cooperative development for the primary purpose of improving the economic condition of rural areas through the development of new cooperatives and improving operations of existing cooperatives.

USDA - Farmers Market Promotion Program (FMPP)

www.ams.usda.gov/fmpp

This grant program was designed to increase domestic consumption of agricultural commodities by improving and expanding, or assisting in the improvement and expansion of, domestic farmers markets, roadside stands, community-supported agriculture programs, and other direct producer-to-consumer market opportunities; and develop, or aid in the development of, new farmers markets, roadside stands, community-supported agriculture programs, and other direct producer-to-consumer infrastructures.

For a full list of Federal sources of funding for public markets visit the **USDA's Know Your Farmer, Know Your Food** website at <http://www.usda.gov/knowyourfarmer>

United States Department of Commerce

Economic Development Administration

Apply directly to the appropriate EDA regional office to discuss proposals and obtain additional information.

For contacts specific to Boston and New England go to:
[http://www.eda.gov/PDF/DevDirectory/EDA_Dir_Sec3\(MA\).pdf](http://www.eda.gov/PDF/DevDirectory/EDA_Dir_Sec3(MA).pdf)

Federal Appropriations

Some markets have been successful getting significant direct appropriations (earmarks) from their United States Senator or Congressional Representative (i.e. Toledo Farmers Market, OH; River Market, Little Rock, AR).

State and Local Foundations

Many markets have raised a majority of their capital costs from local foundations. For instance, the Milwaukee Public Market raised \$5.4 million out of a total of \$10.5 million from local foundations. In Boston, this will likely prove to be a valuable source of funds as well. (Resource Portfolio W)

National Foundations

The following national foundations have also provided grants to market projects, in certain cases the impetus for doing so is because they are based near the market.

Ford Foundation
Kresge Foundation
C S Mott Foundation
McKnight Foundation
Kellogg Foundation
Catholic Campaign for Human Development
Bank of America Foundation
Local Initiatives Support Corporation
Robert W. Johnson Foundation

Recommendation

Capital campaigns can be time consuming and costly and the public market operator must allocate a majority of its time to developing and implementing the project for a 2012 opening. Fundraising for the project is best done by hiring (at a cost) an outside, professional fundraiser, or working with volunteers to take the pressure off the limited, pre-opening market staff.

With a total need of \$8.5 million, in addition to the other necessary capital improvements to the building, PPS recommends that Boston have a modest, online public fundraising campaign for small donors and seek the good majority of funds from large donors. Other public markets have raised several millions of dollars from two or three foundations.

Resources

W_List of State and Local Foundations

X_Funding Sources from Sample Public Markets

START UP OPERATION REQUIREMENTS AND PROCEDURES

The operator, once selected, will have a long list of duties to accomplish before the market opens, including hiring a market manager one year out and adding staff as needed up until opening day.

Steps for Opening the Market

Pre-Opening Requirements

1. Formation of oversight committee
 - Establish mission, guidelines and oversight (Resource Portfolios P and Q)
2. Oversight committee issues guidelines for market development, operation and oversight
3. The Commonwealth issues RFP and selects the operator
4. MassDOT executes lease with the market operator
 - Key terms:
 - Oversight and development roles
 - Access, safety and operational issues
 - Building Interface Issues
 - Parking
 - Maintenance vs. Capital Costs
5. Operator hires manager (Resource Portfolio V)
 - Up to one year before opening
 - Begin leasing and outreach
 - Coordinate operations
 - Set up office
 - Set up systems
 - Hire staff
 - Open the market for business
6. Oversight committee and operator establish development team
 - Point persons for development phase
 - Design/Architecture/Engineering
 - Financial coordination
 - Tenant coordination
 - Construction management
 - Permitting
 - Role of manager/operator
7. Operator establishes policies and documents, approved by oversight committee
 - Rules and Regulations (Resource Portfolio T)
 - Lease applications
 - Tenant leases (Resource Portfolio U)
 - Tenant Design Criteria (Resource Portfolio K)

- Tenant allowance
- Establish hours of operation
- 8. Establish District Relationships
 - City Departments (health, safety, fire)
 - Haymarket Pushcart Association
 - MBTA Station
 - North End
 - Rose Kennedy Greenway

On-Going Operating Requirements

1. Tenants
 - Lease maintenance
 - Billing
 - Relations
 - Enforcement and inspections
2. Facilities
 - Maintenance systems
3. Financials
 - Accounting systems
 - Reports to operator's board of directors and the market's oversight committee
 - Goal setting
 - Long range capital planning
 - Fundraising
4. Communications
 - Customer relations
 - Media Relations
 - Events, promotions and advertising
 - Education
 - Outreach to partners
5. Staff
 - Hire
 - Train
 - Manage
6. Reports
 - Operator's board of directors
 - Oversight committee

Required Permits to Open and Operate the Market and Individual Tenant Spaces

There are a series of permits and regulations governing the following:

- 1. Public Market Building**
- 2. Permanent Tenant Spaces**
- 3. Temporary Daystall Spaces**

NOTE: "The Health Division of the Boston Inspectional Services Department administers the Massachusetts State Sanitary Code in Boston. The Massachusetts State Sanitary Code regulates food service practices and restaurant management" - City of Boston website

Public Market Building

Parcel 7W is the official site designation which lies within the Central Artery Special District (Boston Zoning Code, Article 49) and is also governed by the adjacent Government Center/Market Districts (Boston Zoning Code, Article 45).

Due to Parcel 7's highly sensitive functions market plans will need to be reviewed by the following agencies:

- MassDOT
- Federal Highway Administration

Construction of the Public Market would be categorized under the 'Small Project Review' and requires the following:

- Exterior Changes - Boston Landmarks Commission, Massachusetts Historic Commission
- Interface with MBTA - MBTA
- Design - Boston Redevelopment Authority (BRA)
- Site Plan - BRA
- Sign design/location - BRA
- Zoning Compliance - BRA

Once the above are given preliminary approval from the BRA – the project then moves to the Inspectional Services Department (ISD) for the following:

- Construction drawings - ISD
- Floor plans - ISD
- Water and Sewer Plans - ISD
- Electric plans - ISD
- Fire Protection- Boston Fire Department
- Cooking and Exhaust Systems - Boston Fire Department
- Place of Assembly Permit - Boston Fire Department

Once construction plans are approved the following permits are needed:

- Building Permit – ISD
- Electrical Permit - ISD
- Plumbing Permit - ISD
- Gas Permit - ISD
- Sidewalk Café Permit- Public Improvement Commission, City of Boston
- Certificate of Occupancy - ISD
- Site Cleanliness – ISD

Also required:

- Signed affidavits of architects and engineers
- Performance Bond
- Name of Contractor

Permanent Tenant Spaces

Permanent stall spaces will be built-out by the tenant and fully equipped for display and various levels of food production depending on what is being sold. Tenant is responsible for putting together a comprehensive plan for its leased premises showing all proposed improvements including display fixtures, counters, materials, equipment, plumbing, electrical, signage and lighting. Market management will create a Tenant Design Criteria to help guide the tenant in terms of permitted equipment, materials, uses, heights, setbacks and submission requirements.

The following is a synopsis of the permit process from the Boston Health Division's website: <http://www.cityofboston.gov/isd/pdfs/fsapp.pdf>

- Plan Review Procedures (for a new establishment without a current permit)
 1. Fill out a Health Division Application
 2. Pay appropriate fees
 3. Have three (3) copies of plans for review
 4. Submit one (1) copy of all new equipment specification forms from manufacturer with NSF/UL approval. NSF standard #7 for refrigeration
 5. Submit one (1) copy of menu w/consumer advisory if appropriate
- After Health Division Approval
 1. Submit stamped plans to Building Division w/ Building Permit applications and appropriate fees
 2. Building permit has to be signed off by appropriate inspectors
 3. Apply/obtain the appropriate Certificate of Occupancy and/or Certificate of Inspection from Building Division
 4. Bring copy of CO/CI to Health Division
 5. Request a "Pre-Opening" inspection from the Health Division
 6. Submit a copy of the Food Manager Certification & Worker's Compensation Insurance to the Health Division

Tenants must also show proof of the following to the Health Division:

- Signed Permission from Landlord (the lease document will also suffice)
- Proof of Workers Compensation Insurance
- Federal Tax ID Number (or social security number)

For additional details and information regarding Food Safety and Processing Regulating Documents:

- *US Food and Drug Administration Food Code* - <http://www.fda.gov/food/foodsafety/retailfoodprotection/foodcode/default.htm>
- *Massachusetts Sanitary Code* http://www.mass.gov/?pageID=eohhs2modulechunk&L=5&L0=Home&L1=Provider&L2=Guidance+for+Businesses&L3=Food+Safety&L4=Retail+Food&sid=Eeohhs2&b=terminalcontent&f=dph_environmental_foodsafety_p_food_reg_fact_sheet&csid=Eeohhs2

Note: Fish and Seafood tenants will undergo additional compliance requirements from:

- *National Shellfish Sanitation Program (part of the FDA)*

And will need to obtain additional permits:

- *Retail Seafood Dealer Permit from the MA Department and Division of Marine Fisheries*

(Wholesale Seafood Dealers are permitted to open one retail seafood outlet)

Temporary Daystall Spaces

Daystall spaces will be located in open areas for farmers and others to set up on a daily basis, using tables, pop-up tents and other simple forms of display that would be removed at the end of the day. Daystall spaces will be located inside the market and outside of the building under the market canopy.

The MA Food Protection Program for farmers markets provides some guidelines and permitting requirements:

http://www.mass.gov/Eeohhs2/docs/dph/environmental/foodsafety/farmer_market_guidelines.pdf

Permits required for the City of Boston, in addition to State and Federal requirements for producers where applicable (i.e. meat, dairy):

- All vendors - Farmers Market Retail Permit
- Value-added and prepared foods - Boston Health Division Permit
- Farmers selling uncut fruits and vegetables - No Boston Health Division Permit required
- Shellfish - Retail Dealers Seafood Permit – pilot program at markets

Wine, Beer and Spirits

Selling alcohol has its own unique permitting procedures. Permits for alcohol are required from the Commonwealth and 'local licensing authorities'. Depending on the beverage, vendor and type of operation (café, retail, etc), specific permits will be

required. The following introduction to the process is taken from the ABCC website (<http://www.mass.gov/abcc/licensing.htm>):

“In Massachusetts there are retail level and state level alcoholic beverages licenses. Retail license applications as well as any license changes require the prior approval of both the local licensing authorities (the "LLA") and the Alcoholic Beverages Control Commission ("ABCC"). All general on premises, restaurants, taverns, clubs, veterans clubs, hotels, package, stores, conveniences stores, and supermarkets require a license that has been granted by the LLA and approved by the ABCC. The ABCC approves approximately 13,000 such transactions a year.

However, the ABCC is the sole agency responsible for approving and issuing state licenses. All manufacturers, wholesalers and importers, out-of-state suppliers, brokers, salespeople, warehouses, planes, trains, ships, ship chandlers and every motor vehicle commercially transporting alcoholic beverages in Massachusetts require an ABCC issued license or permit. The ABCC issues approximately 10,000 such licenses and permits each year.”

ONGOING OPERATIONAL COSTS

Goals

The market opens debt free, covers all operating expenses and builds a fund for major repairs and improvements.

Methodology

Annual operating expenses were calculated and based on leasable square footage of 14,000 square feet.

Rent levels are recommended as follows:

Daystalls: range of \$30 - \$50 per space, per day, average \$40. Rents will vary based on season and day of the week.

Permanent stalls: range of \$65 - \$125/sq ft, per year.

- The lowest base rent of \$65/sq ft is for fresh food tenants with no value added products, for example a butcher or a produce seller.
- Base rents increase as the proportion of merchandise a tenant sells consists of value-added components such as cooking, smoking, baking, curing and other processes that add value and increase the profitability of a raw or fresh product, for example a baker or cheese maker would pay a higher base rent (recommended \$75/sq ft) than a produce seller, or butcher.
- The highest rents would be paid by tenants selling prepared, ready to eat foods. As we are not suggesting that any tenant should be permitted to only sell prepared foods, the highest rent of \$125/sq ft would be averaged into a base rent, depending on how much space is devoted by a fresh food tenant for selling prepared foods. For example, if the fishmonger had 20% of his or her space devoted to selling chowder or fish sandwiches, the rent would reflect a blended \$65/sq ft for the 80% of space used for fresh fish, and \$125/sq ft for the 20% of space devoted to selling prepared foods resulting in a base rent of \$77/sq ft.
- No tenant should be permitted to sell only prepared, ready to eat foods – so, in fact no tenant will be charged \$125/sq ft.

Rent Differentiation:

There are other factors than 'product' to consider when determining base rents such as:

- Location – certain areas of the market will have higher traffic and be worth more
- Size – small spaces are generally rented for a higher base rent than larger spaces
- Investment – a tenant making a large investment may be given an incentive of lower rent to help them get started
- Disincentive for non-local – tenants selling a high percentage of non-local products should pay a higher rent than those selling the same local products.

- Corners – corner spaces have more frontage and are worth more
- Volume - rents increase as volume increases – this is an option that can be considered, but will require monitoring with percentage rents.

Comparing Market Rents to Storefront Rents:

In a public market tenants only pay for the space they use, and as a result tenants can operate in spaces that are much smaller than a storefront where you pay for entrances, public spaces, seating, bathrooms, loading areas, and aisles, etc. Public market tenants typically operate in about half the space that would be used in a storefront. Therefore, market rents, which seem higher on a square foot comparison to storefronts, are in truth very competitive and often less expensive when you look at the base rent numbers. As a way of reinforcing this point, the proposed market is 27,000 square feet, yet only 14,000 square feet (almost half) is rentable to tenants.

Typical Monthly Base Rent Profiles:

Scenario 1 – Fish monger - fresh fish only, no prepared foods
 Stall Size - 400 square feet
 Base Rent - \$65/sq ft, per year
 Monthly Base Rent - \$2,166
 Utilities – separately metered, you pay for what you use

Scenario 2 - Fish monger - fresh fish 80%, prepared fish 20%
 Stall size – 400 square feet
 Base rent - \$65/sq ft for 320 square feet, \$125 for 80 square feet
 Monthly Base Rent - \$2,566
 Utilities – separately metered, you pay for what you use

Scenario 3 – Baker
 Stall size – 300 square feet
 Base Rent - \$75 per square foot
 Monthly Base Rent - \$1875
 Utilities – separately metered, you pay for what you use

Note: In addition to Base Rent, tenants will pay for their utilities and increases in annual operating expenses over the Base Year (the first year of operating the market).

Based on potential sales of between \$15.5million - \$19.5million (and this is only for fresh foods, the totals do not include any sales of prepared foods – so the actual total will be higher, based on the merchandise mix) from the Huff Gravity Model and knowledge of other markets in comparable locations, public market tenants will be able to afford, on average \$75/sq ft and higher.

As a way of measuring ‘fair’ rents – on average, a tenant can afford to pay 6.5% of sales, i.e.:

- Base Rent of \$65/sq ft represents 6.5% of \$1000 in sales per square foot = \$14 million annual sales
- Base Rent of \$70/sq ft represents 6.5% of \$1076 in sales per square foot = \$15 million annual sales – still below the market potential of \$19.5 for fresh food sales alone.
- Using the same 6.5% as an affordable percentage of sales as rent - the projected potential of \$19.5 million in annual market sales indicates achievable rents of \$90/sq ft.
- If the average market customer spends \$20 per visit, annual sales of \$15 million amounts to less than 750,000 shoppers per year or roughly 14,500 per week. The market is (predictably) going to attract well in excess of that.

Key Findings

Based on consumer demand projections and knowledge of other markets, we are **confident the market can comfortably support on average \$75/sq ft rent levels and cover all operating expenses within three years** – possibly sooner.

Challenges

- As noted in the Design chapter, the loading dock is very tight and without alternative loading/unloading options, the market may need additional labor to keep things running smoothly.
- Getting accurate tenant financial information is notoriously difficult in markets, making it hard to establish fair rent levels.
- Since prepared food tenants operate with a higher profit margin, they can pay more than the \$65 base rent. It is always a dangerous temptation, though, to lease space to those who can pay a higher rent.
- Rent levels should be differentiated based on size, product, location, investment, experience, importance to the market's mission and popularity.
- The building itself presents some challenges with water and exhaust. Conditions may push some fit-out costs higher for some tenants depending on their product line and location.

Recommendations

Rent

- Initially, we recommend that base rents start at \$65/sq ft with increases based on actual sales and costs to operate the market at its most auspicious level.
- Higher base rents should be charged for vendors with higher profit margin items, for example prepared foods and value added items.
- Rents should also be differentiated based on investment, location, size, product relevance to the market's mission, educational component and length of lease.

- Rent is a tool for operating the market – Any surplus operating funds from the market should be used for capital replacement and/or educational programs with wide reaching benefit to Massachusetts farmers and consumers.
- Triple Net Rents for indoor permanent tenants - each will pay a base rent, utility usage (metered), marketing fee and a share of increases in operating expenses over the “Base Year” As operating expenses increase, tenants should pay a proportional share of those increases. (Resource Portfolio Y)
- As sales increase, base rents should rise to enable management to provide the necessary services to operate the market with efficiency and keep it clean, safe and comfortable for all.
- Percentage rents are a transparent method of setting fair rents, and this is an option that can be considered. However, many tenants will prefer a higher base rent instead.
- It is recommended to keep rents lower in the beginning and let tenants get a good start.
- Outdoor, temporary tenants pay an average daily rent of \$40 – slower days could be less, and busier days could be higher.

Note: Additional income from indoor storage and the mezzanine may be possible once the final layout is complete.

Expenses

- The market will need a full-time staff to oversee all aspects of the market.
- As needed, the market should increase labor expenses, particularly with regards to cleaning and maintenance as warranted by the traffic flow.
- Market staff could also be paid an incentive bonus if the market performs well.
- Year 1 of the Operating Budget should be considered the Base Year – and all increases in operating expenses should be rebilled proportionately to the tenants. (Resource Portfolio Y)
- It is recommended that the market establish a capital reserve fund once it breaks even.

Operating Pro Forma

The operating pro forma shows the market breaking even in Year 3 at an average base rent of \$75/ sq ft.

KEY ASSUMPTIONS			VACANCY RATES		
Operating Months per Year	12		Year 1	20%	
Operating Days per Month	30		Year 2	15%	
Fringe Benefits (%)	30%		Year 3	5%	
Inflation Rate	2%		Year 4	5%	
Rent Growth over Inflation	2%		Year 5	5%	
Rentable SF	14,000 SF				
Base Rent	\$75/sq ft (average)				
INCOME	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Indoor Rents	\$ 1,050,000	\$ 1,092,000	\$ 1,135,680	\$ 1,181,107	\$ 1,204,729
Outdoor Rents	\$ 100,000	\$ 127,500	\$ 130,050	\$ 132,651	\$ 135,303
Common Area Charges CAM	\$ -	\$ 22,610	\$ 45,672	\$ 69,195	\$ 93,188
Vacancy Lost	\$ (209,999)	\$ (163,799)	\$ (56,783)	\$ (59,054)	\$ (60,235)
Total Income	\$ 940,001	\$ 1,078,311	\$ 1,254,619	\$ 1,323,899	\$ 1,372,985
EXPENSES					
Personnel					
Manager	\$ 90,000	\$ 91,800	\$ 93,636	\$ 95,509	\$ 97,419
Assistant Manager	\$ 65,000	\$ 66,300	\$ 67,626	\$ 68,979	\$ 70,358
Clerical	\$ 40,000	\$ 40,800	\$ 41,616	\$ 42,448	\$ 43,297
Facilities Manager	\$ 55,000	\$ 56,100	\$ 57,222	\$ 58,366	\$ 59,533
Daystall Manager	\$ 50,000	\$ 51,000	\$ 52,020	\$ 53,060	\$ 54,121
Maintenance 4 f/t 4 p/t	\$ 220,000	\$ 224,400	\$ 228,888	\$ 233,466	\$ 238,135
Farm & Fish Inspectors	\$ 15,000	\$ 15,300	\$ 15,606	\$ 15,918	\$ 16,236
Security 2 p/t	\$ 50,000	\$ 51,000	\$ 52,020	\$ 53,060	\$ 54,122
Fringe Benefits	\$ 175,500	\$ 179,010	\$ 182,590	\$ 186,242	\$ 189,967
Advertising/Events	\$ 80,000	\$ 81,600	\$ 83,232	\$ 84,897	\$ 86,595
Office	\$ 10,000	\$ 10,200	\$ 10,404	\$ 10,612	\$ 10,824
Legal/Professional	\$ 5,000	\$ 5,100	\$ 5,202	\$ 5,306	\$ 5,412
Insurance	\$ 20,000	\$ 20,400	\$ 20,808	\$ 21,224	\$ 21,649
Fees/Permits	\$ 3,000	\$ 3,060	\$ 3,121	\$ 3,184	\$ 3,247
Net Utilities	\$ 120,000	\$ 122,400	\$ 124,848	\$ 127,345	\$ 129,892
Garbage	\$ 60,000	\$ 61,200	\$ 62,424	\$ 63,672	\$ 64,946
Maintenance and Repair	\$ 30,000	\$ 30,600	\$ 31,212	\$ 31,836	\$ 32,473
Pest Control	\$ 12,000	\$ 12,240	\$ 12,485	\$ 12,734	\$ 12,989
HVAC Maintenance	\$ 10,000	\$ 10,200	\$ 10,404	\$ 10,612	\$ 10,824
Alarm	\$ 8,000	\$ 8,160	\$ 8,323	\$ 8,490	\$ 8,659
RE Taxes - pass thru to tenants	\$ -	\$ -	\$ -	\$ -	\$ -
Supplies	\$ 12,000	\$ 12,240	\$ 12,485	\$ 12,734	\$ 12,989
Total Expenses	\$1,130,500	\$1,153,110	\$1,176,172	\$1,199,695	\$1,223,688
Net Operating Income (NOI)	\$ (190,499)	\$ (74,799)	\$ 78,447	\$ 124,204	\$ 149,296

Resources

Y_Sample Common Area Maintenance Costs

CONCLUSION

Based on our research and experience we believe that a public market in Boston will be a wonderful addition to the City and a wise use of public and private funds. As previously mentioned, the public market has the potential to capture between \$15.5 and \$19.5 million in fresh food sales. There are over 100 local farmers, fishermen/women and specialty food producers interested in selling at the market on both a permanent and seasonal basis. The public market will also create jobs for residents of Massachusetts. In addition to the jobs that will be created to staff the market, permanent vendors will be employed and will employ full and part-time staff and farmers and local food producers will hire full and seasonal employees to work at daystalls. The potential increased demand for market products will also most likely create jobs in the state's agriculture, seafood and value-added industries.

The public's enthusiasm is high for this project and many see this market as both an opportunity to showcase the region's bounty and create a major community gathering space along the Greenway. Customers will be looking for high-quality, well priced items that are unique to the public market and if the market operator is successful in creating and maintaining this standard of excellence the market is poised to become a major community destination that is currently missing from the Boston landscape.

One of the market's proposed goals is to highlight and support the region's agriculture and fisheries economy. With this goal in mind, the Commonwealth and the City of Boston have an opportunity to invest in a project that will be a model for rest of the country. The public market in Boston could greatly strengthen the region economically and raise the public's awareness of the importance of buying local. As such, the public market will be a major commitment to this region's historic agriculture and fishing industry.

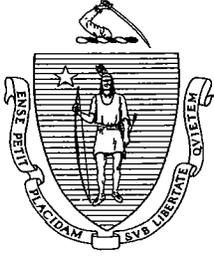
There are considerable bureaucratic challenges facing the public market's development. Three distinct governments – Federal, State and City – will need to be involved and coordinated as planning moves forward. There is a lot to do – establish an oversight committee, create a lease, solicit an operator, begin construction, attract tenants, etc - and opening the market will take time. Maintaining momentum and moving the project forward is vital, and while construction and behind the scenes development progresses, the public must be kept engaged in the process. The public's appetite is ravenous for this market, as seen in the success of the public workshop, and community involvement and communication to the public, including special events focusing on the future market, should be planned until the market opens.

Strong supply, demand, a great location and massive public and government support puts this project at a great starting point. Implementing the market will take time, resources and commitment, but our hope is that on opening day and beyond, the investment in the public market will reap benefits many times over, not just for Boston but for all of Massachusetts.

Appendix C

Executive Order 535





OFFICE OF THE GOVERNOR
COMMONWEALTH OF MASSACHUSETTS
STATE HOUSE • BOSTON, MA 02133
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DEVAL L. PATRICK
GOVERNOR

TIMOTHY P. MURRAY
LIEUTENANT GOVERNOR

By His Excellency

DEVAL L. PATRICK
GOVERNOR

EXECUTIVE ORDER NO. 535

ESTABLISHING THE PUBLIC MARKET COMMISSION

2011 AUG -4 PM 1:46
STATE RECORDS DIVISION

WHEREAS, the Commonwealth of Massachusetts has a vibrant agriculture and aquaculture economy, featuring producers of cheese, fruits, vegetables, eggs, meat, poultry, fish, shellfish, baked goods, dairy, and specialty foods;

WHEREAS, Massachusetts farmers, fishermen, and artisan food producers deserve the support of our communities;

WHEREAS, the Massachusetts agriculture and aquaculture industries generate \$500 million in annual cash receipts;

WHEREAS, the City of Boston has a rich tradition of public markets, including the Haymarket;

WHEREAS, the availability of local, fresh food plays an important role in the health of our citizenry;

NOW, THEREFORE, I, Deval L. Patrick, Governor of the Commonwealth of Massachusetts, by virtue of the authority vested in me by the Constitution, Part 2, c. 2, § 1, Art. I, hereby order as follows:

Section 1. There is hereby established the Public Market Commission.

Section 2. The Commission shall have the authority to:

- a. Define the mission and vision of a public market in downtown Boston;
- b. Confer with participants and parties from the public and private sector involved with the planning, financing, design, and construction of said public market;
- c. Work with relevant public and private sector parties to write guidelines for an eventual market operator;
- d. Work with the appropriate state agencies to advertise for and select a market operator;
- e. Define the terms of a lease between the Massachusetts Department of Transportation (MassDOT) and the operator, subject to the approval of MassDOT; and
- f. Receive and review quarterly updates from the operator on the financial health of the market, its adherence to the mission, and other issues as necessary.

Section 3. The Commission shall be chaired by the Commissioner of the Department of Agricultural Resources or his designee and shall consist of not more than 9 members.

Section 4. Commission members shall be persons with demonstrated interest, experience or expertise in the production and sale of fresh, local foods and seafood, real estate development or community planning. The Commission shall include the following members:

- a. The Secretary of the Executive Office for Administration and Finance, or his designee;
- b. The Secretary of the Massachusetts Executive Office of Energy and Environmental Affairs, or his designee;
- c. The Secretary of the Massachusetts Department of Transportation, or his designee;

- d. One member from the Massachusetts State Senate, recommended by the Senate President, or that member's designee;
- e. One member from the Massachusetts House of Representatives, recommended by the Speaker of the House, or that member's designee;
- f. One representative from the City of Boston, recommended by the Mayor of Boston;
- g. The Executive Director of the Boston Redevelopment Authority, or his designee; and
- h. The Executive Director of the Rose M. Kennedy Greenway Conservancy, or her designee.

Section 5. The Commission shall meet at such times and places as determined by the Chair.

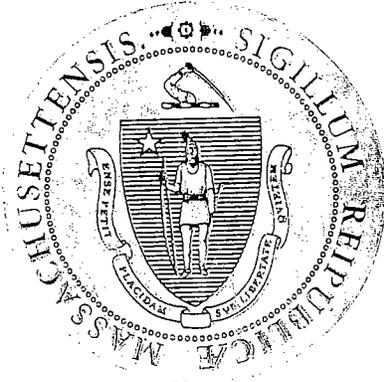
Section 6. The Chair may direct the Commission to form subcommittees to focus on particular aspects of the public market, including fundraising, mission, construction, operator selection, community programming, vendor selection, marketing, and permitting. The composition and nature of each committee shall be determined by the Chair.

Section 7. All agencies, departments, instrumentalities and boards of the Commonwealth shall fully cooperate with the Commission. The Commission may call and rely upon the expertise and services of individuals and entities outside of its membership for research, advice, support or other functions necessary and appropriate to accomplish its mission.

Section 8. The Commission shall report any findings or recommendations, including any recommendations for legislation or regulation(s), to the Governor at such periods as determined by the Chair.

Section 9. Members of the Commission shall be appointed for a term of two years. The Commission and its members shall receive no compensation for their work.

Section 10. This Executive Order shall continue in effect until amended, superseded or revoked by subsequent Executive Order.



Given at the Executive Chamber
in Boston this 4th day of August
in the year of our Lord two
thousand and eleven, and of the
Independence of the United States
of America two hundred and thirty-five.

A handwritten signature in black ink, appearing to read "Deval L. Patrick", written over a horizontal line.

DEVAL L. PATRICK
GOVERNOR
Commonwealth of Massachusetts

A handwritten signature in black ink, appearing to read "William Francis Galvin", written in a cursive style.

WILLIAM FRANCIS GALVIN
Secretary of the Commonwealth

GOD SAVE THE COMMONWEALTH OF MASSACHUSETTS

Appendix D

Transportation Access Plan Agreement





CITY OF BOSTON
THE ENVIRONMENT DEPARTMENT

Boston City Hall, Room 805 • Boston, MA 02201 • 617/635-3850 • FAX: 617/635-3435

Air Pollution Control Commission

City of Boston

Parking Freeze Permit - Downtown

Permit Number 75

Issued To:

Commonwealth of Massachusetts
Massachusetts Turnpike Authority
Attention:

Chairman James Kerasiotes
Ten Park Plaza
Boston, Massachusetts 02116

Site Location:

Parking Facility located at 136 Blackstone
Street a/k/a Parcel #7 Parking Garage

Effective Date of Permit

January 29, 1998

This permit is issued pursuant to the authority granted by M.G.L. Chapter 111, § 31C, and the City of Boston Procedures and Criteria for the issuance of Parking Freeze Permits.

In a public hearing held May 16, 1995, the Commission determined that the construction and operation of this facility would be in compliance with the Downtown Parking Freeze Procedures and Criteria, subject to certain conditions. This permit is issued pursuant to the following conditions.

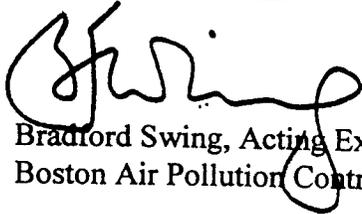
Conditions

1. This permit governs Massachusetts Turnpike Authority, Massachusetts Highway Department, successors, assigns and operators of the parking facility. This permit may be revoked by vote of the Commission for violation of any of the conditions contained herein, or for violation of any of the Air Pollution Control Commission's regulations or other applicable laws and regulations. This permit shall be prominently displayed at the facility. The APCC reserves the right to modify this permit in order to abate conditions of air pollution and to inspect the premises at reasonable times.
2. Any construction or modification of this facility shall be carried out substantially in accordance with the site plan and design submitted as part of the application. Prior to operation of this facility, a copy of "as built" plans shall be submitted to the Commission, such plans should indicate inclusion of an appropriate number of

handicapped parking spaces. The Commissioner reserves the right to modify this permit in response to changes appearing in the "as built" plan. Any significant changes to the facility affecting operations will require prior approval of the Commission.

3. Prior to the garage opening, the operator will submit a completed and signed Transportation Access plan Agreement with the Boston Transportation Department covering garage operations and other relevant matters.
4. Completed garage must include bicycle racks and locker space in a safe, sheltered area that is easily accessible from the street.
5. The provisions of this permit are severable and if any of said provisions are held invalid for any reason, such invalidity shall not affect other provisions or circumstances.

For the Commission:



Bradford Swing, Acting Executive Director
Boston Air Pollution Control Commission

TRANSPORTATION ACCESS PLAN AGREEMENT
between
THE CITY OF BOSTON TRANSPORTATION DEPARTMENT
and
THE MASSACHUSETTS TURNPIKE AUTHORITY

This Transportation Access Plan Agreement ("Agreement") is entered into this 29th day of January, 1998 by and between the CITY OF BOSTON, acting through its TRANSPORTATION DEPARTMENT (hereinafter referred to as "BTD") and THE MASSACHUSETTS TURNPIKE AUTHORITY (hereinafter referred to as "MTA"). The BTD and the MTA may sometimes be referred to herein as the "Parties."

WHEREAS, the MTA plans to operate a parking garage with 310 public parking spaces at 136 Blackstone Street in Boston Proper (hereinafter referred to as the "Facility") that will be open 24 hours a day; and

WHEREAS, the Massachusetts Highway Department (hereinafter referred to as the "MHD") submitted a Final Parcel 7 Traffic Study, dated December 1994, prepared for MHD by Bechtel/Parsons Brinkerhoff and Cambridge Systematics, Inc., which documents traffic and parking impacts of the Facility; and

WHEREAS, the BTD and MTA desire to mitigate Central Artery/Tunnel ("CA/T") Project traffic and parking impacts by the operation of the facility by the MTA; and

WHEREAS, the Facility will address the commitment of the CA/T Project in the 1990-1991 Final Supplemental Environmental Impact Statement/Report to provide for functional replacement of existing parking spaces taken by the CA/T Project construction; and

WHEREAS, the Parties enter into this Agreement as a condition of a Parking Freeze Permit issued by the City of Boston Air Pollution Control Commission for the Facility.

Now, Therefore, in consideration thereof, the Parties agree as follows:

Section 1. Definitions

- A. "Agreement" shall mean this Access Plan Agreement.
- B. "BTD" shall mean the Boston Transportation Department of the City of Boston with offices at One City Hall Plaza, Room 721, Boston, Massachusetts, its successors and assigns.
- C. "Facility" means a parking facility with 310 public parking spaces located at 136 Blackstone Street in the North End section of Boston.
- D. "Assessment" means the Final Parcel 7 Traffic Study, dated December 1994, prepared for MHD by Bechtel/Parsons Brinkerhoff and Cambridge Systematics, Inc., as it may be mutually revised and reviewed from time to time by the MHD and the BTD.
- E. "MTA" means the Massachusetts Turnpike Authority, a body politic created pursuant to Chapter 81A of the Massachusetts General Laws with its principal offices at 10 Park Plaza, Boston, Massachusetts 02116.
- F. "MHD" means the Massachusetts Highway Department with its principal offices at 10 Park Plaza, Boston, Massachusetts 02116.

- G. "Resident Parking Sticker" means the annual sticker issued by the Boston Transportation Department under its resident parking program.

Section 2. Mitigation

To ensure that traffic generated by the Facility does not adversely affect the local or regional roadway systems or the roadways of the Haymarket Area, Blackstone Block, and Government Center, and to further offset CA/T construction impacts to North End businesses and residents, the Parties agree to make every effort to discourage long-term and commuter parking and to maximize the use of ridesharing by persons utilizing the Facility, and to foster such programs and services through collaboration with local and state agencies.

The items set forth in subsections B(4), C, E and F, below, will be valid without change for ten (10) years or for the period of CA/T Project construction, whichever is longer; and shall be in accordance with agreements between identified beneficiaries of the special rate programs and the MTA. The aforementioned subsections may be modified by the MTA after ten (10) years or at the end of the CA/T construction, whichever is longer, by taking into account prevailing parking conditions; provided, however, that no such modifications will be implemented by the MTA without first providing to BTM written notice and an opportunity to comment on proposed modifications. In this regard, the Parties agree to initiate discussion in year eight regarding rates applicable to North End residents and businesses.

The MTA agrees to use its best faith effort to provide the following:

- A. **Transportation Coordinator**. MTA agrees to designate a Transportation Coordinator who shall cooperate with BTM in the execution and monitoring of the obligations set forth in this Agreement. The Transportation Coordinator shall submit, upon BTM's written request, an annual monitoring report relative to the operation of the Facility. The report shall contain: survey results detailing the occupancy rates of vehicles using the Facility; the turnover rates of parking spaces in the Facility; daily counts of short-term and long-term users and the time of day the users park their vehicles; and, parking rates and their effect on patronage of the Facility.
- B. **Short-Term Parking**. In order to discourage the use of the Facility by patrons for long-term and commuter parking, and to ensure availability of spaces in the Facility for short-term parking, MTA agrees to the following initial rate structure:
- 1) The regular rate for short-term parking will be five dollars (\$5.00) for each hour.
 - 2) There will be no monthly commuter parking.
 - 3) To the extent permitted by law, and, at the request of North End resident groups and North End business groups, up to sixty (60) monthly spaces, will be made available solely to North End residents who apply for a North End resident monthly parking pass, and (i) demonstrate residency in the North End, and (ii) have a valid North End Resident Parking Sticker on their vehicle. North End resident monthly parking will be available at an initial rate of one hundred and fifty (\$150) per month. If more than sixty (60) resident monthly passes are applied for initially, the sixty (60) residents to receive passes will be chosen by lottery. Thereafter, North End resident monthly passes will be issued based on date of application.

- 4) Parking patrons with a ticket validated by a member of the Haymarket Pushcart Association or a member of the North End Business Alliance, or by North End nursing homes approved by the MTA or other North End businesses approved by the MTA, will be charged one dollar (\$1.00) for use of the Facility for up to two (2) hours, and a total of three (\$3.00) for the use of the Facility for more than two (2) hours but less than three (3) hours. These rates will be valid only up to two (2) hours and three (3) hours, respectively. After three (3) hours the patron will be charged the regular short-term parking rate for the full time the vehicle was parked in the Facility.

C. Residential Overnight Parking. North End residents who possesses a resident overnight pass may park free of charge in the Facility between the hours of 9:00 p.m. and 8:00 a.m. the following morning, depending on availability and on a first-come, first-served basis. In order to obtain a resident overnight pass, residents must (1) demonstrate residency, and (2) possess a valid North End Resident Parking Sticker on their vehicle.

D. Snow Emergency Parking. On a first-come, first-served basis, depending on availability, and in accordance with the City of Boston requirements, residents who possess a valid North End Resident Parking Sticker on their vehicle may park in the Facility free of charge during a City of Boston declared snow emergency, with adequate time for the residents to remove their vehicles from the Facility after the emergency is lifted.

E. Street Cleaning Parking. On the night before Hanover Street is to be cleaned, four (4) spaces will be made available free of charge from 5:00 p.m. to 10:00 a.m. the following morning on a first-come, first-served basis, depending on availability, to North End residents with a valid parking pass. In order to obtain a valid parking pass residents must: (1) demonstrate residency, and (2) possess a valid North End Resident Parking Sticker on their vehicle.

F. Sunday Parking. Parking patrons with a ticket validated by an approved North End non-profit organization may park free of charge on Sunday between 8:00 a.m. and 1:00 p.m. This discount will be valid only up to 1:00 p.m. on Sunday, after which time the patron will be charged the regular short-term parking rate for the full time the vehicle was in the Facility.

G. Caravan Parking. Up to ten (10) spaces, not included within the 310 public spaces, will be made available free of charge to Caravan for Commuters, Inc. vans or any subsequent state sponsored commuter program. Up to ten (10) additional spaces, also not included within the 310 public spaces, will be made available to Caravan for Commuters, Inc. vans or any subsequent state sponsored commuter program, if there is a demonstrated need for such spaces and if all spaces allotted to Caravan for Commuters in the North Station Parking Garage have been utilized.

H. Loading. All loading activities shall occur within the Facility. The Facility shall have limited hours of delivery receipt with no such deliveries between 7:00 a.m. and 7:00 p.m.

I. **Signing.** Appropriate and visible signing denoting "short term parking" shall be installed at the Facility in a conspicuous location at the entrance.

J. **Roadway Improvements.** The MTA shall be responsible for roadway geometric improvements as presented in the Assessment and in the plan shown in the attached Exhibit A, entitled "Parcel 7 Facility Construction Staging Detail Plan Stage 5", dated June 15, 1994, as that plan may be modified by the BTM and MHD.

Section 3. Pedestrians and Bicycles

Adequate pedestrian protection devices will be installed at all Facility entrances. Parking for bicycles and lockers for use by bicyclists will be provided near the parking attendant booth in the Facility.

Section 4. Defaults and Remedies

If the MTA fails to comply with or breaches any provisions of this Agreement, and such failure or breach shall continue for 60 days after written notice thereof from the BTM, the BTM may institute actions and commence proceedings with the State Office of Dispute Resolution. If the parties fail to resolve the dispute at that agency, then either party may institute any action or commence any proceedings deemed appropriate.

Section 5. Records and Reports

The MTA shall keep and maintain books, records, and other documents regarding compliance with this Agreement, and shall make the same available at all reasonable times for inspection, copying, audit and examination by the BTM, upon reasonable notice.

Section 6. Assumption of Liability

The MTA shall assume the defense of BTM, its officers, agents, and/or employees, and hold them harmless from all suits and claims against them or any of them arising from any act or omission of the MTA, its agents or employees in any way connected with performance under this Agreement.

The MTA's indemnification of BTM shall apply only to the extent authorized by the laws of the Commonwealth of Massachusetts, but in no event shall it apply to liability to the extent caused by the sole negligence or willful misconduct of BTM, its officers, agents or employees.

Section 7. Assignment

The MTA may assign its interest in this Agreement, but only subject to and by complying with the following conditions:

- A. Prior to assignment, the MTA shall notify BTM of its intention to assign and identify and identify the assignee.
- B. At the time of the assignment, the MTA shall not be in default of the terms and conditions of this Agreement imposed upon the MTA to date.
- C. The assignee shall expressly assume and agree to perform and comply with all the covenants and provisions of this Agreement on the part of the MTA; and
- D. The MTA shall promptly deliver to BTM a duplicate original of the assignment instrument.

Section 8. Waiver

No act by or on behalf of the Parties shall be, or deemed or construed to be, a waiver of any such requirement or provision of this Agreement, unless the same be in writing, signed by the

Parties and expressly stated to constitute such waiver. Any express waiver by Parties of any rights, terms or conditions of this Agreement shall not operate to waive such rights, terms or conditions, beyond the specific instance of such waiver.

Section 9. Conflict of Interest

The MTA covenants and agrees that it shall, in carrying out its responsibilities under this Agreement, comply strictly with each and every provision of Chapter 268A of the General Laws (the Conflict of Interest Law) to the full extent of the applicability of said provisions to the MTA.

Section 10. Successors and Assigns

The provisions of this Agreement shall be binding upon, and shall inure to the benefit of, the successors and assigns of the Parties. The Parties intend that the provisions of this Agreement may only be enforced by the Parties hereto and that no other person or persons are authorized to undertake any action to enforce any provisions hereof without the prior written approval of the Parties.

Section 11. Notices

All notices or other communication required or permitted to be given under this Agreement shall be in writing, signed by a duly authorized officer of the MTA or of the BTB, and shall be deemed delivered if mailed postage prepaid, by registered or certified mail, return receipt requested, or delivered by hand to the principal office of the intended party, which is as follows unless otherwise designated by written notice to the other parties.

MTA: Chairman
Massachusetts Turnpike Authority
Ten Park Plaza
Boston, MA 02106

with copies to:
Director of Planning and Development
Massachusetts Turnpike Authority
Ten Park Plaza
Boston, MA 02116

General Counsel
Massachusetts Turnpike Authority
Ten Park Plaza
Boston, MA 02116

Project Director
Central Artery/Tunnel Project
One South Station
Boston, MA 02110

BTD: Boston Transportation Department
Boston City Hall, Room 721
One City Hall Plaza
Boston, MA 02201
Attn. Commissioner

with copies to:
Boston Transportation Department
One City Hall Plaza, Room 721
Boston, MA 02201
Attn: Special Assistant Corporation Counsel

Section 12. Amendment

This Agreement, or any part thereof, may be amended from time to time hereafter only in writing executed by BTB and the MTA.

Section 13. Severability

Each and every covenant and agreement contained in this Agreement is and shall be construed to be a separate and independent covenant and agreement. If any term or provision of this Agreement or the application thereof to any person or circumstance shall to any extent be invalid and unenforceable, the remainder of this Agreement or the application of such term to persons or circumstances other than those as to which it is invalid and unenforceable shall not be affected thereby, and each term and provision of this Agreement shall be valid and shall be enforced to the extent permitted by law.

Section 14. Governing Law

This Agreement shall be governed and construed in accordance with the laws of the Commonwealth of Massachusetts.

Section 15. Conflict of Law

In the event that any action or activity required by the provisions herein cannot be undertaken without violating any special or general law, including without limitation M.G.L. Chapter 81A, Section 12(b), the failure to undertake or continue to undertake such action or activity shall not be considered a breach of this Agreement. Any party relying on this section shall notify the other party in writing identifying the affected action or activity, the applicable law that may be violated and providing an explanation as to why that law would be violated by taking such action or activity.

Section 16. Execution in Counterparts

This Agreement shall be executed in counterparts. All such counterparts shall be deemed to be originals and together shall constitute but one and the same instrument.

Section 17. Effective Date

This Agreement shall become effective as of the date it is executed by all Parties.

Section 18. Term of this Agreement

This Agreement shall commence on the Effective Date and shall terminate when the Facility is no longer operated as a parking garage. All provisions of this Agreement relating to the operation of the Facility are subject to the actual opening of the Facility for public parking.

Section 19. Mitigation Expenses

All mitigation measures undertaken pursuant to this Agreement shall be at the expense of the MTA and no expense will be incurred by the BTB with respect to such measures.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed, sealed and delivered by their respective duly authorized representatives.

Massachusetts Turnpike Authority:

By

James E. Rooney
James E. Rooney, Chief Financial Officer
Massachusetts Turnpike Authority
(As duly authorized, see Exhibit B)

Date:

January 29, 1998

Approved as to Form:

By: Robert M. Ruzzo DSK
Robert M. Ruzzo, General Counsel

CITY OF BOSTON
TRANSPORTATION DEPARTMENT

By

John F. Magee
John F. Magee, Commissioner

Date:

January 29, 1998

Approved as to form:

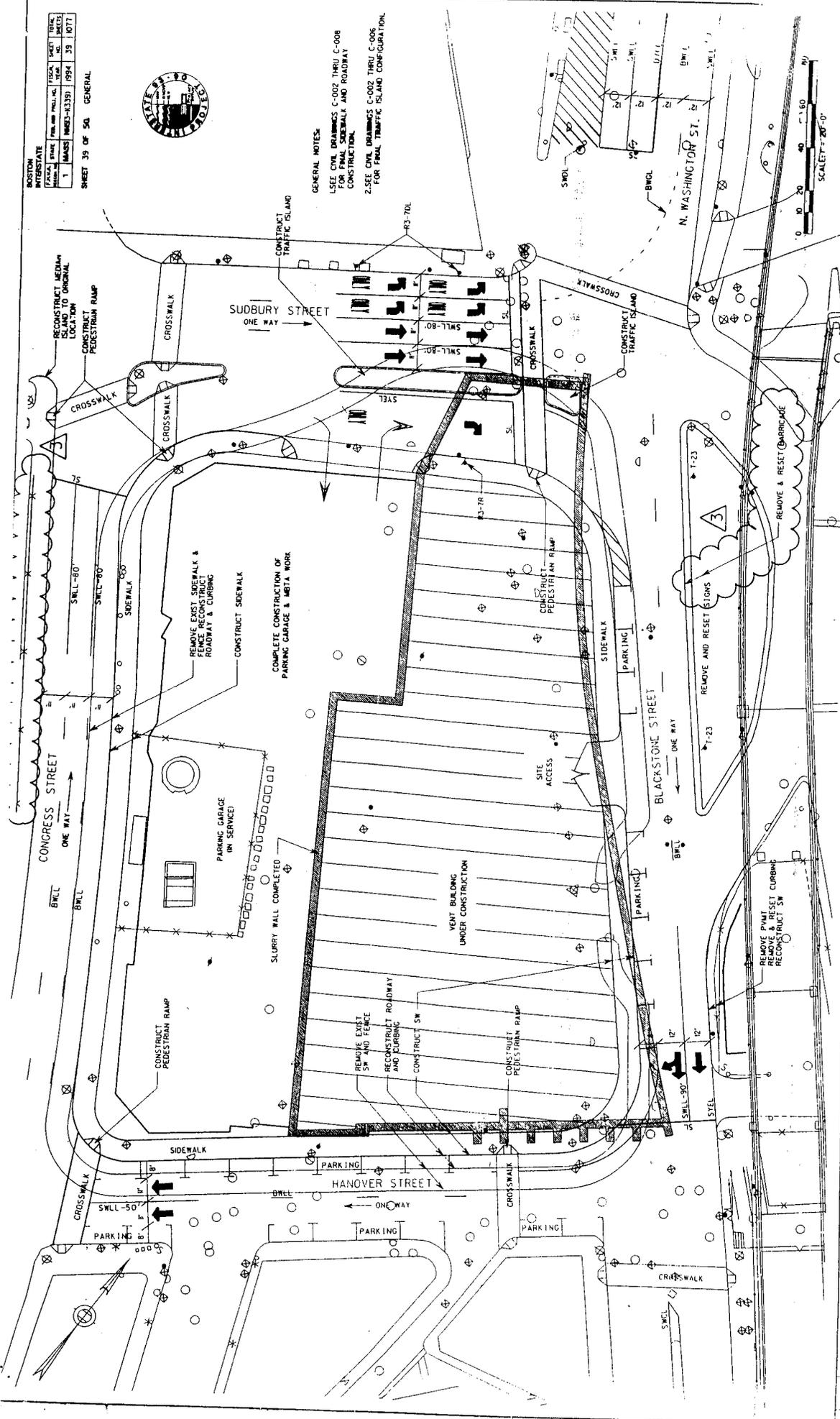
[Signature]
Special Assistant Corporation Counsel

BOSTON
 STATE
 FROM AND PROJECT NO. YEAR NO. SHEETS
 1 (MASS) M032-0339 1994 39 1077

SHEET 39 OF 50 GENERAL



GENERAL NOTES:
 1. SEE CIVIL DRAWINGS C-002 THRU C-008 FOR FINAL SIDEWALK AND ROADWAY CONSTRUCTION.
 2. SEE CIVIL DRAWINGS C-002 THRU C-005 FOR FINAL TRAFFIC ISLAND CONFIGURATION.



		MASSACHUSETTS HIGHWAY DEPARTMENT Central Artery (I-93)/Tunnel (I-90) Project SECTION 15.000 SECTION 15.000 SUBMITTED FOR APPROVAL: <i>[Signature]</i>	
PARCEL 7 FACILITY CONSTRUCTION STAGING DETAIL PLAN STAGE 5		SCALE: 1" = 20'-0" DATE: 15 JUN 94	
REVIEWED BY: C. J. BRACKETT CHECKED BY: K. J. SINGH DRAWN BY: M. PETRAGLIA DATE: 15 JUN 94		APPR'D BY: <i>[Signature]</i> DATE: 15 JUN 94	
APPR'D BY: <i>[Signature]</i> DATE: 15 JUN 94		APPR'D BY: <i>[Signature]</i> DATE: 15 JUN 94	

Appendix E

Parcel 7 Parking Programs



Massachusetts Department of Transportation

PARCEL 7 GARAGE PARKING PROGRAMS

North End Business Validation

The North End Business Validation Agreement is between MassDOT, the current Parcel 7 Garage Operator and certain North End and Blackstone Block businesses which choose to participate. The program was created to replace two pre-existing validation programs when the Parcel 7 Garage replaced a parking lot under the former elevated Central Artery. It was memorialized in the Transportation Access Plan Agreement for the Parcel 7 Garage, which required that it remain in place through 2007.

Participating businesses can allow customers to receive discounted parking in the Parcel 7 Garage through validated parking tickets. The validation rates are \$1.00 for up to two hours and a \$3.00 for up to three hours. After three hours, standard rates apply to the entire time that the patron was parked in the garage. Validation is available seven days per week for North End businesses and Friday and Saturday only for the Haymarket Pushcart Association. Parking at the facility is based on a first-come first-served basis and only as spaces are available. The parking is available to passenger vehicles only, not commercial vehicles. The parking validation is only to be used by the participants for patrons.

The participating business must be either a business establishment located in the North End or Blackstone Block sections of the city of Boston, determined at the sole discretion of MassDOT. Participant businesses must register with the Garage Operator on an annual basis. Each business is responsible for informing its patrons of the relevant terms and conditions pertaining to the validation of the parking tickets including, but not limited to, information relating to parking rates and limitations on hours for parking, the parking overstay terms, parking space availability, and the limitations on liability.

The participating business may validate a patrons parking ticket from the facility by stamping the ticket with a validation stamp or by providing a coupon or other means designated by the Garage Operator. The participating business is responsible for the cost of equipment (e.g. stamp and ink) or other materials for validating tickets and for replacing them in the event they are lost or stolen. There is no fee required to be paid by the participating businesses to MassDOT or the Operator for participation in the program.

Valet Parking

Two valet companies, Ultimate Parking and City Valet, currently use the Parcel 7 Garage. This is not a CA/T Project commitment but it does serve customers of North End businesses which utilize valet parking. Ultimate Parking is using the garage 24 hours a day; City Valet is using the garage from 5 p.m. to 5 a.m., seven days a week. Each firm purchases coupons in advance for garage use.

There is no agreement with the valet companies. The Garage Operator monitors the garage and controls the valet operations to ensure that the valet companies have valid operating licenses from the Boston Transportation Department and appropriate insurance.

Appendix F

Federal Highway Administration regulations link

Federal Highway regulations with respect to Airspace Agreements (23 CFR 710, Subpart D) may be found at:

http://www.access.gpo.gov/nara/cfr/waisidx_07/23cfr710_07.html

Appendix G

City of Boston Zoning Code and Map links

Article 49 of the City of Boston Zoning Code may be found at:

<http://www.bostonredevelopmentauthority.org/pdf/ZoningCode/Article49.pdf>

Maps 1Xa and 1Xb of the City of Boston Zoning Code may be found at:

http://www.bostonredevelopmentauthority.org/pdf/ZoningCode/Maps/1xab_CAT.pdf

Appendix H

Federal and State food regulation links

FDA regulations relating to the sale of food may be found at:

**[http://www.fda.gov/Food/FoodSafety/RetailFoodProtection/FoodCode/
FoodCode1999/default.htm](http://www.fda.gov/Food/FoodSafety/RetailFoodProtection/FoodCode/FoodCode1999/default.htm)**

Commonwealth of Massachusetts regulations regarding fish and fishery products may be found at:

<http://www.mass.gov/Eeohhs2/docs/dph/regs/105cmr533.pdf>

Commonwealth of Massachusetts policies, procedures and guidelines regarding food protection at farmersmarkets may be found at:

**[http://www.mass.gov/agr/markets/farmersmarkets/docs/
fpp-policies-procedures-guidelines.pdf](http://www.mass.gov/agr/markets/farmersmarkets/docs/fpp-policies-procedures-guidelines.pdf)**

Appendix I

MassDOT Non-Discrimination and Affirmative Action Requirements

Massachusetts Department of Transportation

NON-DISCRIMINATION AND AFFIRMATIVE ACTION REQUIREMENTS

With respect to its exercise of all uses, rights and privileges granted under the Lease, the Tenant agrees to the following terms:

Landlord Policies. Consistent with the Landlord's policy to further the goals of the Executive Order 526, a copy of which is annexed hereto, the Tenant shall not discriminate by segregation or otherwise against any person because of race, color, age, gender, ethnicity, sexual orientation, gender identity or expression, religion, creed, ancestry, national origin, disability, veteran's status (including Vietnam-era veterans), or background in providing or refusing to provide any person or persons the use of or access to any facility including any and all services, privileges, accommodations, and activities of the Tenant. The Tenant shall not discriminate by segregation or otherwise against any employee or applicant for employment because of race, color, age, gender, ethnicity, sexual orientation, gender identity or expression, religion, creed, ancestry, national origin, disability, veteran's status (including Vietnam-era veterans), or background and shall undertake specific affirmative action in those areas identified by the Landlord, from time to time, where utilization of transition plans, reports, goals, and timetables are necessary to ensure equal opportunity and to overcome the effect of past discrimination against specific groups. The Tenant agrees that in all matters related to the Leased Premises, it will establish and develop civil rights policies and programs, consistent with those of the Landlord, designed to prohibit discrimination, ensure equality of opportunity, and implement appropriate narrowly tailored affirmative action in all operations, particularly in the areas of employment and public access.

Workforce Requirements. In connection with any construction, reconstruction, or major renovation applicable to the Leased Premises, the Tenant shall exercise reasonable, good faith efforts to employ a diverse workforce and impose a diverse workforce requirement in all contracts with its contractors, subcontractors and subtenants. The Tenant shall submit to the Landlord upon the Landlord's written request workforce profiles, providing information on the utilization of minority group members and women in the workforce working on the Leased Premises. If required by the Landlord, the Tenant will establish goals, and where necessary, develop action plans and timetables to ensure the equitable employment of minority groups and women in all workforces at the Leased Premises. Said goals shall be developed in consultation with the Landlord's Office of Civil Rights and shall be based on census data measures of minority and female availability in specific trades, job groups, or employment categories. The Tenant shall develop and disseminate a public policy statement prohibiting discrimination in all of its operations, including but not limited to employment, public access, and contracting on the basis of race, color, age, gender, ethnicity, sexual orientation, gender identity or expression, religion, creed, ancestry, national origin, disability, veteran's status (including Vietnam-era veterans), or background.

Information and Reports. The Tenant will designate a management official to implement all elements of its civil rights obligations under this Lease. The designated official

will be responsible for informing employees, the public, and contractors as to the process for filing complaints alleging discrimination or harassment in employment, in contracting, or in the provision of services and access to relevant programs. The Tenant shall provide reports as requested by the Landlord to ensure compliance with the provisions of this section.

Affirmative Market Contracting. Consistent with the Landlord's policy to further the goals of Executive Order 526, the Tenant agrees that it will utilize reasonable, good faith efforts to employ minority and women owned businesses under this Lease, and Tenant will maintain records illustrating that minority and women owned businesses have had an equal opportunity to participate in business relationships created under this Lease, including but not limited to the areas of construction, design, and the providing of goods and services. The Tenant shall submit from time to time when requested in writing by the Landlord, profiles of all firms that have been contracted and/or employed by Tenant with respect to the Leased Premises, identifying those firms that are certified as minority and women owned businesses. The Tenant will establish goals, and where necessary, develop action plans and timetables to ensure the equitable participation of minority and women owned businesses in its business relationships with respect to the Project. If necessary, goals shall be developed in consultation with the Landlord's Office of Civil Rights and shall be based upon determination of minority and women business availability in specific industries.



OFFICE OF THE GOVERNOR
COMMONWEALTH OF MASSACHUSETTS
STATE HOUSE • BOSTON, MA 02133
(617) 725-4000

DEVAL L. PATRICK
GOVERNOR

TIMOTHY P. MURRAY
LIEUTENANT GOVERNOR

By His Excellency

DEVAL L. PATRICK
GOVERNOR

EXECUTIVE ORDER NO. 526

**ORDER REGARDING NON-DISCRIMINATION, DIVERSITY,
EQUAL OPPORTUNITY, AND AFFIRMATIVE ACTION**

(Superseding Executive Order 478)

WHEREAS, the Constitution of the Commonwealth of Massachusetts is based on a belief in freedom and equality for all individuals and in the duty of Government to safeguard and foster these rights;

WHEREAS, the Executive Branch of the Commonwealth of Massachusetts recognizes the importance of non-discrimination, diversity, and equal opportunity in all aspects of state employment, programs, and activities;

WHEREAS, creating a culture of inclusion that values and promotes diversity and equal opportunity for all individuals is the central objective of this Executive Order and the goal of my administration;

WHEREAS, while acknowledging the many efforts and accomplishments of the past, the Commonwealth can and must do more to ensure that non-discrimination, diversity and equal

2011 FEB 17 PM 3:30
REGULATORY OF STATE
REGULATIONS DIVISION

opportunity are safeguarded, promoted, and reflected in state workplaces, decisions, programs, activities, services, and contracts; NOW, THEREFORE, I, Deval L. Patrick, Governor of the Commonwealth of Massachusetts, by virtue of the authority vested in me by the Constitution, Part 2, c. 2, § 1, Art. I, do hereby order as follows:

Section 1. This Executive Order shall apply to all state agencies in the Executive Branch. As used in this Order, "state agencies" shall include all executive offices, boards, commissions, agencies, departments, divisions, councils, bureaus, and offices, now existing and hereafter established.

Section 2. Non-discrimination, diversity, and equal opportunity shall be the policy of the Executive Branch of the Commonwealth of Massachusetts in all aspects of state employment, programs, services, activities, and decisions. Each executive officer and agency head serving under the Governor, and all state employees, shall take immediate, affirmative steps to ensure compliance with this policy and with applicable federal and state laws in connection with both the internal operations of state government as well as their external relations with the public, including those persons and organizations doing business with the Commonwealth. Each agency, in discharging its duties, shall consider the likely effects that its decisions, programs, services, and activities will have on achieving non-discrimination, diversity, and equal opportunity.

Section 3. All state agencies shall develop and implement affirmative action and diversity plans to identify and eliminate discriminatory barriers in the workplace; remedy the effects of past discriminatory practices; identify, recruit, hire, develop, promote, and retain employees who are members of under-represented groups; and ensure diversity and equal opportunity in all facets, terms, and conditions of state employment. Such plans shall set forth specific goals and timetables for achievement, shall comply with all applicable state and federal laws, and shall be updated, at a minimum, every two years.

Section 4. All programs, activities, and services provided, performed, licensed, chartered, funded, regulated, or contracted for by the state

shall be conducted without unlawful discrimination based on race, color, age, gender, ethnicity, sexual orientation, gender identity or expression, religion, creed, ancestry, national origin, disability, veteran's status (including Vietnam-era veterans), or background. Equal opportunity and diversity shall be protected and affirmatively promoted in all state, state-assisted, and state-regulated programs, activities, and services. Non-compliance shall subject violators to such disciplinary or remedial actions as permitted by law. This provision applies, but is not limited to, the use and operation of facilities owned, leased, funded or subject to control by the Commonwealth; the sale, lease, rental, financing, construction, or development of housing; state-licensed or chartered health care facilities, educational institutions, and businesses; education, counseling, and training programs; and public schools.

Section 5. All Executive Branch contracts entered into after the effective date of this Order shall contain provisions prohibiting contractors and subcontractors from engaging in discriminatory employment practices; certifying that they are in compliance with all applicable federal and state laws, rules, and regulations governing fair labor and employment practices; and committing to purchase supplies and services from certified minority or women-owned businesses, small businesses, or businesses owned by socially or economically disadvantaged persons or persons with disabilities. Such provisions shall be drafted in consultation with the Office of the Comptroller and the Operational Services Division, which shall develop and implement uniform language to be incorporated into all Executive Branch contracts. The provisions shall be enforced through the contracting agency, the Operational Services Division, and/or the Massachusetts Commission Against Discrimination. Any breach shall be regarded as a material breach of the contract that may subject the contractor to appropriate sanctions.

Section 6. All state agencies shall exclude from any forms requesting information any item or inquiry expressing or soliciting specifications as to race, color, creed, religion, national origin, ethnicity, gender, age, sexual orientation, gender identity or expression, or disability, unless the item or inquiry is expressly required by statute or is deemed by the Massachusetts Commission Against Discrimination, the Massachusetts Office on Disability, the

Human Resources Division, or the Office of Diversity and Equal Opportunity to be a bona fide qualification or otherwise required in good faith for a proper purpose.

Section 7. The Office of Diversity and Equal Opportunity (“ODEO”), as presently established within the Human Resources Division of the Administration and Finance Secretariat, shall be responsible for ensuring compliance with this Executive Order and with all applicable state and federal laws. ODEO shall have a Director (the “Director”), who shall be selected by and serve at the pleasure of the Governor. The Director shall report to the Commonwealth’s Chief Human Resources Officer and submit periodic written reports to the Governor. The Director shall have the authority to:

- Establish guidelines for agency affirmative action and diversity plans (“plans”);
- Review all such plans and either approve, return for amendment, or reject them;
- Establish periodic reporting requirements for agencies concerning the implementation of their plans and all actions taken to ensure compliance with this Executive Order and applicable state and federal laws;
- Provide assistance to agencies in achieving compliance with their plans and with applicable federal and state laws;
- Monitor and assess the status of agency compliance and investigate instances of non-compliance; and
- Where appropriate, determine and impose remedial courses of action, including the potential imposition of a freeze on all personnel requisitions and appointment forms submitted by any non-compliant agency to the Chief Human Resources Officer.

Section 8. Each Secretariat shall appoint a Diversity Director. Each agency shall appoint a Diversity Officer. Diversity Directors and Officers shall have a direct reporting relationship to their Secretary or Agency head; shall also report to the Director of ODEO; and shall coordinate their component’s compliance with the requirements of this Order and applicable federal and state laws. Through the Diversity Directors and Officers, and in compliance with the reporting guidelines and requirements established by ODEO, all state agencies

shall submit periodic reports to the Director of ODEO concerning the status and implementation of their affirmative action and diversity plans.

Section 9. The Massachusetts Office on Disability (“MOD”), through its Director, shall be responsible for advising, overseeing and coordinating compliance with federal and state laws protecting the rights of persons with disabilities, including but not limited to the Americans with Disabilities Act (“ADA”), 42 U.S.C. §§12131-12134; Section 504 (“504”) of the Rehabilitation Act of 1973, 29 U.S.C. § 794; Article CXIV of the Massachusetts Constitution; and Chapter 6, §§ 185-87; Chapter 93, § 103; Chapter 151B; and Chapter 272, §§ 92, 98, and 98A of the Massachusetts General Laws. MOD shall serve as the Executive Branch’s designated ADA and Rehabilitation Act Coordinator, and shall provide information, training, and technical assistance and promulgate guidelines reflecting best practices, policies and procedures concerning persons with disabilities. Each agency shall appoint an ADA/504 Coordinator who shall report directly to the agency head and work with MOD concerning issues involving persons with disabilities. Notification of such appointment shall be made to MOD’s Director.

Section 10. Pursuant to guidelines established by ODEO and MOD, all agency heads, managers, supervisors, and employees shall attend mandatory diversity training within one year of the effective date of this Order. For future hires, such training shall be part of the standardized orientation provided to new employees.

Section 11. ODEO and MOD shall promulgate guidelines establishing a complaint resolution process for individuals who allege non-compliance by state agencies with applicable federal and state laws prohibiting discrimination. In instances where this process does not resolve the complaint, the Director of ODEO may refer to the Massachusetts Commission Against Discrimination (“MCAD”) or to MOD any information concerning conduct that the Director believes may constitute a violation of the law. The MCAD shall initiate investigations and, where necessary, file complaints against those agencies and persons whom it has reason to believe are in violation of the laws of the Commonwealth or the United States.

Section 12. In performing their responsibilities under this Order, ODEO, MOD, and the MCAD shall have the full cooperation of all state agencies, including compliance with all requests for information.

Section 13. The Governor's Non-discrimination, Diversity and Equal Opportunity Advisory Council ("Advisory Council") is hereby established to advise the Governor concerning policies, practices, and specific actions that the Commonwealth should implement to ensure that the objectives of this Executive Order are accomplished.

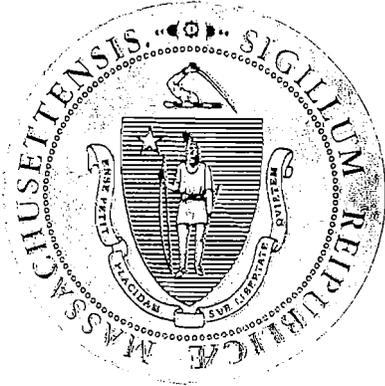
13.1 The Advisory Council shall consist of fifteen persons, including a Chair, each of whom shall be appointed by the Governor. All members shall serve without compensation at the pleasure of the Governor in a solely advisory capacity.

13.2 The Advisory Council's work shall include, but need not be limited to, making written recommendations to the Governor concerning actions, policies, and practices that the Commonwealth should implement to ensure that the objectives of this Executive Order are accomplished.

13.3 The Advisory Council shall meet at such times and places as determined by the Chair and shall submit an initial report containing its written recommendations to the Governor no later than 60 days following the appointment of the Council's 15 members. Thereafter, the Advisory Council shall meet at least semi-annually and submit supplemental reports to the Governor no less than once per year.

Section 14. Nothing in this Executive Order shall be construed to preclude or otherwise limit the continuation or implementation of any lawful affirmative action programs or other programs that support the objectives of this Executive Order.

Section 15. This Executive Order shall take effect immediately and shall continue in effect until amended, superseded or revoked by subsequent Executive Order.



Given at the Executive Chamber
in Boston this *17* day of February
in the year of our Lord two
thousand and eleven, and of the
Independence of the United States
of America two hundred and thirty-
five.

A handwritten signature in black ink, appearing to read "Deval L. Patrick".

DEVAL L. PATRICK, GOVERNOR
Commonwealth of Massachusetts

A handwritten signature in black ink, appearing to read "William Francis Galvin".

William Francis Galvin
Secretary of the Commonwealth

GOD SAVE THE COMMONWEALTH OF MASSACHUSETTS

Appendix J

Schedules:

Schedule 1	Proposal Form
Schedule 2	Chapter 7, Section 40J Disclosure Form
Schedule 3	Sample Clerk's Certificate
Schedule 4	Additional Certifications

SCHEDULE 1

Massachusetts Department of Transportation
Massachusetts Department of Agricultural Resources

Request for Proposals Public Food Market Developer and Operator Parcel 7, Boston

PROPOSAL FORM

NAME OF PROPOSER: _____

The undersigned (the "Proposer") hereby acknowledges that it is fully familiar with all provisions contained in the Request for Proposals, Public Food Market Developer and Operator, Parcel 7, Boston, issued by the Massachusetts Department of Transportation ("MassDOT") and the Massachusetts Department of Agricultural Resources ("MDAR") in December 2011, and in any addenda issued in connection therewith (collectively, the "RFP"). The undersigned hereby represents and warrants that it is submitting this Proposal (the "Proposal") in response to the RFP subject to and in accordance with the terms and provisions of the RFP, and that it offers to enter into a lease or other agreement with the Massachusetts Department of Transportation for the development and operation of a Public Food Market in the Parcel 7 building subject to: (i) the terms and conditions described in the RFP; (ii) the terms and conditions contained in the Proposal; and (iii) further terms and conditions to be negotiated with MassDOT and MDAR.

BY:

WITNESS:

SIGNATURE: _____

SIGNATURE: _____

TYPED NAME: _____

TYPED NAME: _____

TITLE: _____

TITLE: _____

DATE: _____

DATE: _____

The Proposer hereby designates the following individual as its sole contact person and representative for purposes of providing clarification and any additional information required in connection with this Proposal.

TYPED NAME: _____

TITLE: _____

STREET ADDRESS: _____

CITY: _____

STATE: _____

ZIP CODE: _____

TELEPHONE: _____

FACSIMILE: _____

ELECTRONIC MAIL: _____

SCHEDULE 2

**Massachusetts Department of Transportation
Massachusetts Department of Agricultural Resources**

**Request for Proposals
Public Food Market Developer and Operator
Parcel 7, Boston**

CHAPTER 7, SECTION 40J DISCLOSURE STATEMENT

Pursuant to the requirements of Massachusetts General Laws, Chapter 7, Section 40J, I, _____, as duly authorized representative of _____, a () corporation, () partnership, () joint venture, or () other business entity; organized pursuant to the laws of the state of _____ and having a place of business at _____, provide the following statement giving the true names and addresses of all persons who have or will have a direct or indirect beneficial interest in the real property which is the subject of the Proposal to the Massachusetts Department of Transportation to which this statement will be attached. If there are no such persons, I have indicated this by inserting the word "NONE" in the space below.

NAME

ADDRESS

_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

(If necessary, attach additional names and addresses on a separate sheet of paper referencing this Statement)

This Disclosure Statement is signed under the pains and penalties of perjury this ____ day of _____, 201_.

Proposer Name

X

Signature of Authorized Representative Signing on Behalf of Proposer

Print Name of Authorized Representative of Proposer

Print Name of Authorized Representative of Proposer

SCHEDULE 3

**Massachusetts Department of Transportation
Massachusetts Department of Agricultural Resources**

**Request for Proposals
Public Food Market Developer and Operator
Parcel 7, Boston**

CLERK'S CERTIFICATE

(Applicable to all Corporations)

Date: _____

I, _____,
being the clerk of _____,
hereby certify that the Proposal submitted hereby, has been authorized by the Board of Directors
of said corporation, and that the above signatures are those of the duly authorized agents and/or
officers of same _____.

Clerk

(CORPORATE SEAL)

SCHEDULE 4

**Massachusetts Department of Transportation
Massachusetts Department of Agricultural Resources**

Request for Proposals

Public Food Market Developer and Operator Parcel 7, Boston

ADDITIONAL CERTIFICATIONS FORM

Reference is made to the Request for Proposals, Public Food Market Developer and Operator, Parcel 7, Boston, dated December 2011, issued by the Massachusetts Department of Transportation (“MassDOT”) and the Massachusetts Department of Agricultural Resources (“MDR”), and any addenda thereto (collectively, the “RFP”). Initial capitalized terms, unless otherwise defined herein, shall have the meanings assigned to such terms in the RFP.

Chapter 66A (Confidentiality and Privacy)

The undersigned (the “Proposer”) acknowledges that, during the course of its performance of the development agreement, the lease or other agreement contemplated under the RFP, the Proposer may acquire or obtain access to "personal data" and become a "holder" of such "personal data" (as defined in Chapter 66A of the Massachusetts General Laws ("Chapter 66A")) or other information deemed confidential by MassDOT. The Proposer shall comply with Chapter 66A and any applicable regulations promulgated thereunder relative to confidentiality and privacy.

Section 7 of Chapter 521, Acts of 1990 (Child Care Assistance)

Pursuant to Section 7 of Chapter 521, Acts of 1990, as amended by Chapter 329, Acts of 1991, and regulations issued pursuant thereto, 102 CMR 12.00, the Proposer certifies under the pains and penalties of perjury that the Proposer is in compliance with the previously cited provisions of the Massachusetts General Laws and regulations issued pursuant thereto and, if it is a qualified employer having fifty (50) or more full time employees, has established a dependent care assistance program, child care tuition assistance, or on-site or near site child care placement; or is an exempt employer.

Chapter 62C, Section 49A (Tax Compliance)

Pursuant to M.G.L. Chapter 62C, Section 49A, the Proposer hereby certifies (a) under the pains and penalties of perjury that the Proposer is in compliance with all federal laws and laws of the Commonwealth of Massachusetts relating to taxes, reporting of employees and contractors, and withholding and remitting child support, and (b) to the best of its knowledge and belief, Proposer has no outstanding payment or filing obligations to the Commonwealth of Massachusetts Department of Revenue.

Chapter 7, Section 22C (Northern Ireland Notice and Certification)

State agencies, state authorities, the House of Representatives or the state Senate may not procure goods or services from any person employing ten or more employees in an office or other facility located in Northern Ireland who fails to complete the certification required by M.G.L. c. 7, section 22C. The Proposer certifies under the pains and penalties of perjury either that (check the applicable statement):

() the Proposer does not employ ten or more employees in an office or other facility in Northern Ireland; OR

() the Proposer employs ten or more employees in an office or other facility located in Northern Ireland and further certifies that:

1. the Proposer does not discriminate in employment, compensation, or the terms, conditions and privileges of employment on account of religious or political belief, and
2. the Proposer promotes religious tolerance within the work place, and the eradication of any manifestations of religious and other illegal discrimination; and
3. the Proposer is not engaged in the manufacture, distribution or sale of firearms, munitions, including rubber or plastic bullets, tear gas, armored vehicles or military aircraft for use or deployment in any activity in Northern Ireland.

Conflict of Interest/Collusion Certification

The Proposer certifies under the pains and penalties of perjury that (a) no relationship exists between the Proposer and MassDOT or any officer, employee, or agent of MassDOT that constitutes unfair competition or a conflict of interest or that may be adverse to MassDOT; and (b) it has not acted in collusion with any other Proposer or other entity doing business with MassDOT in a way that would constitute unfair competition or that may be adverse to MassDOT.

Other Certifications

The Proposer certifies under the pains and penalties of perjury that the Proposer has filed with the Secretary of the Commonwealth of Massachusetts all certificates and annual reports required by law.

The Proposer certifies under the pains and penalties of perjury that the Proposer is not presently debarred or suspended from providing goods and/or services to the Commonwealth, or any other applicable debarment or suspension provision under state law or any rules or regulations promulgated thereunder.

Signed under the pains and penalties of perjury on this _____ day of _____, 201__.

Proposer Name

X

Signature of Authorized Representative Signing on Behalf of Proposer

Print Name of Authorized Representative of Proposer

Print Title of Authorized Representative of Proposer