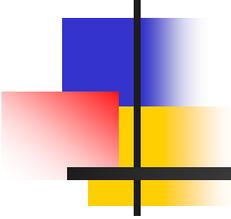
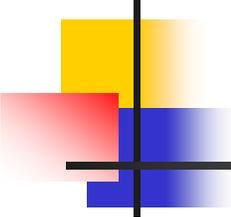


Market House Update



September 16, 2010
City Council Chambers



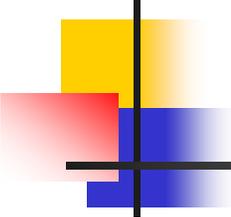
Agenda

- Introduction
- Market House Update
- Gone-To-Market
- Q+A
- Next Steps

Mayor Josh Cohen

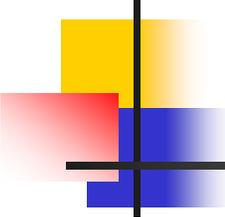
Doug Smith

Lehr Jackson



Market House and City Dock

- Purpose of this evening's meeting
- Two parallel projects: Market House & City Dock Vision
- Market House
 - Market House forums – Sept 16 – share preliminary concepts
 - October 7 - with Lehr Jackson at the Market House
 - Work sessions with City Council and Economic Matters committee
 - November 15 - with Lehr Jackson at the Market House
 - Early December – Reach consensus on lease or management contract
- City Dock
 - City Dock Planning Process
 - Advisory Committee to be formed
 - Series of public forums, beginning in early November.

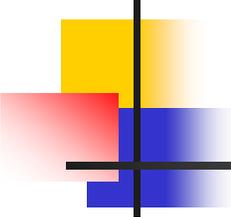


Market House discussions

- Public Auditions
 - Short Term vendor presentations
 - Long-Term presentations
- Consensus to explore a long-term solution with Gone to Market

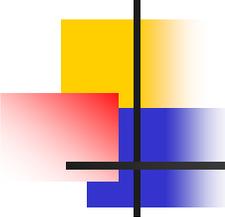
- Initial approach
 - Increase HVAC capacity
 - Work within the existing floor layout

- Mid-August - general consensus of City Council - the interior layout is a major impediment to success.
- Now is the time to 'get it right' – we have to fix internal layout



Lessons learned from Site Realty experience

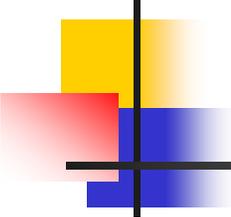
- What to avoid
 - Site Realty - the City turned over too much control in the lease
- We need a Safety valve
 - If MH goes off-track, the City has to be able to take it back
 - Establish a pre-negotiated exit condition
- The 'experience' is key – not maximizing rental income
- Food court may be fine for a mall; not a fit for the Market House
- People (locals) want a personal relationship with the shop owners
- If you want people to stay, you must give an authentic experience
- Make sure the City's goals and the Lessee (s) goals match



Facility Issues

- Understanding the limitations – This is not a cash cow for the City
 - Relatively small space for a market caps the potential sales dollars per FT2
 - Parking
 - Refrigeration
 - Very limited dry goods storage
 - Signage limitations
 - Historic structure
 - “.. Limitations make this facility a challenge for any vendor..”

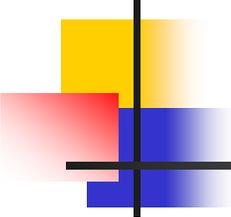
- Things we can fix – Create the parameters that will encourage people to stay
 - HVAC
 - Operable Windows
 - Interior layout – relocate utilities to the center, provide seating near windows
 - People want to see people inside having fun, not mops and backs of refrigerators
 - Better use of exterior space: sidewalks, adjacent park area
 - City code prohibits the sale of beer and wine
 - Much better marketing and promotion



Market House input

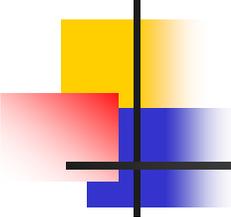
Talk to a lot of people as part of the due diligence process

- Architects..(local and distant)
- Specialty retail executives.....
- Food service experts..
- Commercial real estate experts...
- Current vendors, previous tenants....
- Annapolis and Eastport business owners...
- Chamber of Commerce, Convention & Visitors Bureau.....
- Residents, tourists, students, boaters
- City Market vendors at DC, Philadelphia, Baltimore markets...
- Input from Market House Group
- 2009 Comprehensive Plan
- Market House Idea team report



Distilling the input

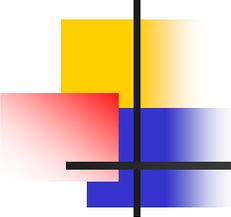
- The Market House is a key part of what makes Annapolis....
.....Annapolis
- Highly visible, treasured community asset
- Must attract local residents, visitors, students, boaters..
- At the core - tourists want to go where the locals go, not the other way around
- Recognize the limitations of Market House structure
- The businesses that are inside have to be viable
- The City needs to remove obstacles that work against success
- One of the key requirements:
 - Customers want to see the boats;
 - People walking by want to look in and see people inside



Goals for the Market House

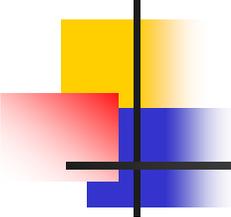
- Common themes from successful markets
 - A public gathering place
 - An authentic experience that reflects the City's culture, history and water front character
 - A place locals come to meet, a place locals bring their guests
 - A place visitors want to go for a unique experience

- Use must be consistent with a city 'market'
- Should not be a financial drain on the City
- Should boost the economic vitality of downtown
- Should be a good deal for the City and for the vendors
- Unique offerings – different from the mall
- Offers food and beverage in a casual setting – but not a food court
- A fresh food market using local and regional vendors offering prepared food, seasonal produce, flowers, and regional items such as fresh seafood, meats and items commonly found in other public markets



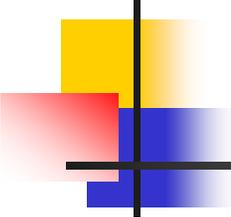
What will success look like?

- The authentic Annapolis experience
 - A market that grows year after year
 - A magnet that draws people
 - Successful vendors that fit the definition of an Annapolis market
 - Good 'goods'
 - A 5-year plan
 - Year-over-year revenue growth
 - As vendors become successful, City will share in the financial rewards



Gone-to-market

- Lehr Jackson background
- Previous Projects
- On-line resource – example projects
- Preliminary Market House concept



Q+A – Next Steps

- Questions and comments
- Next Steps
 - Market House forum: October 7, 2010
- City Dock Vision
 - City Dock Advisory Committee will be formed
 - Staff support from Planning and Zoning
 - Will consider use of the entire City Dock space including traffic, parking, pedestrian, access to the water, etc.