

# Broad Street Market

## Task Force Recommendations

07/07/2015



### The Mission Statement of the Broad Street Market Task Force

- To create a sustainable, profitable, enduring economic hub
- To preserve the historical and architectural nature of the buildings
- To connect regional agricultural resources to an urban farmers market
- To provide an anchor for community focus, civic engagement, and neighborhood revitalization.

## **I. BACKGROUND**

### **A. Brief History of the Market**

The Verbeke family created the Broad Street Market in 1860, which operated in the open-air plaza for some time. By 1863 the first of two buildings, situated on the west side of the property (commonly referred to as the 'Stone Building') was completed and served Civil War soldiers stationed at nearby Camp Curtin. The second of two buildings (commonly referred to as the 'Brick Building') was completed in 1878, designed in the then popular architectural style of Italianate. By the turn of the century The Broad Street Market had become the cultural and food center of the region, surrounded by dozens of other businesses, such as feed mills, slaughterhouses, textiles and retail goods as well as bars and restaurants. The old market houses at Market Square in downtown Harrisburg closed in the early 1900's, giving way to the new bustling center of commerce, The Broad Street Market. By the 1920's there were some 725 indoor and outdoor vendors at the market.

The market was privately owned until 1979, when the City of Harrisburg purchased the property in an effort to preserve the historic buildings and their unique service to the community. The City owns the market to this day.

### **B. What is the Task Force**

The City of Harrisburg formed the Broad Street Market Task Force in January, 2014, to provide the City with recommendations on how best to ensure the success and future vibrancy of the Broad Street Market. The Task Force focused primarily on current operations and future challenges facing the market.

Through extensive research, dialogue, public input, and stakeholder evaluation, the Task Force has come to a consensus on the following findings and recommendations.

## **II. FINDINGS**

### **A. Condition of Buildings**

The condition of the two market houses is generally sound, but large capital improvement investments will need to be made over the next ten years to ensure adequate functionality. Items that are still functional yet antiquated are: gutters and downspouts, ventilation systems, fire suppression systems, plumbing, utility metering, electrical, and general improvements.

Gutters and Downspouts- The historic landmark buildings need gutter and downspout replacement and repair. The current material used for these items is copper, which is consistent with the historic architecture and should be repaired or replaced in kind.

Ventilation in Stone Building- The Stone Building is currently designed for multiple prepared food stands that require the use of ventilation hoods. These hoods are connected to a central exhaust system. This system is not adequately functioning at this time, and will require substantial investments to remedy. In the winter months, the current heating configuration is inadequate to maintain comfortable shopping experience temperature. This heating configuration should be augmented by suspended natural gas heat blowers, which are relatively inexpensive and conform to the historic nature of the building.

Ventilation in Brick Building- The Brick Building is currently designed and setup primarily for fresh food and vendor sales not requiring hoods. The few hoods that do exist are the responsibility of the individual vendors. Proper make-up air (fresh air intake) should be installed on each hood to reduce heat loss in the building. Also, three of five exhaust fans used in summer months to exhaust hot air from the building are inoperable and should be repaired or replaced. In the winter months, the current heating configuration is inadequate to maintain comfortable shopping experience temperature. This heating configuration should be augmented by suspended natural gas heat blowers, which are relatively inexpensive and conform to the historic nature of the building.

Fire-Suppression Systems- The fire suppression system for the central exhaust system in the stone building is currently functioning and inspected, but will need updated in the near future. This central system is the responsibility of the market, not individual vendors. The brick building does not have a central system, and individual hood fire suppression systems are to be maintained by vendor.

Plumbing- The plumbing system in both buildings is antiquated. Because the sewer lines are antiquated and underground, maintenance and repair costs are difficult to calculate and are handled on an 'as needed' basis. Water supply lines are generally operational. Both sewer and water supply systems are not currently designated to each vendor stand, making vendor turnover and replacement expensive and difficult for new vendors.

Utility Metering- One of the market's largest monthly costs is utility bills. Currently, all water and hot water are provided to each vendor at the market's expense. The amount of usage between vendors varies greatly, but that variance is not currently reflected in the rental cost to the vendor. It is recommended that utility consumption be factored into the rental cost of vendors based on a 'light usage', 'moderate usage', or 'heavy usage' designation. Separate water metering and hot water systems for each vendor would be ideal, but may be cost prohibitive from an investment perspective. Greater emphasis needs to be made on conservation of utilities by individual vendors, as well as lowering trash production and increasing recycling efforts.

Electrical- The electrical systems in both buildings are working adequately, but will need upgraded over the coming ten years. In most cases, but not all, vendors are responsible for their own electrical consumption by separate metering. The metering system is not ideal for vendor turnover, whereby one vendor stall may increase or decrease in square footage, yet electrical infrastructure will remain unchanged. This creates uncertainty as to which circuits are on which meter. Also, some vendor stalls do not have designated electrical meters and are on the 'house' electric.

General Improvements- Upon physical inspection of the two market buildings, it is clear that general improvements need to be made now and in the coming years. Those items consist of painting, patching, brick work, flooring upgrades, handicap accessibility, lighting upgrades, sidewalk upgrades, and landscaping upgrades.

## B. Current Management

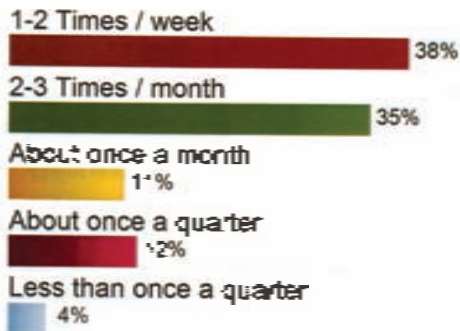
Structure-The market is currently operated by a management company called the Broad Street Market Corporation (BSMC), a registered C-Corporation in the State of Pennsylvania. The management agreement was initially put into effect in March of 1996 and later modified in 1999, allowing for extensions of the agreement. Those extensions ran out on December 31<sup>st</sup>, 2013. The BSMC has been managing the market on a month-to-month basis since that time. The BSMC is owned by a sole shareholder, the Historic Harrisburg Association (HHA). As per the original management agreement, capital improvements were to be the responsibility of the City, while a portion of the any profits by the manager would be shared with the City and to be allocated to capital improvements.

The Task Force has determined that this structure has not adequately aligned the interests of the management company with the interests of the City. The structure has also over-complicated and impeded efforts to secure outside funding, grants and other sources of revenue that are needed to adequately improve the buildings. If both buildings were to be fully leased, there would still not be enough revenue to cover costs, let alone capital improvements. The current structure has therefore under-collateralized the managing entity.

Operations- Since the creation of the Task Force, current management has been adequately recruiting new vendors, retaining current vendors in good standing, and maintaining the facilities. Current vendor levels in the brick building are at 90%. Current vendor levels in the stone building are at 40%. Due to the lack of funding to make general improvements to the Stone Building, vendor recruitment in the Stone Building has been difficult, but is nonetheless been making progress.

## C. Public Feedback

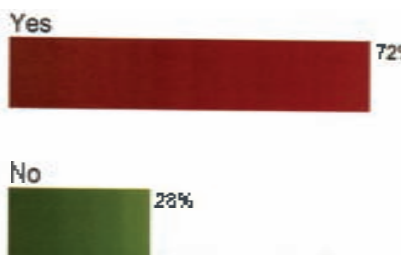
**How often do you go to the Broad Street Market?**



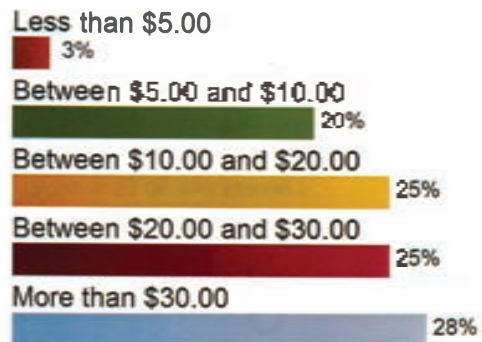
**I go to the market primarily to purchase already prepared foods.**



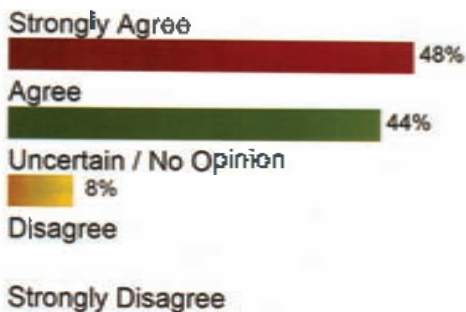
**I go to the market primarily to purchase "groceries."**



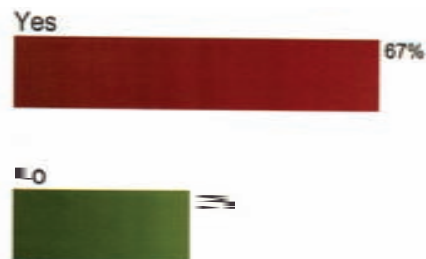
**About how much do you spend on an average trip to the market?**



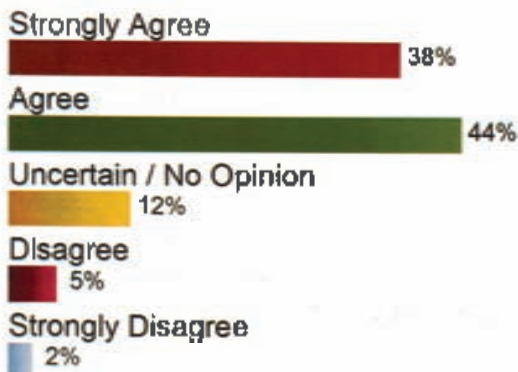
**I think that a greater diversity of foods should be a major focus of the market.**



**When I buy prepared foods at the market, I usually eat them on site.**



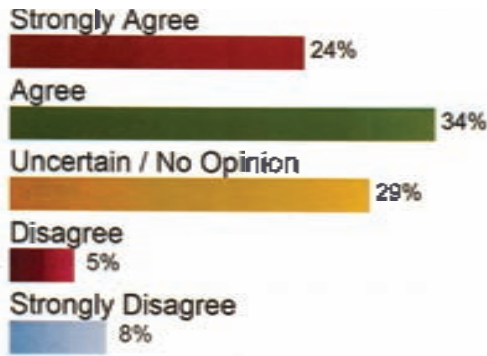
**I am willing to pay more for food products at the market for higher quality goods.**



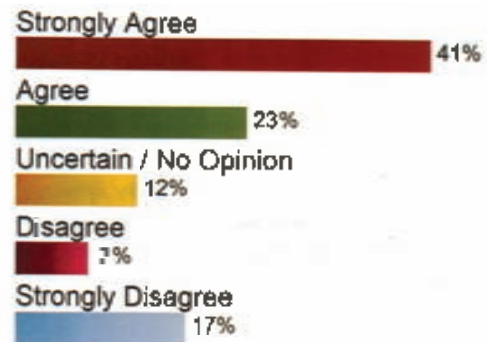
**I think the Broad Street Market should primarily be a venue for purchasing...**



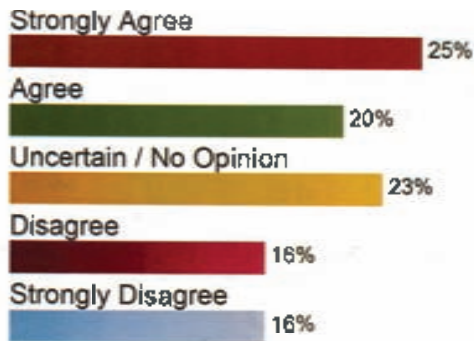
I would be willing to pay an annual membership fee to be a "friend of the market."



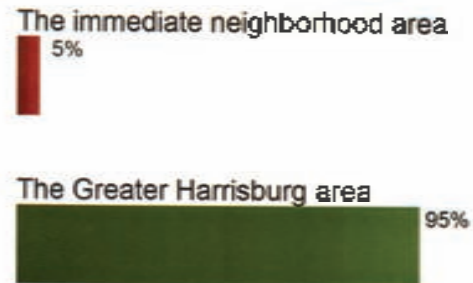
I would be willing to pay an annual membership fee to be a "friend of the market" if it included a discount on purchases made at the market.



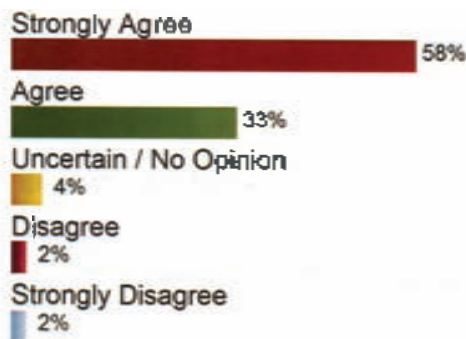
I like the idea of one building being a "prepared food court" and one building being a "fresh food market."



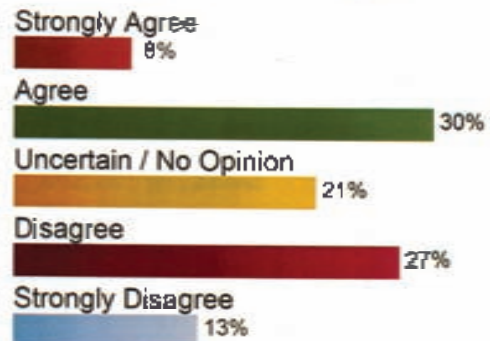
The Broad Street Market should focus on the consumer needs of:



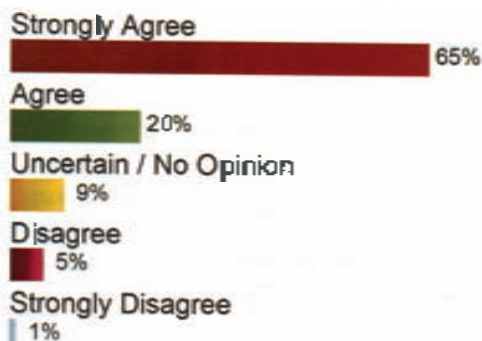
I think the Broad Street Market is a safe place to shop.



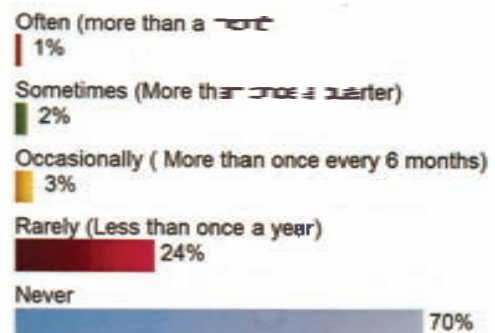
I think the Broad Street Market is clean.



I think the Broad Street Market should be a place that celebrates the cultural diversity found in the greater Harrisburg area.

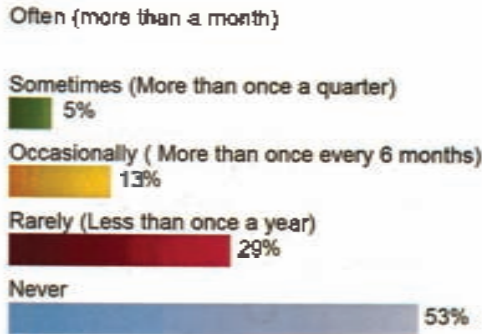


Do you ever shop at the York Central Market?





**Do you ever shop at the Lancaster Market?**



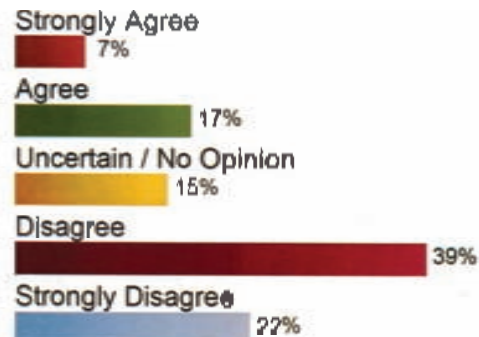
**Do you ever shop at the West Shore Market?**



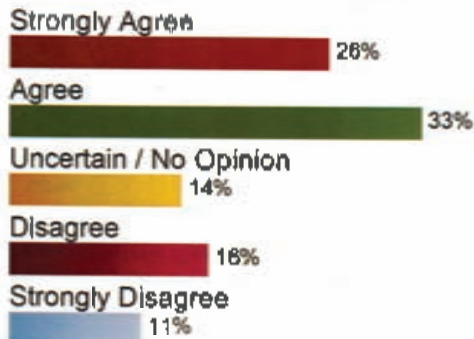
**Do you ever shop at the Farm Show Market?**



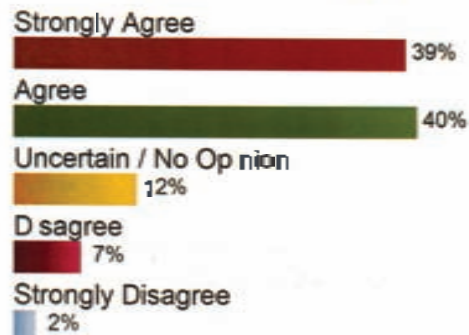
**The primary reason I go to the Broad Street Market is the price of goods.**



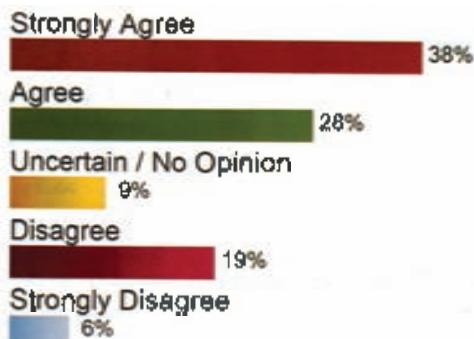
**The primary reason I go to the Broad Street Market is the social interaction.**



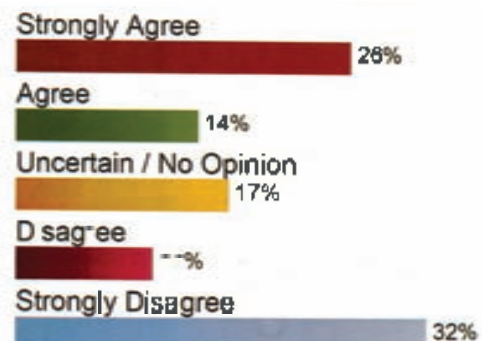
**The primary reason I go to the Broad Street Market is the quality of the food products.**



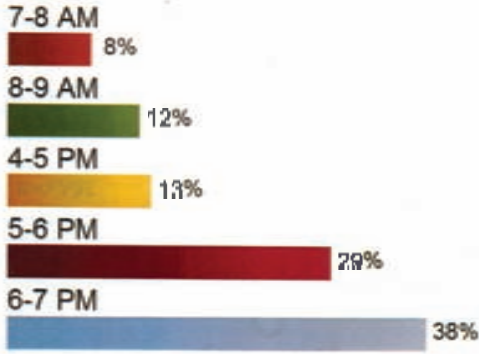
**The primary reason I go to the Broad Street Market is the convenience.**



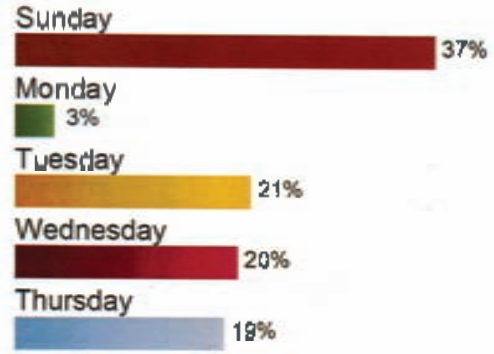
**Saturday parking enforcement will deter me from shopping at the Broad Street Market.**



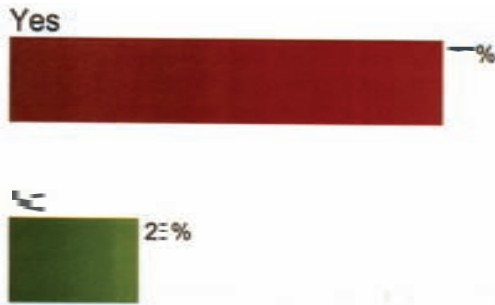
If hours at the market were extended, I would prefer to shop between...



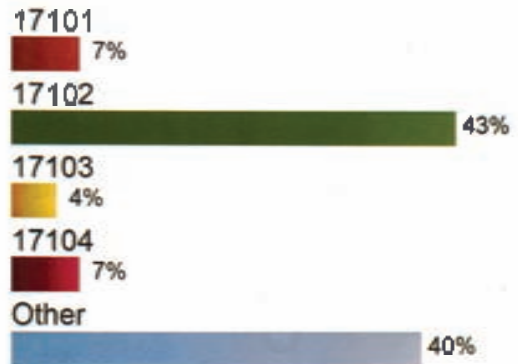
If shopping days at the market were extended, I would prefer to shop on...



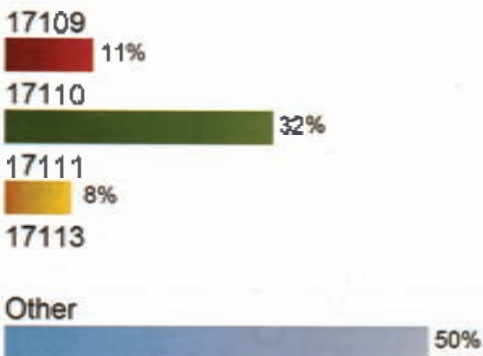
Do you live within 3 miles of the Broad Street Market?



What is your home zip code?



If you answered OTHER to the previous question...





On March 20<sup>th</sup>, 2014, the Task Force held a public meeting to gather information from customers and residents as to what they would like to see at the Market. The Task Force presented questions and gathered participants' responses digitally. Below are the results from the public meeting, which was attended by roughly 200 people.

### **III. RECOMMENDATIONS**

#### **A. OPERATIONS-**

While the current management has been improving and adequately handling maintenance, vendor recruitment, vendor retention, marketing and public relations, additional improvements can still be realized, including:

- Free Wifi
- Greater recycling efforts
- Reduction in disposable packaging
- Extended hours
- Grant writing
- Facilities planning
- Long-term business planning
- Budget disclosures to the City
- Greater vendor density
- Greater diversity of food offerings
- Smaller individual vendor footprint
- Greater emphasis on fresh foods
- Greater emphasis on agricultural relationships
- Greater emphasis on low-income accessibility to fresh foods
- Marketing budget
- Handicap accessibility
- Landscaping
- Litter management
- crosswalks

#### **B. INFRASTRUCTURE IMPROVEMENTS-**

The managing entity of the market must take an active and lead role in making infrastructure improvements to the facilities to safeguard the long term viability of the market. Because operational rent revenue is insufficient to fund large capital improvements, it is essential that the managing entity work diligently to secure additional resources, direct those resources in a

professional and accountable manner, and preserve the historic nature of the market buildings. These improvements must be in accordance with a highly developed, internally generated master plan that works to meet the expectations of the consumer, the community, the vendors, and the City. The managing entity must cohesively continue day-to-day management functions, while at the same time work diligently to secure funding from local, state, federal and private sources.

The Task Force recommends that the managing entity address the issues already laid out in section II. B. of this report (II. Findings, B. Condition of Buildings).

### **C. OWNERSHIP OF THE BROAD STREET MARKET-**

Upon extensive research, public outreach, and information gathering, the Task Force recommends that the ownership of the Broad Street Market remain in the hands of the City of Harrisburg. However, due to a lack of City funds to help improve the market buildings, it is recommended that the City enter into a lease with the managing entity, whereby the managing entity takes responsibility for capital improvements. This arrangement will better align the interests of the City with the interests of the managing entity, creating a functional relationship based on common goals. Key points to be included in the lease:

- 1) Managing entity should be responsible for all capital improvements and maintenance.
- 2) Proper financial reporting to the City to ensure transparency and accountability.
- 3) Sufficient lease term to provide certainty for new vendor recruitment.
- 4) Common goals and benchmarks
- 5) Preservation of historic nature of the buildings

### **D. MANAGEMENT STRUCTURE-**

Upon extensive research of other publicly owned farmers markets in our region, public outreach, and information gathering, the Task Force recommends that the current managing entity (BSMC) evolve into a specific-purpose, non-profit organization made up of a volunteer and stakeholder represented board of directors. It is vital to the future of the market that this non-profit organization take on the sole responsibility of maintaining the buildings, as well as coordinating the large capital improvements that will be needed over time.

In order to ensure the continuity of current operations, this transformation should take place in a timely, yet well-coordinated fashion. It is recommended that this new non-profit separate entirely from Historic Harrisburg Association (HHA) in order to eliminate unneeded layers of 'bureaucracy'. This new non-profit entity should reflect and be responsive to the numerous stakeholders of the market, including the community, consumers, vendors, and the City.

Key points for the specific-purpose, non-profit entity should be:

- 1) Take sole responsibility for the capital improvements needed to the buildings by formulating and executing a long term rehabilitation program in accordance with state and federal guidelines on historic preservation.
- 2) Identify outside revenue opportunities on a local, state, and federal level to fund needed long term improvements.
- 3) Apply for IRS 501(c)(3) tax exempt status, allowing for tax deductible contributions from private sources to help fund needed long term improvements.
- 4) Any future profit from operational revenue should be directed to the further improvement of the facilities.
- 5) Board of Directors should be made up of Harrisburg City residents when possible, and serve on a volunteer basis.
- 6) Board of Directors should properly represent the various stakeholder groups committed to the success and future of the Broad Street Market. Individuals to be considered on the Board of Directors should come from the following list of stakeholder groups or exhibit excellence in one of the following areas of expertise:
  - a. City Council Representative. This member should be appointed by City Council and serve as its primary point of contact for market affairs.
  - b. City Administration. This member should be appointed by the Mayor's office and serve as its primary point of contact for market affairs.
  - c. Community Representative. This member should be selected on a basis of high-standing in the Harrisburg community and represent the common interest of Harrisburg City residents.
  - d. Vendor Representative. This member should be selected on a basis of high-standing amongst active vendors of the market and represent the common interests of all market vendors.

- e. Agricultural Representative. This member should be selected on a basis of high-standing in agricultural affairs in the State of Pennsylvania and should advise the board on issues of fresh food availability and grant opportunities.
- f. Finance Representative. This member should be selected on a basis of high-standing in the profession of accounting and finance, focused on standards of bookkeeping, accounting, business management and internal safeguards.
- g. Grant Writing Representative. This member should be selected on a basis of expertise in the field of grant writing and should advise the board on availability of local, state, and federal funding.
- h. Business Representative. This member should be selected on a basis of high-standing in the local business community and should advise the board on sound business practices, long term planning, management issues, as well as potential sources in private donations.
- i. Legal Representative. This member should be selected on a basis of high-standing in the local legal community and should advise the board on legal issues, such as leases, entity filings and operational issues.
- j. Facilities Representative. This member should be selected on a basis of high-standing in the fields of architecture, historic rehabilitation, or construction and should advise the board on a long term rehabilitation plan of the buildings and the safeguarding of the historic nature of the buildings.
- k. Marketing Representative. This member should be selected on a basis of high-standing in the field of advertising, press relationships, and brand development.

## **HARRISBURG BROAD STREET MARKET TASK FORCE MEMBERS**

Jackie Parker, Chairperson  
Director of Community and Economic Development for the City of Harrisburg

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Jonathan Bowser, Chair of the Broad Street Market Corporation, and CEO at  
Cumberland Area Economic Development Corporation

Bill Fontana, Executive Director for the Pennsylvania Downtown Center

Joshua Kesler, Broad Street Market Vendor and Owner of the Millworks

Sylvia Rigal, Peer Professional at CRAM, Christian Recovery Aftercare Ministry

Deborah Robinson, HR Specialist/Recruiter Associate for ABEL Personnel

Shawn Westhafer, Lawyer and President of Friends of Midtown

Wanda Williams, Harrisburg City Council President \*

Sandra Reid, Harrisburg City Council Vice-President \*

Jeffrey Baltimore, Harrisburg City Council \*

\* Ex-Officio members