

Request for Decision

2016 Market Vendor Fees

Presented To:	City Council
Presented:	Tuesday, Feb 09, 2016
Report Date	Monday, Jan 25, 2016
Type:	Routine Management Reports

Resolution

THAT the City of Greater Sudbury approves the 2016 Market Vendor stall fees as recommended by the Downtown Market Working Group Advisory Panel;

AND THAT the City of Greater Sudbury approves the corresponding amendment to the 2016 User Fee Bylaw to include this information.

Finance Implications

If the reduction in market vendor stall fees are approved, the number of participating market vendors would be required to increase in order to achieve the 2016 operating budget of \$30,000 in revenue.

Signed By
Report Prepared By Meredith Armstrong Manager of Tourism and Culture <i>Digitally Signed Jan 25, 16</i>
Division Review Ian Wood Director of Economic Development <i>Digitally Signed Jan 25, 16</i>
Recommended by the C.A.O. Kevin Fowke Acting Chief Administrative Officer <i>Digitally Signed Jan 27, 16</i>

Summary

For the 2016 season, the Downtown Market Working Group Advisory Panel is recommending a Vendor Fee structure with reduced pricing for market stalls. This pricing is reduced by approximately 50% in comparison to the vendor fees applied in 2015, as shown on the attached table.

In order to increase overall traffic to the Market, the Working Group feels strongly that the Market requires more vendors offering a wider diversity of products during the entire season. The group has made the recommendation to reduce vendor fees following extensive consultation with vendors, consumers and other stakeholders over the past several years, as well as research into other northern markets. The cost of vendor stalls has been identified consistently by these stakeholders as the main barrier to participation from more vendors, and therefore is presented as a key challenge to increasing traffic at the Market each weekend.

Annual revenue generated by vendor fees has been around \$30,000 for each of the past three years, with roughly 35 vendors participating during the Market season. By setting this year's vendor fees at a much lower rate in comparison to past years, the Working Group and staff are confident that an increased number of vendors can be successfully recruited to ensure that the resulting vendor fee revenues can meet or exceed the revenue target of \$30,000 in this year's operating season.

In addition to lower vendor fees, vendor recruitment efforts will also leverage increased marketing and communication to retain existing vendors, reengage previous vendors and attract new vendors. Together with more marketing online and through digital media, along with increased onsite programming during Market days, the Market Working Group foresees a higher number of visitors this season as well.

Background

The City of Greater Sudbury recognizes the value of a public market as an incubator for small business start-up, tourism development and economic stimulus for a healthy, vibrant downtown. As such, site development, operation and marketing are the responsibility of the Greater Sudbury Development Corporation (GSDC) and management of the program is coordinated by Tourism & Culture staff within the Economic Development department. To date, development, operations, marketing and general management of the Market program are the responsibility of this staff team.

At the direction of Council, a renewed Downtown Market Working Group Advisory Panel was also assembled in 2015 with a mandate to provide advice, recommendations, information and expertise in the development of Market programming and operations.

For 2016, Eat Local Sudbury has been contracted as a third-party operator to manage and operate the 2016 Market. The service contract approach was piloted for the latter part of the 2015 season, with Eat Local Sudbury overseeing market operations; this was met with positive feedback from both vendors and consumers.

The contract was secured through an RFP process managed by Economic Development and Purchase staff with the assistance and input of the Market Working Group, and initial responses from vendors and stakeholders have been similarly positive.

In preparation for the 2016 season, the Working Group has outlined specific goals, including:

- o Increased consumer traffic to the Market – this will be achieved through targeted vendor recruitment to ensure diversity of offerings, along with increased programming and a targeted approach to communications and marketing especially through social media
- o Increased number and diversity of vendors and their offerings – this is seen as a priority by the group in order to achieve the top goal of increased traffic to the Market.

Along with their guidance and support for the ongoing operations of the Market's functional program, the Working Group also has a mandate to "develop a critical path and business plan for the organization's evolution to a self-governing, market corporation". They have recognized that achieving this evolution will rely on consistent engagement with the vendors themselves to ensure they feel a sense of commitment to and ownership of the Market. Such a goal requires careful succession planning and consistent communication with previous, existing and potential vendors.

With this in mind, it is clear that early, amplified communication of 2016 vendor fees is important to the process of recruiting vendors, with the intention that this will also enable vendors themselves to include Market participation in their own business planning.

2016 Market Season

In order to determine dates and hours of operation, the Market Working Group work closely with staff to review results of previous seasons along with input from stakeholders.

- This year's Market season will open on Saturday, June 4th, closing on Sunday, October 9th.
- The same physical layout will be used as was in 2015, based on positive feedback from both vendors and consumers, along with staff.

- Hours of operation will be Saturdays from 8 a.m. until 2 p.m., and Sundays from 10 a.m. until 2 p.m. As an update for this year, vendors will also be given the option of staying at the Market until 3 p.m. on Saturdays only, depending on traffic.
- Based on previous years' tracking, it is anticipated that peak hours for visitor attendance will remain from 10 a.m. until noon on Saturdays, and from noon until 2 p.m. on Sundays.

Vendor Fee Structure

Surveying and consultation with both existing and past vendors, along with recruitment efforts to attract new vendors, indicated that stall fees are relatively high and the expense of the fees presents a barrier to increased vendor participation.

- o As part of the 2015 vendor survey, vendors were asked what suggestions they would have for improving the Market, and "lowering the rates to attract more vendors" was mentioned most frequently; this is consistent with responses received from vendors in past years

- o As an example of research supporting this suggestion, staff worked to engage artisan vendors during the 2015 Sudbury Makers Market craft and art show for potential recruitment to the Downtown Market, and most indicated that the cost of Market stalls was prohibitive to their participation. The Makers Market itself attracted over 30 local and regional artisans and crafters, many of whom are young or emerging artists, and brought in consumer attendance of several thousand consumers. Vendor rates for the craft show are very low in comparison to the daily rates available in 2015 at The Market.

- o At the same time, surveying of consumers indicated that while fruits and vegetables continue to be a key purchase and attendance driver, the majority of visitors also indicated that a wider choice of products would influence their decisions to return more frequently, spend more and stay longer at the Market.

- o Research into other northern markets also indicates that the Greater Sudbury market is one of the highest priced in terms of vendor stall fees.

After reviewing this information, the Working Group quickly reached the consensus that the vendor stall fees should be reduced for the 2016 season. This would help new vendors overcome barriers to participation while ensuring retention of existing vendors and encouraging past vendors to return.

The working group agreed that the timing is ideal to take this step for the 2016 Market season, as it aligns with the new approach of contracting Eat Local Sudbury as a third-party operator to manage and operate the 2016 Market.

Impact on Operating Budget

In 2015, 34 vendors participated in the Market, over the course of the season, half of whom were installed for the full season and the remainder of vendors purchasing daily, weekly and monthly stall rentals. Vendors offered products such as fresh produce, baked goods (pastries, breads, and desserts), meats, spices, teas, crafts, jewelry and more. Over 60% of this year's vendors were new to the Market.

Revenue from these vendor stall fees totaled just over \$32,000; these vendor numbers and stall fee revenues are consistent with the previous two years of Market operations in the current location on Elgin Street.

The Market Working Group agreed that the lower stall fees, along with targeted marketing efforts and increased programming of special and seasonal events at the Market would enable more effective recruitment of vendors for the 2016 season. In alignment with their goal to increase Market attendance, the group feels that more vendors will result in a more diverse offering of products to attract consumers and increase traffic each weekend.

After researching local and regional farmers, producers and artisans, it has been determined that a sufficient pool of potential vendors exists to ensure an increased number of vendors can be targeted for recruitment in 2016.

Given these changes, the Working Group and staff are confident that an increased number of vendors can be successfully recruited to ensure that the resulting vendor fee revenues can meet or exceed the revenue target of \$30,000 in this year's operating season.

2016 Market Stall Options & Fees

This year's market stall options themselves are the same as those offered in 2015, and a similar layout will also be used for this year's market operations, based on the positive support this approach received from vendors and consumers last year in terms of moving vendor trucks to the outside and concentrating stalls and pedestrian movement within the center. This layout enables flexibility in terms of adding more stalls, including the 10x10 Pop Up stall options, as required by vendor interest and demand for space.

As outlined on the attached chart, the stall fee structure include the following changes from previous seasons:

- The fee structure has been streamlined to make it easier to understand by vendors and staff
- The "weekly" fee rate was removed as it was not well utilized
- Rates are structured to ensure that seasonal fees offer the most cost savings to vendors to encourage their participation over the full season, while daily rates have been simplified to attract those vendors, such as those selling fresh produce, to participate in the Market according to seasonality of offerings and abundance of product (for instance, small-scale farmers may have a "bumper crop" of vegetables to sell over a specific period of time during the season)
- Electricity remains options for vendors according to stall choice
- Insurance remains a requirement and vendors may opt to purchase the City's coverage or provide proof of their own

Conclusion

The Market Working Group, together with staff and Eat Local Sudbury representatives, have carefully considered the feedback of existing, previous and potential Market vendors, along with consumers and other stakeholders, gathered through surveying and consultation over the past several years, along with research conducted on other northern and regional markets.

This information indicates that the Greater Sudbury Downtown Market is one of the more expensive markets in the area, and also suggests that a lower vendor stall fee structure will enable more effective recruitment of vendors, resulting in a wider array of product offerings for consumers and helping to attract more consumer traffic to the Market.

The Downtown Market Working Group is therefore recommending the attached Market Vendor Fees for the 2016 season for Council's approval.

2016 Market Stall Options & Fees*

2016 Season: Saturday, June 4 – Sunday, October 9 (38 Market Days)

	Seasonal	Monthly	Daily
10x20 Space <i>(4 available)</i>	\$1,190.00	\$330.00	\$65.00
10x10 Semi-Permanent	\$600.00	\$165.00	\$30.00
10x10 Pop-Up	\$600.00	\$165.00	\$30.00
Market Stand (3x7) <i>(4 available)</i>	\$230.00	\$65.00	\$25.00
8x10 Indoor Stall (MRU) <i>(11 available)</i>	\$690.00	\$190.00	\$70.00
Electricity**	\$205.00	n/a	\$6.75
Insurance⁺	n/a	n/a	\$6.75

2015 Market Stall Options & Fees*

2015 Season: Saturday, June 27 – Sunday, October 25 (36 Market Days)

	Seasonal	Monthly	Weekly	Daily- Local farmer	Daily- Crafter/ Artisan
10x20 Space <i>(4 available)</i>	\$2,380.00	\$660.00	\$360.00	\$120.00	\$238.00
10x10 Semi-Permanent	\$1,190.00	\$330.00	\$180.00	\$60.00	\$119.00
10x10 Pop-Up	\$1,190.00	\$330.00	\$180.00	\$60.00	\$119.00
Market Stand (3x7) <i>(4 available)</i>	\$465.00	\$129.00	--	--	\$90.00
8x10 Indoor Stall (MRU) <i>(11 available)</i>	\$1,380.00	\$380.00	--	--	--
Electricity**	\$192.00	--	--	--	\$6.00
Insurance⁺	--	--	--	--	\$6.00

*Inclusive of HST

**Electricity is available as an option for 10x10 Semi-Permanent and 8x10 Indoor Stalls (MRU) only

⁺Vendors may provide proof of their own insurance coverage or purchase this option under the City