

A Public Market In La Crosse?

A Feasibility Study



Market
Square
La Crosse
1908



Prepared for the City of La Crosse, WI

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Entrance to La Boqueria: One of 38 Public Markets in Barcelona, Spain

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Introduction

This Report is the first of three Reports commissioned by the City of La Crosse.

The purpose of this Report is to examine the feasibility of locating a Public Market in La Crosse. The Report first examines the general concept of a Public Market and draws from the general experience of other Public Markets to make a variety of observations and recommendations as they apply to the specific situation in La Crosse. The Report then focuses on the specific feasibility factors such as demographics, vendor availability, and demand that go into determining the likelihood of the Public Market's success.

The second Report will be a Site Analysis which will look at dozens of metrics that go into selecting the optimum site for the Public Market. This will only be written, should the Feasibility Study find that the Public Market is a recommended and feasible option.

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Finally, assuming feasibility, a partial Business Plan will be created that will focus on an optimal tenant mix, project components, an operating and capital budget and funding, management and development options.

Together, assuming that this initial Feasibility Study has a positive outcome, these three Reports should position the City of La Crosse with the informational tools to proceed with the fundraising and development of a successful Public Market in La Crosse.

Executive Summary

This Report examines the feasibility of locating a Public Market in La Crosse. La Crosse has tremendous resources and assets which could lead to a successful Public Market. The City combines a relatively youthful, well-educated population with tremendous economic need among many of its citizens.

While La Crosse's businesses enjoy hundreds of billions of dollars in shopping from its roughly 300,000 regional residents, it remains significantly undersupplied in fresh and prepared food venues that would form the core of a La Crosse Public Market. La Crosse residents would enjoy the social benefits that a Public Market would bring. Its surrounding agricultural economy would improve and its existing businesses, especially those located downtown, would derive substantial economic benefits from a properly executed Public Market. In addition, the community development enhancements that a Public Market would bring to La Crosse's many strong neighborhoods would be significant.

The author of this report has done scores of Public Market Feasibility Studies. Roughly 1/3 of these Reports recommend not proceeding for a variety of reasons. In the case of La Crosse, this Report suggests that a Public Market would not simply be feasible but that it would be transformational and would help to address many of La Crosse's most intractable issues.

This Report suggests how to establish and maintain a healthy and vibrant Market environment. It details what creates a successful Public Market, and why La Crosse is ripe for such a Market. Following an examination of 18 separate non-economic, non-demographic criteria that are critical to establishing a successful Public Market, the Report goes on to examine growth trends, complementary and competitive uses and the underlying economic and demographic details that undergird an examination of a Public Market's feasibility. The Report details where the customers, vendors and farmers will come from. Supply and demand statistics are presented and recommendations are made regarding how the Public Market can be supportive to its surrounding communities.

The Report also examines the viability of a Public Market through the lens of geography, accessibility, demographics, economics, a demand analysis, visitor characteristics and existing uses. The Plan concludes that the Public Market and its associated components and enhancements are feasible in La Crosse.

What is a Public Market?

Public Markets exist to fulfill public purposes. They consist of owner-operated businesses that reflect and celebrate what is unique about their region and that serve their communities everyday shopping needs. They may share characteristics of festival marketplaces, farmers markets, malls, food halls, or flea markets, but have fundamental differences. They are public spaces where different ages, income and ethnic groups, can rub shoulders in a safe, vibrant and fun environment.

Public Markets are indoor retail facilities where locally owned and operated independent businesses flourish year-round, from stalls, stores and carts. They typically include outdoor “daytables” for local farmers and craftspeople. Chain stores and franchises are not present.

They have a proven history of being a powerful economic engine that creates hundreds of new jobs, scores of entrepreneurial opportunities, and millions of dollars in new tax revenues. The forthcoming Business Plan will quantify these benefits.

According to the SBA, roughly 94% of all new jobs that are created in our economy are created by firms that employ between 0 and 4 employees. The reason that Public Markets are so economically beneficial is that they create an agglomeration of needed and colorful products by combining these small retailers in a central location with enough critical mass, institutional advertising, display and business support, attractive and needed products, and exciting social energy (the “jazz” factor) to help maximize their chance of success.

Public Markets also add tremendous value to nearby real estate. According to a professionally done economic study, (See: [The Berk Study at www.publicmarketdevelopment.com](http://www.publicmarketdevelopment.com)) the \$65 million dollars in grants which funded the initial renovation of Seattle’s Pike Place Market have leveraged well over twenty times that amount in nearby, surrounding private investment.



Upscale housing adjacent to Pike Place Market has among the highest sq. ft. cost *in the world*. Yet, it is surrounded by market rate housing and more affordable housing units than when the Market’s renovation began.

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While developed primarily for local community members, Public Markets also attract new visitors to a community. For example, the author developed a Master Plan for the expansion and renewal of the historic Findlay Market in Cincinnati, Ohio <http://www.findlaymarket.org/>. The City followed the Master Plan and Findlay Market is now one of the principle reasons that tourists cite for visiting Cincinnati.



Entrance outside of Cincinnati's Findlay (Public) Market

Similarly, Roanoke, Virginia rebranded and renovated their Public Market <http://www.downtownroanoke.org/city-market>. This effort is cited as the principle reason that the owners of the historic Roanoke Hotel invested tens of millions of dollars to reopen the hotel and expand it to include a conference center. (See: <http://www.hotelroanoke.com/index.php>). Before the Market's renewal, the hotel had stood empty for decades.



Roanoke Hotel and Conference Center

Public Markets typically focus on fresh food and they often have many types of local foods produced on site. They frequently incorporate local, handmade crafts, prepared food stalls and restaurants, as well as other needed neighborhood services. Most successful Public Markets incorporate vibrant public spaces and amenities that provide opportunities for local festivals, concerts, health fairs, and family fun.

Often, they include a commercial kitchen where local farmers can create value-added products, local cottage industry producers can create and professionalize their food offerings, local chefs can demonstrate their cooking talents, and regional hospitals and

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health departments can teach citizens about nutrition and healthy eating. These kitchens also serve as commissary kitchens to prepare food for Public Market-sponsored events.

Public Markets are catalysts for the creation of vibrant, mixed-use, successful communities.

What Makes a Public Market Successful?

- 1. Excellent Location / Site**
- 2. Diverse, Vital, and Culturally Rich Environment**
- 3. Size of Market Appropriately Scaled to Location**
- 4. Great Vendors, Mix, and Design/ Layout**
- 5. Engaged Professional Management**
- 6. Intensive Promotion and Advertising**
- 7. Reflects local character and meets everyday shopping needs for fresh foods**



Exhibit 1: Creating Successful Public Markets

Public Markets around the country have helped to create the local emphasis on buying healthful, locally grown, fresh foods.

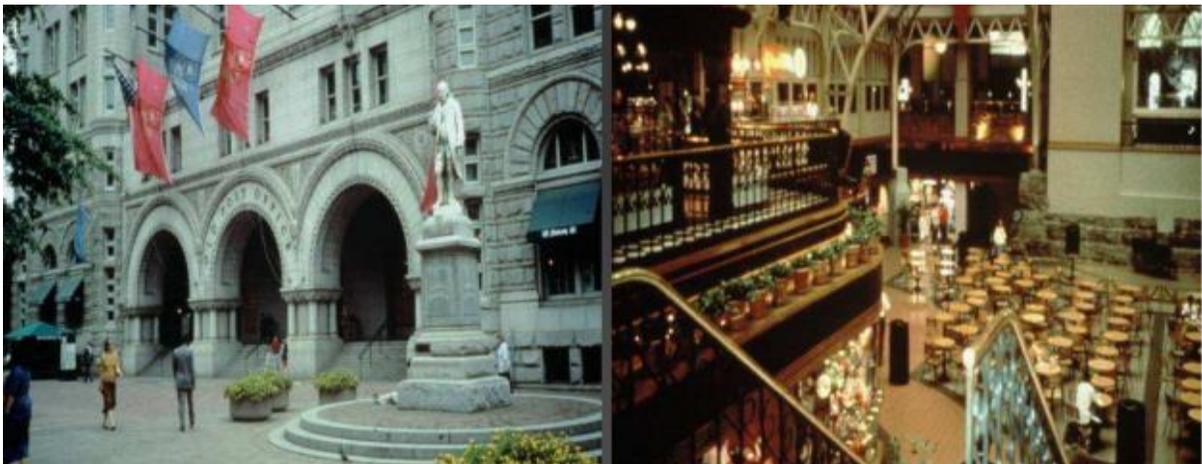
Public Markets are an idea that is 6,000 years young. Historically, most major cities in the world had a Public Market as their community and economic heart and soul. The Public Market was *the* place where citizens could “meet the producer”, shop for a bargain cut of shoulder steak or a piece of filet mignon, run into old friends or friends-to-be, buy locally produced fresh foods, and enjoy a physically stimulating, vibrant, colorful, and safe environment.

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Pike Place Market on a "slow" day

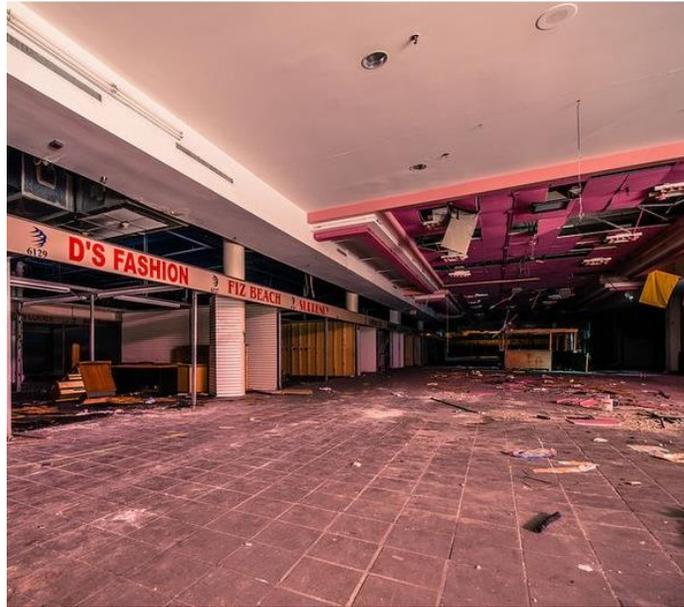
This has occurred during a time when most 'Festival Markets' (upscale agglomerations of national chain stores such as Gucci, Crabtree & Evelyn, and Banana Republic) have died and gone bankrupt. See the article "After the Festival is Over" - linked to at: www.publicmarketdevelopment.com for the documentation of this fact.



DC's Old Post Office - a failed "Festival Market" where the prior developer had spent \$280,000,000 on renovation. Gorgeous architecture, very few customers. This is now the location of the Trump International Hotel.

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Likewise, across the country, shopping malls have barely kept up with inflation, as they try, without a lot of success, to compete with internet sales. See “Why Malls are Getting Mauled”, NY Times, 12-22-12 linked to at www.publicmarketdevelopment.com.



Failed Malls Dot the Country

Public Markets succeed economically because they are fundamentally social places. Many Public Market individual businesses succeed phenomenally well.

Many multibillion-dollar international businesses started as ‘mom and pop’ shops or farm stands at a Public Market. These businesses include Starbucks, Sur La Table (kitchen supplies), Cascadian Farm Organic (largest organic food distributor in the world), Wax Orchards (cider), Chukar Cherries, and Tradewell Foods.



The original Starbucks at Pike Place Market

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When the author of this Report was a Director at Seattle's Pike Place Market, a customer intercept survey was commissioned. In the 1980's, customers in the Public Market and in a nearby mall were asked – "Why did you come down here today?" and "How much did you spend here today?".

At the mall, 94% of respondents said one form or another of "I came to shop" – "I needed to buy a vacuum cleaner bag, and this was the place to get it." In contrast, at the Public Market, only 26% of respondents "came to shop".

Public Market customers came for fundamentally social reasons. They came to meet a friend, to people watch, to enjoy the street musicians, to mix with people who were different from themselves in a secure, friendly, exciting and vital environment.

Despite the fact that Public Market customers did not "come to shop", *they actually spent roughly twice as much money per customer visit at the Public Market, than the shoppers at the Mall.*

This is the secret to creating a successful Public Market.

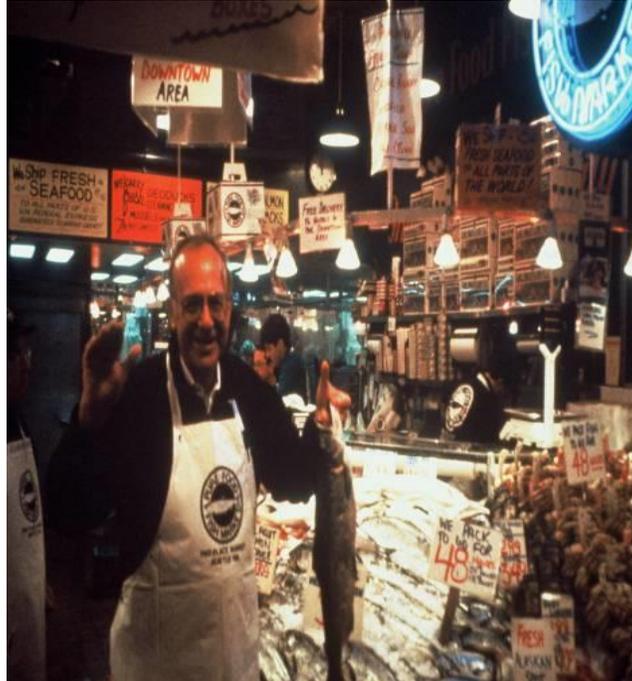
As citizens have less time for shopping, they prefer to combine their shopping time with their social time.



Baltimore's Cross Street Public Market

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Creating this kind of experience takes the planning and management expertise necessary to create a dynamic environment of “controlled chaos.” This will encourage shoppers to drive past their neighborhood supermarket to delight in “their” Public Market to shop for their fresh foods.



Sol Amon, the owner of Pike Place Market's Pure Food Fish, is smiling because he likely owns the highest per sq. ft. retail sales shop of any business *in the world!*

As in any other city, the La Crosse Public Market would need to focus on the special attributes and needs of La Crosse.

Are Public Markets Mostly Successful?

Historically, Public Markets were the principle way that most Americans shopped for fresh food. In many countries through the world, this is still true. Public Markets are often the heart and soul of cities internationally.

As America became enamored with all things ‘modern’, Public Markets met the same wrecking ball fate shared by so many gorgeous historic structures. Urban renewal, often termed urban removal, sucked the life out of many American communities. Colorful and historic Main Streets were replaced by vacuous strip centers. Homogenous supermarkets replaced Markets and many of our young people began to believe that meat grew in Styrofoam containers.

La Crosse grew up around its “Market Square”. From 1880 to the late 1940s Market Square in La Crosse, was *the place* to shop in the city. The Market Square was located on the east side of Fourth Street between Jay and King Streets. From the 1880s to the 1920s, area

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farmers sold firewood, hay and livestock at the Market Square. After the 1920s, flowers, produce and poultry were commonly found there. Transformation into a public parking lot began in the 1920s and all Market Square stalls were gone by the 1950s. The site of the Market Square now holds a parking ramp and mixed-use apartment complex.



Market Square, La Crosse - 1908. Photo courtesy of La Crosse Public Library Archives

The buildings in the picture above are located on the 300 block of Fourth Street South. The two-story buildings to the right are still standing today but the house and store to the left have since been demolished. The photo was taken in the winter of 1908.

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Map 1: Market Square location today

Following the successful renewal of Pike Place Market, over 300 Public Markets have sprung up throughout the country. Virtually all have been phenomenally successful.

Only the failure of one significant Public Market is known. The Portland, Maine, Market failed because its products were too uniformly upscale and unaffordable to most residents, and because it was located in the wrong place. The merchants got rid of local management and opened a new, more mixed income Public Market at Portland's waterfront. Since then the Market has thrived.

Can Public Market's succeed in smaller cities like La Crosse?

Although there is no place just like La Crosse, there are many successful Public Markets in communities that have similar numbers of potential customers all over the country.

La Crosse's population in 2017 was 51,834. The exhibit that follows contains a sampling of existing Public Markets in communities of 8,000 to 76,000 residents. Clearly, Public Markets need to be scaled to the communities where they are located but smaller size cities can clearly support a properly sited, planned, tenanted, designed and managed Public Market.

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City Name	Public Market (PM) name	City (Only) Population
Dobbs Ferry NY	Riverton Public Market	11,093
Easton PA	Easton Public Market	26,578
Wenatchee WA	Pybus Public Market	33,921
Emeryville CA	Emeryville Public Market	11,671
Lenexa KS	Lenexa Public Market	52,903
Chapel Hill NC	Blue Dogwood PM	59,246
Napa CA	Oxbow PM	76,915
San Luis Obispo CA	SLO Public Market	47,536
Fredericksburg VA	Dominion Public Market	28,297
Sandpoint ID	Cedar St. Bridge PM	7,984
Portland Maine	Public Market House	66,937
Lancaster PA	Central Market	59,218
York PA	Central Market	43,859
Wheeling WV	Centre Market	27,375
Harrisonburg VA	Shenandoah Heritage Market	53,078
Hanover PA	Hanover Market House	15,561
Lynchburg VA	Lynchburg Community Market	75,704
Scranton PA	Scranton Public Market	76,079
Harrisburg PA	Broad St. Market	48,904
Charleston, WV	Capital Market	49,138
Wilmington DE	Riverfront Market	71,442
Mequon WI	Mequon PM (Under dev't)	24,086
Windsor Locks CT	Connecticut River Valley PM (Under dev't)	12,512

Exhibit 2 - Public Markets in Smaller Communities of Various Sizes.

A Tale of Six Markets

Understanding how Public Markets have functioned in other American cities is instructive in understanding the potential impact of a Public Market in La Crosse.

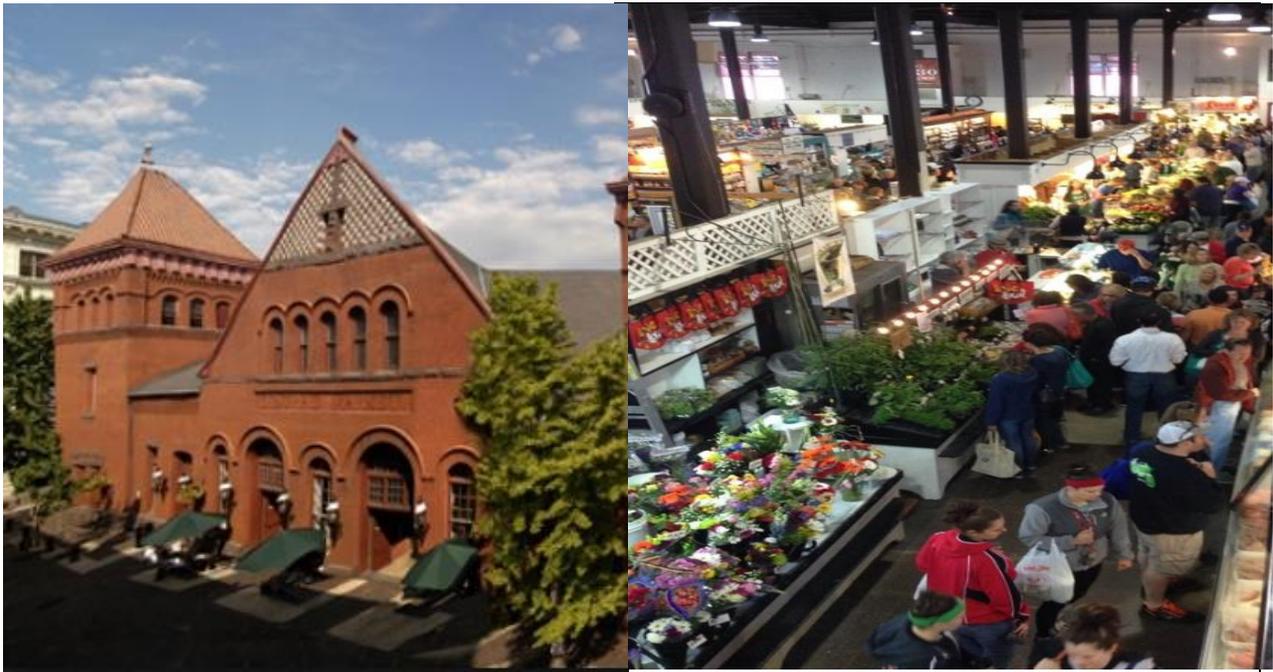
The first two examples in York, PA and Lancaster, PA are located in similar size communities to La Crosse. Both of these two communities have quite similar demographics with a similar racial mix and economic status distribution and are in relatively rural areas of central Pennsylvania that have seen significant disinvestment from manufacturing employers. Both communities have a relatively intact historic downtown whose success is, in good measure, due to the presence of their Public Market.

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The latter four examples are in larger cities but have histories that are relevant to the effort to create a Public Market in La Crosse. Vancouver's Granville Island Public Market <https://granvilleisland.com/public-market> & Seattle's Pike Place Market <http://pikeplacemarket.org/> are the two largest Public Markets in North America.

Central Market in Lancaster, Pennsylvania is located in a fabulous historic building. The Market in Lancaster began in Lancaster's own 'Market Square' in 1730. Farmers would cart their bounty from the surrounding fruitful land to the heart of the nearly settled municipality to sell their wares in "their" Market.

The Public Market moved into its first permanent year-round indoor building in 1757 and finally settled into its current home in 1889. Starting in the 1950s, as retail businesses left downtown Lancaster for the nearby suburbs, malls and strip centers, the Central Market remained the anchor for downtown. Today, the Public Market is by far the principle attraction in the community. Downtown Lancaster is becoming healthy once again as people return to downtown to live, work and play.



Central Market, Lancaster, PA

Central Market, York, Pennsylvania, has over 50 vendors focused exclusively on fresh and prepared foods. The historic building which houses the Public Market opened as a Market in 1888. The Market's website proclaims: "Central Market is a reminder of York's storied history and the anchor of the revitalization of Downtown York. More than just a beautiful historic building, Central Market is both a grassroots commercial operation and a community gathering place. It is the economic and social heart of the city."

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Central Market, York, PA

Seattle's Pike Place Market is America's preeminent Public Market.

In the early 1970s, when Seattle's City government proposed tearing down Pike Place Market and replacing it with high rise condos and office towers, a citizen's revolt forced a ballot issue requiring preservation rather than demolition of their beloved Public Market. The City spent nearly half a million dollars to defeat the "Citizens' Initiative to Preserve the Market". When the votes were counted, 82% voted for preservation.

During the 1970s, \$65,000,000 in grants was raised to renovate the Public Market. The preservation of Pike Place Market was phenomenally successful. Soon, over 10,000,000 customers annually began strolling down the Market's arcades. Downtown Seattle was reborn and other cities took note.

The successful renewal of Pike Place Market began America's return to Public Markets as a source of fresh food, exciting fun, and entertainment. As Festival Markets filed for bankruptcy and malls and strip centers closed down and/or languished, over 300 thriving new Public Markets were created throughout the country. In Wisconsin, this has meant that the Milwaukee Public Market was followed by other Public Markets in various stages of development in Eau Claire, Kenosha, Mequon, and Madison.

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Throngs of Pike Place Market Customers

Vancouver's Granville Island Public Market was developed on an island outside of downtown, Vancouver. The site was previously a post-apocalyptic industrial brownfield.

Granville Island's Public Market, also redeveloped in the 1970s, was and is phenomenally successful. Part of its success is due to the surrounding amenities located on Granville Island. The Island is filled with buskers, children's splashpads, playgrounds, art studios and galleries, a crafts college, theatres, and outdoor concert venues.

Currently, both Granville Island and Pike Place Market enjoy over 10,000,000 annual customer visits. Both Public Markets have been key to their city's incredibly successful downtown revitalization.



Shopping and eating at Vancouver Granville Island Public Market

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The Midtown Global Market in Minneapolis, <https://midtownglobalmarket.org/> was developed in a primarily Hispanic neighborhood that had been ground zero for crime, murder, drug dealing and prostitution. It was developed in an abandoned, asbestos filled, 1.2 million sq. ft. Sears retail and distribution center that had stood empty for 30 years. The Market occupies the condominiumized ground floor of the historic structure and is run by a non-profit. The balance of the building and site is owned and managed by the private development firm Ryan Companies. The building and its surroundings is now fully occupied by a Sheraton Hotel, medical office complex, artist loft housing, and other private commercial developments. Nearby retail occupancy today has skyrocketed from near zero to near 100%. Crime has all but vanished.



Midtown Global Market, Minneapolis, Minnesota

Cincinnati's Findlay Market, <http://www.findlaymarket.org/> is located in the Over-the-Rhine neighborhood. The area, which is primarily African American, was the center of one of the largest riots in American history in 2001.

Following the riots, the Market was redeveloped. The number of merchants went from around 12 to over 100 permanent merchants, plus over 100 seasonal farmers. A significant number of these merchants and employees are African American. The Market is culturally and economically diverse with adjacent stalls selling wheatgrass and chitlins. The Market currently enjoys 1,200,000 annual customer visits and is one of the principle attractions in Cincinnati.

The surrounding Over-the-Rhine neighborhood is one of America's most dynamic and successful mixed race and mixed income communities in the U.S. It enjoys dozens of new restaurants where one can dine on fried chicken or on Michelin rated gourmet fare.

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Get your Pig's Feet or Wheat Grass: Adjacent Businesses at Findlay Market!

These six very successful Public Markets share certain characteristics:

- All but Granville Island are located in attractive historic buildings.
- One quality that is common to the last four of these successful Public Markets is that they have sites that are rich in public amenities. Outdoor farmers markets, parks, children's playgrounds, picnic areas, and a host of other site amenities complement the success of the activities inside the Public Market buildings.
- Each of these Public Markets is a regional attraction that serve people from many miles away.
- Each is among the most popular tourist attractions in their region.
- This study's author was the Public Market consultant on the redevelopment of the last four Public Markets.
- All six Markets focus on fresh food with some prepared foods.
- All the Markets, (with the exception of the Global Market) in different ways, were key to the successful revitalization of their city's downtown.
- Finally, all six Markets are beloved by their citizens. For example, when Pike Place Market needed renovations, Seattle's citizens voted overwhelmingly, at the end of 2008, during the height of the recession, to raise their taxes by \$73,000,000 to accomplish the needed repairs. They did so because they understood how important "their Market" was to the fabric of the City.

Do Most Cities Have a Public Market?

Among the 35 most populous cities in the United States, all either have or are in the process of developing a Public Market-like venue.

Exhibit 3 details Public Markets and Public Market-like venues that are all *year-round, indoor (often also including outdoor), multi-vendor facilities that focuses primarily on fresh foods*. The list **does not include** outdoor/seasonal farmers markets focusing primarily on produce.

Of the 35 Public Markets listed, 27 (79.4%) are owned and managed by a public or private non-profit entity.

Most of the Markets are in historic buildings and/or have rich surrounding outdoor site amenities. Many have existed for hundreds of years. Six are currently under development.

The argument that successful Public Markets need to be located in a downtown is belied by the data. An examination of the Table shows that of the 34 listed Public Markets (or similar venues), 8 are located in a downtown, 3 are located on the edge of a downtown, and 24 (71%) are located in a neighborhood outside of downtown.

However, an examination of the Public Markets located in smaller cities (see Exhibit 2), reveals that nearly all of them are located either in or on the edge of their city's downtown.

There are likely two reasons for this. First, Public Markets in smaller cities typically have as one of their central goals to assist in the revitalization of their downtown, and second, in smaller cities, it is important that the Public Market maximize its potential customer base by being centrally located. Downtowns are typically the center of most smaller cities.

# Rank	City	Populat. '15 U.S. Census	Market Name: PM = Public Market	Loca-ted downtown?	Comment
1	N.Y.C.	8,550,405	Arthur Ave. PM	No	Several others
2	L.A.	3,971,883	El Mercado	No	Several others
3	Chicago	2,720,546	French Mkt.	Yes	Privately owned
4	Houston	2,296,224	Houston PM	No	Under development
5	Philadel.	1,567,442	Firehouse PM	No	Several others
6	Phoenix	1,563,025	Phoenix PM	Yes	
7	San Antonio	1,469,845	El Mercado	Yes	
8	San Diego	1,394,928	Liberty PM	No	
9	Dallas	1,300,092	Dallas Farmers Mkt	Edge	PM not just FM
10	San Jose	1,026,908	San Pedro Sq. PM	Yes	Private?
11	Austin	931,830	St. Elmo PM	No	Open 2019
12	Jacksonville	868,031	Jacksonville PM	No	

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13	San Fran.	864,816	Ferry Building Mktp.	Edge	Public own, pvt mgt
14	Indianapolis	853,173	Indianapolis City Mkt	No	
15	Columbus	850,106	North Market	No	
16	Ft. Worth	833,319	Fort Worth PM	No	Future uncertain
17	Charlotte	827,097	7th St. PM	No	
18	Seattle	684,451	Pike Place PM	Yes	Nation's Largest
19	Denver	682,545	Denver Public Market	No	Under development
20	El Paso	681,124	Eastside fmer & art. pm	No	Yr.-round, weekly
21	Detroit	677,116	Eastern PM	No	
22	Wash. D.C.	672,228	Eastern Market	No	
23	Boston	667,137	Boston PM	Yes	
24	Memphis	655,770	Agricenter FM	No	Indoor, not yearly
25	Nashville	654,610	Nash. FM - Mkthouse	No	
26	Portland OR	632,309	James Beard PM	Edge	Under development
27	Oklaho. C.	631,346	Farmers PM	No	
28	Las Vegas	623,747	Broadacres Mktplace	No	Private: food & flea
29	Baltimore	621,849	Cross St PM	No	Many, 1 dntn (Lex.)
30	Louisville	615,366	Logan St. PM	No	Under Development
31	Milwaukee	600,155	Milwaukee PM	No	
32	Albuquerque	559,121	Dntn Growers Mkt	Yes	Yr.-round, Weekly
33	Tucson	531,641	Mercado San Agustin	No	
34	Fresno	520,052	Fresno PM	Yes	Under development
35	Sacramento	490,712	Sacramento PM	Edge	Under development

Exhibit 3 - Public Markets in America's 35 Largest Cities.

Do Public Markets Compete with Existing Businesses?

Often, businesses surrounding a Public Market, are concerned that the Market will “steal” their customers. Since the capital costs of Public Markets are typically, initially supported with public funds, the concern is that this puts them at an unfair competitive advantage.

This is understandable given the fact that many merchants have put their life savings, as well as endless sweat and blood, into their investment. When this issue has arisen at other Public Markets, the best way to address it has been to put the private merchants in touch with other merchants in different cities that had similar concerns, as nearby Public Markets were being developed.

The universal response was that, in fact, potentially competitive business in the Market's vicinity *did* share some of their customers. However, based on merchant's experience as well as this author's and many other Public Market managers' experiences, the customer base of the private non-Public Market merchant roughly tripled due to the great number of new customers being drawn to the area. They received a somewhat smaller slice of a much larger pie.

True Public Markets vs. “Private” Public Markets and Food Halls

With the success of scores of Public Markets across the country, many private developers have begun to develop so-called “Private Public Markets” and “Food Halls”. This effort is not unlike the effort in the 1980s to create so-called Festival Markets – most of which have gone bankrupt – (see: *After the Festival is Over*, article from Governing Magazine to be found at www.publicmarketdevelopment.com).

In fact. Most “private” Public Markets have not been nearly as successful as true Public Markets in America. Because of their understandable need to maximize profits, “private” Public Markets have generally strayed from the public purpose goals and product mix that has made so many Public Markets spectacularly successful. Consequently, they have typically suffered much lower relative customer counts than their “Public” counterparts and have failed to realize many of the public purpose goals that they were often created to help address.

While it is critical that any Public Market operate in the black (once they are leased up), maximizing profits is *not* the main goal for true Public Markets. Particularly in a community like La Crosse, where average demographics are much more likely to be middle class, it is important to resist the temptation to create a Market that ignores the vast majority of the potential customer base in favor of appealing exclusively to a more limited and high-end clientele.

Examples of ‘private’ Public Markets include the Ferry Building Marketplace in San Francisco, the Oxbow Public Market in Napa, CA., the Chelsea Market in Manhattan, and the Emeryville Public Market in the Bay Area, CA. These, and other ‘private’ Public Markets have four things in common:

- 1) The “private” Public Markets that have survived are typically located in places with very high concentrations of upscale residents such as Manhattan and San Francisco, and/or high concentrations of affluent tourists such as Napa Valley.
- 2) “Private” Public Markets tend to appeal to an exclusively high-end customer base with homogenous upscale products. Consequently, they tend to do very poorly compared to those Markets that are intentionally diverse and that self-consciously appeal to a broad cross section of community residents. For example, if you wish to pay \$78/pound for cheese, San Francisco’s Ferry Building Marketplace is *the* place to shop. Sadly, you won’t have much customer competition.

As the following pictures illustrate, in contrast, the Public Market at Granville Island, (Vancouver, Canada) teams with customers.

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San Francisco's privately owned and managed Ferry Building Marketplace. Gorgeous architecture, homogenous upscale products, few customers.



Vancouver Canada's Granville Island Public Market has diverse offerings appealing to a broad cross section of the community. It is full of customers enjoying over 10 million customer visits annually.

Another, even more telling example of this phenomenon may be found at Seattle's Pike Place Market where there are two *immediately adjacent* arcades, one filled with shops whose underlying landlord is public (in this case a public, Preservation & Development Authority), and the other was developed by a private developer (Harbor Properties, Inc. sold to Los Angeles based Urban Partners LLC). The two pictures which follow are of abutting and connected Market arcades. They were taken within 5 minutes of each other.

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Diverse publicly owned Pike Place Market arcade



Adjacent, upscale, private Market arcade at Pike Place Market

- 3) 'Private' Public Markets tend to quickly stray from their original mission and move away from a typical tenant mix that emphasizes owner-operated businesses that focus on fresh and prepared foods. While most successful true Public Markets include a variety of non-food related businesses, all remain committed to a focus on fresh food and distinctive local owner-operated businesses that exclude chain stores or franchises.

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When Chelsea Market in Manhattan opened, it focused almost exclusively on fresh foods. More recently, chain stores and boutiques have predominated and customer counts have declined.



Anthropologie, a high-end chain clothing boutique at NY's private Chelsea Market.

- 4) Because “private” Public Markets are typically not nearly as profitable as anticipated by their developers, they tend to change their product mix and ownership numerous times. This is true of each of the privately developed Markets referenced earlier.



The Emeryville, CA Public Market has reinvented itself over a dozen times since becoming privately owned in the 1980s

Public Markets that are the most successful are those that appeal to the broadest cross section of a community's potential customer base. This means intentionally curating a tenant mix and ambiance that appeals to all demographics. Indeed, it is this “common

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ground” nature of Public Markets that has substantially contributed to their attraction and success. Public Markets serve as a common ground where people can rub shoulders with people who are different than themselves in a secure, colorful and vibrant environment.

If the La Crosse Public Market is to be successful, it needs to reflect and serve the diverse community in and around La Crosse. This means that tenants, employees, and target advertising need to be directed toward the full range of people who live in the La Crosse region. Despite the ethnic and class diversity in the larger La Crosse area, there are currently few places in the city where varied segments of the population mix. La Crosse is ripe for a common ground that brings diverse segments of the community together to rub shoulders in an exciting, colorful, safe, and vibrant environment. By many accounts, special events like Oktoberfest and Moon Tunes are the place where diverse elements of the community come together. La Crosse does not seem to have deep racial and economic divides as evidenced by the fact that when people are given the opportunity to come together with different kinds of people, they do so with relish and in large numbers.

Although, La Crosse is primarily Caucasian, there are several ethnic communities that should be represented in the planning and tenanting of the Public Market. This includes African Americans, Hmong, Hispanic Americans, Asian Indians, Native Americans. In addition, the ethnic heritage of La Crosse’s Caucasian residents is primarily German, Norwegian, Irish, English, Polish, and French, and should be reflected in the fresh and prepared food offerings. In fact, everyone loves to cook and dine on ethnic foods.

According to the 2017 State of the Industry Report by the National Restaurant Association, 52% of adults are looking to expand their variety of ethnic cuisine and 61% of adults would prefer to spend their money on “experiences”, including eating out at restaurants or other activities, over purchasing an item from a store.



Entrepreneurial Opportunities for Ethnic Communities

There is an opportunity for the Public Market to do something special by appealing to and celebrating all income groups and ethnicities.

Is La Crosse Ready for a Public Market?

From the success of dozens of Public Markets in smaller cities, it is clear that La Crosse, with a city population of 51,834 and a metro area of 135,298 (2017 census), has sufficient population to support a properly scaled, planned, and managed Public Market.

Later in this Report, local demographics will be examined in more depth. However, in addition to demographics, there are many other factors that go into establishing the feasibility of a Public Market.

18 other relevant factors to evaluate include:

- 1) Are there competitive businesses that would obviate the need for a Public Market?
- 2) Is there a population that has an interest in good food?
- 3) Is there good attendance at existing public events and farmers markets?
- 4) Is there an appreciation for “buying local”? Are existing businesses predominantly chain stores and franchises or owner operated shops?
- 5) Are people willing to come together and mix with people of different classes, races, ages, and sexual orientations in the common ground that typically characterizes Public Markets.
- 6) Is there a saturated demand for fresh and prepared foods or is there a need for additional food venues?
- 7) Are there appropriate locations to site a Public Market? Can these sites accommodate surrounding public amenities and/or, is there an appropriate historic structure for the Public Market?
- 8) Is there a municipal or other public entity which is willing to be supportive in the creation of a new Public Market?
- 9) Are there areas in need of further development (such as a downtown) that would benefit from the increase in customer visits and real estate values that a Public Market would likely bring?
- 10) Are there interesting existing vendors or potential new vendors that would help to tenant a new Public Market?
- 11) Is there a history of food trucks or food fairs that would evidence an interest in food consumed outside the home and traditional restaurants?

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- 12) Is there evidence of public support for the creation of a Public Market?
- 13) Is there a tradition of non-profits and other NGOs playing significant roles in addressing other public issues?
- 14) Are there “food deserts” that would benefit from the creation of the shopping opportunities that a Public Market would create?
- 15) Are there low-income communities that would benefit from the jobs and opportunities that the Public Market would bring or is there a danger of displacement and gentrification that the Public Market might cause? If the answer to the latter question is yes, are there ways to mitigate this impact?
- 16) Would the community benefit from the new jobs, entrepreneurial opportunities and tax revenues that a Public Market would bring?
- 17) Are there elements of distinctive local culture – either related to ethnicities and/or food, that can be showcased?
- 18) Is there significant outside visitation to the community that can add to the existing residential customer base?

Exhibit 4: Factors other than demographics that should be evaluated in determining Public Market feasibility.

Are there competitive businesses that would obviate the need for a Public Market?

One of the striking aspects of La Crosse is that outside of downtown there are relatively few retail venues. Most American cities have a major commercial strip at the entries to their communities lined with retail businesses, including many of the kinds of businesses that would typically be located in a Public Market – especially, fresh and prepared foods.

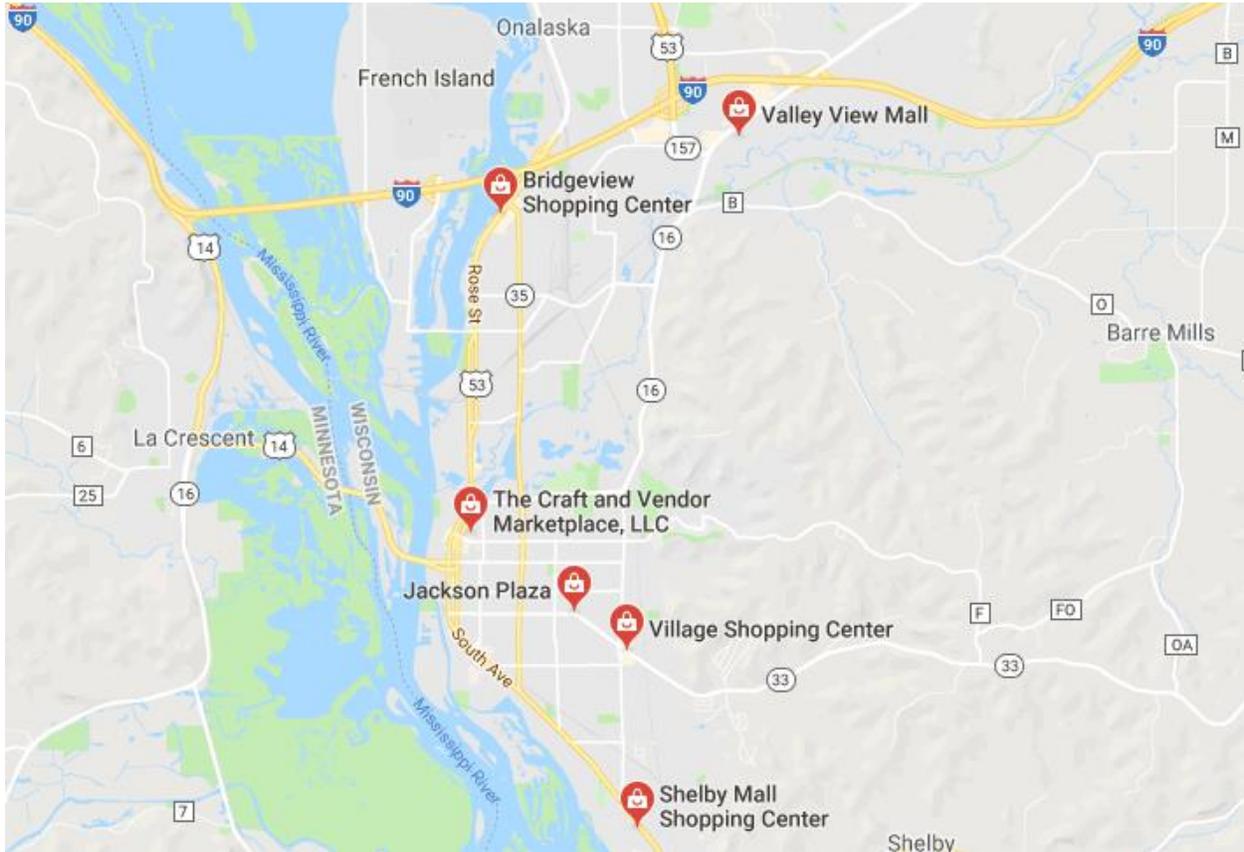
As one enters La Crosse from the North and West, there is one, relatively new, but small strip center, the Bridgeview Plaza Shopping Center with no year-round Public Market type businesses.

Other commercial centers outside of downtown seem to have primarily office type uses rather than retail uses. For example, the Village Shopping Center on State Rd., while having four restaurants and a Festival Foods Supermarket, has mostly office or service type uses such as chiropractic, investment, driving school, offices, hair salons, and a nail spa.

Other commercial centers, such as Jackson Plaza on Jackson St., also seem to have a preponderance of office and service, rather than retail uses.

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Map 2 below gives the location of La Crosse Shopping Centers:



Map 2: Shopping Centers in La Crosse

As in so many cities, when the Valley View Mall opened in 1980, it contributed to the deterioration of the retail life in downtown La Crosse as many retail businesses left downtown to move to the Mall. This pattern reproduced a trend that has occurred in scores of American cities. More recently, also following national trends, many new businesses have located in downtown La Crosse and the Mall is struggling to survive as many of its large anchor tenants such as Macy's, Herberger's, and Sears left the mall, leaving Barnes & Noble and JCPenney as the only remaining anchor stores.

As the Mall struggles, downtown La Crosse is being revitalized. La Crosse is lucky to have an intact historic downtown with many architecturally attractive buildings. Downtown Mainstreet, Inc. has done a terrific job in recruiting and promoting retail businesses to repopulate downtown.

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Historic Downtown La Crosse

La Crosse is an important regional commercial center. This will be explored in much more detail further in this Report.

The Confluence: The La Crosse Comprehensive Plan observes:

La Crosse has been the driving center of economic activity in Western Wisconsin since before statehood. The City has weathered tough economic times and has always emerged with greater optimism for the future. In current times, the economy of the City has flourished as a result of positive actions of the City and others. This effort has produced beneficial results but was without the benefit of a well-thought-out long-term strategy.

While La Crosse is the commercial center for SW Wisconsin, downtown is the heart of the retail activity in La Crosse.

The following Exhibit from the *Downtown La Crosse Market Analysis* produced by the Wisconsin Economic Development Corporation in 2017 captures the relative importance of downtown to the economic lifeblood of La Crosse.

La Crosse Public Market Feasibility Study

Downtown Economic Statistics and Market Share of similar sized Wisconsin Cities:

		Appleton	Eau Claire	Fond du Lac	Janesville	La Crosse	Oshkosh	Sheboygan	Wausau
Businesses	Downtown	516	708	411	476	482	393	493	513
	City	6,964	5,244	3,142	4,007	4,622	3,874	3,365	3,962
	DT Market Share	7.4%	13.5%	13.1%	11.9%	10.4%	10.1%	14.7%	12.9%
Daytime Employment	Downtown	6,575	4,355	2,566	3,226	3,767	3,467	4,547	4,750
	City	150,800	106,100	60,200	83,000	93,406	112,300	74,537	89,100
	DT Market Share	4.4%	4.1%	4.3%	3.9%	4.0%	3.1%	6.1%	5.3%
Residential Population	Downtown	1,172	1,939	1,071	897	1,048	1,762	1,376	885
	City	73,118	67,385	43,060	63,799	51,993	68,582	48,853	39,210
	DT Market Share	1.6%	2.9%	2.5%	1.4%	2.0%	2.6%	2.8%	2.3%
Retail Spending (\$ in millions)	Downtown	\$37.9	\$38.9	\$16.4	\$31.0	\$151.3	\$90.9	\$32.6	\$186.5
	City	\$1,633	\$915	\$531	\$1,259	\$1,068	\$847	\$598	\$727
	DT Market Share	2.3%	4.2%	3.1%	2.5%	12.9%	10.7%	5.5%	25.7%
Restaurant Spending (\$ million)	Downtown	\$27.4	\$18.6	\$2.9	\$4.8	\$39.7	\$18.4	\$18.2	\$8.2
	City	\$161	\$96	\$41.2	\$124	\$129	\$93	\$76	\$44
	DT Market Share	17.0%	19.5%	7.0%	3.8%	27.9%	19.8%	23.8%	18.6%
Property Value (\$ in millions)	Downtown	\$122.8	\$22.7.8	\$68.3	\$49.0	\$278.8	\$52.1	\$19.0	\$111.5
	City	\$4,817	\$4,664	\$2,663	\$3,987	\$3,328	\$3,743	\$2,408	\$2,634
	DT Market Share	2.5%	4.9%	2.6%	1.2%	8.4%	1.4%	0.8%	4.2%

Sources: US Census, ReferenceUSA, Wisconsin Department of Revenue, ESRI, Downtown District and City staff

Exhibit 5: Comparative Market Share for Similar Wisconsin Cities

There are several observations that may be made from the above comparative exhibit:

- The value of downtown properties relative to the balance of the city is many times higher in La Crosse. Thus, the downtown is much more significant in the economic lifeblood of the community.
- Nearly 28% of all restaurants in La Crosse are located downtown – the highest % of all comparable WI cities.
- Retail spending downtown is the second highest of the 8 comparable cities.

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- Interestingly, despite the comparatively strong importance of downtown to the city's economy, the actual number of employees (second lowest) and businesses (third lowest) was relatively low. This further points to the importance of retail establishments in La Crosse's downtown.

Although there are retail, dining and shopping destinations throughout downtown, 3rd Street is known as a dining destination, while Pearl Street is home to many arts related businesses and Main Street represents the greatest concentration of professional services. Larger properties such as hotels, civic uses and larger employers are located on the periphery of the historic district. The following map illustrates this tendency:



Map 3: Building and Land Use Map. Source: Downtown Mainstreet, Inc.

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The “Welcome to Downtown La Crosse” brochure, produced by Downtown Mainstreet, Inc., lists 24 eateries, 5 cafes, and 27 restaurants and lounges in addition to 28 taverns, bars, and brew pubs.

Clearly, La Crosse is rich in places to eat out, especially in its downtown. Yet, there appear to be very few places to shop for fresh foods other than in the 12 supermarkets, which includes primarily Festival Foods, a state-wide chain, as well as one food co-op and 8 regional and seasonal farmers markets. In addition, even though the Asian population in La Crosse is only 4.6% of the total population, there are 4 Asian grocery stores in La Crosse.

Between the mid-1960s and late 2000s, low-income households went from eating at home 95% of the time to only 72% of the time, middle-income households went from eating at home 92% of the time to 69% of the time, and high-income households went from eating at home 88% of the time to only 65% of the time. (WA Post 3-5-18) Despite the trend of increasing expenditures being spent on eating out, according to the USDA Economic Research Service (9-18 Report), roughly half of American expenditures on food are still spent on buying foods for home consumption.

For a community with a city population (2018 Census) of 51,834, and a La Crosse County Population of 118,274, there appear to be surprisingly few fresh food retail venues. An internet search reveals only 7 standalone bakeries with a La Crosse address – most of which focus on dessert items. Surprisingly, there are however, three wholesale plants producing baked goods for national distribution. There are only 2 butcher shops focusing on meats and one sausage manufacturer. Amazingly, there are zero cheese shops, Wisconsin’s iconic product, with a La Crosse address, even though there are several retail cheese shops in the region and one cheese manufacturer in La Crosse. Similarly, there are no stores, other than supermarkets and farmers markets that focus on fresh produce or fresh seafood.

Thus, the relatively few venues for buying fresh foods in La Crosse represent a lost opportunity for economic and entrepreneurial development. Furthermore, the relatively low number of other retail establishments compound this issue.

Asheville, NC, near where the author resides, is in many ways similar to La Crosse. Both have a comparatively intact historic downtown, both are constrained from significant growth by their geography, both have a relatively well-educated population with several higher learning colleges being located in their respective cities and both are surrounded by primarily rural areas, and both have significant outdoor amenities for hiking and camping in their immediate vicinity. Asheville and its surrounding Buncombe County have respective populations of 80,000 and 250,000 residents. Thus, Asheville has roughly 1.6 times the population of La Crosse. Its surrounding county is roughly twice as populous. Based on these numbers, one would expect that the number of businesses would be roughly proportional to population. The exhibit that follows tells a very different story.

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Shopping venue	Asheville, NC	La Crosse, WI
Shopping malls	2	1
2 star and better Hotels	118	23
Supermarkets	53	12
Farmers Markets	18	3
Brew Pubs	52	8
Live Music Venues (Non-restaurant)	23	7
Cinemas	9 (+/- 85 screens)	2 (+/- 6 screens)
First Class Restaurants	+/- 75	+/- 9
Upscale Specialty Food Stores	20	2
Live theatres	9	2
Art/Craft galleries	+/- 50	+/- 10
Ethnic food stores (excluding Mexican groceries)	7	4
Independent Books stores (non-religious)	21	3
Organic food stores	+/- 23	3

Exhibit 6: Shopping venues in Asheville, NC vs. La Crosse, WI

Exhibit 6, highlights the relative scarcity of retail businesses in La Crosse. How does one account for the shockingly dramatic differences evident in Exhibit 6?

Median household income in Asheville is \$42,333. In La Crosse, median household income is roughly 31% higher at \$55,717. Clearly, higher income is not responsible for the disparity.

Part of the disparity lies in the number of tourists. Asheville enjoys roughly 5,000,000 annual out-of-area visitors. In contrast, according to A.J. Frels, Executive Director of the La Crosse County Convention and Visitors Bureau, La Crosse County enjoys 1,429,348 annual, out of area visitors who add \$263 million in spending to help boost the local economy. Thus, La Crosse has roughly ¼ the visitation rate for Asheville. Indicative of the comparatively low visitation rate in La Crosse is the fact that there are far fewer hotels and fine restaurants in comparison to Asheville, NC.

When the author of this Report moved to the Asheville area 26 years ago, there were far fewer restaurants and hotels. As a Public Market was developed and new restaurants and other entertainment venues located in Asheville, the number of visitors and residents grew dramatically. A new Public Market opened in 2004 and as attractions developed, the number of visitors grew and local residents enjoyed the growing amenities.

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Supermarkets in La Crosse are relatively few per the population base compared to Asheville and many other U.S. communities. This further suggests a relative lack of fresh food availability. However, traditional supermarkets provide only limited competition for Public Markets. The fresh food component of most supermarkets is typically 5-10% of the overall supermarket offerings. Typically, they are a loss leader.

The supermarkets and the People's Food Co-op in La Crosse will provide scant competition to a properly designed and tenanted Public Market. As the Market is successful, many residents will shop the Public Market primarily for fresh food and will visit the supermarkets or the co-op for boxed, canned, paper, and health related goods. In fact, the regional residents and increase in visitors that the Public Market will draw will likely result in increased sales in area supermarkets and the co-op. An examination of co-op daily sales when the adjacent farmers market is occurring will surely reveal a significant increase in sales on Farmers Market days. Residents of communities with Public Markets often drive by 2-3 supermarkets to buy their fresh foods at "their" Public Market.

The Downtown *La Crosse Market Analysis* predicts consumer spending by the Market segments identified in the below Exhibit:

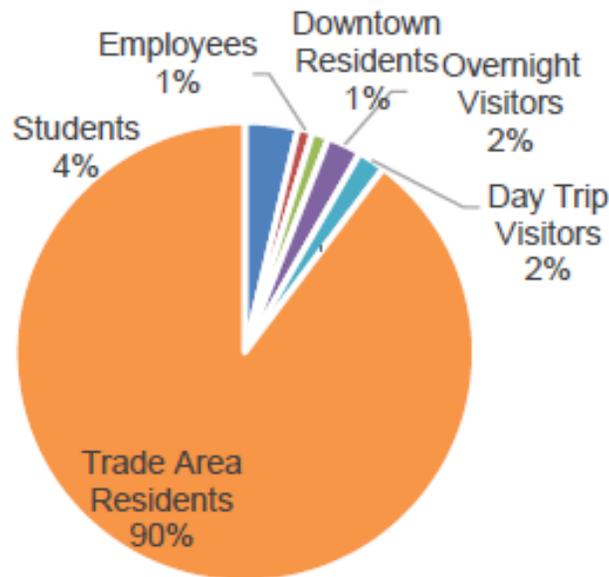


Exhibit 7: Total Consumer Spending Potential by Market Segment: Source, Esri, UW, ICSC

Consumer spending segmentation in La Crosse is more specifically predicted for the kinds of goods available at a Public Market.

Food and Drink Demand by Customer Segment

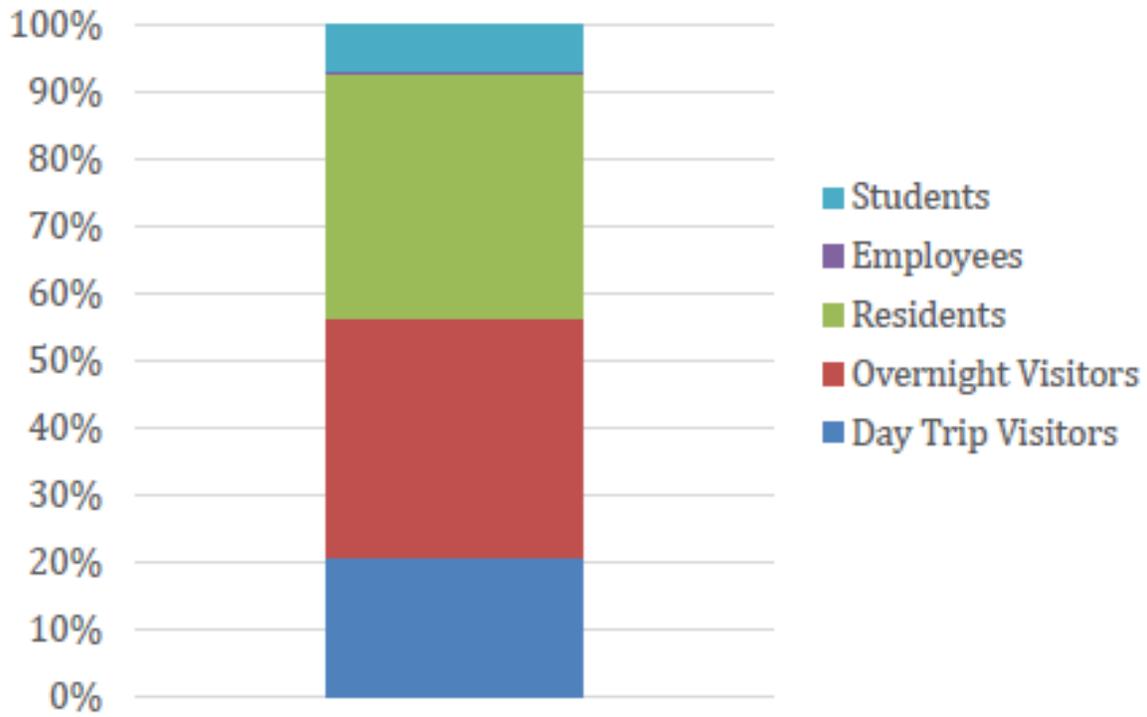


Exhibit 8: Food and Drink Demand: From *Downtown La Crosse Market Analysis*: Original Source, Esri, UW, ICSC

The tremendously high percentage of food and drink consumed by out of area visitors (more than 50%) is indicative of the importance of La Crosse as a regional food shopping center.

Although there are over 10,000 college students in La Crosse reflecting roughly 20% of the population, they are predicted to only account for roughly 8% of the overall demand for food and drink. This makes sense since many students have limited means to eat out and they often tend not to cook for themselves as they are on meal plans. Students, since they are less likely to be cooking will be buying proportionally less fresh food. On the other hand, they will be more attracted to the prepared food venues at the Market due to its social nature.

A 2016 property inventory conducted by Downtown Mainstreet, Inc., predicted a relatively low storefront vacancy rate downtown of 4.3%. In the opinion of several real estate related professionals, the current vacancy rate may be even lower. The high storefront occupancy and demand for space bodes well for the success of a Public Market in La Crosse.

In the *Downtown La Crosse Market Analysis*, Ethnic Restaurants and Specialty foods, both primary components of any Public Market were identified as primary “current unmet retail demand” needs for downtown.

Is there an interest in good food?

The demographic exhibit below reveals that educational attainment in La Crosse is significantly higher than throughout Wisconsin and for the U.S. More residents have attained a high school diploma and a higher percentage have college or advanced degrees than the general population of Wisconsin or the U.S.

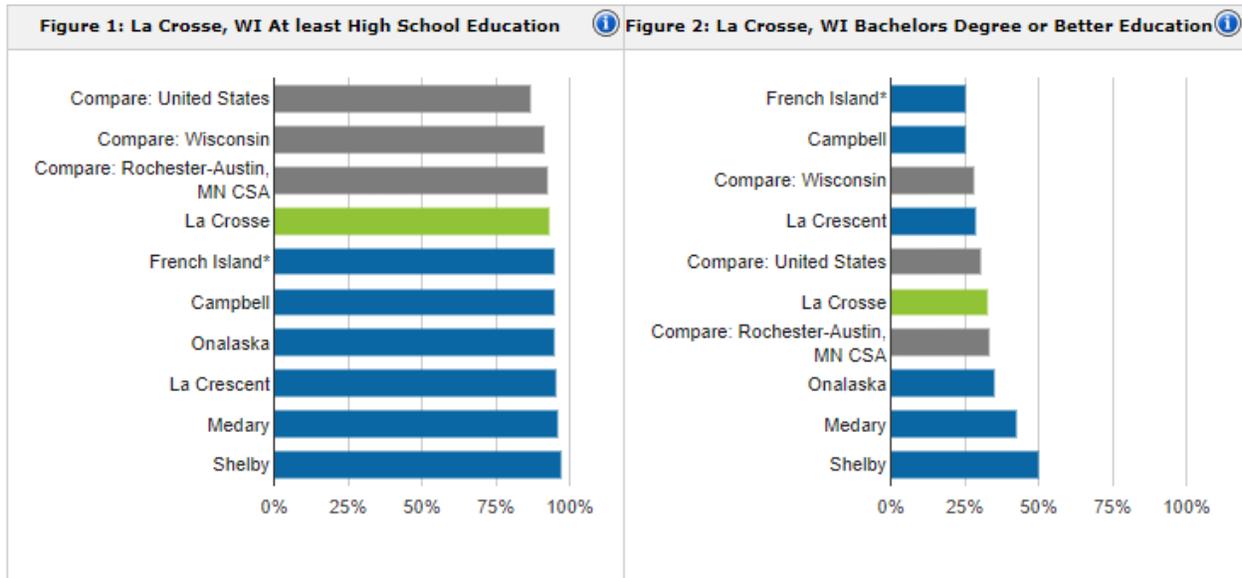


Exhibit 9: Educational attainment in La Crosse compared to Wisconsin and the U.S.

Source: <https://www.towncharts.com/Wisconsin/Education/La-Crosse-city-WI-Education-data.html>

The apparent success of the People’s Food Co-op and the several excellent restaurants such as the Charmant, the Freighthouse and Le Chateau are further evidence that there is a strong appetite for good foods.

Furthermore, the relatively high number of ethnic groceries and the existence of several successful specialty food shops such as La Crosse Olive Oil Co., Pleasing Gourmet Seasoning, and Finnotté’s Nut and Chocolate Shop. are further evidence of local interest in good foods.

Is there good attendance at existing public events and farmers markets?

Residents of La Crosse enjoy socializing and having fun. This is evidenced by the high number of lounges, taverns, bars, and brew pubs as well as the dozens of special events

Some of the annual events in La Crosse are reflected in Exhibit 10 below:

- La Crosse Oktoberfest
- La Crosse Riverfest
- St. Elias Mediterranean Festival
- Freedom Fest

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- Midwest Banjo Fest
- Irish Fest
- Wienerfest
- Artspire La Crosse
- Coulee Region Mardi Gras
- Downtown Cameron Park Farmers Market
- Historic Downtown La Crosse Days
- Winter Rec-Fest
- New Year's Eve Celebration with The Skyrockers
- Hmong New Year Parade
- Rotary Lights Display
- La Crosse Labor Day Parade and Celebration
- La Crosse Storytelling Festival
- Between the Bluffs Beer, Wine, and Cheese Fest

Exhibit 10: Annual Special Events in La Crosse

The “2018 Explore La Crosse Visitors Guide” lists over 50 annual events or festivals.

The fact that Oktoberfest attracts upwards of 150,000 attendees in a community 1/3 that size is evidence that, if given a reason to come, La Crosse has the ability to draw a significant regional population.



Oktoberfest 2018, La Crosse

La Crosse Public Market Feasibility Study

There is strong attendance at the region's 8 regional farmers markets, 4 of which are located in La Crosse proper, including Cameron Park, the Winter Market, Bridgeview Plaza, and the Hmoob Cultural & Community Agency Farmers Markets

Kaitlyn Lance, Agricultural Educator with La Crosse County University of Wisconsin-Extension, reports that there are 4 well attended annual regional fairs that are specifically agriculturally based. These include June Dairy Days in West Salem, The La Crosse County Interstate Fair in West Salem, the Mindoro Spanferkel Fair in Mindoro, and the Holmen Korn Fest in Holmen.

According to Linda Vale, the Market Manager of Cameron Park, the largest Farmers Market in La Crosse, and also Manager of the Winter Market at Myrick Park Center, both Markets are nearly $\frac{3}{4}$ agricultural food from farms based within 100 miles of La Crosse. Vendors are mostly organic.

Cameron Park has 60-70 vendors, and at Myrick Park roughly 25 vendors. Average customer count at Cameron Park is slightly under 1,000. Best months are summer. Friday evening is the best time, due to competition from other regional Farmers Markets on Saturday. Friday generally includes special events which helps attract customers. Cameron Park runs from Friday, 4pm to dusk, and Saturday. 8am to 1pm, May through October. Myrick Park operates November and December on Sundays from 10am to 1pm. There's no Farmers Market from January to April.

There is some greenhouse commercial production and one aquaponics business growing basil and fish. A new Farmers Market in La Crosse would suffer in the winter when people tend to hibernate. During the grower's season there's a farmers market occurring 7 days a week somewhere in the region.

The Cameron Park Farmers Market is 70% produce. The balance is prepared foods and crafts. Ms. Vale thinks a year-round Public Market would be a great idea but cautions that it needs to be careful about not overly competing with the Farmers Market. Ms. Vale notes that the Farmers Market has totally changed the character of Cameron Park which used to have a problem with drugs and crime. Now people love it and it's a great place for families.

There are lots of artisans in La Crosse including production with wool, alpaca, fabric, photographers, potters, and jewelry. Cameron Park has to turn away roughly 50 crafters and farmers annually due to space constraints. Market management does farm and studio inspections to ensure that the crafts or farm products are actually being produced. Roughly 10% of the farmers market are crafters and permits are product specific. Preference is given to organic when there is a choice. They require farmers to inform customers when products are not organic via signage.



Cameron Park Farmers Market

Is there an appreciation for “buying local”? Are existing businesses predominantly chain stores and franchises or owner operated shops?

La Crosse has surprisingly few chain stores and franchises. Of the nearly 200 businesses that are located downtown, virtually all are locally owned and operated. The chains or franchises are concentrated among banks and hotels.

The fact that franchises and chain stores have, for the most part, chosen not to locate in La Crosse is likely due to two conflicting factors. There appears to be a strong commitment to locally owned and operated businesses and also, a perception of weak retail demand sufficient to attract the typical chains and franchises that populate so many other American cities.

Are people willing to come together and mix with people of different classes, races, ages, and sexual orientations in the common ground that typically characterizes Public Markets.

The population in La Crosse is roughly 90% non-Hispanic Caucasian. The only ethnic group that is more than 2% of the population are residents of Asian descent primarily members of the Hmong community.



A Farmer Selling at the Weekly Hmong Farmers Market to an Eager Consumer

La Crosse Public Market Feasibility Study

Despite the fact that La Crosse is not a particularly ethnically diverse community, there appears to be a welcoming and tolerant attitude that sadly is not often evident in many American cities. There are 5 Hispanic owned and themed restaurants that are frequented by Hispanics and non-Hispanics. In addition to the 4 Asian grocery stores, there are 6 Asian owned and themed restaurants. The local Hmoob Cultural and Community Agency provides a broad array of services to the local Hmong community and sponsors six annual events that are well attended by many of La Crosse's residents.



The local Hmoob Cultural and Community Agency

There is a significant presence of LGBTQ residents that appear to be well integrated into the larger community. The Center: 7 Rivers LGBTQ Connection is a community center that provides an array of community services to the LGBTQ community. There is an active PRIDE chapter that sponsors a variety of events including a La Crosse Pride in the Park Festival and a Drag Show. These events have upwards of 1,000 participants. This is further evidence of the kind of accepting attitude and willingness to embrace diversity that is a necessary precursor for a successful Public Market.



La Crosse PRIDE
SEPT. 8 - 14 2018

Saturday Sept. 8
PRIDE IN THE PARK
11am - 6pm
Riverside Park South • FREE
Open to the Public
Made • Artisans • Musicians
Kids' Activities • Community Groups
Food Vendors • Pearl Street Brewery

Sunday Sept. 9
PRIDE Family Picnic
Copeland Park • 11am - 2pm
ALL are welcome • Alcohol-Free!
Main dishes provided by the Center
Vegetarian options • Side dishes welcome

Monday Sept. 10
Fun & Games
Outdoor Movie Night
5-11pm • Camrose Park
Food Trucks • Unicorn Derby
Horse Trials • Outdoor Sports
"Love, Simon"

Tuesday Sept. 11
Beauty Show & Fashion Show
5-9pm • The Center
Take pride from Beauty
Fresh Out of the Closet
Showcase

Wednesday Sept. 12
Essential Health Clinic
5-7pm • The Center
Get tested • Confidential
ST testing

Thursday Sept. 13
Grand Expansion Open House
10am - 2pm • The Center
Our driveway will give tours of
the expanded Center facility
Meet our staff & volunteers
Hug Unicorn Derby

Friday Sept. 14
So You Think You Can Drag?
The La Crosse Center
Drag Show, Competition & Fundraiser
Unicorn Derby Finals @ 8:30pm
Tickets \$20
Doors open 8pm
Show starts 9pm • 18+

LGBTQ Festival ad in La Crosse

La Crosse Public Market Feasibility Study

Several interviewees described Oktoberfest and the Beer By Bike Brigade as events that bring together diverse elements of the community in a safe and fun common ground. While, as in most cities, there is apparently no permanent "common ground" where all of the elements of the community easily and regularly mix, it would appear that the kind of diverse venue that the Public Market would represent would be welcomed and celebrated by the community.

Is there a saturated demand for fresh and prepared foods or is there a need for additional food venues?

This question is addressed in great detail in the section on "Market Share" which is presented later in this Report. In sum, while there are concerns about the validity of the Esri data used, there is strong evidence that there is significant unmet demand for both fresh and prepared foods in La Crosse. These are the primary offerings that would be available at any Public Market in La Crosse.

Are there appropriate locations to site a Public Market? Can these sites accommodate surrounding public amenities and/or, is there an appropriate historic structure for the Public Market?

Assuming that the City of La Crosse accepts this Report's conclusion, there will be a follow-up Site Analysis that will recommend the best site for locating the Public Market.

Exhibit 11 below, lists the qualities that go into creating a good site for a Public Market:

- Public Markets should be sited in places that are no one's existing "turf" so that they can become everyone's turf.
- Markets often succeed best on the outside perimeter of downtown abutting a mixed income residential neighborhood.
- Surrounding demographics helps determine the Public Market's size and tenant mix.
- Positive, complementary neighbors.
- Important to locate in an area where future development is possible and desired, in order to take advantage of the increase in surrounding property values that the Public Market will bring.
- Ideally, interesting and appropriate historic architecture suitable for a Public Market.
- Appropriate building size on the ground floor, keyed to the community's potential customer base.

La Crosse Public Market Feasibility Study

- Adequate parking.
- A site that allows for additional surrounding outdoor space to accommodate public amenities that can cement the Market's reputation as a regional destination.
- Easy to access traffic patterns.
- Suitable "back door" access.
- Public ownership and/or affordable cost of acquisition.
- Land/building availability.
- High visibility/location near a recognizable landmark.
- Reasonable access via public transportation.
- Close proximity to intensely used amenities.
- Ability to expand.
- Acceptable competitive and complementary factors.
- Ability to benefit surrounding neighborhoods.

Exhibit 11: Criteria for siting a successful Public Market

These criteria have been responsible for the siting of numerous successful Public Markets.



La Crosse Public Market Feasibility Study

As a preamble to the Site Location study, several sites throughout the city of La Crosse were preliminarily reviewed and all have great potential.

Is there a municipal or other public entity which is willing to be supportive in the creation of a new Public Market?

Both the City of La Crosse and the Redevelopment Authority of La Crosse have been very supportive of studying the feasibility of locating a Public Market in the community. The funds for this Study came from a combination of municipal and local corporate grants.

While the 2002 Master Plan for the City does not specifically mention a Public Market by name, the benefits that the Public Market would bring are wholly consistent with the recommendations and goals announced in the Master Plan. For example, the Plan suggests a “continued restructuring away from manufacturing”. It emphasizes “the regional significance of the historic central business district” and suggests that that the Central Business District is the logical location for an “incubator” as part of an overall strategy for economic development. The Plan raises the issue of “brain drain” and suggests that the City “assist in creating the type of jobs that attract and retain persons from the area as they enter the workforce.” The Plan further suggests that “Historic Downtown La Crosse shall be the City’s primary redevelopment focus” and points to downtown as “Western Wisconsin’s regional hub”.

Are there areas in need of further development (such as a downtown) that would benefit from the increase in customer visits and real estate values that a Public Market would likely bring?

La Crosse is not a particularly wealthy community. Per capita and median household income in La Crosse is lower than throughout Wisconsin or in the U.S. as a whole and it is trending downward. See Exhibit 12 below:

	Real Per Capita Income for La Crosse Wisconsin		Sho
	2016	1 Year Change	
US	\$31,128	+2.54%	
Wisconsin	\$30,902	+3.23%	
La Crosse	\$29,201	-2.14%	

La Crosse Public Market Feasibility Study

Real Median Household Income for La Crosse ¹	
	2016
US	\$57,617
Wisconsin	\$56,811
La Crosse	\$55,717

Exhibit 12: Comparative Income: La Crosse, Wisconsin, U.S. Source ACS Survey 2016

There are several lower income neighborhoods in La Crosse that would benefit from the shopping opportunities, jobs and entrepreneurial opportunities that the Public Market would bring. A significant section of La Crosse is a “Food Desert” – see below for details.

Are there interesting existing vendors or potential new vendors that would help to tenant a new Public Market?

Historically, established Public Markets have the luxury of choosing from a long waiting list of potential tenants, farmers and craftspeople. New Public Markets typically, take up to 3 years to fully lease up. Inevitably, not all tenants will succeed and there will be some turnover. Mature Public Markets should budget based on 94% (not 100%) occupancy to account for inevitable turnover. The initial lease-up period economics will be addressed in detail in the forthcoming Business Plan.

The following sections address where vendors and farmers will come from.

Where Will the Vendors Come from?

As a Public Market approaches opening, there are typically waiting lists among potential tenants once the Public Market has been publicized and is approaching reality. However, the Public Market should expect a relatively short time span between the Market’s opening and potential tenants being willing to legally commit to a lease. Characteristically, very few small businesses owners will commit to a new lease in a time horizon longer than a few months.

Once La Crosse commits to developing the Public Market, publicity and tenant recruitment should begin immediately. Tenant interest forms (with no legal commitment), and a La Crosse Public Market website should immediately be developed. The Public Market will easily be able to collect, and should collect, scores of filled out tenant interest forms. However, leases will only be signed a few months before the Public Market opens.

Successful Public Markets typically should pursue a mix of 1/3 second locations of existing successful businesses, 1/3 successful entrepreneurs who have run past businesses, and 1/3 true start-up businesses.

La Crosse Public Market Feasibility Study

1/3 second locations of existing successful businesses:

Who makes the best crusted breads in La Crosse? What are the best La Crosse delis? Who's running the best La Crosse Brew Pub with wood fired pizza and great music? Is there anyone making great handmade tortillas in La Crosse? Who's the best butcher? Winemaker? Coffee roaster? Is there a fresh seafood venue in La Crosse? Are some of the Hmong based businesses interested in a second location? Owner-operated businesses that are successful, beloved and bursting with current customers should be recruited to establish a second location in the Public Market.



Producing Handmade, Fresh Tortillas at the Dallas Farmers Market

The Market should avoid suggesting that existing businesses simply relocate to the Public Market. The point is to improve the entire region's economy, not to simply cherry pick the best merchants away from existing landlords.

1/3 successful entrepreneurs who have run past businesses:

As reported earlier in the Report, many of the largest fresh food businesses in the U.S. started as "mom and pop" businesses at a Public Market.

In the early 70s, Zev Segal had purchased an antique coffee roaster at an auction. He had it in his garage and he had begun importing quality fresh coffee beans, roasting coffee and giving it away to his friends. All agreed that Segal should open up a coffeeshop. Market management suggested he bring in samples and sure enough, the coffee was great and the space was leased to him and his wife. They began to work on the buildout of their space. When their sign finally went up, many scratched their heads wondering who would buy coffee named "Starbucks"???.... The rest is history.

La Crosse Public Market Feasibility Study

Experienced entrepreneurs with ideas for unique, quality new businesses should form an important reservoir for new Public Market businesses.



Waiting on line to enter the original Starbucks: Seattle's Pike Place Market

The existing 1,800 sq. ft. kitchen incubator started in at the Coulee Region Business Center, CRBC, may well have several vendors that are ready to “graduate” to having a full time, permanent retail business at the La Crosse Public Market.



Heather Johnson, General Manager of the CRBC, shows off their commercial kitchen

La Crosse Public Market Feasibility Study

The forthcoming Business Plan will address the possible relocation of the existing kitchen incubator function which currently serves 16 incubator tenants. Some might potentially become Public Market tenants.

The *Coulee Region Business Center Feasibility Study*, prepared by Place Dynamics LLC in September 2018, included results of a survey sent to 120 businesses or entrepreneurs. A variety of food products were being made, including maple syrup, beer and wine, sauces, desserts, pickled foods, meat products, baked goods, spices, candies, prepared foods, and fresh produce. 35.7% were in a private commercial kitchen or are using a shared commercial kitchen. Another 28.6% were operating from a private, unlicensed kitchen under the state's Cottage Food Law. 35.7% reported that they might be interested in developing a retail component to their business.

In the experience of many Public Market operators, including the author of this Report, it is not unusual for Public Market vendors to drive from an hour away to operate their businesses in a Public Market. Thus, vendors may come from as far away as Rochester, MN or Tomah, WI.

1/3 true start-up businesses:

One of the important functions of the Public Market is to serve as a small business incubator for new vendors who have good ideas and are willing to work hard to achieve success. These vendors will often come from minority and/or immigrant communities. They will often show up with their entire family at 5:00am to stock their stall or store, and they will often be the last to leave in the evening.

One way that these vendors will learn is by watching more experienced, successful business operators. When the first Starbucks opened at Pike Place Market in the 1970s, there were customer lines around the block to buy this new and delicious product. Other Market tenants observed and learned why this business was so successful – a great product, wonderful design, impactful advertising, and great customer service.

In addition to providing potent educational examples for new start-up businesses, the Public Market should also provide training in display, low cost “guerilla” marketing, customer service, effective signage, and accounting.

The Market should work with the University of Wisconsin-La Crosse, Western Technical College, Viterbo University, the La Crosse Small Business Development Center, <https://www.uwlax.edu/sbdc/> and retired volunteer programs such as the Coulee Region RSVP, <http://www.rsvplax.org/> to provide these trainings.

Where Will the Farmers Come from?

Kaitlyn Lance, the agricultural educator with the La Crosse County University of Wisconsin-Extension office reports that the 8 existing regional farmers markets by no means fill the need for markets for small agricultural producers and manufacturers of food-based value

La Crosse Public Market Feasibility Study

added agricultural products. This indicates a strong supply of growers who could potentially also sell at a Public Market.

According to the 2010 Cooperative Extension website:

https://www.uwsp.edu/cnr-ap/clue/documents/megatrends/Wisconsin_Land_Use_Megatrends_Agriculture.pdf rural residence farms comprise two-thirds of all farms in Wisconsin. These farms include a mix of hobby farms, retirement farms, small you-pick and other direct market operations, and farms held for hunting, recreation, investment and other purposes. Since most Public Market farmers fall into this category, this is where most Public Market farmers will come from. Currently, there are roughly 78,000 total farms in Wisconsin on 15.2 million acres of land accounting for \$9 billion dollars in annual sales.

There are roughly 51,480 smaller farms in Wisconsin. It is this kind of farm that will most benefit from the higher profit margins produced by the direct marketing and sales of value-added food products that are associated with farmers markets and Public Markets. Since 1992, the number of these small farms in Wisconsin, has doubled.

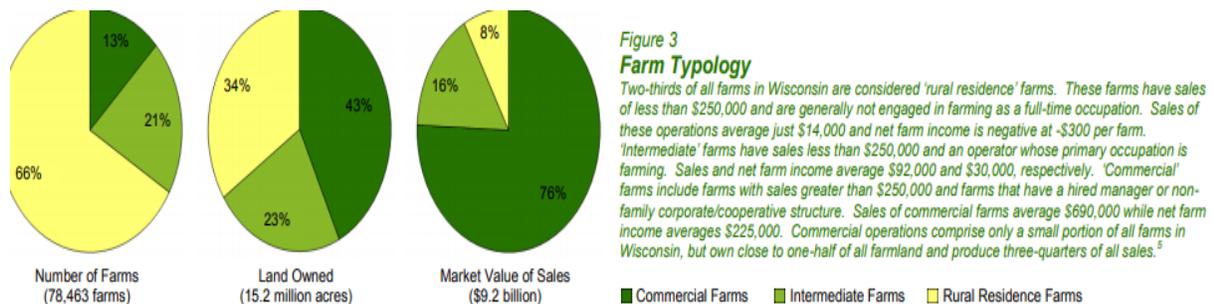


Exhibit 13: Small Farm Growth in Wisconsin

According to the USDA 2014 Wisconsin Organic Survey: https://www.nass.usda.gov/Statistics_by_State/Wisconsin/Publications/WI_Organic_Release.pdf, "in 2014, Wisconsin ranked second in the nation for the total number of organic farms, with 1,228 farms. That is about nine percent of the nation's total number of organic farms. There were 228,605 acres of organic farmland in Wisconsin, the third highest in the nation. This was an increase of 33,002 acres from 2008. While it would be inadvisable to require that 100% of the fresh food products be organic, it would be sensible to have a strong representation of organic products. In the authors experience, lower income shoppers are often willing to pay the higher prices that organic products typically garner."

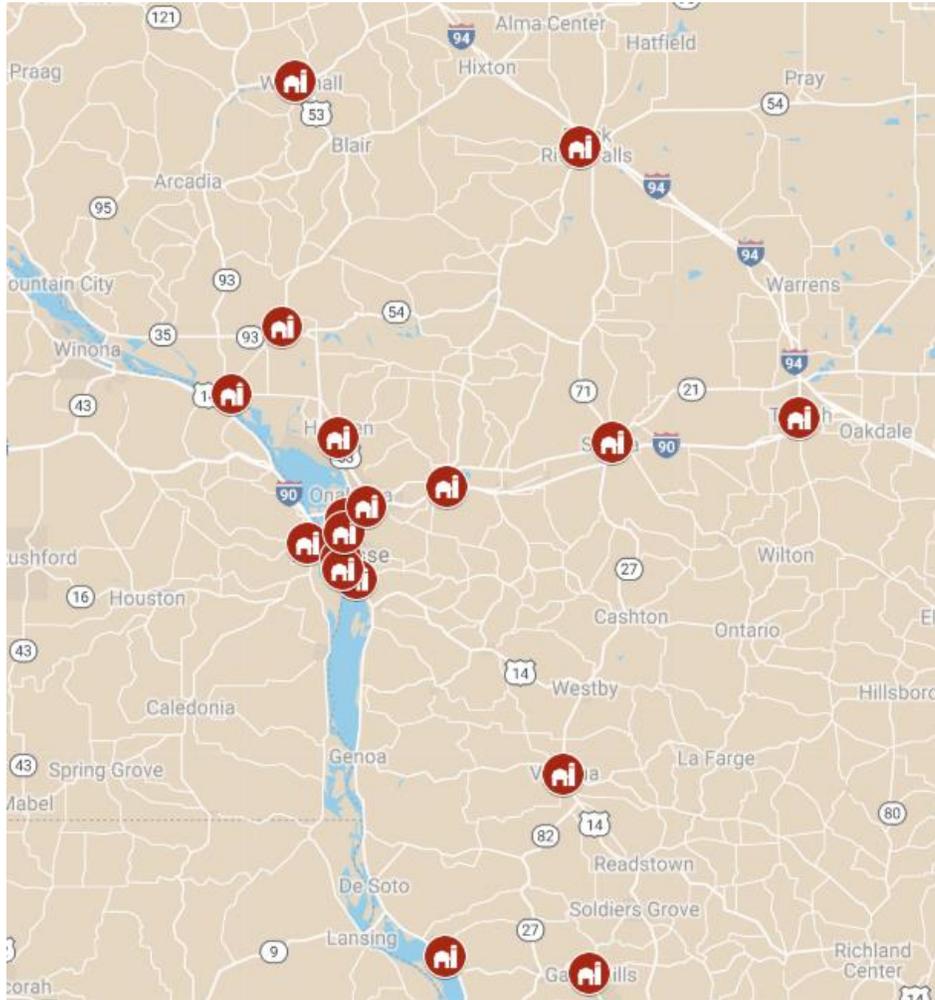
According to Coop Extension: <https://lacrosse.uwex.edu/files/2016/08/ag-impact-la-crosse-final.pdf> small farms in La Crosse County, own and manage 158,718 acres or 55% of the County's land. 53 local farms contribute \$228,000 to the local economy through direct sales at roadside stands, farmers markets, auctions, and pick your own operations.

La Crosse County agriculture includes dairy, meat animals, crops, small scale fruit and vegetable production, horticulture, Christmas trees and timber. The county continues to see a rise in farmers markets driven by growing demand for fresh, local products.

La Crosse Public Market Feasibility Study

Agriculture in La Crosse County provides 4% of local jobs, pays \$12,000,000 in local taxes and pumps \$977 million into the local economy.

Most of the roughly 50 annual La Crosse area festivals are well attended and feature local foods. Furthermore, the large number of area farmers markets testifies to the need for food market outlets and the availability of large numbers of consumers who wish to buy fresh local foods.



Map 4: Greater La Crosse Farmers Markets

While many of the agricultural products in Wisconsin are commodity crops that are typically best suited for wholesale sales (oats, feed corn, and snap beans for processing), there are many crops that are particularly suited for direct marketing such as cherries, maple syrup, carrots, sweet corn, apples, strawberries, onions, cucumbers, and of course meat and cheese and other dairy products.

The Western Wisconsin Farm Fresh Atlas lists scores of regional farms selling direct at farm stands, U-picks, or Farmers Markets.

http://www.wifarmfresh.org/2015_FFA_Final_website.pdf

La Crosse Public Market Feasibility Study

The Old Farmer’s Almanac planting calendar for La Crosse follows:

30% probability of frost free after May 1 (at LA CROSSE MUNI AP, WI climate station).

Crop	❄ Based on Frost Dates ☾ Based on Moon Dates		Start Seeds Outdoors
	Start Seeds Indoors	Transplant Seedlings	
Beans			❄ May 8-29 ☾ May 8-18
Beets			❄ Apr 17-May 8 ☾ Apr 20-May 3
Broccoli	❄ Mar 20-Apr 3 ☾ Mar 20	❄ Apr 10-May 1 ☾ Apr 10-19	
Brussels Sprouts	❄ Mar 20-Apr 3 ☾ Mar 20	❄ Apr 3-24 ☾ Apr 5-19	
Cabbage	❄ Mar 5-20 ☾ Mar 6-20	❄ Apr 3-17 ☾ Apr 5-17	
Cantaloupe	❄ Apr 3-10 ☾ Apr 5-10	❄ May 15-Jun 5 ☾ May 15-18, Jun 3- 5	
Carrots			❄ Mar 27-Apr 10 ☾ Mar 27-Apr 4
Cauliflower	❄ Mar 20-Apr 3 ☾ Mar 20	❄ Apr 3-17 ☾ Apr 5-17	
Celery	❄ Feb 19-Mar 5 ☾ Feb 19	❄ May 8-22 ☾ May 8-18	
Collards	❄ Mar 20-Apr 3 ☾ Mar 20	❄ Apr 3-24 ☾ Apr 5-19	
Corn			❄ May 1-15 ☾ May 4-15
Cucumbers	❄ Apr 3-10 ☾ Apr 5-10	❄ May 15-Jun 5 ☾ May 15-18, Jun 3- 5	
Eggplants	❄ Feb 19-Mar 5 ☾ Feb 19	❄ May 15-Jun 5 ☾ May 15-18, Jun 3- 5	
Kale	❄ Mar 20-Apr 3 ☾ Mar 20	❄ Apr 3-24 ☾ Apr 5-19	

La Crosse Public Market Feasibility Study

Kohlrabi			❄️ Apr 3-24 🌙 Apr 5-19
Leeks	❄️ Feb 19-Mar 5 🌙 Feb 19	❄️ Apr 3-24 🌙 Apr 5-19	
Lettuce	❄️ Mar 20-Apr 3 🌙 Mar 20	❄️ Apr 17-May 15 🌙 Apr 17-19, May 4-15	
Okra			❄️ May 15-29 🌙 May 15-18
Onions			❄️ Apr 3-24 🌙 Apr 3- 4, Apr 20-24
Parsnips			❄️ Apr 10-May 1 🌙 Apr 20-May 1
Peas			❄️ Mar 20-Apr 10 🌙 Mar 20, Apr 5-10
Peppers	❄️ Feb 19-Mar 5 🌙 Feb 19	❄️ May 15-Jun 5 🌙 May 15-18, Jun 3- 5	
Potatoes			❄️ Apr 24-May 15 🌙 Apr 24-May 3
Pumpkins	❄️ Apr 3-17 🌙 Apr 5-17	❄️ May 15-Jun 5 🌙 May 15-18, Jun 3- 5	
Radishes			❄️ Mar 5-27 🌙 Mar 5, Mar 21-27
Spinach			❄️ Mar 20-Apr 10 🌙 Mar 20, Apr 5-10
Squash	❄️ Apr 3-17 🌙 Apr 5-17	❄️ May 15-Jun 5 🌙 May 15-18, Jun 3- 5	
Sweet Potatoes	❄️ Apr 3-10 🌙 Apr 3- 4	❄️ May 15-Jun 5 🌙 May 19-Jun 2	
Swiss Chard	❄️ Mar 20-Apr 3 🌙 Mar 20	❄️ Apr 10-17 🌙 Apr 10-17	
Tomatoes	❄️ Mar 5-20 🌙 Mar 6-20	❄️ May 8-29 🌙 May 8-18	
Turnips			❄️ Apr 3-24 🌙 Apr 3- 4, Apr 20-24
Watermelons	❄️ Apr 3-10 🌙 Apr 5-10	❄️ May 15-Jun 5 🌙 May 15-18, Jun 3- 5	

Exhibit 14: Planting Calendar for La Crosse Source: Old Farmer's Almanac

Farmers typically earn much higher margins on their crops when they create value-added products for direct to consumer sales, than from wholesale sales. Products like jams and jellies, salsas, herb cheeses, pickles, and herb vinegars sell for more money and at a higher profit margin.

Wisconsin fresh produce is obviously seasonal, whereas Public Markets are open year-round. Farmers should be encouraged to produce value-added secondary products that are good year-round as a means to expand their selling season and maximize the value of their crops. The Wisconsin growing season ends just in time for the beginning of the holiday season where craft purchases become very important. The outside daytables give local farmers first priority but should fill in with crafts people who should have half the display space for the same price. Crafts should be handmade and juried.



Cranberries make terrific value-added products

If a properly tenanted Public Market is created, it is likely to attract throngs of customers. If there are sufficient customers, there will be no problem in attracting farmers from up to 2 hours away. Wisconsin has a rich and varied agricultural heritage with many small farmers that will both benefit and benefit from, the Public Market.

Is there a history of food trucks or food fairs that would evidence an interest in food consumed outside the home and traditional restaurants?

According to the La Crosse City Clerk's office, there are currently 24 licensed food trucks serving La Crosse. This is an increase of 60% over the number licensed in 2015 and is a relatively high number for a community with La Crosse's population.



La Crosse Food Trucks

La Crosse Public Market Feasibility Study

The great number of special events and festivals featuring local foods has been discussed earlier in this Report. The Taste of the Coulee Region Festival, an annual event sponsored by the YWCA, features local small food related businesses.



TASTE
OF THE COULEE REGION

Presenting Sponsor
TOYOTA
La Crosse

Thank you!

Addiecakes	Holmen Locker & Meat Market	People's Food Co-op
Cabin Coffee	Indian Meal Kits	Pogreba Restaurant
Coon Valley Candy Company	Infinity Beverages Winery and Distillery	Remedy Bloody Mary Mix
Cowboy David's Bake Shoppe	Le Chateau	Schmitt's TimeOut Tavern
Cuisine Adventure Tours	Lost Island Wine	The Charmant Hotel
DnA Vintners	Mama K's Pizza	The Trempealeau Hotel
Eagle's Nest	Namichips	WineSitter Brew House
El Cerrito Mexican Restaurant	Pearl Street Brewery	Turtle Stack Brewery

Is there evidence of public support for the creation of a Public Market?

On somewhat short notice, roughly a score of citizens attended a presentation on Public Markets that occurred at City Hall in September, 2018. The response was universally positive.



La Crosse citizens attending a presentation on Public Markets in La Crosse

La Crosse Public Market Feasibility Study



Mark Ernst, of Engberg Anderson Architects, presents Public Market information

Similarly, Robin Moses, Executive Director of Downtown Mainstreet, Inc., opined that a properly sited and tenanted Public Market would be most welcomed by La Crosse downtown merchants.

Executive Director Robin Moses



This year has been another strong year for new businesses, tourism, arts, and residential growth. We have had record property re-investment, and exciting mixed-use development projects.

We are experiencing an urban residential movement that is creating transformational growth. Young professionals, boomers, and many families desire to live in and near downtown. New opportunities and businesses will emerge as we answer the wants and needs of our growing downtown neighborhood.

Downtown is not only the central business district of our city, we are the social hub of our community and our entire region.

Along with growth comes challenges and the retail world is changing dramatically. We must work together to support our brick and mortar businesses and be mindful to shop local. Customers today not only want great products and services, they look for engagement and enhanced experiences.

Along with our new strategic goals, this year we will begin the City Vision 2040 Downtown Master Plan in partnership with the City of La Crosse. Join us in this process as we hold focus groups to listen to your needs, share ideas, and move forward together for the next 20 years. -Robin Moses

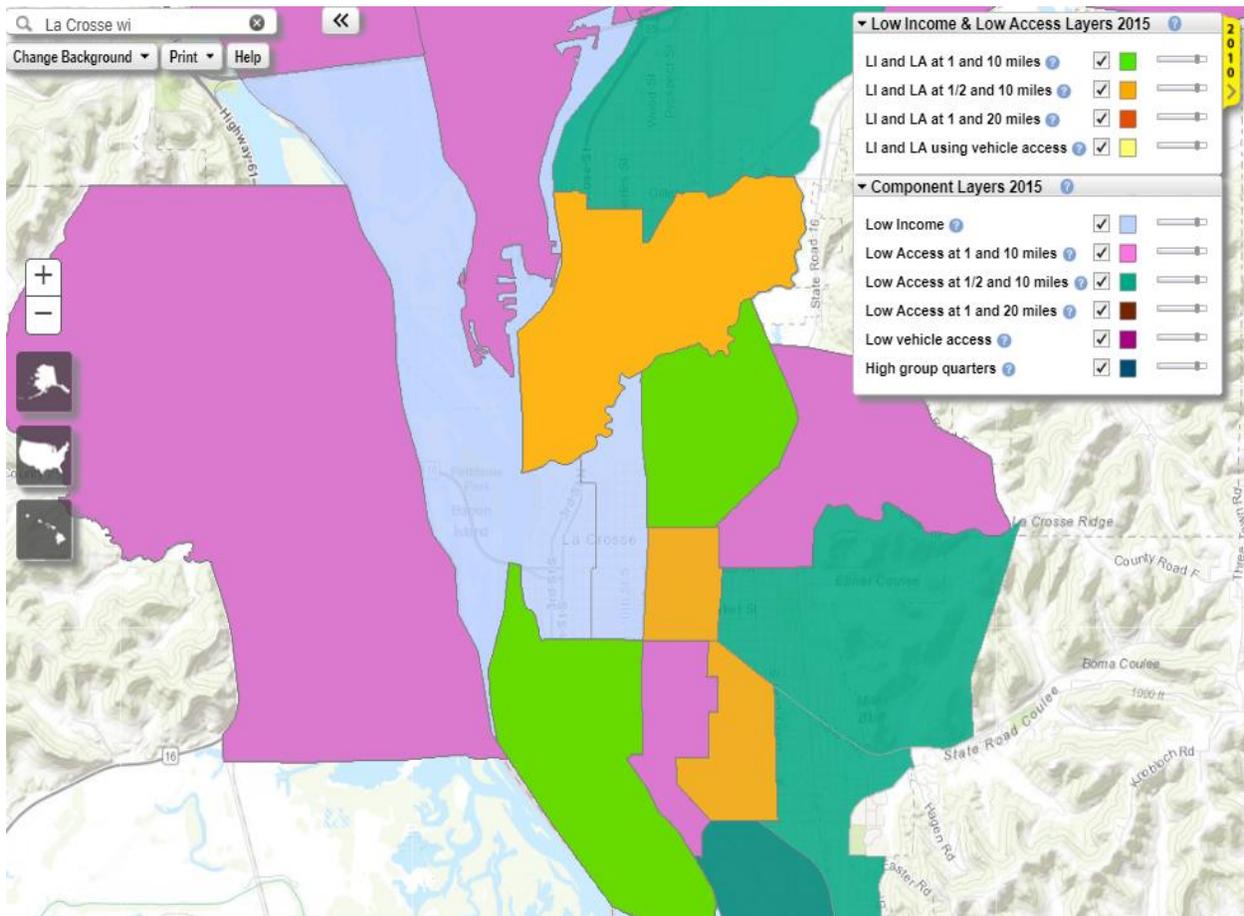
"Our vision is to promote a vibrant downtown that enriches our businesses, embraces our history, celebrates our culture, and captures the spirit of our community while enhancing the vitality of our entire region."

Is there a tradition of non-profits and other NGOs playing significant roles in addressing other public issues?

La Crosse appears to be a city that cares deeply about its community and is committed to addressing its issues. The La Crosse Community Foundation: <https://www.laxcommfoundation.com/learn/local-nonprofits/> lists 132 separate La Crosse nonprofit organizations on its website that have received Foundation grants. These nonprofit grants were in the areas of Arts and Humanities, Community Involvement, Culture and Diversity, Education and Scholarship, Environment, Health and Human Services, and Recreation and Wellness. This is an extraordinary number of separate nonprofit organizations in a relatively small city. Clearly, citizens are engaged and involved.

Are there “Food Deserts” that would benefit from the creation of the shopping opportunities that a Public Market would create?

Food Deserts are areas with high concentrations of low-income residents that have poor access to fresh, affordable foods. They are important when considering a Public Market’s feasibility for two reasons. First, if there is a food desert, the Public Market can help address the need for fresh affordable food, and second, there are a variety of grants that are available to create solutions, including Public Markets, in Food Desert areas. The Food Desert Atlas Map found at: <https://www.ers.usda.gov/data-products/food-access-research-atlas/go-to-the-atlas/> tells the story of concentrations of low income consumers (LI), and low access to fresh foods (LA) in and around La Crosse.



Map 5: Food Desert Atlas Map for La Crosse

The fact that a good portion of La Crosse is located in a mapped Food Desert attests to the need for the Public Market. It will also make it easier to attract funding to support the development of the Public Market.

Are there low-income communities that would benefit from the jobs and opportunities that the Public Market would bring or is there a danger of displacement and gentrification that the Public Market might cause? If the answer to the latter question is yes, are their ways to mitigate this impact?

The Food Desert Map above and the demographics which follow, indicate that there are clearly concentrations of poverty in La Crosse.

Anywhere that the Public Market is eventually sited will have the impact of encouraging upscale housing development in the Market's vicinity. Indeed, the most expensive housing in the U.S., based on dollars per sq. ft. cost, is located within the Pike Place Market Historical District.

When the author of this Report left as a Director in 1991, a 2,200 sq. ft. condo overlooking the Market was selling for \$3-5 million. There are many things that the City can do to mitigate the possible gentrification of any community surrounding the eventual Public Market site. Although gentrification is not the subject of this Report, the City has a self-interest in creating and maintaining a healthy mixed-income residential population that will augment the Public Market's success.

Depending on where the Public Market is eventually sited, the City may wish to consider the following strategies.

- The La Crosse Public Market has a self-interest in having an economically diverse character and customer base. It also has a self-interest in earning the trust of its neighbors. Housing, almost any kind of housing, translates into Market customers and is good for Public Markets. Although incomes of many residents living near the Market may be modest, these households typically will shop for fresh foods more often because they tend to eat out less frequently. This will have a healthy impact on the Market.

The way that Seattle's Pike Place Market addressed the issue of gentrification was to commit to maintaining a minimum number of affordable housing units to protect and preserve the existing lower income and elderly population living around the Public Market prior to its \$65 million renovation. It then encouraged the private development of multi-story market rate rental units and upper income condos in the Market's vicinity.

Primarily because of the Market's renovation, the downtown population in Seattle skyrocketed from a few hundred living around the Market prior to the Market's renovation, to 70,000 downtown residents today. Today, Seattle has the most successful mixed income downtown in North America. Yet, there are actually *more*

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affordable housing units today, than when the Market's renovation began in the early 1970s.



Mixed Income Housing around Seattle's Pike Place Market

- The Public Market should set aside its two slowest day for “neighborhood days” and “senior days”. On these days, (probably Mondays and Tuesdays) customers showing relevant ID should be given a 10% discount off of non-sale items. Conformance to this policy should be a leasehold requirement of all Market tenants.



Neighbors at “Their” Pike Place Market



Differential Food Prices at another Market

- As mentioned earlier, consideration should be given to relocating the existing CRBC incubator kitchen to the mezzanine space which should be built above the Public Market This kitchen's rent should be subsidized but should be operated by the CRBC or a separate non-profit with expertise. This program element will be further addressed in the forthcoming Business Plan

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Community kitchens in many Public Markets support cottage industries, allow chef demonstrations, nutritional education, and provide a commissary kitchen for special events.

Often, people who work in an institutional kitchen go on to become Public Market merchants or chefs.

- The Public Market should have a full schedule of special events of all types – both indoors and outdoors. Some of these events should focus on the celebration of various ethnic cultures common to La Crosse. Appropriate holidays such as Cinco de Mayo, Dia de los Muertos and the Hmong New Year should be celebrated in the Public Market.



Celebrating Cinco de Mayo

A program started by the author at Pike Place Market may have applicability to La Crosse.

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Back in the 1970s, there were a large number of recent Indochinese Hmong refugees living in the Seattle area. These refugees typically did not speak English, had essentially a digging stick level of farming technology, and were living on welfare.

We started the “Indochinese Farmer Project”, found grant money to buy tractors, found a variety of unused County land and other fallow land under utility easements and provided training to set these refugees up as Pike Place Market farmers.

Quickly, they came to the daytables with huge mounds of fresh and gorgeous produce. The biggest problem that we had was that when someone picked up a vegetable and handed over a one-dollar bill, they often received nine \$10 bills in change! We quickly established classes in how to understand American money and how to properly make change. Today, these Hmong farmers are some of the largest landowners in the County and their children are often graduating first in their class from Harvard and UCLA.

The corollary in La Crosse would be to harness the hopes dreams and energy of some of the Hmong or Hispanic residents who may wish to return to farming. Although both of these communities have come a long way in their levels of technological and educational sophistication over the last decades, many have been working the land for generations, and may be willing to return to farming.

Clearly, not all local residents would be appropriate for entering this kind of program. However, with proper screening, many suitable prospects may be found. No/low interest loans need to be available for the purchase of seeds or fertilizer. Finally, Cooperative Extension and/or UWLC could provide a variety of classes in agronomy and agricultural economics. Identifying these individuals and helping to get them established as farmers at the La Crosse Public Market would benefit community residents as well as the Public Market.



Farmworker to Farmer Program benefits the Farmer and the Market

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In an extensive conversation with Xaochor Vanv, Board President of the Hmoob Cultural and Community Agency (Hmong Community Center), he indicated that there would be “strong interest” from the Hmong community in participating in a program to develop new farmers as well as developing new Public Market vendors from the Hmong community. Xaochor was quite familiar with the Global Market project in Minneapolis and suggested that it would be a positive model for a Public Market in La Crosse.

- If the Public Market eventually is sited near a lower income community, a tenant lease requirement for all Market tenants might include the following language: “All Public Market jobs that are being advertised shall be posted at the following locations in the adjacent neighborhood ____, ____, & ____”.

Would the community benefit from the new jobs, entrepreneurial opportunities and tax revenues that a Public Market would bring?

While the unemployment rate in La Crosse is relatively low, pockets of unemployment remain. Perhaps more importantly, some lower income individuals will benefit from the entrepreneurial opportunities that will become available for establishing new businesses in the Public Market. Many of these opportunities will have a relatively low cost of entry.

The City can clearly use the new property, hotel room and sales tax revenues that the Public Market will bring. These new revenues derived from a new Public Market in other communities, amounted to millions of dollars annually. The forthcoming Business Plan will quantify these new revenues.

Are there elements of distinctive local culture – either related to ethnicities and/or food, that can be showcased?

As outlined earlier, there are already many existing festivals that celebrate the diversity and culture that exist in and around the La Crosse community. These include the Hmong New Year celebration, the Pride events, Oktoberfest, and Irishfest. They are all evidence of the distinctive sub communities within La Crosse.

The recently organized “People Fest” is designed to celebrate the inclusivity and diversity of La Crosse it includes displays and performances by La Crosse’s African American, Hmong, Hispanic, Jewish, Chinese, and Ho-Chunk communities among others. Clearly, despite it primarily Caucasian population, La Crosse celebrates and includes many rich and diverse subgroups whose distinctive foods and culture can and should be highlighted in the Public Market.

Is there significant outside visitation to the community that can add to the existing residential customer base?

A.J. Frels, the Executive Director of the La Crosse County Convention and Visitors Bureau, reports that there are 1,429,348 annual out-of-area visitors to La Crosse County, spending \$263,000,000 annually. This translates into \$184 in economic impact per overnight visitor and \$57 from day trippers.

Last year, there were roughly 100 conferences or conventions in La Crosse County.

The riverboat tours are growing with 9 shore stops in 2018 bringing 1,558 passengers.



Mississippi Riverboat cruises by Riverside Park – La Crosse –

Source Library of Congress Digital Library

Mr. Frels opines:

“From my perspective, a Public Market would enhance a visitors’ stay and I am confident many visitors would take advantage of the opportunity to visit and shop. I am confident a Public Market would add another dimension to attracting visitors. While the concept is exciting, a Public Market would have to rely on local residents to ensure sustainability. As you stated at the last meeting, visitors would only contribute approximately 15% of the activity at a Public Market.” He suggests that siting occur “within walking distance of the existing downtown businesses,,” and “make sure it complements and not competes with downtown”.

The number of visitors is relatively high for a community the size of La Crosse. The challenge is for the Public Market to capture a portion of these expenditures to make the Market’s tenants more successful, while not trying to become a “tourist market”. Established Public Markets are typically among the three most visited destinations in a city. While clearly variable, the average percent of tourist vs. local patronage at Public Markets

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nationally is roughly 33%. This might be a bit lower in the La Crosse Public Market. However, care should be taken to assure that the primary thrust of the Market’s tenanting is to create a great and exciting place to shop *for La Crosse area residents*.

The Exhibit below from the Bureau of Labor Statistics breaks down consumer expenditures while traveling out-of-town, into four categories – Food and Beverages, Lodging, Transportation, and “Fees and Admissions”. Fees and admissions include other non-food retail expenditures.

Thus, based on this research, tourists spend roughly 24% of their dollars on food and beverages while travelling. This is more than is spent on lodging and on all other retail and recreation/entertainment expenditures.

Expenditures for travel, Consumer Expenditure Interview Survey, 2005–2011							
Total trip spending	2005	2006	2007	2008	2009	2010	2011
	\$1,293	\$1,408	\$1,462	\$1,411	\$1,273	\$1,300	\$1,372
Food and beverages	320	329	332	327	313	309	329
Food prepared by consumer unit on out-of-town trips	41	43	43	49	49	43	48
Food away from home	236	243	246	238	223	223	236
Alcoholic beverages	42	43	44	40	42	43	45
Lodging	294	321	343	329	300	299	315
Transportation	538	610	643	622	543	570	603
Airfare	285	335	360	343	301	325	342
Train, bus, ship fare	73	83	84	71	72	65	62
Car and truck rental	27	28	28	27	25	26	23
Other vehicle rental	(¹)						
Local transportation (taxi, etc.)	18	21	21	20	17	17	20
Gasoline and motor oil	121	129	132	146	110	119	141
Parking fees and tolls	10	10	10	10	11	11	10
Recreational vehicles	4	5	7	4	6	7	5
Fees and admissions	141	148	145	134	116	122	125

Exhibit 15: Tourist Spending away from Home. <http://www.bls.gov/opub/btn/volume-1/pdf/travel-expenditures-2005-2011-spending-slows-during-recent-recession.pdf>

Of the 24% of tourist dollars spent on food and beverages, 28% is spent on “food prepared by tourists on out of town trips” (primarily fresh food), and alcoholic beverages. This means that nearly the same amount of funds is spent on this category than is spent on all other retail non-food and entertainment classifications. The above website also concludes that tourist expenditures for restaurant and alcohol spending is somewhat declining while spending for food purchased and prepared while travelling out of town is increasing. This is positive news for a Market that focuses on fresh foods.

Nationally, this translates into nearly one and a half billion dollars annually (\$6.2 billion X 24%) being spent on fresh and prepared food and beverages. This further explains the importance of the La Crosse Public Market tapping visitor and traveler expenditures.

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Finally, the 2016 Cushman & Wakefield survey of Food Halls and Public Markets concluded:

“Throughout 2016, retail headlines have been dominated by news of closures, bankruptcies and articles about struggling shopping centers. There has been no shortage of hype as the sector has fallen prey to a negative news cycle. Yet, for every retail category in flat or contraction mode, there has been another in growth mode. This latter crop of retailers is driving occupancy growth in an otherwise challenging environment. It is also driving the next wave of adaptation in the world of retail real estate as properties evolve; formats change and traditional tenant mixes are reinvented. While there are a number of these growth-mode sectors, no other retail category has generated as much aggressive expansion in the past few years as food-related retail”.

The data for the above 18 factors that go into establishing feasibility for a successful Public Market are quite favorable and suggest that a Public Market in La Crosse, if properly sited, planned, designed, and managed would be not just feasible but successful and positive for the community.

Other factors that go into determining feasibility are addressed below.

Public Market Demand:

Historically, customers use Public Markets for many reasons other than to simply shop for fresh or prepared foods. It is not unusual for consumers to bypass 2-3 existing supermarkets to shop at “their” Public Market. Therefore, measuring consumer demand is more challenging than for a generic fresh/prepared food venue.

For example, in siting a supermarket, corporations will look at how many products being sold (lemons for example) consumers will traditionally buy, how many lemons are available within a set drive time, and the density of potential customers interested in buying those products. They then predict demand based on that intersection of supply and demand.

Because most customers visit a Public Market for fundamentally *social* reasons (see survey results on page 15 of this Report), it is problematic to simply rely on traditional supply and demand analysis. Nonetheless, the sections that follow attempt to apply traditional real estate analysis tools to the prediction of supply and demand.

Where will the Market’s Customers Come from? - Market Based Demographics and Characteristics

For the analysis in this section, demographic data was pulled from Esri and the latest U.S. Census information (2018 when possible). This data was pulled for 5, 10, 20, and 60 - minute drive-times from the Downtown Mainstreet office at 500 Main St. Since there is no

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specific Public Market site that has been selected, this address was used as a central location that is nearby all of the potential sites. Data was also pulled from La Crosse as a City, Wisconsin, and the entire U.S., all for comparative purposes.

Drive-time rather than distance was used in the analysis. Drive-time is the primary determining factor in whether and how often potential customers will visit a Public Market.

The experience at other Public Markets is that 20 minutes seems to be the approximate amount of time that residents are likely to regularly shop at “their” Public Market. Obviously, closer potential customers will shop more often, more distant ones will shop less frequently. For example, residents living 20 minutes away may shop once every two weeks, yet residents living 5 minutes away may shop twice a week. The Business Plan will estimate actual predicted usage based on extrapolation from questionnaire results from other Public Market questionnaires and historic relative customer attendance figures from other Public Markets. It is significant that La Crosse’s residents already drive an average of 18 minutes to get to their jobs.

Of course, not all *possible* Market customers will become *actual* Market customers. The predictions in the forthcoming Business Plan will provide instructive predictive data which will be useful in turning these gross population numbers into predictions of actual Market customer use, expenditures and frequency of visits. Clearly, the closer one lives (in terms of drive-time) to the Market, the more likely and more frequent that *potential* customers, might become *actual* customers.

Reference Maps:

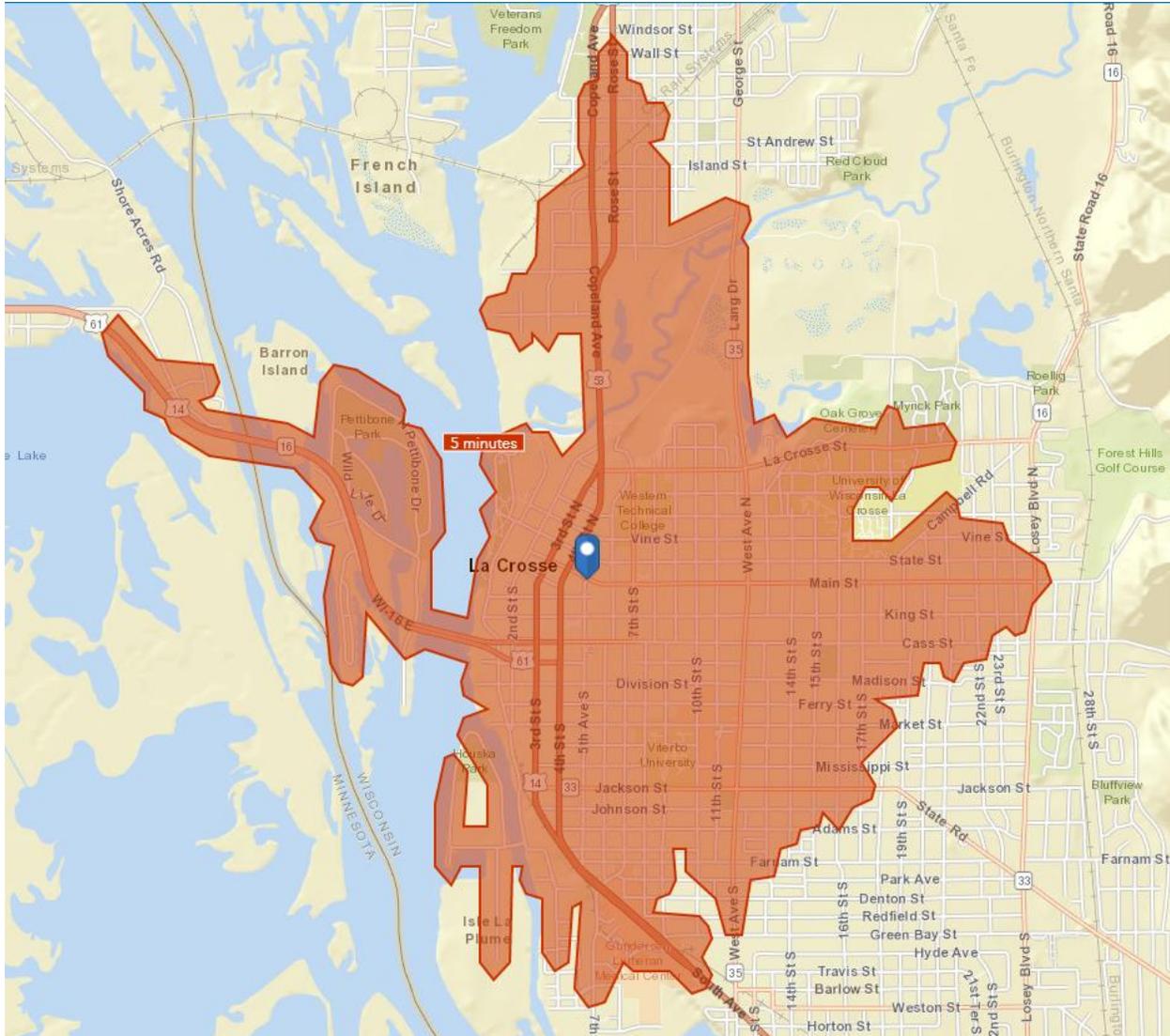
The four initial maps that follow correspond to the demographic data presented in Exhibit 16 below. Once a specific site is selected, these maps and the corresponding data can be amended to reflect the actual site for the Public Market.

Public Markets, as with any commercial real estate project, are heavily dependent on location. Location determines important factors such as the surrounding demographics, visibility, and accessibility.

When a Public Market is improperly sited and/or when it is not finely tuned to its surrounding demographics, it may fail as occurred in the aforementioned example of the Public Market in Portland, Maine. When this Market relocated and retooled its product mix to more closely correspond with its surrounding demographics, it thrived.

The drive time maps are followed by additional maps useful for reference.

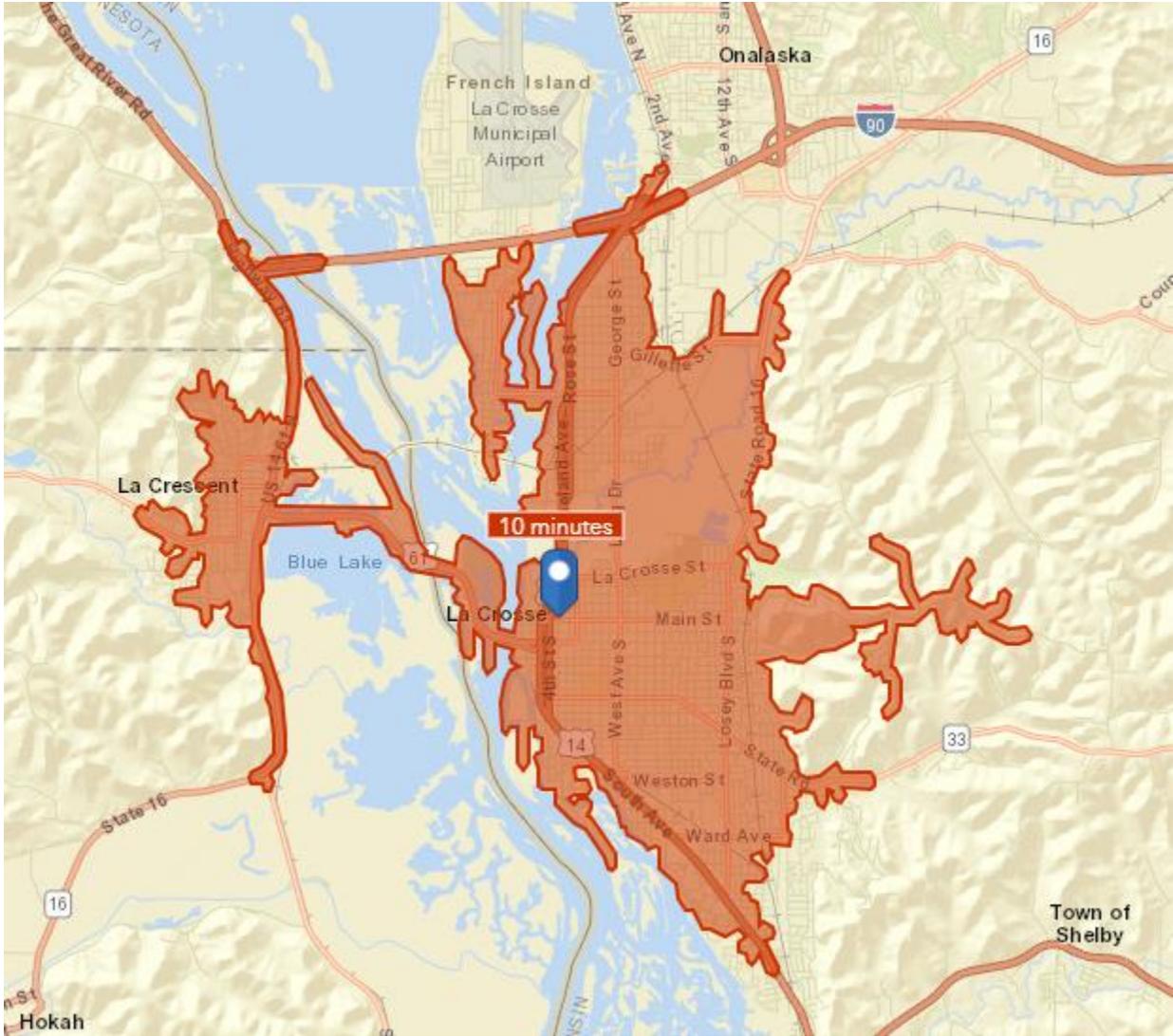
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Map 6: 5-Minute Drive-time from Downtown Mainstreet La Crosse: source: Esri

This is the area that a percentage of prospective customers may be expected to shop at the Public Market twice per week.

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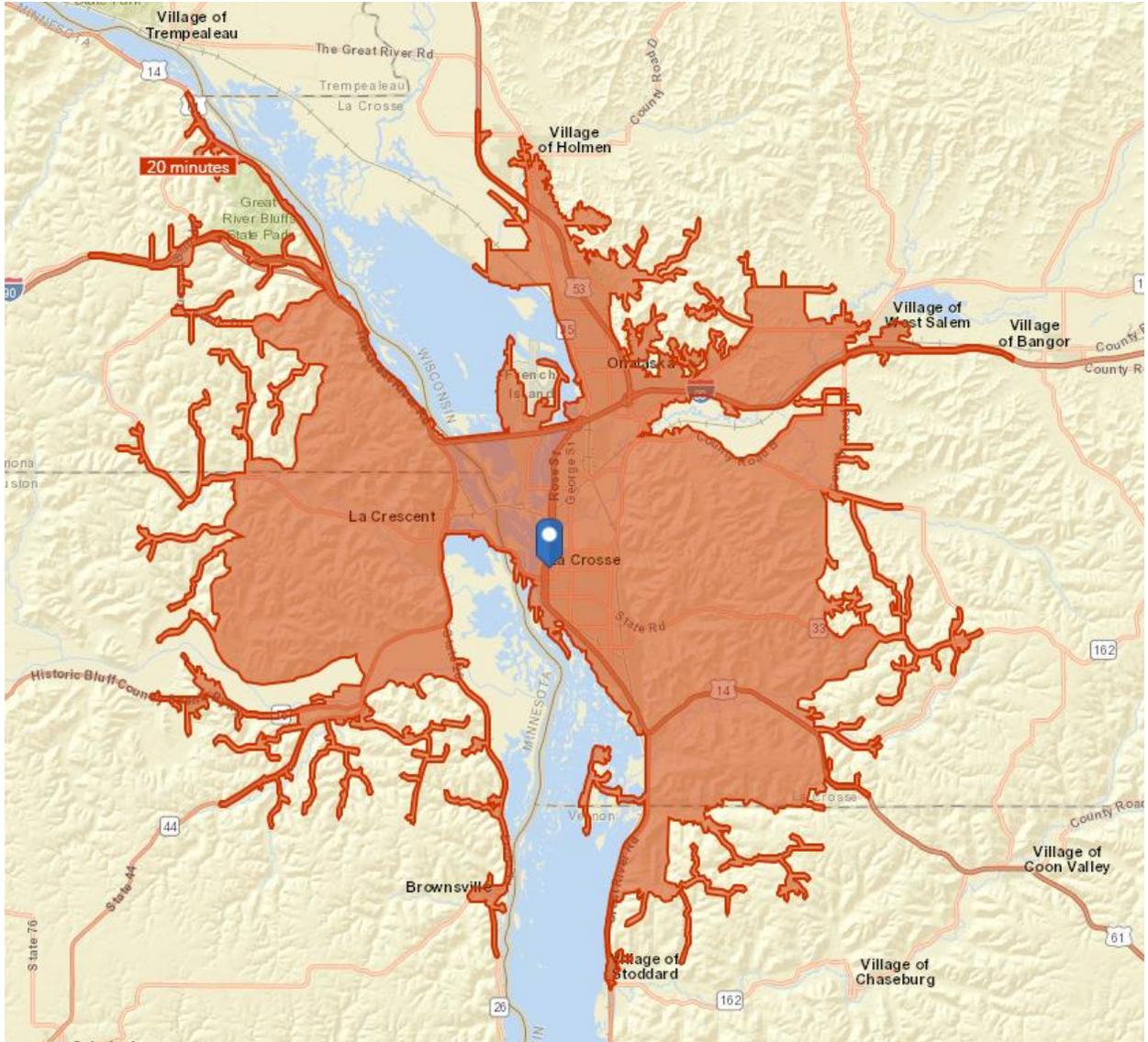


Map 7: 10-Minute Drive-time from Downtown Mainstreet La Crosse: Source: Esri

This is the area that a percentage of prospective customers may be expected to shop at the Public Market once per week.

The map roughly corresponds to the City Limits of La Crosse.

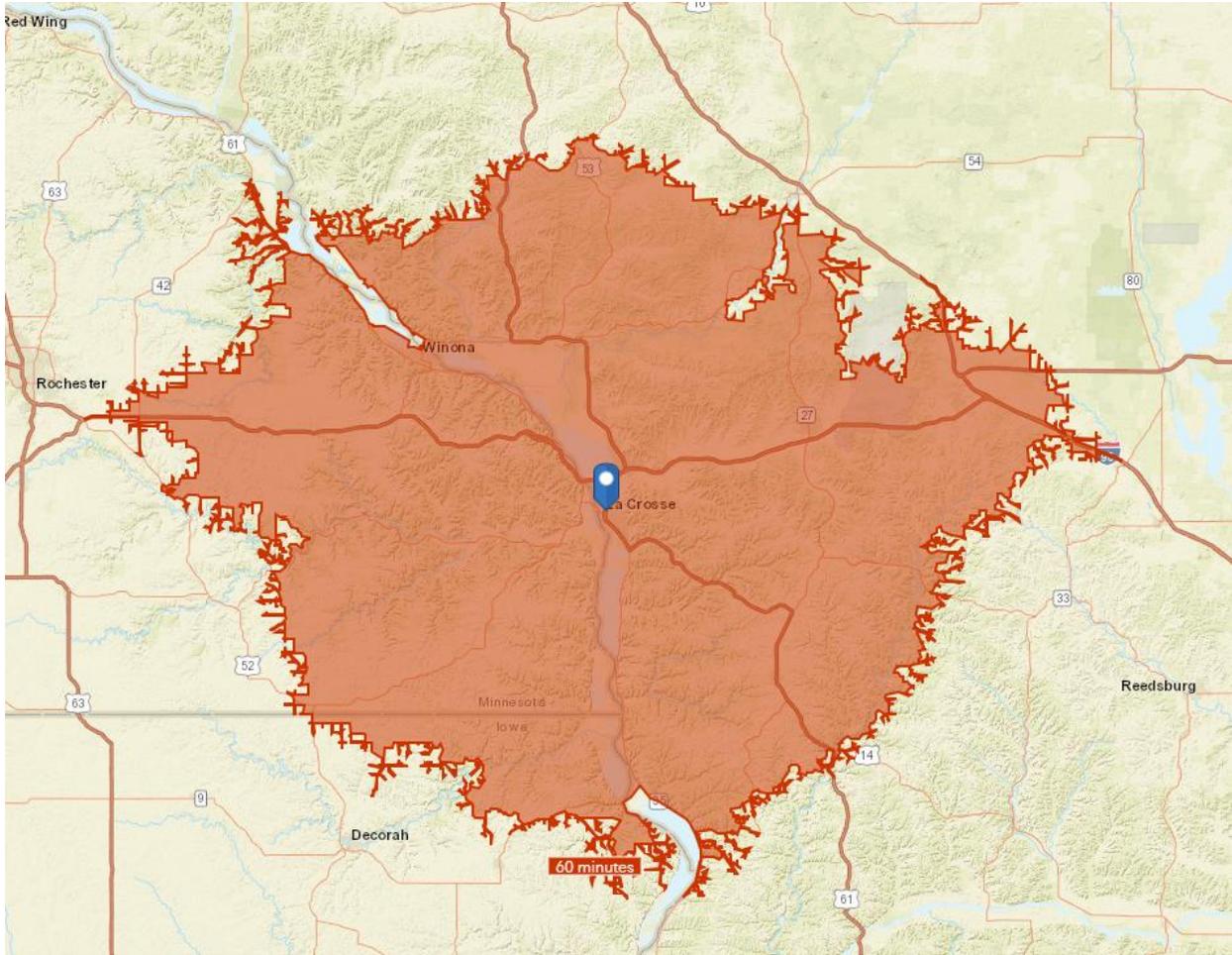
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Map 8: 20-Minute Drive-time from Downtown Mainstreet La Crosse: Source: Esri

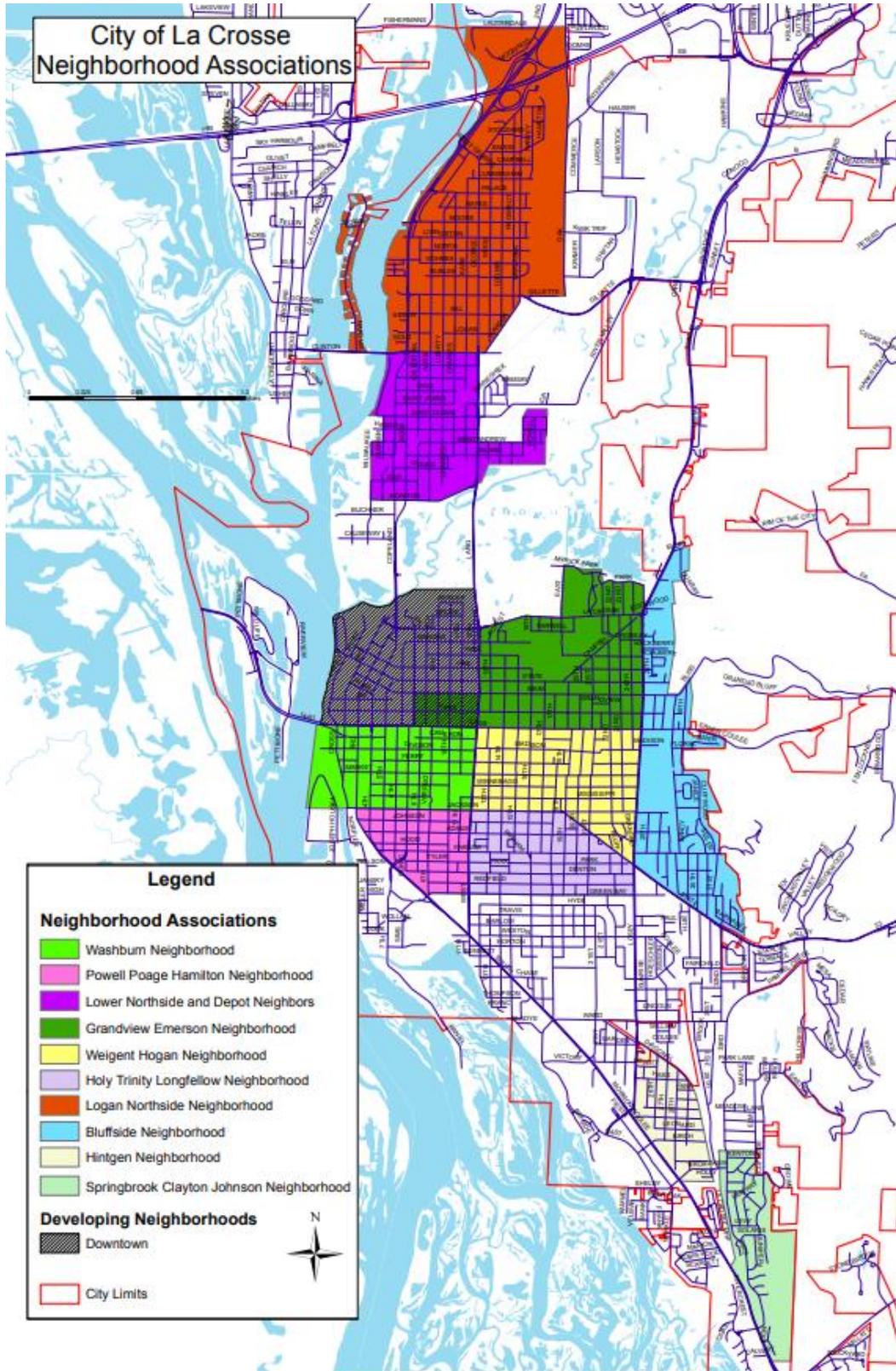
This is the area that a percentage of prospective customers may be expected to shop at the Public Market once every other week.

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Map 9: 60-Minute Drive-time from Downtown Mainstreet La Crosse: Source: Esri

This is the area that a percentage of prospective customers may be expected to shop at the Public Market once per month. It is also the area that prospective farmers and vendors will be drawn from.

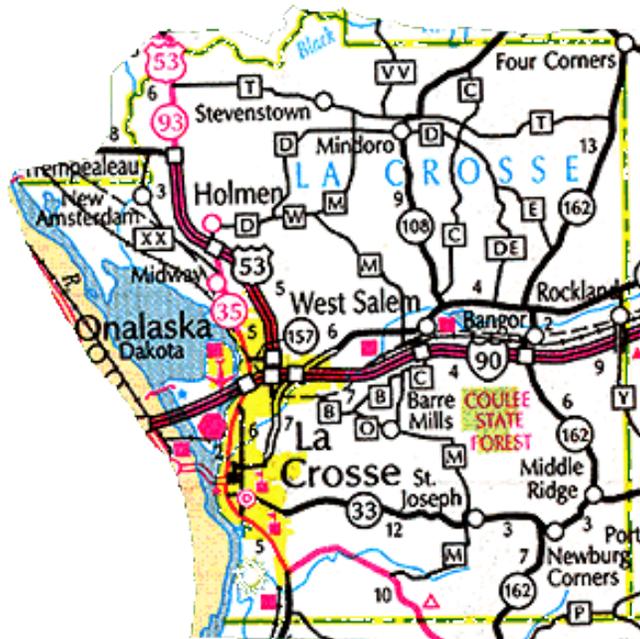


Map 10: City of La Crosse Neighborhood Associations

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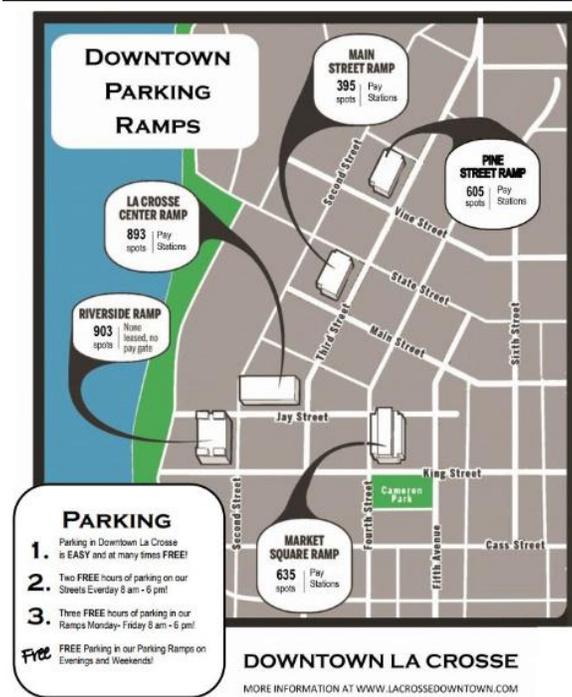


Map 11: Metro La Crosse-Onalaska Metro area: Source - Wisconline

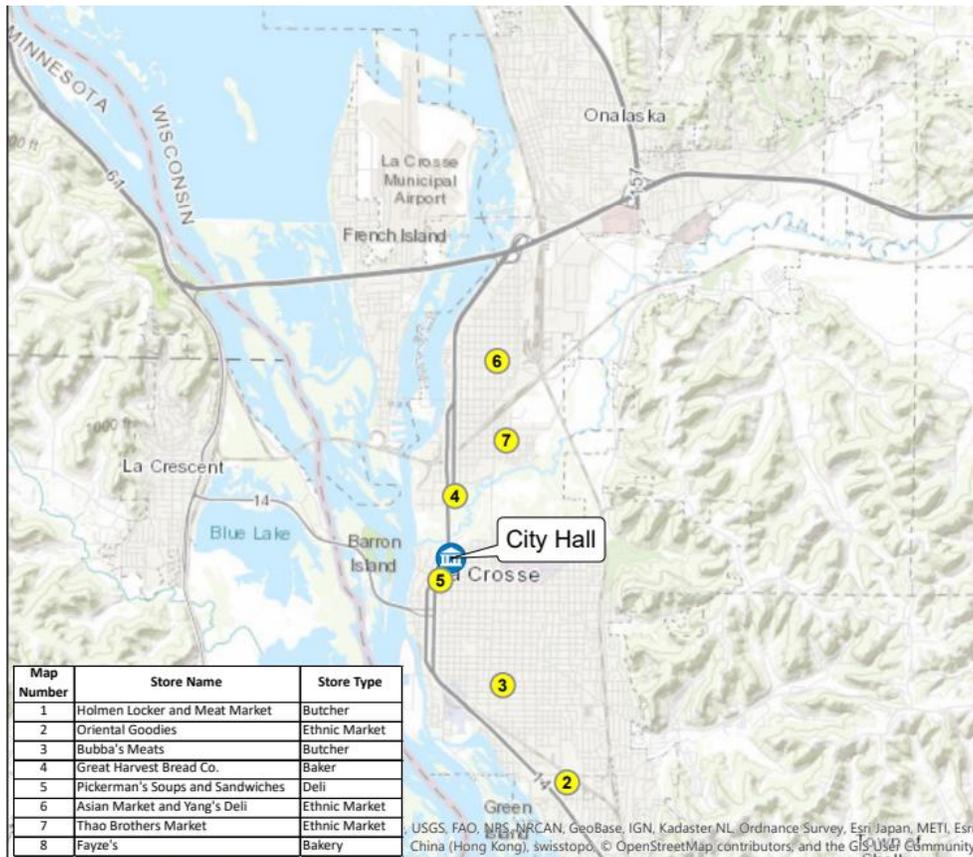


Map 12: La Crosse County Map

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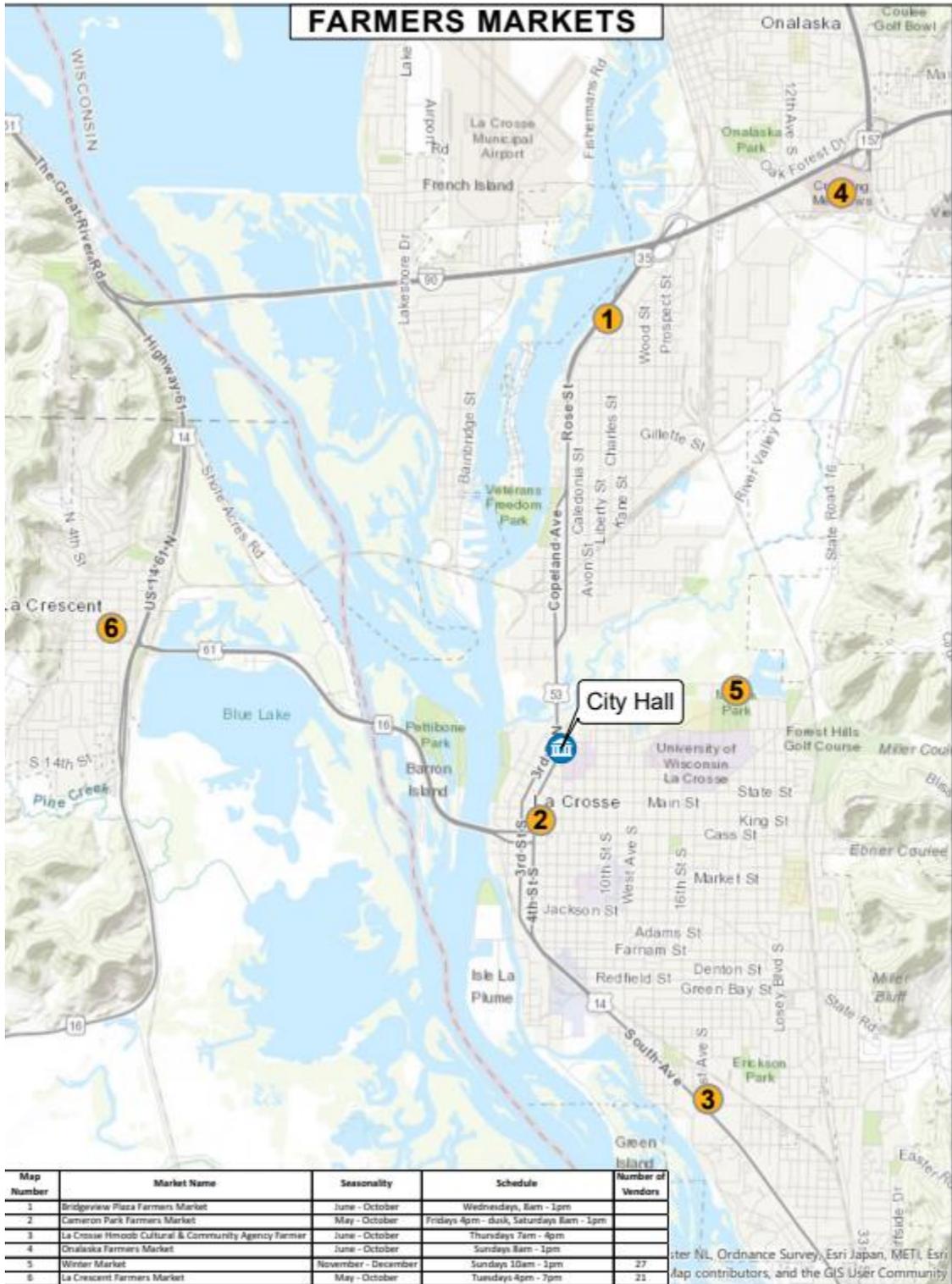


Map 13: Parking in Downtown La Crosse



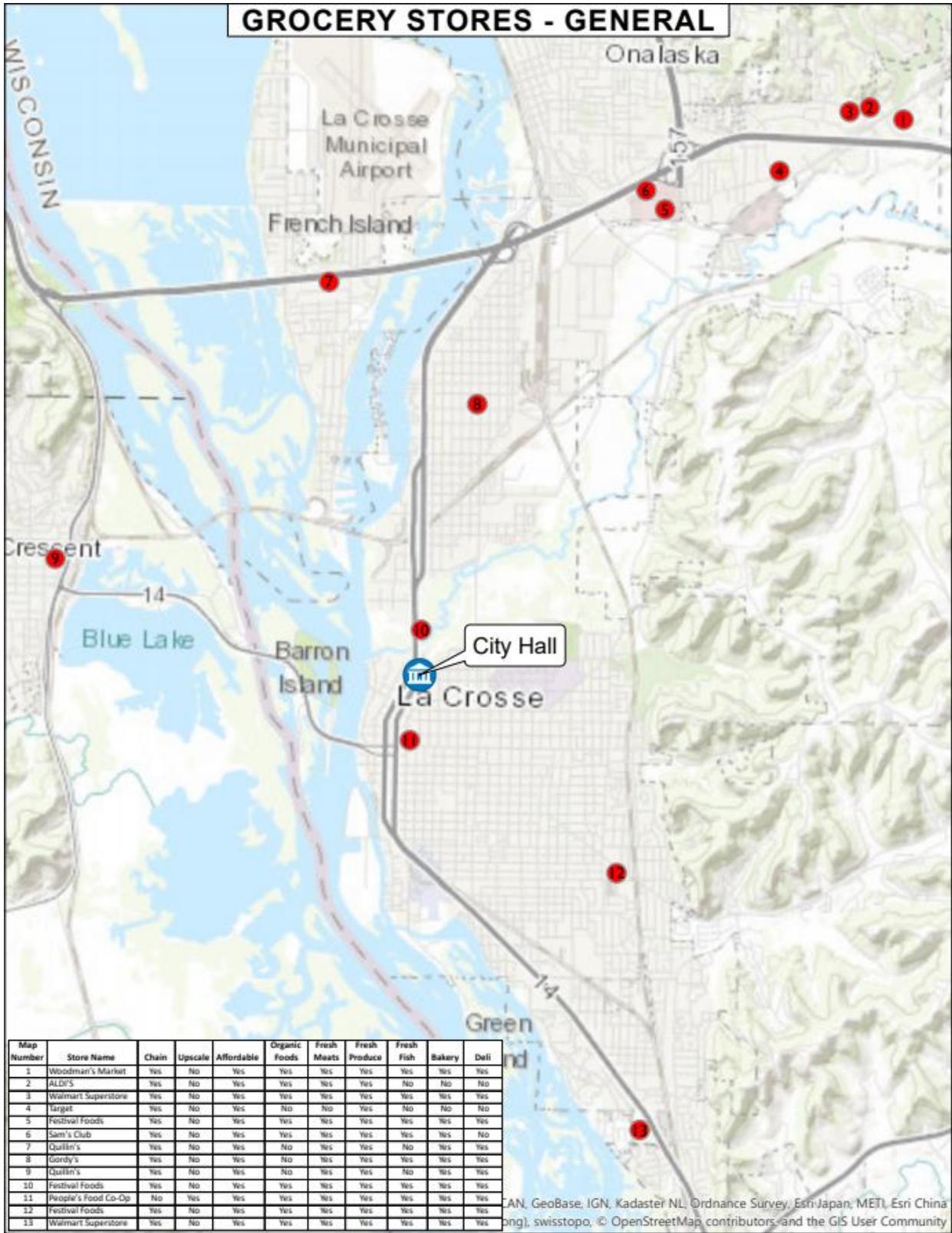
Map 14: Fresh and ethnic foods in La Crosse

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Map 15: La Crosse Area Farmers Markets

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Map 16: La Crosse Area Grocery Stores

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Map 17: Downtown La Crosse. Source www.lacrossedowntown.com

Public Market Demographics:

Exhibit 16 which follows, provides select demographic statistics for relevant and comparative geographic areas from downtown La Crosse.

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	5 min. drive time	10 min. drive-time	20 min. drive-time	1 hour drive time	All of La Crosse	State of Wisconsin	USA
2018 Est. Pop.	19,194	51,293	101,466	302,396	52,720	5,686,986	326,533,070
% Change 2018-2023	.28%	.22%	.40%	.42%	.27%	.39%	3.50%
2023 Est.	19,469	51,856	103,528	308,753	53,439	5,963,700	337,947,861
White	87.0%	90.1%	90.3%	92.7%	88.4%	84.4%	70.03%
Af/Amer - %	3.1%	2.2%	1.7%	1.3%	2.4%	6.3%	12.83%
Hispanic - %	2.3%	2.6%	2.1%	2.2%	2.5%	6.5%	18.25%
Asian	5.7%	4.7%	4.9%	2.2%	4.9%	2.6%	5.6%
Family HH	29.5%	57.4%	69.7%	76.2%	56.1%	79.2%	66.42%
HH married w/ children	7.5%	20.5%	24.5%	27.4	19.9%	29.1%	30.72%
Median Age	24.6	30.4	36.1	38.9	30.8	39.1	38.36
Average HH size	2.07	2.2	2.31	2.42	2.18	2.42	2.6
Household % w/no vehicle	Own- 0.5 Rent - 11.0	Own- 1.5 Rent- 6.8	Own- 1.6 Rent- 4.3	Own-2.1 Rent- 4.2%	City 8.3%	Owned - 1.5 Rented- 5.5	8.74%
Owner occupied	22.6%	47.1%	58.7%	64.1%	46.7%	68.1%	64.98%
Owner avg length of residence -	6 years	8 years	11 years	13 years	9 years	13 years	16.5 years
Median owner avg. occ. house value	\$189,961	\$187,462	\$195,790	\$202,528	\$161,211	\$188,861	\$207,644
HH- children at home	14.6%	21.7%	26.1%	28.9%	19.9%	30.6%	33.53%
% No HS Diploma (under 25)	7.0%	6.4%	5.0%	6.9%	6.3%	9.5%	13%
Median HH Income	\$29,840	\$40,886	\$51,452	\$53,930	\$40,492	\$54,610	\$62,175
Per Capita Income	\$19,249	\$23,632	\$28,733	\$28,251	\$23,897	\$31,173	\$38,611
HH Income below poverty	33.2%	20.6%	14.2%	12.5%	13.3%	12.1%	11%
% employed as white collar	53.5%	53.9%	58.7%	54.6%	54.2%	57.6%	60.66%
Avg. travel time to work	n.a.	n.a.	na	na	17.9 min.	21.9 min.	25.4 min
Median Age	24.6	30.4	36.1	38.9	30.8	39.7	38
Unemployment rate	3.6%	2.6%	2.3%	2.7%	2.6%	3.7%	4.1
\$ avg. spent - food at home	\$2,811	\$3,491	\$4,209	\$4,422	\$3,499	\$4,722	\$3,935
\$ avg. spent - food away from home	\$2,064	\$2,478	\$2,971	2,967	\$2,481	\$3,233	\$2,667

Exhibit 16: Select Demographic Characteristics by Drive-time/Area/Comparison

Source - Esri, U.S. Census

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With a population of 52,720 residents and 17 constituent neighborhoods, La Crosse is the 12th largest community in Wisconsin. The fact that there are over 100,000 people within a 20-minute drive time, and over 300,000 residents within 1 hour is significant. These mostly rural residents have limited shopping opportunities for buying fresh foods. This suggests that a Public Market will have a strong base of potential customers.

Unlike some cities where white-collar or blue-collar occupations dominate the local economy, La Crosse is neither predominantly one nor the other. Instead, it has a mixed workforce of both white- and blue-collar jobs. Overall, La Crosse is a city of service providers, professionals, and sales and office workers.

La Crosse is also a major college town with a large number of people who are 18 years or older attending one of the three higher education institutions.

Compared to the rest of the country, citizens of La Crosse spend much less time in their cars. On average, their commute to work is only 17.9 minutes.

The education level of La Crosse citizens is substantially higher than the typical U.S. community, as 32.94% of adults in La Crosse have at least a bachelor's degree. Only 6.3% of La Crosse residents over 25 have not graduated college. This is less than half of the comparable statistic for the U.S. (13%).

On average, La Crosse's residents face significant economic challenges. Per capita income in La Crosse is \$23,897. This is nearly one third less than for Wisconsin and almost half of the comparable statistic for the U.S. While median and per capita income in La Crosse are relatively lower than the state and national averages (Median household income in 2016 was 76.6% of the same statistic for the State of Wisconsin - \$43,557 vs. \$56,811), educational attainment is relatively higher as reflected in Exhibit 26 below.

The pairing of relatively high educational achievement with relatively low per capita income is extremely unusual as these demographic statistics are typically correlated with each other. The rate of household poverty, especially as one approaches downtown, is nearly double that of comparable cities.

Compared to other cities, La Crosse's population is relatively younger. People marry and have fewer children resulting in smaller households.

The distribution of great wealth and extreme poverty appears to be much less than in most other communities. Most La Crosse residents are lower middle class to middle class. There is little evidence of extreme poverty or tremendous opulence.

The high educational attainment combined with the relatively low income may be explained by a number of factors. Youth, students, higher residential mobility and the lesser amount of stable traditional families is part of the explanation. Equally significant is the fact that La Crosse does not fully take advantage of its status as a regional shopping center. Thus, many associated jobs, opportunities and tax revenues are lost. Despite the

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relatively low unemployment, La Crosse residents do not enjoy the relative prosperity that their hard work should bring. This observation will be further documented in the section on Market Share below.

Other Factors Impacting Feasibility

Comparative Demographics:

The September 14, 2016 issue of the La Crosse Tribune had a headline which shouted: **“54 percent of La Crosse households teeter on financial brink, United Way Study Says”**

The chart below dramatically illustrates the economic challenges faced by La Crosse residents as they approach the future. (La Crosse is “Area”, Wisconsin is “State”).

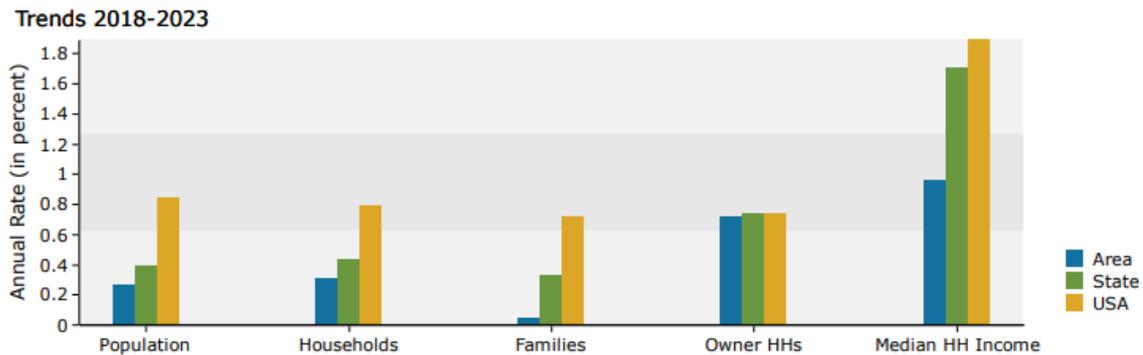


Exhibit 17: Comparative Demographic Trends in La Crosse. Source Esri

Income Distribution:

The income distribution in La Crosse is skewed toward lower middle-income residents. Unlike many American cities, there is a relatively small divide between lower income and wealthy households.

The income inequality of La Crosse, WI (measured using the Gini index) is 0.434 which is lower than the national average.

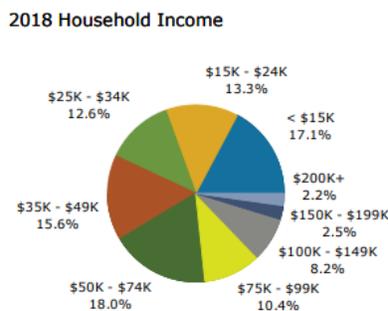


Exhibit 18: Distribution of Household Income in La Crosse. Source: Esri

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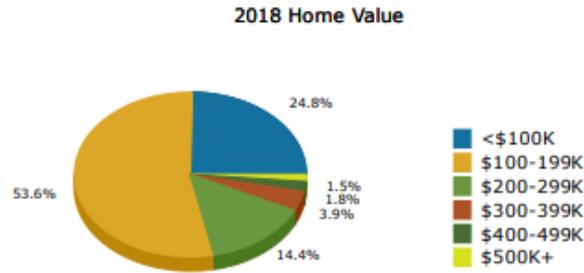


Exhibit 19: Distribution of Home Value in La Crosse. Source Esri

2018 Households by Net Worth	Number	Percent
Total	21,817	100.0%
<\$15,000	9,367	42.9%
\$15,000-\$34,999	1,977	9.1%
\$35,000-\$49,999	865	4.0%
\$50,000-\$74,999	1,090	5.0%
\$75,000-\$99,999	963	4.4%
\$100,000-\$149,999	1,330	6.1%
\$150,000-\$249,999	1,913	8.8%
\$250,000-\$500,000	2,053	9.4%
\$500,000+	2,259	10.4%
Median Net Worth	\$28,666	
Average Net Worth	\$369,311	

Exhibit 20: Distribution of Home Value in La Crosse. Source Esri

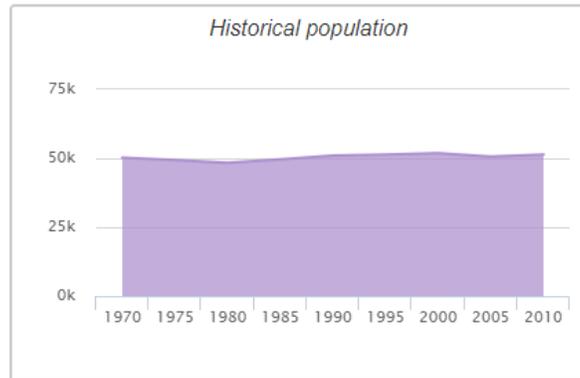


Exhibit 21: Population growth in La Crosse. Source: Esri

Exhibits 18 to 21 support the assertion that while La Crosse’s population is relatively stable, there is little of the extreme poverty and wealth found in so many American cities. Most La Crosse residents are lower middle class or middle class.

Race, Ancestry, and Origin:

While most residents of La Crosse are Caucasian, there are diverse ancestries as reflected in Exhibit 22 below.

- [German](#) - 34%
- [Norwegian](#) - 17%
- [Irish](#) - 12%
- [English](#) - 5%
- [Polish](#) - 4%
- [Hmong](#) - 4%
- [French \(except Basque\)](#) - 3%

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- [Italian](#) - 2%
- [Czech](#) - 2%
- [Swedish](#) - 2%
- Black or African American - 2%
 - [Dutch](#) - 1%
 - [Scottish](#) - 1%
 - [Swiss](#) - 1%
 - [Danish](#) - 1%
 - [Scotch-Irish](#) - 1%
- American Indian tribes, specified - 1%
 - [French Canadian](#) - 1%
 - Mexican - 1%

Exhibit 22: Ancestry of La Crosse Residents Source: U.S. Census

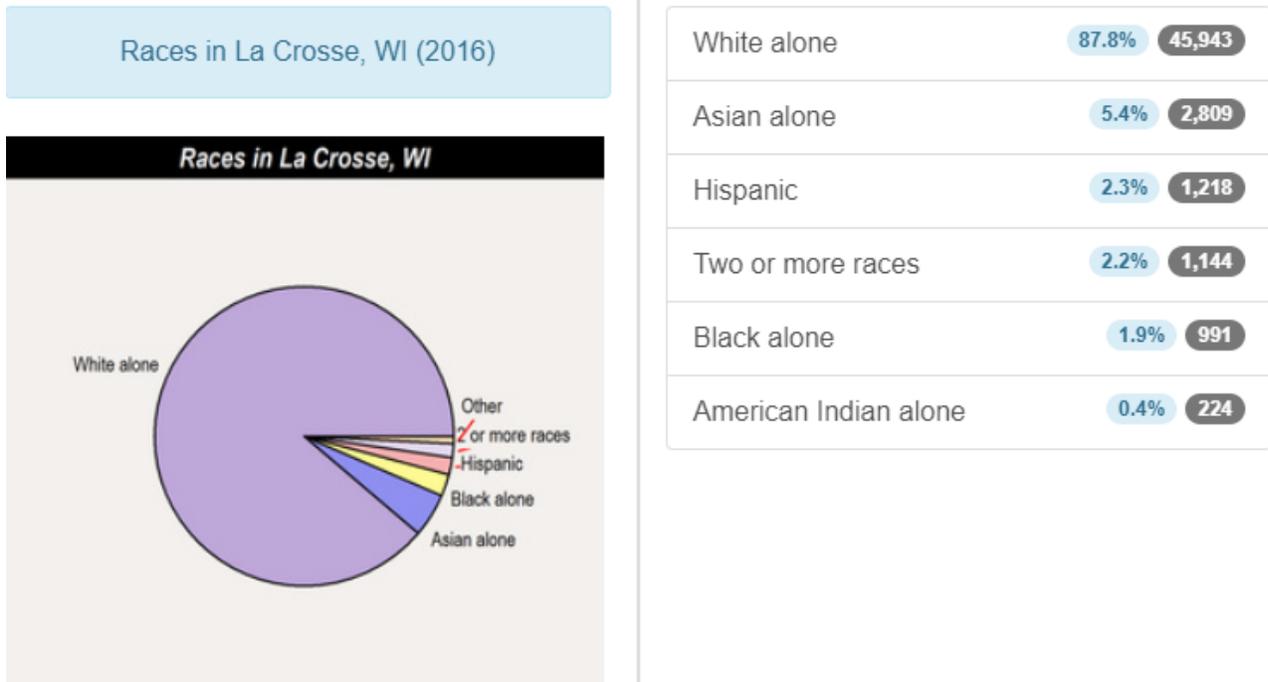
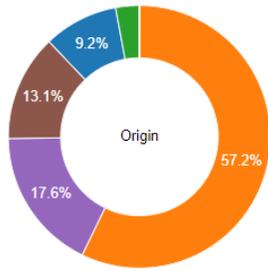


Exhibit 23: Races in La Crosse: Source: City-Data

There are approximately 1,792 foreign-born residents in the city of La Crosse.

La Crosse Public Market Feasibility Study

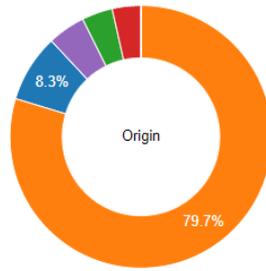
Origin of Non Citizens



■ Europe ■ Asia ■ Africa ■ Oceania
■ Latin America ■ North America

Non citizens include legal permanent residents (green card holders), international students, temporary workers, humanitarian migrants, and illegal immigrants.

Origin of Naturalized Citizens



■ Europe ■ Asia ■ Africa ■ Oceania
■ Latin America ■ North America

70.51%

Born in Wisconsin

96.70%

Native Born

3.30%

Foreign Born

1.19%

Non Citizen

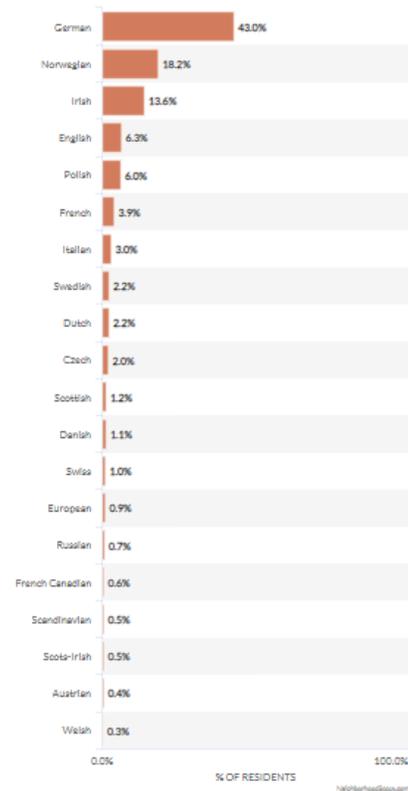
Place of Birth

96.70% of La Crosse WI residents were born in the United States, with 70.51% having been born in Wisconsin. 1.19% of residents are not US citizens. Of those not born in the United States, the largest percentage are from Asia.

Exhibit 24: Place of Birth of La Crosse Residents. Source: <http://worldpopulationreview.com/us-cities/la-crosse-wi-population/>

ANCESTRIES & LANGUAGES SPOKEN

ANCESTRY (TOP 20)



LANGUAGES SPOKEN (TOP 20)



FOREIGN BORN LA CROSSE RESIDENTS: **3.3%**

Exhibit 25: Ancestries and Languages spoken in La Crosse. Source: Esri

La Crosse Public Market Feasibility Study

While roughly three quarters of La Crosse residents are of Northern European origin, the community values its diversity. This is evidenced by the popularity of ethnic festivals and restaurants.

Educational Attainment:

According to Esri, an astounding 70.4% of La Crosse residents over 16 have been to college or have an advanced degree. The percentage of residents who have not attained a high school diploma is roughly half of the rest of the U.S. This is particularly indicative of a lack of opportunity since typically, relative educational attainment directly correlates with income.

For population 25 years and over in La Crosse:

- **High school or higher:** 92.9%
- **Bachelor's degree or higher:** 32.9%
- **Graduate or professional degree:** 12.1%

Exhibit 26: Educational attainment in La Crosse: Source: <http://www.city-data.com/city/La-Crosse-Wisconsin.html#ixzz5XVPMtj2A>

Weather:

La Crosse has a mixed climate which benefits a Public Market. Typically, Public Markets have both an indoor presence (in the building) and an outdoor presence (at the 'daytables' and site amenities).

La Crosse's climate is suitable for outdoor customer activities for roughly eight months per year. Even during the hot months, the average temperature seldom exceeds a comfortable 75 degrees. Similarly, outside of the three winter months, temperature seldom falls below 30 degrees.

Exhibit 25 that follows, sums up La Crosse's relatively benign weather outside of the coldest winter months.

Average climate in La Crosse, Wisconsin

Based on data reported by over 4,000 weather stations

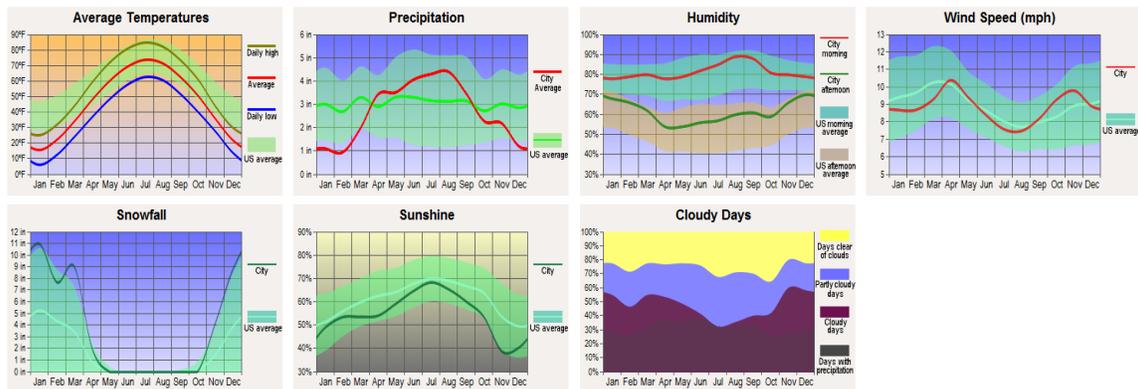


Exhibit 27: Weather in La Crosse Source - City-Data

La Crosse Public Market Feasibility Study

La Crosse is subject to tornados and earthquakes at about the same rate as the rest of Wisconsin. The rate is somewhat higher than the U.S. average.

In low lying areas, the potential of flooding from the three primary rivers is an issue. In siting the Public Market building, flooding maps will need to be carefully consulted. Some kinds of site amenities can be located in the flood plain. The Public Market building will likely need a mezzanine rather than a basement for support functions.

Access:

According to the U.S. Census, in 2016, 85.3% of Americans arrive at work by car. The equivalent number for La Crosse is roughly 73%. Bicycling and other means of alternative transportation is an important factor in La Crosse. This suggests that clear signage and paths from public transport, and the provision of bike racks will be especially critical for the Public Market.

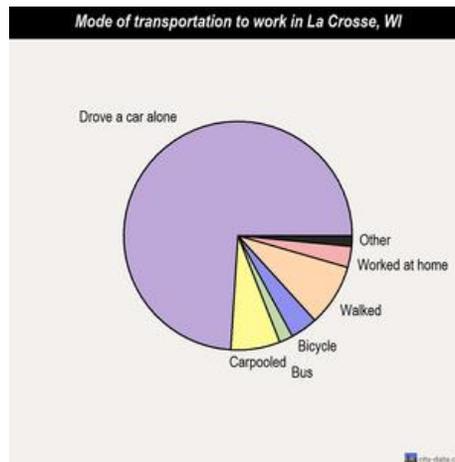


Exhibit 28: La Crosse – mode of transportation to work Source – City-Data

La Crosse citizens mostly spend five to twenty-five minutes to get to their work for an average drive time of 17.9 minutes. This is consistent with the average of twenty minutes that people are willing to drive on a regular basis to shop for fresh foods at a Public Market.

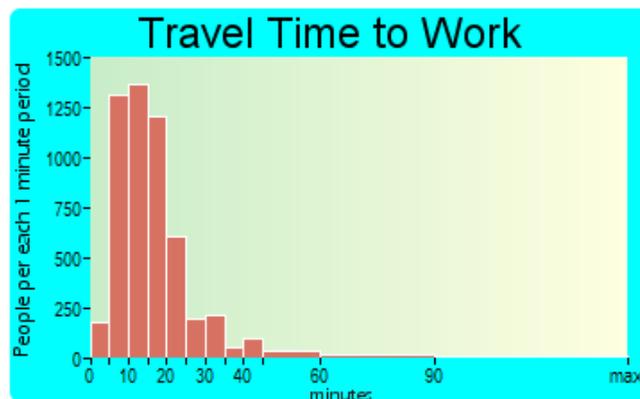


Exhibit 29: Travel time to work in La Crosse

La Crosse Public Market Feasibility Study

Population by age and sex:

La Crosse residents are comparatively younger and tend to have a higher percentage of women than their American counterparts.

52.56% of La Crosse residents are female compared to 50.6% in the U.S.

Interestingly, La Crosse residents tend to be somewhat less religious than many U.S. communities.

The median age for La Crosse residents is 30.8 years vs. 39.7 years in Wisconsin and 38.0 years for the U.S. The La Crosse median age further drops to 24.6 years old in the area surrounding downtown. Exhibit 30 and 31 below capture the age and sex distribution.

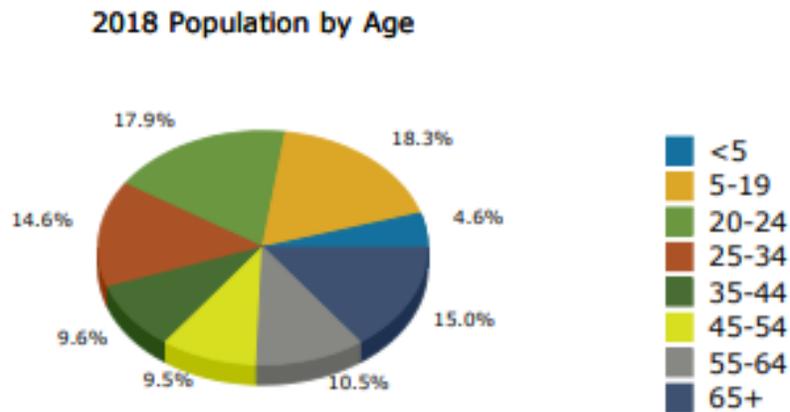
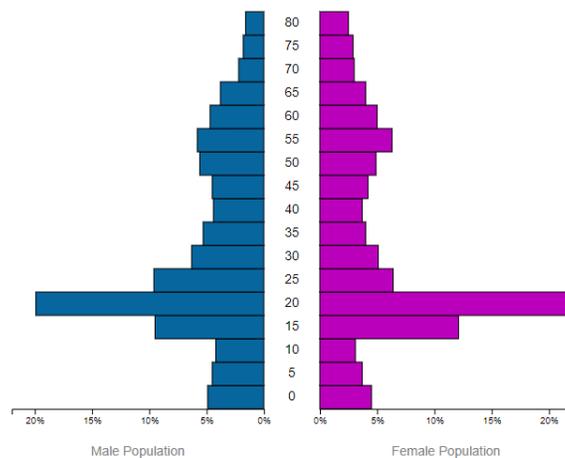


Exhibit 30: Age distribution in La Crosse. Source: Esri

La Crosse Wi Population Pyramid 2018



Data via US Census (2016 ACS 5-Year Survey); Table S0101

Exhibit 31: La Crosse Population Pyramid

La Crosse Public Market Feasibility Study

Minority and Women Owned Businesses:

Individuals in La Crosse have a relatively high rate of poverty. According to <http://worldpopulationreview.com/us-cities/la-crosse-wi-population/>, the overall individual poverty rate for La Crosse is 25.58% with the rate for women even higher at 28.74%.

Poverty due to lack of opportunity and education for racial minorities is sadly, highly correlated with race as Exhibit 32 below demonstrates:

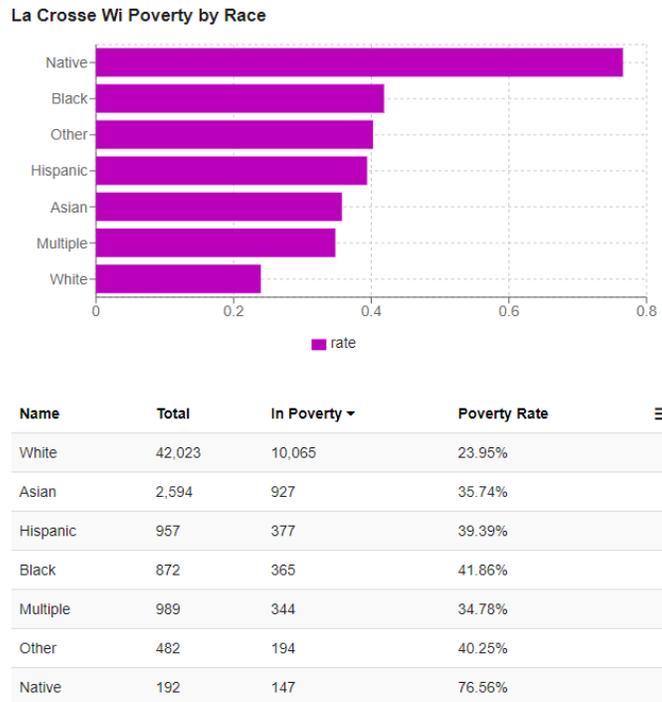


Exhibit 32: Correlation between Race and Poverty. Source: World Population Review (see above)

All firms, 2012	8,313
Men-owned firms, 2012	4,717
Women-owned firms, 2012	2,342
Minority-owned firms, 2012	441
Nonminority-owned firms, 2012	7,411

Exhibit 33: Women and Minority Owned Businesses in La Crosse. Source: U.S. Census

The information in Exhibits 32 and 33 underscore the importance of having a fair representation of women and minority owned vendors in the La Crosse Public Market. Although women are nearly 53% of the La Crosse population, they only own 28% of the businesses. (2,342/8,313). Minority owned firms constitute 5% of the business owners in La Crosse even though minorities constitute 11.6% of the residents in La Crosse.

La Crosse Public Market Feasibility Study

Most Public Markets have a good track record of having a relatively high percentage of businesses that are owned by women and/or minorities.

Crime:

Public Markets, in order to attract a sufficient customer base, should ideally not be located in a community known for high crime. La Crosse has a relatively low rate of crime as evidenced by Exhibit 33 below.

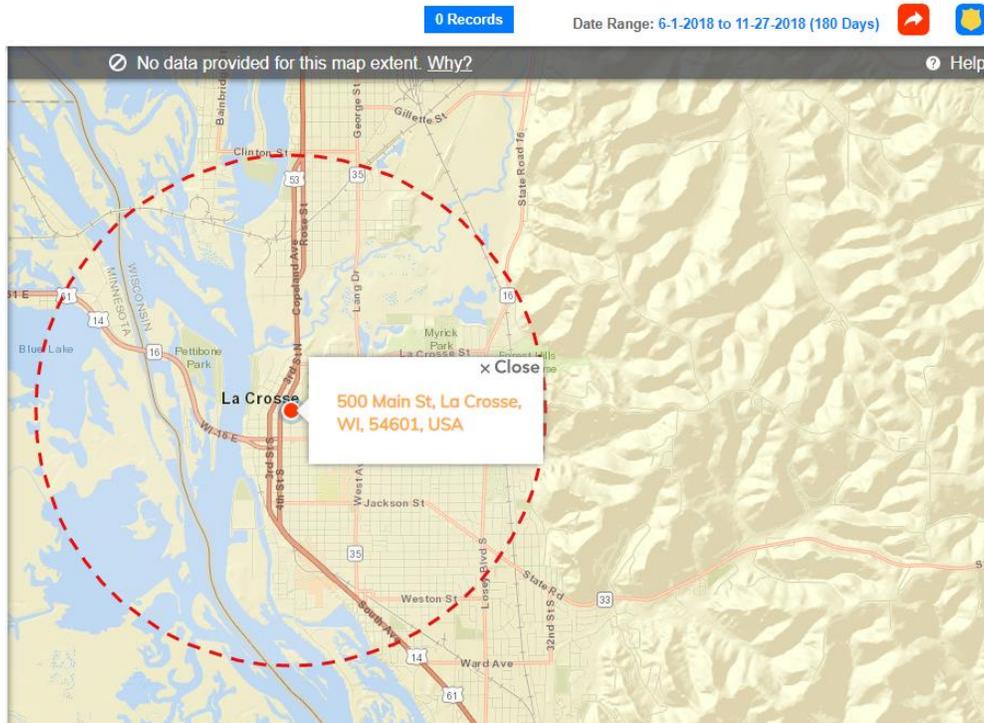


Exhibit 34: Zero Serious Crimes in the Prior 180 days within 2 miles of Downtown Mainstreet Office. Source:

<https://www.crimemapping.com/map/location/500%20Main%20St,%20La%20Crosse,%20WI,%2054601,%20USA?id=dHA9MCNsb2M9MjM2MjIxNiNsbmc9MzMjaG49NTAwI2xicz0xMDk6Mzk2MzkyOTA7OToxNjA4NTQ4OA==>

Health:

Public Markets are known as places that encourage healthy eating. Although currently, food related health statistics tend to be a bit better in La Crosse than for Wisconsin as a whole, there are serious issues that the focus on fresh foods in the Public Market should help to address.

La Crosse Public Market Feasibility Study

Adult diabetes rate:



Adult obesity rate:



Low-income preschool obesity rate:



Healthy diet rate:



Average overall health of teeth and gums:



Average BMI:



Overweight people:



General health condition:



Exhibit 35: Food Related Comparative Health Statistics



Market Share

Traditional Real Estate Analysis – Supply and Demand

Typically, when determining demand for a new economic enterprise, consultants tend to rely heavily on Neilson/Claritas/EnviroNics or Esri demand and supply statistics. The author of this Report has always been suspicious about solely using these kinds of statistics to determine the demand for a Public Market. The reasons for this concern were:

- 1) Public Markets are not supermarkets. Neither Neilson nor Esri have ‘fresh food’ categories. They do have demand and supply categories for ‘grocery stores’, and ‘supermarkets’ but there is only about a 10-15% overlap with what you will find in a Public Market and what you will find in a typical grocery store.
- 2) People go to Public Markets primarily for social/entertainment reasons. While there, they spend more money than they would typically spend in a grocery store – even if they didn’t come to shop!
- 3) Several Public Markets actually have grocery stores nearby or as a tenant. The fact that Pike Place Market has three supermarkets within two blocks, does not prevent it from enjoying well over 10 million annual customer visits.
- 4) Customers routinely drive by 2 or 3 supermarkets to shop at “their” Public Market. They value the interpersonal relationships, the experience, and the ancillary activities.
- 5) In examining these statistics, there are often vast discrepancies between the two sets of statistics regarding demand vs. supply for things like restaurants, groceries, and specialty food stores. The author of this Report has previously experienced this issue in looking at other communities.

The individual at the Bureau of Labor Statistics who provides the underlying data for the demand/supply statistics generated by companies like Esri and Claritas, explained that the Bureau only actually provides surveyed statistics for a tiny handful of American communities. Companies like Claritas/Neilson/EnviroNics and Esri then extrapolate these numbers to other cities and neighborhoods using their own algorithms to come up with predictions of opportunities (more retail potential than actual sales) or oversupplies (more actual sales than predicted retail potential).

The author of this Report has seen one of these companies predicting a \$100,000,000 demand for new supermarkets, while the other company referenced a \$100,000,000 oversupply for the same supermarket use. Both companies were looking at exactly the same geography and time period. Thus, supply and demand predictions for Public Markets should be taken with a grain of salt.

La Crosse Public Market Feasibility Study

Despite the above points, this Report provides Esri supply and demand statistics below to ensure that all possible relevant data is considered. The fact that the Esri data underscores earlier conclusions further supports those conclusions.

Grocery Store and Restaurants per 10,000 residents statistics:

Traditionally, developers consider demand for a particular commercial use weighed against the number of users consuming that use. Further evidence of demand for a Public Market is reflected in the fact that there are only 81.7% of *grocery stores* per 10,000 residents and 87.1% of *restaurants* per 10,000 residents compared to the same statistics for Wisconsin as a whole. See Exhibit 36 below:

Number of grocery stores in La Crosse County: 17

La Crosse County: 1.52/10,000 pop.

Wisconsin: 1.86/10,000 pop.

Number of full-service restaurants in La Crosse County: 84

La Crosse
County: 7.53 / 10,000
pop.

Wisconsin: 8.64 / 10,000
pop.

Exhibit 36: Rate of Grocery stores and restaurants per 10,000 residents in La Crosse compared to Wisconsin. Source: City Data

Retail Opportunity in La Crosse:

The author of this Report has examined supply and demand statistics for dozens of American cities. Typically, most uses are relatively balanced between supply and demand. A handful of uses are typically **green** (an undersupply of that use compared to predicted demand) or **red** (an oversupply of a particular use compared to a particular demand).

Retail gaps in red typically means that consumer expenditures are flowing into the community from consumers who live outside the community. Retail Gaps in green mean that a predicted demand is not being met and is thus there is an opportunity for a new business.

Exhibit 37 is what the Retail Marketplace Profile page for La Crosse looks like: The statistics are for greater La Crosse – a 20-minute drive time from the Downtown Mainstreet office.

La Crosse Public Market Feasibility Study



Retail MarketPlace Profile

500 Main St, La Crosse, Wisconsin, 54601
 Drive Time: 20 minute radius

Prepared by Esri
 Latitude: 43.81188
 Longitude: -91.24990

Summary Demographics						
2018 Population						101,466
2018 Households						41,601
2018 Median Disposable Income						\$40,977
2018 Per Capita Income						\$28,733
2017 Industry Summary	NAICS	Demand (Retail Potential)	Supply (Retail Sales)	Retail Gap	Leakage/Surplus Factor	Number of Businesses
Total Retail Trade and Food & Drink	44-45,722	\$1,332,008,949	\$1,905,419,408	-\$573,410,459	-17.7	883
Total Retail Trade	44-45	\$1,202,889,151	\$1,689,019,358	-\$486,130,207	-16.8	601
Total Food & Drink	722	\$129,119,798	\$216,400,050	-\$87,280,252	-25.3	282
2017 Industry Group	NAICS	Demand (Retail Potential)	Supply (Retail Sales)	Retail Gap	Leakage/Surplus Factor	Number of Businesses
Motor Vehicle & Parts Dealers	441	\$257,351,448	\$333,505,779	-\$76,154,331	-12.9	86
Automobile Dealers	4411	\$203,987,341	\$283,794,637	-\$79,807,296	-16.4	43
Other Motor Vehicle Dealers	4412	\$32,446,707	\$24,179,126	\$8,267,581	14.6	11
Auto Parts, Accessories & Tire Stores	4413	\$20,917,400	\$25,532,016	-\$4,614,616	-9.9	32
Furniture & Home Furnishings Stores	442	\$38,706,673	\$56,457,372	-\$17,750,699	-18.7	43
Furniture Stores	4421	\$23,305,517	\$24,158,242	-\$852,725	-1.8	18
Home Furnishings Stores	4422	\$15,401,156	\$32,299,130	-\$16,897,974	-35.4	25
Electronics & Appliance Stores	443	\$40,193,929	\$70,342,430	-\$30,148,501	-27.3	31
Bldg Materials, Garden Equip. & Supply Stores	444	\$81,393,105	\$189,086,906	-\$107,693,801	-39.8	59
Bldg Material & Supplies Dealers	4441	\$73,169,903	\$180,993,915	-\$107,824,012	-42.4	48
Lawn & Garden Equip & Supply Stores	4442	\$8,223,203	\$8,092,991	\$130,212	0.8	11
Food & Beverage Stores	445	\$188,112,302	\$188,797,677	-\$685,375	-0.2	39
Grocery Stores	4451	\$163,057,253	\$179,264,096	-\$16,206,843	-4.7	15
Specialty Food Stores	4452	\$13,151,555	\$6,000,538	\$7,151,017	37.3	20
Beer, Wine & Liquor Stores	4453	\$11,903,495	\$3,533,044	\$8,370,451	54.2	4
Health & Personal Care Stores	446,4461	\$77,039,850	\$118,943,891	-\$41,904,041	-21.4	54
Gasoline Stations	447,4471	\$142,256,148	\$111,031,850	\$31,224,298	12.3	36
Clothing & Clothing Accessories Stores	448	\$52,929,298	\$68,125,893	-\$15,196,595	-12.6	68
Clothing Stores	4481	\$34,592,809	\$49,641,554	-\$15,048,745	-17.9	42
Shoe Stores	4482	\$7,597,686	\$11,411,072	-\$3,813,386	-20.1	10
Jewelry, Luggage & Leather Goods Stores	4483	\$10,738,803	\$7,073,266	\$3,665,537	20.6	15
Sporting Goods, Hobby, Book & Music Stores	451	\$31,539,594	\$75,110,808	-\$43,571,214	-40.9	58
Sporting Goods/Hobby/Musical Instr Stores	4511	\$26,541,966	\$71,141,611	-\$44,599,645	-45.7	51
Book, Periodical & Music Stores	4512	\$4,997,627	\$3,969,197	\$1,028,430	11.5	7
General Merchandise Stores	452	\$212,997,904	\$376,728,931	-\$163,731,027	-27.8	30
Department Stores Excluding Leased Depts.	4521	\$161,686,080	\$199,092,579	-\$37,406,499	-10.4	17
Other General Merchandise Stores	4529	\$51,311,823	\$177,636,353	-\$126,324,530	-55.2	13
Miscellaneous Store Retailers	453	\$46,954,828	\$51,433,674	-\$4,478,846	-4.6	84
Florists	4531	\$2,261,151	\$3,720,133	-\$1,458,982	-24.4	9
Office Supplies, Stationery & Gift Stores	4532	\$10,793,301	\$12,951,004	-\$2,157,703	-9.1	21
Used Merchandise Stores	4533	\$10,223,693	\$6,518,724	\$3,704,969	22.1	15
Other Miscellaneous Store Retailers	4539	\$23,676,682	\$28,243,813	-\$4,567,131	-8.8	38
Nonstore Retailers	454	\$33,414,071	\$49,454,146	-\$16,040,075	-19.4	13
Electronic Shopping & Mail-Order Houses	4541	\$26,983,553	\$33,176,402	-\$6,192,849	-10.3	3
Vending Machine Operators	4542	\$2,402,533	\$6,665,876	-\$4,263,343	-47.0	2
Direct Selling Establishments	4543	\$4,027,985	\$9,611,868	-\$5,583,883	-40.9	9
Food Services & Drinking Places	722	\$129,119,798	\$216,400,050	-\$87,280,252	-25.3	282
Special Food Services	7223	\$3,183,678	\$1,414,700	\$1,768,978	38.5	7
Drinking Places - Alcoholic Beverages	7224	\$9,203,012	\$19,640,359	-\$10,437,347	-36.2	66
Restaurants/Other Eating Places	7225	\$116,733,108	\$195,344,992	-\$78,611,884	-25.2	209

Data Note: Supply (retail sales) estimates sales to consumers by establishments. Sales to businesses are excluded. Demand (retail potential) estimates the expected amount spent by consumers at retail establishments. Supply and demand estimates are in current dollars. The Leakage/Surplus Factor presents a snapshot of retail opportunity. This is a measure of the relationship between supply and demand that ranges from +100 (total leakage) to -100 (total surplus). A positive value represents 'leakage' of retail opportunity outside the trade area. A negative value represents a surplus of retail sales, a market where customers are drawn in from outside the trade area. The Retail Gap represents the difference between Retail Potential and Retail Sales. Esri uses the North American Industry Classification System (NAICS) to classify businesses by their primary type of economic activity. Retail establishments are classified into 27 industry groups in the Retail Trade sector, as well as four industry groups within the Food Services & Drinking Establishments subsector. For more information on the Retail MarketPlace data, please click the link below to view the Methodology Statement. <http://www.esri.com/library/whitepapers/pdfs/esri-data-retail-marketplace.pdf>

Exhibit 37: Predicted Supply and Demand for Greater La Crosse. Source: Esri

The sea of red is indicative of Esri's conclusion that \$573,410,459 in excess expenditures are flowing *into* La Crosse businesses from residents who live outside the community. This means that over *half a trillion dollars* in expenditures is being spent in La Crosse over and above the predicted retail demand generated from La Crosse's residents. This is strongly indicative of La Crosse's role as a key regional shopping center surrounded by relatively rural areas with few retail buying opportunities.

Two of the few listings that are in green (thus indicating more demand than supply and a clear opportunity for new businesses) are in the areas of "specialty food stores" as they

La Crosse Public Market Feasibility Study

relate to “food and beverage stores”, and “specialty food services” as they relate to food services and drinking places.

In a discussion between the author of this report and a higher level Esri representative, Esri explained that the specialty food stores are exactly the kind of fresh food venues selling items like cheeses, meats, and fresh baked bread that would predominate at a Public Market. Similarly, the ‘Specialty food services’ are the kinds of unique prepared food venues that would augment the fresh food at a Public Market.

Again, according to Esri, the opportunity for shops selling fresh foods for home consumption is \$7,151,017 annually, and for prepared food venues for eating outside the home is \$1,768,978 annually. This would only meet the unmet need generated by internal La Crosse residents. Obviously, based on Esri’s figures in most other categories, there is also tremendous demand for the Public Market generated by residents living outside the community.

While Esri numbers are somewhat suspect for the reasons given above, these conclusions are certainly good news for the Public Market’s Feasibility as it undergirds the numerous other assumptions in this Report that suggest that La Crosse is fertile ground for a Public Market. It also is consistent with the needs for more fresh and prepared foods identified in the preceding Exhibit 36.

Market Feasibility

Many American cities of equivalent size to La Crosse have a Public Market. In virtually all cases, they add color, excitement, jobs, entrepreneurial opportunities, fun, millions in new annual tax revenues, a common ground, and a beloved public space to their communities.

In the dozens of Feasibility Studies prepared by this author, roughly 1/3 concluded that the Market was *not* feasible for a variety of reasons – no interest in special foods, a population that is unwilling to rub shoulders with people who are different from themselves, poor unworkable sites, a disinterested elected leadership, or a lack of support for small owner - operated businesses, are all reasons for making a negative recommendation. La Crosse has none of these characteristics.

La Crosse is no ordinary City:

- It has an enlightened city government as evidenced by sound planning, an apparently professional and committed staff and a willingness to highlight and celebrate its diverse populations.
- It has a relatively youthful population that would relish the life that a La Crosse Public Market would bring to the community.

La Crosse Public Market Feasibility Study

- Its citizens have a comparatively high level of educational achievement combined with relatively low incomes. It has neighborhoods in desperate need of the economic benefits that a Public Market can bring.
- In analyzing eighteen separate criteria for evaluating the feasibility of Public Markets, La Crosse excels in each of the criteria.
- La Crosse seems to have a relatively low number of flavorful, owner-operated fresh food outlets – relatively few quality delis, bakeries, seafood stores, and cheese shops.
- It is a regional shopping center for a broad rural region. These non-local shoppers spend billions of dollars to shop in La Crosse.
- It has a relatively sophisticated public transportation system for its size.
- It has a history of high attendance at many great farmers markets and special events.
- It has a population that is relatively lacking in prejudice with flavorful diverse cultures.
- It needs and is open to a new “common ground”.
- It would address a food desert issue.
- It has a demonstrated deficit in fresh and prepared food venues when compared to the rest of the state.
- It is a community that has demonstrated that it cares about quality foods as evidenced by its successful food co-op, farmers markets, and quality restaurants.
- It has numerous appropriate sites for a Public Market that take advantage of its spectacular geography rooted in its riverine location.
- With nearly 1.5 million annual out of area visitors, La Crosse is growing as a significant tourist destination. The Public Market will become a must-see attraction for tourists, conventioners, and riverboat passengers.

The earlier sections of this report detail where the supply of sellers and demand from consumers will come from. The chart that follows summarizes where the potential customers for the Market will be drawn from.

La Crosse Public Market Feasibility Study

Potential Consumer Source	Number
Frequent Customers within a twenty-minute drive time	101,466
Potential Regional Customers within an hour's drive	302,396
La Crosse out of area annual visitors	1,500,000

Exhibit 38: Where will Customers of the La Crosse Public Market Come from?

Clearly, there is some overlap in these numbers and obviously not all *potential* customer of the Public Market will become *actual* customers. However, these are significant numbers that bode well for the Market's success.

There is every reason to believe that a Public Market in La Crosse can be extremely successful.



Future Customers of the La Crosse Public Market?

It is clear from the above that there is an enormous opportunity for a complex that focuses on fresh and prepared foods in La Crosse. Bringing these uses together under the roof of a Public Market will add the synergy, excitement and “jazz” to create a new and irresistible retail venue that will serve local residents, attract new tourists, and increase the stay of existing visitors.

Like other successful Public Markets, it will take time to raise the necessary capital to build the La Crosse Public Market. However, it is clear that resources exist to make this a successful effort. A strong, relatively united effort to proceed with developing the Public Market will be necessary for a successful outcome.

The forthcoming Business Plan will have detailed operating costs and revenue budgets. While true Public Markets do need initial capital support, they do not need ongoing operating subsidies once they are leased up.

The clear conclusion of this Report is that La Crosse and its surrounding region are overripe for a properly executed Public Market. City demographics and regional diversity all combine to make it extremely likely that the Public Market will not just succeed but will be transformational for the community and the larger region.

Draft Public Market Mission and Goals

A draft Mission Statement and Goals follows. If the City of La Crosse decides to proceed with the development of a Public Market, the Mission and Goals should be further developed, revised and adopted by the City Council as official City policies. The revised Mission and Goals should be a condition of leasing the Public Market facility to a management entity. These management related recommendations will be further spelled out in the Business Plan.

The Mission of the La Crosse Public Market is to:

- Create a regional attraction that serves La Crosse and the region's citizens' everyday shopping needs for fresh and prepared food, fine local handmade crafts, entertainment and education.
- Create a powerful engine for economic, community and agricultural preservation and development that addresses existing La Crosse area issues.
- Fill the Public Market with successful and distinctive, owner-operated private businesses and public events that represent the unique diversity, character and culture of the region.
- Increase visitation to the community by locals and tourists, thereby providing a net benefit to the existing downtown and neighborhood communities and businesses.

Goals of the La Crosse Public Market include:

- **Food:** Provide a source of affordable, fresh and local foods for the existing residential population.
- **Sales and Cash Flow:** Generate a significant new customer stream that creates a net sales increase among existing area businesses. Generate new sales for local owner-operators. Support local businesses in a manner that improves the economy of surrounding neighborhoods and create millions in new tax revenues for the City of La Crosse.
- **New Development:** Leverage the creation of significant commercial and residential development within 4 blocks of the ultimate Public Market site.
- **Attract new businesses** to La Crosse by creating a significant new 'quality of life' attraction.
- **Collaborative Project:** Create a "showcase" local project that flows from the collaboration of neighborhood residents, local business owners, civic

La Crosse Public Market Feasibility Study

leaders, and regional officials that builds local trust and paves the way for future collaborative projects.

- ***New Neighborhood Jobs:*** Create scores of new, year-round, decent paying jobs that are especially targeted towards residents of La Crosse, especially in the adjacent lower income neighborhoods around the selected Public Market site.
- ***New Regional Opportunities:*** Create entrepreneurial opportunities for farmers, artisans, and entrepreneurs.
- ***Local Products:*** Encourage rural preservation and development in the greater La Crosse region by enhancing the existing markets for agricultural, cottage industries, and handmade craft products.
- ***Increase pride*** among area residents by showcasing the unique diversity, character and history of the region.
- ***Tourism:*** Enhance the existing reasons that visitors come to La Crosse. Create a major tourist destination that extends the stay of existing tourists and attracts new visitors to La Crosse while generating a reason for tourists to visit in the off-season months.
- ***Community Gathering Space:*** Provide a place where all kinds of people come together for shopping, dining and socialization, and in doing so, create an interesting environment for “people watching.” Create a reason for local residents to come to shop thereby keeping money circulating in the community.
- ***Create a “common ground”*** that builds a sense of community ownership and participation, where different ages, ethnicities, classes, genders, sexual orientations, races, and beliefs, come together in a vital, secure, and exciting environment.
- ***Create a new community meeting room.***
- ***Community Activities:*** Provide a full calendar of Market sponsored special events and activities that are free and open to the public.

Understanding the Mission and Goals is critical for undertaking a successful development. Public Markets are multi-dimensional and serve many purposes that often interact with each other in a synergistic manner.



Various Public Market Goals often intersect.

The following image was developed by the author of this Report for the Ford Foundation:



Exhibit 39: Synergistic Public Market Benefits

Components of the La Crosse Public Market

In a city like La Crosse, the Public Market must vie for shopping and entertainment attention with scores of other shopping and entertainment venues. Earlier in this Report, we have discussed the importance of creating a vital, fun, colorful and entertaining experience for shoppers in order to compete effectively with the myriad of other options available to potential customers.



Blazing colors at the Public Market in Chichicastenango, Guatemala

This means selecting a site and environment that is filled with appealing and active activities, vendors, special events, and attractions. The forthcoming Business Plan will have a detailed Design Program. However, the Market's feasibility will be enhanced by inclusion of the following elements:

Public Market Size:

It is important that the size of the Public Market be scaled to its potential customer base. It needs to be small enough to not oversupply the number of prospective customers yet large enough to present a critical mass that can attract a regional population of prospective shoppers.

Given the potential customer base described above, the gross SF of the ground floor should be roughly 30,000 – 35,000 Gross SF plus a mezzanine.

The difference between gross and net square feet will be roughly 30% to allow for aisles, walls, support functions and other non-leasable amenities.

This will allow for sufficient critical mass when combined with the outdoor amenities to allow the Public Market to become a regional attraction.

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The chart below captures the relationship between City populations and Public Market size in some of the major U.S. Public Markets.

Most Public Markets in smaller size American cities tend to be 25,000 – 40,000 SF.

City	Public Market Name	2018 City Population	Approx. Net Retail SF	Annual Market attendance where known
La Crosse. WI	La Crosse Public Market	51,834	Roughly 24 - 28,000 (Net) SF	??? – (Bus. Plan will estimate)
Seattle. WA	Pike Place Market	724,725	Roughly 100k SF	12,000,000
Vancouver. BC	Granville Is. Public Market	631,486	Roughly 50K SF	10,000,000
Philadelphia. PA	Redding Terminal Market	1,560,000	Roughly 78K SF	7,000,000
Cincinnati. OH	Findlay Market	301,000	Roughly 44k SF	1,200,000
Minneapolis. MN	Midtown Global Market	420,721	Roughly 58K SF	1,600,000

Exhibit 40: Public Markets Size vs. Population/Attendance. (Source - Primarily Cushman Study)

Parking:

An important factor in the Market’s feasibility will be the availability of free or validated parking for Public Market customers. Decked parking is acceptable, but ground level parking is far superior. If the parking must charge, free validated parking for the first hour needs to be available for customers spending at least ten dollars in the Public Market. Parking needs to be no more than one block walk from the lot to the Market with clear visual line-of-site so customers can see where they’re going.

Tenant leases should require that owners and employees park off-site – roughly three blocks from the Market. Merchants should be required to provide their employees license numbers and there should be a stiff fine for scofflaws. This requirement should be in the lease.

Three customer pick-up spaces with 10-minute meters should be provided for heavy shoppers and elderly or handicapped customers.

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In a situation where there is no shared, countercyclical parking, a ratio of 5 spaces per 1,000 net sq. ft. is ideal. Where land is tight, countercyclical, shared arrangements could be sought. In addition, the Market can probably sustain 4 spaces per 1,000 net sq. ft. within 1 block and an additional 1 space per 1,000 net sq. ft. within 2-3 blocks as overflow parking.

If there is shared parking with other users, it is important that there be a sufficient net number of Market customer parking spaces available for Market users.

When additional parking for users of the recommended public amenities is factored in, the number of recommended parking spaces should be roughly 150 spaces.

Friday, Saturday, and Sunday will be the Market's busiest days. Monday and Tuesday, the slowest.

It is important that the parking provided has maximum greenery and shade. If feasible and affordable, "green" parking should be considered. In any case, shade and landscaping will be paramount. Avoid large expanses of black asphalt.



Explore a Shaded 'Green' Lot – Even a Green Car!

Creating a Successful La Crosse Public Market

As any developer will tell you, it is impossible to guarantee the success of any real estate related development project. The economy crashes, buildings fall down, or buildings are put in the wrong place with the wrong uses for the demographics.

With proper planning and paying attention to lessons learned from other Public Markets success is more likely.

Regarding the development of Public Markets, the record of 299 successes and 1 (temporary) failure over the last 40 years creates pretty good odds for the likelihood of success. It is a pretty strong indicator that the La Crosse Public Market is likely to succeed.

Public Markets are difficult to develop. They take lots of up front planning since every one is unique. They require lots of up-front capital support. They are complicated to develop.

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Small entrepreneurs often need lots of handholding. Their development takes a long time. Yet, there is no other kind of development that is as impactful.

Of the 50+ Public Markets that the author of this Report, has worked on around the country and around the world, he believes that the La Crosse Public Market, if properly developed, is in the very top tier regarding its likelihood of an extremely successful outcome. However, everything needs to be done to maximize the chances of success.

Special Market Tenants:

The forthcoming Business Plan will delineate an idealized and detailed Tenant Leasing Plan for inclusion in the Market. This is necessary both to guide tenant recruitment and because the design of tenant spaces will, for the most part, precede the signing of tenant leases. There are four potential uses that should be considered early-on for inclusion prior to the development of the Tenant Leasing Plan. Each is a new special use that would take extra effort to recruit and/or fund and/or create. They are presented in this Study so that community leaders can think through which of them makes sense to be included in the Market's tenant mix.

1) A State sponsored "Wisconsin Gallery of Fine Crafts"

A potential business anchor that might be sought would be a partnership with the State of Wisconsin to create a Gallery of Fine Wisconsin Crafts. This State funded concept has been successfully realized in many other states, for example:

- West Virginia (Tamarack - <http://www.tamarackwv.com/>).
- South Carolina (The South Carolina Artisan Center - <http://www.scartisanscenter.com/>).
- North Carolina (The Southern Highlands Crafts Center - <http://www.southernhighlandguild.org/pages/guild-shops/craft-fair-of-the-southern-highlands.php>).
- Vermont Craft Center (Several that are State sponsored - <http://vermontcraftcenters.com/>).
- Illinois Artisan Program (<http://www.museum.state.il.us/programs/illinois-artisans/>).
- Kentucky (Kentucky Artisan Center - <http://www.kentuckyartisancenter.ky.gov/vi.aspx> ...

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All craft products would be hand wrought by State artists and craftspeople. The products would be for sale. The Gallery would focus on museum quality crafts that showcase the best of State artisans and would be a State funded economic development effort.



A handmade chest at the Tamarack Crafts Center, Beckley, West Virginia

2) An aquaponics demonstration and sales center

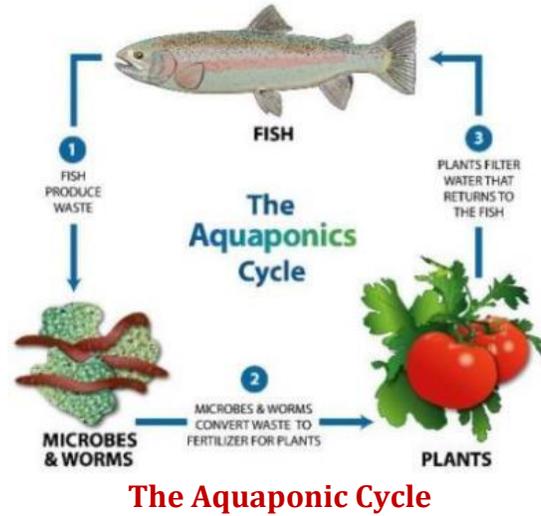
One exciting part of the Public Market could be a demonstration of “aquaponics”. This would be “green eye candy”. A stand-alone portion of the Public Market site could have a greenhouse with stacked hydroponic, u-pick growing units directly plumbed to fish tanks growing a variety of fresh water fish for sale.

This is nearly a closed growing system and the sun provides the energy. The soiled fish water is pumped into hydroponic stacks for fertilizing the plants. Finally, the plants clean the water which is recycled back into the fish tanks. This allows consumers to have freshly grown you-pick salad with their fresh fish dinners along with hand-picked strawberries for dessert...all in the middle of winter!

In addition to its commercial possibilities, the use would also be educational. It communicates the three most important messages that can be communicated in any food market. Our food is fresh! local! and ecologically produced!

The greenhouse would be an especially welcome place in the colder seasons.

See: www.coopext.colostate.edu/adams/gh/pdf/Intro_Aquaponics.pdf and <http://www.opb.org/news/blog/ecotrope/aquaponics-growing-fish-and-plants-without-soil/> and <http://www.motherearthnews.com/organic-gardening/aquaponic-gardening-growing-fish-vegetables-together.aspx#ixzz2TE7Hyrlp>



Would you like salad with your fish? Is it fresh? Yes, pick and scoop it yourself!



Hydroponic stacks of strawberries

3) A “Made in Wisconsin Store”

This can be a purely commercial enterprise that should not need any special subsidy showcasing a broad variety of prepackaged foods, gift baskets, and clothes that are “Made in Wisconsin”.

The “Made in Washington” store, started at Pike Place Market is a good example of a successful model that incorporates this concept. See: <https://www.madeinwashington.com>

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4) A Showcase for Wisconsin Agriculture

This would be a shop on the inside of the Market sponsored by the Wisconsin Department of Agriculture, Trade and Consumer Protection or some other agricultural trade organization such as the Wisconsin Farm Bureau Federation, Wisconsin Farmers Union, Wisconsin Agribusiness Council, Wisconsin Fresh Market Vegetable Growers Association, or the Wisconsin Farmers Market Association. Alternatively, it could be an effort of UWL.

It would exclusively promote and feature Wisconsin's agricultural specialty farm products and would serve both an educational and marketing function and would feature unique items. It would be a year round store that, outside the growing season, could feature value added agricultural products.

Any of these proposed uses would take special efforts for recruiting/organizing/ and/or funding and each could add to the Market's success. Each of these four special tenants would require working with institutional third parties and would need significant lead time for planning and development.

If the City decides to proceed with developing the Public Market based on this Feasibility Study, then it should provide direction in this regard so that plans can be incorporated for any of these uses in the forthcoming Business Plan.

Conclusion

La Crosse is at a crossroads. The contradiction between its relatively high educational attainment and its average low level of economic prosperity has to be addressed. A Public Market can assist in enhancing the community's economy while keeping La Crosse as a friendly, diverse and successful community that is culturally rich and socially attractive.

The leadership of the community has an opportunity to use the development of a Public Market to enhance its own financial viability, vibrancy and its attractiveness to the young and the young-at-heart, while preserving and improving surrounding neighborhoods.

Proceeding with the development of the La Crosse Public Market will help to cement La Crosse as a rewarding and spirited place to live and work for its residents and visitors. It will support the community in competing successfully in the economy of the future.

There is no such a thing as a "sure thing" when it comes to real estate development. However, based on the evidence presented in this Report, the Public Market will likely be tremendously successful. It will provide hundreds of new jobs, scores of new entrepreneurial opportunities and millions of dollars in new tax revenues for the community.

La Crosse Public Market Feasibility Study

It will create a vibrant, safe and exciting new public place, where area residents, visitors, employees, and business and property owners can come together. It will improve La Crosse's image and reality, as a diverse, friendly, exciting, successful and fun City.

Creation of the La Crosse Public Market will successfully utilize La Crosse's wonderful qualities to improve the regional agricultural economy by showcasing local, fresh and prepared foods and crafts. It will enhance the value, to its residents and to the city, of its surrounding communities. Wherever it is ultimately sited, it will cement the city's connection to its rivers. The Public Market will help cement the successful efforts to restore downtown to its well-deserved prominence while fostering a sense of community pride in creating a beloved common ground that brings together all elements of the region.

In the early 1980s, when the author of this Report was a Director at Seattle's Pike Place Public Market, we received a \$6,000,000 grant from the federal Economic Development Administration, EDA. Two years after using the grant to renovate a key Market building, the then Office of Technological Assessment, OTA, did an audit of the grants economic impact. They issued a report saying that the grant was the most successful federal capital support grant *ever* at turning one-time capital support, into long-term, well-paying jobs and improved community economic conditions around the Public Market.

La Crosse has a tremendous opportunity to take advantage of its favored position as a regional shopping center by adding the elements that are scarce in its retail mix – fresh and prepared foods. The issue for La Crosse is not, whether the Public Market can be funded. It can be. The issue is whether there is the interest and the will to take on the tremendous effort that it will take.

The La Crosse Public Market is an opportunity to create something wonderful for all its citizens.

APPENDIX

Appendix I - Who Authored this Report?:

Aaron Zaretsky spent fifteen years as a Director at Seattle's Pike Place Public Market, the nation's most successful Public Market, with fifteen million annual customer visits. He was a Director during the \$65 million renewal of the Market. The Market's redevelopment is credited with transforming downtown Seattle from the nation's original "skid road", with countless derelict buildings, abandoned housing, and relatively low employment, into the nation's healthiest and most prosperous downtown. Pike Place is also the #1 tourist attraction in the surrounding six state region.

When the author began his tenure at Pike Place Market, there were no upper-income downtown residents, a handful of middle-income downtown residents, and a few hundred low-income and homeless downtown residents. Today, 70,000 Seattleites live downtown.

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Some of the most expensive condominiums in the U.S. are located overlooking the Market. Pike Place Market is universally credited with leading and causing this renewal. Furthermore, there are *more* middle and low-income housing units in and around Pike Place Market today than when its renewal began in the mid-1970s.

For 41 years, through his company, Public Market Development, the author has helped to analyze, plan, redevelop, develop, and/or manage over fifty Public Markets across the country and internationally. He has worked for cities, states, counties, CRA's, Downtown and Economic Development entities, and private developers.

He has spoken on community and economic development at numerous national conferences, has helped to advise a variety of national initiatives for the federal government, and has convened a task force of national funders led by the Ford Foundation, focused on utilizing Public Markets as a proven tool for community economic development. Finally, he has helped to raise over \$120 million in grants helping to create Public Markets nationwide.

Additional information about the author, as well as Public Markets in general will be found at the author's professional website – www.publicmarketdevelopment.com

Mark Ernst, principal in Engberg Anderson Architects has deigned dozens of public projects and 5 Public Markets. He has worked in communities throughout the U.S. and has a tremendous reputation as a terrific designer who understands the importance of having the buildings, he helps develop fit into and enhance the communities that they inhabit.

Appendix II - Documents Reviewed in the Preparation of this Report:

In addition to the numerous websites referenced in the Report, a considerable number of Studies and Documents were reviewed in the preparation of this Report.

These include:

- Notes from a visit to La Crosse and in person discussions with Andrea Schnick, Economic Development Planner for the City of La Crosse and Robin Moses, Executive Director of Downtown Mainstreet, Inc.
- Q and A session with +/- 25 La Crosse citizens on the PowerPoint presentation on Public Markets
- Food Halls of America – Cushman & Wakefield 2016
- Food Halls of America – Cushman & Wakefield 2018

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- Downtown La Crosse Market Analysis – In Wisconsin (Wisconsin Economic Development Corporation)
- Food Desert Atlas
- Eau Claire Public Market Feasibility Study
- CRBC Coulee Region Business Center Feasibility Study
- La Crosse Comprehensive Plan: 2002
- Western Wisconsin Farm Fresh Atlas
- Extensive Conversations and/or correspondence with:
 - Andrea Schnick, Economic Development Planner, City of La Crosse
 - Kristine Cleary, La Crosse developer
 - Sandra Cleary, La Crosse developer
 - Robin Moses, Executive Director of Downtown Mainstreet, Inc.
 - Heather Johnson, General Manager, Coulee Region Business Center
 - Kaitlyn Lance, the agricultural educator with the UWLC Cooperative Extension
 - A.J. Frels, Executive Director of the La Crosse County Convention and Visitors Bureau
 - Xaochor Vanv, Board President of the Hmoob Cultural and Community Agency (Hmong Community Center)
 - Blair Williams, WiRED Properties, Master Developer for the Riverside North project
 - Gretchen Lins, CBRE Leasing Agent, Landmark by the Rivers project
- Downtown Mainstreet Annual Report
- Driftless Food Guide
- La Crosse Area Visitor Magazine

