



# PIKE PLACE MARKET

# Master Plan

## SYNOPSIS

*You can find the full Pike Place Market Master Plan on our website. It includes a three-phased approach to executing the Master Plan over the next 10 years, and a framework for establishing success metrics and tracking progress. It also includes a set of supporting Appendices for deeper study.*





**Pike Place Market is a thriving historic community of farmers, shop owners, restaurateurs, craftspeople, buskers, residents, social service providers, and operations staff, all bound by a desire for opportunity and prosperity and a hope of greater social connection. It is the ‘Soul of Seattle,’ the place where the heritage and vibrancy of this city and region reinforce each other, with enduring appeal to locals and visitors from around the world.**

Operating since 1907 on unceded land originally occupied by the Duwamish people, the Market is managed under City charter by the Pike Place Market Preservation and Development Authority (PDA). In 2019, the PDA Council voted to develop a Master Plan to give councilmembers, staff, and the public a structured way to study a range of issues crucial to the Market’s long-term success, and how best to move forward.

### **Why now:**

The Market faces a range of challenges, both significant operational pressures and rapidly changing external forces, including: operating costs outpacing revenues, declining local patronage, aging infrastructure, a distressed downtown, fast-changing retail conditions, existential threats to local family farming, and sustainability demands brought by the growing climate crisis. We are clear-eyed about these many challenges and see a corresponding set of emerging opportunities to ensure the Market’s long-term success, all grounded in the power of its historic purpose and authentic character.

### **Our Vision for the Market and the Goals for this Master Plan:**

We envision Pike Place Market 50 years from now as a supportive, diverse community and a thriving center of Pacific Northwest food, commerce, and culture. Staying true to our Charter, the Market will maintain its purpose and authentic character as a public space where the people of Seattle gather and trade with farmers and local entrepreneurs. It will provide vital social services, play an active role in shaping decisions affecting the city and region, and operate with a strong commitment to diversity, equity, and inclusion.

### **We will know we have achieved this vision when:**

The Market is operating on a long-term financially sustainable basis, driven by the success of our community of local entrepreneurs. We can point to sustained, significantly increased local patronage, by downtown workers and Seattle-area residents, because the Market is central to their retail, food, and cultural experiences. And there are positive DEI outcomes across the Market, its organizational structure and culture, that we can regularly measure and improve.

This Master Plan is a roadmap to achieving our vision and goals over the next 50 years, with the flexibility of regularly revisiting strategies and adapting to changing conditions. It provides an approach to reinvestment in the Market that can be achieved by 2033. Many of the strategies and actions in this Plan were proposed by the Market community, others by PDA staff based on their deep subject-matter expertise; and some from successful efforts of other public markets in the US and abroad. We will advance four strategies to achieve our Vision and Goals:

- 1. Pacific Northwest Food Life to reattract locals and reenergize the Market’s farmer program**
- 2. Business supports to promote local entrepreneurship and craftspeople**
- 3. Sustainable physical investments to maintain and adapt the Market**
- 4. Partnerships to amplify the Market as the Soul of Seattle**

# STRATEGY 1

## PACIFIC NORTHWEST FOOD LIFE TO REATTRACT LOCALS AND REENERGIZE THE MARKET'S FARM PROGRAM

The Market will embrace Pacific Northwest Food Life as a core theme in our investments to build a more frequent, loyal local visitor base, support farmers, and increase financial sustainability while staying true to our historic purpose. Food is already a big revenue driver - 50% of merchant revenues and 46% of PDA revenues are from restaurants, food vendors, or farmers. Total consumer food spending on “food away from home,” is at an all-time high, and consumers are increasingly demanding healthier, locally grown, sustainable foods.

Our Food Life strategy rests on two pillars. First, we intend to **support farmers' financial sustainability and increase their presence at the Market.** For more than a century, the Market's farm program has provided economic opportunities for many Seattle immigrants, while supporting food access for low-income residents through a range of food assistance programs. Today, a host of external factors affect farmers' profitability and contribute to declining farm attendance at the Market. Current daystall rules and other operational challenges conflict with today's farm business realities and must be reexamined in collaboration with farmers.

In addition, we could **curate commercial tenants and programming to embrace Pacific Northwest Food Life.** We will seek an eclectic mix of owner-operated commercial tenants to ensure the limited number of tenant spaces are occupied by small businesses that generate wealth for their owners and support the Market's financial sustainability. We can prioritize authentic Pacific Northwest food products, dining concepts, producers, and experiences such as foraged produce, spices, culinary tools, or farm-to-table prepared products, producers and vendors that source and hire locally, and BIPOC businesses representative of the Pacific Northwest's rich cultural and ethnic mix. We will continue to embrace DEI and increase the presence of BIPOC vendors. Curating the merchant mix would happen over years; sponsored events and other programs can begin relatively quickly and allow us to experiment and learn what works best. Finally, we will explore capital investments to make the Pike Market Food Bank operating space fit for purpose.



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## STRATEGY 2

### BUSINESS SUPPORTS TO PROMOTE LOCAL ENTREPRENEURSHIP AND CRAFTSPEOPLE

The Market's Charter provides the PDA with the responsibility "to promote the survival and predominance of small shops, marginal businesses, thrift shops, arts and crafts..." The Market's Leasing Guidelines also state, "The PDA can offer opportunity to new, small businesses with lower rental terms and smaller spaces than what might be offered in other areas of the downtown. The PDA seeks to work with commercial tenants to identify opportunities for their business to become viable and to succeed." Input from Market vendors, artists, and craftspeople and best practices from other markets point to additional supports that could help tenants thrive in today's business environment and preserve the creative, quirky, authentic flavor that draws visitors and makes the Market so special.

We intend to **support all Market small businesses to advance wealth building and enable greater financial sustainability**. We will continue to create temporary, pop-up, and shared spaces to facilitate small business incubation, as well as use short-term leases and potentially expanding models like Ventures Marketplace at the Market, where a single entity leases space to promote a diversity of startups. We will pursue opportunities to create shared infrastructure for businesses, WiFi, break rooms for employees, and a standardized point-of-sale (POS) system(s). We will explore how to strengthen our technical assistance offerings, including to BIPOC businesses.

We also intend to **strengthen and grow the Market's crafts community**. In the same way we will work with farmers, we will lower barriers to entry for new craftspeople and provide pathways for growth into permanent retail spaces at the Market.

"The ideas of shared infrastructure, a merchants association, and improved point of sale operations are **top notch**, quick to implement opportunities."

Source: Public Input on Draft Master Plan

"It would be amazing if the Market had a **small business liaison** that could help market businesses & permit holders navigate things like taxes, health insurance, etc."

Source: Internal Market Survey



## STRATEGY 3

### SUSTAINABLE PHYSICAL INVESTMENTS TO MAINTAIN AND ADAPT THE MARKET

Meeting our goals of long-term financial sustainability, increasing local patronage, and advancing a diverse, equitable, and inclusive Market will require strategic physical investments. This Plan's approach to supporting the Market's physical environment includes targeted capital investments in three priority areas that have distinct characters, potentials, and needs: **Pike Place, First Avenue, and Western Avenue**. At the same time, we must invest in making the entire Market more physically accessible to a wider range of Market visitors, workers, and residents, as well as improving the Market's environmental sustainability and resilience to achieve low-waste, low-carbon operations that support human comfort and wellbeing.

#### PIKE PLACE

Pike Place, the street, has always been a flexible public space that adapts to the changing needs of Market functions. Surveys of regional visitors, Seattle residents, and the Market community all indicate a desire to manage the street more effectively.

We intend to **partner with the City to assign the PDA responsibility for managing Pike Place, to enhance the visitor experience while maintaining critical functions for Market businesses**. We will create a comprehensive street management program to respond to functional needs, adapt to time-of-day and seasonal use patterns, and create more public seating. And we will continue to coordinate with the City on key issues such as critical safety access, deliveries, parking, temporary closures, and streetscape improvements.



## FIRST AVENUE

The famous “Public Market Center” sign at First Avenue and Pike Place marks the Market’s traditional entrance. We intend to **invest in the Market’s entrances, internal connections, and gathering spaces to reinforce downtown connections, improve wayfinding, reduce visitor crowding, and create delightful public spaces.** We can increase the visibility of Market entrances along First Avenue, including new signage and a new entryway to the Economy Atrium; create more enjoyable public spaces, such as terracing the Soames Dunn courtyard and adding more seating; and facilitate a continuous journey along Post Alley, First Avenue, and Western Avenue, to connect adjacent historic districts.



## WESTERN AVENUE

When the new Waterfront Park opens in 2024-2025, the Market will be a destination connector between the waterfront and downtown. We can amplify and capture the impacts of future increased foot traffic by **investing in Western Avenue and the DownUnder to improve connections, increase foot traffic, and create more rentable and programmable space for mission-driven and revenue-driving activities that attract locals.**

We can **create a second “front door”** to the Market by enhancing the pedestrian connection between the Overlook Walk and Western Avenue and highlighting the western façade of the Main arcade. We can create a **stronger ground-level experience** on both sides of Western Avenue. We can **redevelop Heritage House** to include new public and tenant spaces anchored by Pacific Northwest Food Life, additional senior housing, new location for the Food Bank, and other mission-driven uses. We can **reconfigure spaces within the DownUnder** to create zones for Pacific Northwest Food Life and the arts, improve accessibility and wayfinding, and enhance the sense of surprise and discovery. We can also **activate the Pike Street HillClimb** balcony to invite more foot traffic.



## STRATEGY 4

### PARTNERSHIPS TO AMPLIFY THE MARKET AS THE SOUL OF SEATTLE

We remain deeply committed to the Market's longtime support for social services. The Market's role as a provider of social services sets it apart from many other public markets; yet our social service providers' impact is not well understood. We should do more to educate the public on the vital work of the Market's social service organizations and our efforts to support them. We should also amplify our voice and work with partners to increase our collective influence on issues that affect the Market.

We will work with the Market's social service organizations to **increase public awareness** and understanding of the social impact these organizations make and the PDA's supporting role. We believe greater awareness and understanding will translate to increased public support for these organizations and for the Market overall.

We must also **strengthen external relationships and advocacy to ensure a "seat at the table" on local policy issues.** Seattle's urban core is grappling with public safety challenges, increasing commercial vacancies, and a steep drop in foot traffic, with significant implications for the vitality of the Market. We should have a stronger posture and voice on urban policy issues in collaboration with others in the Market community, downtown anchors, historic districts, and advocates. As part of our commitment to DEI, we must help ensure that the input of BIPOC communities and Tribes are intentionally solicited as improvements advance.



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# Implementation

The success of the four strategies in achieving our vision and goals will depend on a clear assessment of what changes may be required across Market operations to facilitate successful implementation of this Plan.

## Achieving Operating Sustainability

Over the last decade, we have operated at an average margin of 19%, which enabled operating viability through the pandemic and critical capital maintenance. Expenses are projected to increase 5% annually over the next ten years. This will outpace projected revenue growth (3% annually) under the status quo. Even with a 5% lease escalation increase, we will not achieve a target net operating margin of 25% over the next decade and can expect to see a \$3.9M gap in 2033 – assuming no major unpredictable events or recession.

The strategies outlined above have significant potential to increase revenues if implemented thoughtfully. A 20%-35% increase in tenant sales – achieved through marketing of Pacific Northwest Food Life, programmatic support of existing business growth, and more intentional tenant recruitment and curation – could add \$2M-4M in annual percentage rent for the PDA. Another \$6+M could be generated through increasing garage rates that are now almost 160% below market, implementing a streamlined POS system, and expanding local delivery, among other actions.

## Managing Major Capital Investments

The PDA has historically been responsible for self-funding routine maintenance projects and minor capital repairs, while major projects, such as the investments outlined in this Master Plan, have been funded externally. We are reaching a time when additional external funding will be necessary to continue to address ongoing obsolescence in major systems and structural elements as they reach the end of their useful lives, as well as to support the capital investments described in this Plan. To prepare for a future levy, we must update the facilities conditions assessment and undertake scoping and feasibility studies to establish costs and priorities for proposed capital investments and major maintenance needs.

Market Historical Commission (MHC) will be a valuable partner as we develop more detailed plans for implementation of this Master Plan and prepare for a future levy. Topics to discuss include ways to implement recommended physical improvements and promote environmental sustainability and streamlining of review processes to facilitate diversity, equity, and inclusion, as well as financial sustainability.

## Community Engagement

To be truly accountable we need broader, more representative public input. New venues for better, more direct engagement with the public and Market community could include resurrecting the annual PDA State of the Market, holding Council listening sessions with opportunities for two-way dialogue, reciprocal relationships with BIPOC communities and Tribes to inform ongoing implementation of the Master Plan, new forums to facilitate greater collaboration with our partners including MHC, Friends of the Market, Pike Place Market Foundation, Legacy Partners, and others.



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