Emergency & Community Services Committee

REPORT 07-009
Wednesday, June 20, 2007
1:30 p.m.
Council Chambers
Hamilton City Hall

Present: Councillors S. Merulla (Chair), T. Jackson (Vice Chair),
S. Duvall, M. McCarthy, B. McHattie, and R. Pasuta

Absent with Regrets: Councillor B. Morelli – Out of Country on City Business

Also Present: Councillors B. Bratina and T. Whitehead
G. Peace, City Manager
J. Priel, General Manager, Community Services Department
J. Kay, General Manager/Chief, Hamilton Emergency Services
B. Fenwick, Director, Culture & Recreation Division
G. Hendry, Director, Employment & Income Support Branch
T. Tollis, Director, Budgets & Finance
B. Powell, Manager, Social Development
A. Bradford, Manager of Culture
K. Extance, Program Manager, Housing Dev. & Partnerships
S. Paparella, Legislative Assistant, Clerk’s Office

THE EMERGENCY & COMMUNITY SERVICES COMMITTEE PRESENTS REPORT 07-009 AND RESPECTFULLY RECOMMENDS:

1. Social Development Strategy Update (ECS07040) (City Wide) (Item 5.1)

   That Information Report ECS07040 – Social Development Strategy Update, be received.

2. Career Development Centre (CDC) Client Satisfaction Survey (ECS07051) (City Wide) (Item 5.2)

   That Information Report ECS07051 – Career Development Centre (CDC) Client Satisfaction Survey, be received.

Council – June 27, 2007
3. Craig Foye, Staff Lawyer, McQuesten Legal & Community Services, respecting a proposal called the “Social Assistance Determination Act” (now referred to as Bill 235 – An Act to Establish the Ontario Social Assistance Rates Board)

   (a) That the presentation, provided by Craig Foye, Staff Lawyer, McQuesten Legal & Community Services, respecting a proposal called the Social Assistance Determination Act, also known as Bill 235 - An Act to Establish the Ontario Social Assistance Rates Board, be received.

   (b) That Council endorse Bill 235 – An Act to Establish the Ontario Social Assistance Rates Board (attached as Appendix “A” to Report 07-009).

   (c) That a letter be forwarded to the Premier, Minister of Community and Social Services, and the leaders of the opposition parties expressing Council’s support of Bill 235 – An Act to Establish the Ontario Social Assistance Rates Board.

   (d) That a letter be forwarded to all local candidates in the coming Provincial Election to express Council’s support of Bill 235 – An Act to Establish the Ontario Social Assistance Rates Board, and to ask those candidates to consider supporting Bill 235, if elected.

4. Employment Trends for Participants of the Ontario Works Program (ECS07031) (City Wide) (Item 7.1)

   That Information Report ECS07031 – Employment Trends for Participants of the Ontario Works Program be received.

5. Human Services Plan (ECS07048) (City Wide) (Item 7.2)

   That Information Report ECS07048 – Human Services Plan, be received.

6. Hamilton Farmers’ Market Improvements (CS06008(b)) (Ward 2) (Item 7.3)

   That the Hamilton Farmers’ Market Analysis and Action Plan attached to Report CS06008(b), be received.
7. By-law To Amend Hamilton Farmers' Market By-law No. 92-310 (ECS07036) (Ward 2) (Item 8.1)

That the by-law to amend Hamilton Farmers’ Market By-law No. 92-310 attached to Report ECS07036 be approved and enacted.

8. Ontario Works Review – Project Plan (CM07021) (City Wide) (Item 8.2)

(a) That a review of services funded by the Ontario Works Cost of Administration and Employment Assistance Budgets, be funded from the Tax Stabilization account in an amount upwards of $100,000.

(b) That the Project Plan, attached to Report CM07021 for the “Review of Services Funded by the Ontario Works Cost of Administration and Employment Assistance Budgets”, be received for information.

9. 2007 National Child Benefit Strategy Update (SC06023(b)) (City Wide) (Item 8.3)

That the funding shortfall, in the amount of $270,000, to support the transition of the National Child Benefit Grant Programs to the Community Partnership Program, be absorbed within the Community Services Departmental budget and/or the 2007 Corporate reserves.

10. Ontario Child Benefit (ECS07050) (City Wide) (Item 8.4)

(a) That Council correspond with the Ministers of Finance and Community and Social Services requesting that the plan for the Ontario Child Benefit not include a reduction in municipal funds from the Ontario Municipal Partnership Fund Grant.

(b) That copies of the letter to the Minister be provided to the Association of Municipalities of Ontario (AMO) and the Ontario Municipal Social Services Association (OMSSA).

11. Request for Proposals C10-02-07: Canada-Ontario Affordable Housing Program (COAHP) and Hamilton Affordable Housing Partnership Initiative Fund (HAHPIF) (ECS07052) (Wards 2, 13, 15) (Item 8.5)

(a) That the Minister of Municipal Affairs and Housing be advised that the City of Hamilton recommends the following prioritized proponents be approved under the Rental/Supportive component of the Canada-Ontario Affordable Housing Program:
(i) Prime Properties Inc., 53-59 King Street East, Hamilton
(ii) Halton Heritage Realty Inc., 40-44 Flamboro Street, Hamilton
(iii) Helen Park Apartments Limited, 16 Helen Street, Hamilton

(b) That the maximum financial assistance, in the amount of $140,000 in the form of a forgivable loan, to be provided through the Hamilton Affordable Housing Partnership Initiative Fund for the Helen Park Apartments Limited, located at 16 Helen Street, Hamilton, Ontario, be approved.

(c) That upon funding approval by the Ministry of Municipal Affairs and Housing and in accordance with By-law No. 03-148, a site specific Municipal Housing Project Facilities by-law for affordable housing, be enacted with respect to the housing provider, Helen Park Apartments Limited and its twenty-six (26) unit project located at 16 Helen Street, Hamilton, Ontario.

(d) That upon funding approval by the Ministry of Municipal Affairs and Housing, the housing provider, Helen Park Apartments Limited, be required to enter into the standard form Forgivable Loan Agreement for the Hamilton Affordable Housing Partnership Initiative Fund.

(e) That the Mayor and City Clerk be hereby authorized and directed to execute the standard form Forgivable Loan Agreement, for Helen Park Apartments Limited (16 Helen Street, Hamilton).

12. City of Hamilton Ice Rates (ECS07044) (City Wide) (Item 8.6)

That the proposed ice rates for the 2007/2008 season, attached as Appendix “B” to Report 07-009, be approved.


(a) That the Auditor’s Report, prepared by Grant Thornton, respecting the Mohawk 4 Ice Centre’s 2006 Audited Financial Statements, as of December 31, 2006 be received as information.

(b) That the correspondence, dated March 19, 2007, from Grant Thornton respecting the Internal Control Findings from the 2006 Audit, of the Mohawk 4 Ice Centre be received for information.
14. Improvements to Soccer Fields at Lake Avenue School (ECS07026) (Ward 5) (Item 8.8)

(a) That funding, in the amount of $2,700, be provided through the Ward 5 Red Hill Recreation Reserve account, for the soccer field improvement project at Lake Avenue School.

(b) That the outstanding item “M” be removed from the Outstanding Business list for the Emergency and Community Services Committee.

15. Correspondence from Bill Pearson respecting the Dundas Real McCoys Hockey Club (Item 8.9)

(a) That the correspondence from Bill Pearson, of the Dundas Real McCoys Hockey Club, dated Jun 13, 2007, respecting the 2007/2008 Ice Rates, be received.

(b) That an ice rate of $138.00 per hour plus GST, for the Dundas Real McCoys Hockey Club for the 2007/2008 season, be approved.

(c) That subsequent to the 2007/2008 season, the Dundas Real McCoys be charged the appropriate rate, as per the Council approved ice rates at that time.

16. Funding for Sport Hamilton (Item 9.2)

(a) That funding, in the amount of $25,000 to assist SportHamilton with their administrative costs for 2007, be approved.

(b) That if approved, the $25,000 in funding, to assist SportHamilton with their administrative costs for 2007, be first funded from within the overall Community Services 2007 Operating Budget, subsequently through any overall 2007 corporate surpluses or finally from Tax Stabilization reserves.

17. Open Air Worship in Gore Park (Item 9.3)

That Reverend Stanley Whittaker, of the Abundant Life Group and the Gideons, be permitted to conduct Open Air Worship, in Gore Park, each Sunday from June 3, 2007 through September 23, 2007, between the hours of 3:00 p.m. to 4:30 p.m. for a flat fee of $78.25, under the following conditions:

(a) That a City of Hamilton Rental Contract, reflecting the flat fee of $78.25, with the Culture and Recreation Division for use of this site be signed immediately;
(b) That the insurance requirements for each Sunday from June 3, 2007 through September 23, 2007, as set out in the Rental Agreement, be in full compliance and paid for by the applicant; and,

(c) That, in the future, the applicant submit an application for a Fee Waiver, through the Community Partnership Program process for consideration by the Grants Sub-Committee.

FOR THE INFORMATION OF COUNCIL:

(a) CHANGES TO THE AGENDA (Item 1)

The Committee Clerk noted the following changes to the agenda:

(i) Added as Item 4.5 – A delegation request, made by Bill Manson, of the Hamilton Historical Board, to provide a presentation, at the September 19, 2007, Committee meeting to update Committee members on the achievements of the Hamilton Historical Board.

(ii) Additional Information respecting Item 6.1 – Bill 235 – An Act to Establish the Ontario Social Assistance Rate Board (Social Assistance Determination Act).

(iii) Added Information for Item 7.1 – a copy of the PowerPoint presentation that will accompany Report ECS07031 – Employment Trends for Participants of the Ontario Works Program.

(iv) Added Information for Item 7.3 – a copy of the PowerPoint presentation that will be provided by Anna Bradford respecting Report CS06008(b) – Hamilton Farmers’ Market Improvements.

(v) Added to Item 8.1 – A motion to amend Report ECS07036 – A By-law to Amend Hamilton Farmers’ Market By-law 92-310

(vi) Added as Item 9.1 – A motion respecting the State of Care for Seniors

(vii) Added as Item 9.2 – A motion respecting Funding for SportHamilton

(viii) Added as Item 9.3 – A motion respecting Open Air Worship in Gore Park

(ix) Item 6.3 - Judy Travis, on behalf of the Skills Development Flagship Committee, respecting their activities and progress to-date, has been withdrawn, at this time, due to illness.
(x) Added information for Item 6.2 - Chris Phillips (Project Director) and Jeff Wingard (Co-chair), on behalf of the Affordable Housing Flagship (AHF) Committee, respecting an Update on the AHF Committee’s Progress and Activities.

The June 20, 2007, agenda of the Emergency & Community Services Committee was approved, as amended.

(b) DECLARATIONS OF INTEREST (Item 2)

There were none declared.

(c) APPROVAL OF THE MINUTES OF THE PREVIOUS MEETING (Item 3)

The Minutes of the June 6, 2007 meeting of the Emergency & Community Services Committee were approved, as presented.

(d) Reverend Stanley Whittaker, Abundant Life Group and the Gideons respecting Fees for Use of Gore Park for Open Air Worship (Item 4.1)

Item 4.1 – the delegation request, made by Reverend Stanley Whittaker, Abundant Life Group and the Gideons, respecting fees for use of Gore Park for Open Air Worship, was tabled to the September 5, 2007, Committee meeting, pending Council’s approval of Item 19 of Report 07-009.

(e) Mario Posteraro, President OPSEU Local 256, requesting to address the Emergency & Community Services Committee at its meeting of June 20, 2007, respecting the Process for the EMS Third Party Review (Item 4.2)

Committee waived the Rules of Order in order that the delegation request, made by Mario Posteraro, President of OPSEU Local 256, requesting to address the Emergency & Community Services Committee, at its meeting of June 20, 2007, respecting the Process for the EMS Third Party Review, could be heard at the June 20, 2007 Committee meeting.

Mr. Posteraro, President OPSEU Local 256, noted his concerns with respect to the process for the Emergency Medical Services (EMS) Third Party Review. More specifically, that he feels there is an insufficient number of ambulances and staff available in Hamilton.

Mr. Posteraro requested a copy of the Third Party Review and the upcoming staff report, when publicly available, that will be going forward to the July 11, 2007 Committee of the Whole.

The Committee Clerk offered to forward a copy to him at that time.
A package of supporting documents was provided to the Committee Clerk and is available upon request.

The presentation, made by Mario Posteraro, President OPSEU Local 256, respecting the Process for the EMS Third Party Review, was received.

Clay Eborall, President of the Hamilton Farmers’ Market Stall Association and Nick Giannini, requesting to address the Emergency & Community Services Committee at its meeting of June 20, 2007, respecting the Hamilton Farmers’ Market Operational Review; Item 7.3 – Report CS06008(b) – Hamilton Farmers’ Market Improvements (Item 4.3)

Committee waived the Rules of Order in order that the delegation request, made by Clay Eborall, President of the Hamilton Farmers’ Market Stall Association and Nick Giannini, requesting to address the Emergency & Community Services Committee at its meeting of June 20, 2007, respecting the Hamilton Farmers’ Market Operational Review; Item 7.3 – Report CS06008(b) – Hamilton Farmers’ Market Improvements, could be heard at the June 20, 2007 Committee meeting.

Clay Eborall, President of the Hamilton Farmer's Market Stallholders' Association, advised Committee that the members of the Stallholders' Association have read the Hamilton Farmers’ Market Analysis Report and Action Plan, prepared by Urban Marketing Collaborative, dated December 2006. The members of the Stallholders Association are very happy to see that the report addresses many of the problems that they currently have in the Market such as inadequate hydro, plumbing, poor street presence, and a management structure that is unable to effectively manage the market.

Mr. Eborall noted that the Stallholders’ Association is also pleased to see that the report has a vision for a vibrant Farmers’ Market that is an essential part of the revitalization of our downtown core.

He also reiterated that the deed of 1837, which states that there will always be a Farmer’s Market in downtown Hamilton, needs to be respected in order to preserve this unique heritage asset.

Concerns were raised respecting the hours of operation for the Farmers’ Market, closures during renovations, parking, the structure of the Stallholder leases, and the structure of the by-law.

Noted as a major concern to the Stallholders, is the renovation work itself. They are requesting that Council give great consideration to the challenge of completing the work with minimal disruption to the normal course of business at the market. There are eighty-seven (87) stallholders whose livelihoods depend
on the market being open and they feel that any closure, for an extended period of time, could result in a loss of customers that may be difficult to recapture.

With respect to the Management structure of the new market, the Stallholders’ Association is in complete agreement that the first option in the report, which is ownership and direct operation by the City of Hamilton, is the status quo and clearly not effective.

Option 3 is a Long Term Lease to a Private Sector Operator, which will completely remove any control and decision making from the City of Hamilton, the Stallholders and the citizens of Hamilton.

Option 2 suggests the creation of an Independent Corporation owned by the City of Hamilton. This model ensures that all stakeholders are represented in the decision making process. The Stallholders’ Association feels that, with this model, the concerns of everyone can be addressed and the Corporation will have the power to govern the market effectively. Decisions will be made based on the overall benefit of the market and not for the interests of one particular group.

Option 2 is the option that is endorsed by the Stallholders’ Association and it is their request that Council also support Option 2.

Mr. Eborall stated, when asked, that the Stallholders’ Association was in support of Items 7.3 - Hamilton Farmers’ Market Improvements (CS06008(b)), and 7.4 – Hamilton Farmers’ Market Costing and Relocation (ECS07034).

The presentation, made by Clay Eborall, President of the Hamilton Farmers’ Market Stall Association, respecting the Hamilton Farmers’ Market Operational Review; Report CS06008(b) – Hamilton Farmers’ Market Improvements, was received.

(g) Gary Buttrum, requesting to address the Emergency & Community Services Committee at its meeting of June 20, 2007, respecting the Hamilton Farmers’ Market and the Possible Recommendation to Adopt a Board of Directors; Item 7.3 – Report CS06008(b) – Hamilton Farmers’ Market Improvements (Item 4.4)

That Committee waived the Rules of Order in order that the delegation request, made by Gary Buttrum, requesting to address the Emergency & Community Services Committee at its meeting of June 20, 2007, respecting the Hamilton Farmers’ Market and the possible recommendation to adopt a Board of Directors; Item 7.3 – Report CS06008(b) – Hamilton Farmers’ Market Improvements, could be heard at the June 20, 2007 Committee meeting.

Mr. Buttrum addressed Committee noting that seven (7) generations of his family have worked, and continue to work, at the Hamilton Farmers’ Market.
Mr. Buttrum feels that the current Farmers’ Market is outdated with respect to its role in serving the Committee, and feels that its current operations need to adapt by changing with the times to better serve the community. He brought forward suggestions such as a management structure that is flexible – transitioning to a Corporate Board structure would be the most adequate way to address the need to bring the Market to a contemporary reality.

It was also noted that the current Market is an example of an overlap of two different communities – rural and urban, and this culture is a valuable asset for the community, which should be maintained.

The presentation, made by Gary Buttrum, respecting the Hamilton Farmers’ Market and the Possible Recommendation to Adopt a Board of Directors; Report CS06008(b) – Hamilton Farmers’ Market Improvements, was received.

(h) A delegation request, made by Bill Manson, of the Hamilton Historical Board, to provide a presentation, at the September 19, 2007, Committee meeting to update Committee members on the achievements of the Hamilton Historical Board (Item 4.5)

The delegation request, made by Bill Manson, of the Hamilton Historical Board, to provide a presentation, at the September 19, 2007, Committee meeting to update Committee members on the achievements of the Hamilton Historical Board, was approved.

(i) Craig Foye, Staff Lawyer, McQuesten Legal & Community Services, respecting a proposal called the “Social Assistance Determination Act”. (Item 6.1)

Craig Foye, Staff Lawyer for McQuesten Legal and Community Services provided an overview of Bill 235 – An Act to Establish the Ontario Social Assistance Rates Board.

Mr. Foye requested Council’s support with respect to Bill 235. Subsequently, a motion was approved and is shown as Item 3 in the report.

Staff were directed to prepare a report back to the Emergency & Community Services Committee respecting the adequacy of the Ontario Works social assistance rates, and the estimated costs of providing inadequate social assistance to our community; both currently with regard to services and economic development and, in the future, with respect to public health, education and economic development.
(j) Chris Phillips (Project Director) and Jeff Wingard (Co-chair), on behalf of the Affordable Housing Flagship (AHF) Committee, respecting an Update on the AHF Committee’s Progress and Activities (Item 6.2)

Chris Phillips (Project Director) and Jeff Wingard (Co-chair) provided an overview, of the achievements of the Affordable Housing Flagship (AHF) Committee, noting that there are three (3) primary areas that the AFH is currently working on: (i) housing supply; (ii) policy advocacy; and, (iii) community development.

A detailed handout, which outlines the background and history, of the AFH was provided to Committee as well.

The presentation, provided by Chris Phillips (Project Director) and Jeff Wingard (Co-chair), on behalf of the Affordable Housing Flagship (AHF) Committee, respecting an Update on the AHF Committee’s Progress and Activities, was received.

(k) Judy Travis, on behalf of the Skills Development Flagship Committee, respecting their Activities and Progress To-date (Item 6.3)

This delegation was withdrawn due to illness.

(l) Employment Trends for Participants of the Ontario Works Program (ECS07031) (City Wide) (Item 7.1)

Gillian Hendry, Director of the Employment and Income Support Branch, provided a Powerpoint presentation and an overview of Report ECS07031, which was subsequently received as shown in Item 4 above.

Ms. Hendry was directed to e-mail the comparative information respecting Report ECS07031, to Councillor T. Jackson, at her earliest convenience.

(m) Human Services Plan (ECS07048) (City Wide) (Item 7.2)

Barb Powell, Manager of the Social Development Section, provided a Powerpoint presentation and an overview of Report ECS07048 to Committee, which was subsequently received, as shown in Item 5 of this report.
(n) **Hamilton Farmers’ Market Improvements (CS06008(b)) (Ward 2) (Item 7.3)**

Anna Bradford, Manager of the Culture Section, introduced John Archer of Urban Marketing Collaborative, Chuck Beamish, of the IBI Group, and Bob Usher, of the London Covent Garden Market.

A Powerpoint presentation was provided, which outlined the Consultant’s report – Hamilton Farmers’ Market Analysis and Action Plan, dated December 2006 (shown as Appendix A to Report CS06008(b)).

Messrs Archer, Beamish and Usher provided comments throughout the presentation with respect to the report in their various areas of expertise.

The presentation, provided by Bob Usher, London Covent Garden Market Chuck Beamish, IBI Group and John Archer of Urban Marketing Collaborative, respecting the Hamilton Farmers’ Market analysis and suggested action plan, was received.

Anna Bradford, Manager of the Culture Section, then provided a Powerpoint presentation and an overview of Report CS06008(b).

Councillor McHattie suggested that the temporary relocation site of the Farmers’ Market be at a site in the downtown core at which the presence of the Market could also assist in revitalizing the core, during its temporary relocation.

Councillor B. Bratina requested that staff investigate the Plaza area at Jackson Square as a possible temporary relocation site for the Hamilton Farmers’ Market, during renovations to the Market.

Staff were directed to report back to Committee on the following:

(i) analyze the legal, financial and staffing implications of operating the Hamilton Farmers’ Market by an independent corporation owned by the City of Hamilton.

(ii) investigate the possibility of providing free or subsidized buss passes/tokens, to Hamilton Farmers’ Market shoppers, with consideration given to using Provincial Gas Tax funding for this purpose.
(o) Hamilton Farmers’ Market Costing and Relocation (ECS07034) (Ward 2) (Item 7.4)

Anna Bradford, Manager of the Culture Section, then provided a Powerpoint presentation and an overview of Report ECS07034.

Staff were directed to investigate temporary locations and the costs associated with the relocation of the Hamilton Farmers' Market, during renovations to the existing Market, and report back to the Emergency and Community Services Committee.

(p) The following was referred to the 2008 Capital Budget Process for consideration:

(i) Hamilton Farmers’ Market Costing and Relocation (ECS07034) (Ward 2) (Item 7.4)

Committee referred the additional funding, in the amount of $1.4 million, for the Hamilton Farmers’ Market renovation project to the 2008 Capital Budget process for consideration.

(ii) 2007 National Child Benefit Strategy Update (SC06023(b)) (City Wide) (Item 8.3)

The General Manager of Community Services was directed to process an enhancement, in the amount of $270,000, for the 2008 National Child Benefit Programs that will be considered through the Community Partnership Program in the 2008 Budget Deliberations for consideration.

(iii) Funding for Sport Hamilton (Item 9.2)

The General Manager of Community Services was directed to process an enhancement, in the amount of $25,000, for funding to Sport Hamilton, to assist with their administrative costs in the 2008 Budget Deliberations for consideration.

(q) By-law to Amend Hamilton farmers’ Market By-law No. 92-310 (ECS07036) (Item 8.1)

Staff were directed to investigate an appeal process for stallholders whose contracts have been suspended or cancelled, pursuant to By-law 92-310, as amended, and who wish to appeal the decision of the General Manager of Community Services to suspend or cancel such contracts, and report back to Emergency & Community Services Committee.
(r) **Ontario Child Benefit (ECS07050) (City Wide) (Item 8.4)**

Gillian Hendry, Director of the Employment and Income Support Branch, provided a verbal overview of Report ECS07050 and the Ontario Child Benefit.

Staff were directed to report back to the Emergency & Community Services Committee respecting the economic development impact of monies, from the Ontario Child Benefit, being returned to families and their children.

Ms. Hendry was also directed, by Councillor McHattie, to forward him an e-mail that outlined how many dollars per month were going back to each family.

(s) **State of Care for Senior Citizens (Item 9.1)**

Councillor T. Jackson assumed the Chair in order that Councillor S. Merulla could present the following motion:

“In an effort to assist senior citizens, who require health and home care support and who wish to remain in the solace of their own private residences, and in order to address the increasing costs of providing institutional care for our seniors citizens; and,

WHEREAS the City of Hamilton and the Province of Ontario are facing a crisis in providing care to seniors; and,

WHEREAS there is a negative fiscal impact on the institutionalization of seniors; and,

WHEREAS there is an escalating case load of seniors waiting for the proper care;

THEREFORE BE IT RESOLVED that staff be directed to forward a report, to the Emergency & Community Services Committee, as soon as possible, which outlines the costs and benefits associated with providing institutionalized care versus the costs of providing Homecare services in order to assist Seniors in remaining in their own homes for as long as possible.”

(t) **Outstanding Business Items that Require New Due Dates (Item 11.1)**

The proposed new due dates, for the following Outstanding Business List items, were approved:

(a) Item “A” – Fee Waiver Policy – Due Date: June 20, 2007  
Proposed New Due Date: December 5, 2007
(b) Item “C” – Arena Renovation and Replacement – Due Date: June 20, 2007
   Proposed New Due Date: August 8, 2007 Committee of the Whole

(c) Item “F” – Vital Services By-law – Due Date: TBD
   Proposed Due Date: September 19, 2007

(d) Item “G” – Roomers and Boarders – Due Date: June 20, 2007
   Proposed New Due Date: September 19, 2007

(e) Item “H” – City’s Strategy to Manage Green Space and Open Space Deficiencies – Due Date: June 20, 2007
   Proposed New Due Date: October 3, 2007

(f) Item “N” – Artificial Outdoor Ice Rinks – Due Date: June 20, 2007
   Proposed New Due Date: September 5, 2007

(u) ADJOURNMENT (Item 13)

   There being no further business, the Committee adjourned at 4:20 p.m.

   Respectfully submitted,

   Councillor S. Merulla, Chair
   Emergency & Community Services Committee

Stephanie Paparella
Legislative Assistant
June 20, 2007
An Act to establish the Ontario Social Assistance Rates Board

Her Majesty, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

Definitions

1. In this Act,

“benefit unit” means a person and all of his or her dependants on behalf of whom the person receives or applies for social assistance; (“groupe de prestataires”)

“Board” means the Ontario Social Assistance Rates Board established under section 2; (“Commission”)

“Minister” means the Minister of Community and Social Services; (“ministre”)

“social assistance” means,

(a) income support under the Ontario Disability Support Program Act, 1997, and

(b) basic financial assistance under the Ontario Works Act, 1997. (“aide sociale”)

Board established

2. A Board to be known in English as the Ontario Social Assistance Rates Board and in French as Commission ontarienne des taux d’aide sociale is hereby established.

Composition of Board

Appointment

3. (1) The Board shall be composed of at least six and not more than nine members appointed by the Lieutenant Governor in Council.

Qualifications

(2) The members shall be persons who have, in the opinion of the Lieutenant Governor in Council, expertise in poverty research and current research regarding the costs of living in Ontario communities.

Same

(3) In addition to the qualifications set out in subsection (2),
(a) at least two of the members shall be persons who have, in the opinion of the Lieutenant Governor in Council, expertise regarding the costs of living for disabled persons in Ontario communities; and

(b) at least two of the members shall be persons who have received social assistance at some time within the 10-year period before being appointed or are receiving social assistance at the time of their appointment.

**Term**

(4) A member shall be appointed for a term of two, three or five years.

**Chair and vice-chair**

(5) The Lieutenant Governor in Council shall designate one of the members as chair and may designate one or more other members as vice-chair.

**Remuneration and expenses**

4. The members of the Board who are not members of the public service of Ontario may be paid the remuneration fixed by the Lieutenant Governor in Council and the reasonable expenses incurred in the course of their duties under this Act.

**Powers of Board**

5. (1) Except as limited by this Act, the Board has all the powers that are necessary or expedient for carrying out its duties under this Act.

**Experts**

(2) The Board may retain experts as it considers necessary from time to time.

**Annual report**

6. (1) The Board shall provide an annual report in accordance with this Act to the Minister on or before December 31 in every year.

**Duties**

(2) The Board shall perform the duties that are assigned to it by or under this Act.

**Meetings**

(3) The Board shall meet at least six times annually for the purpose of preparing the annual report.

**Additional reports**

(4) In addition to the report described in subsection (1), the Board shall provide additional reports and information about adequate standards of living to the Minister on request.

**Contents of annual report**

**Regions**

7. (1) The annual report shall include a list of defined regions identified by the Board on the basis of different costs of living in different parts of the Province.
Regional rates

(2) The annual report shall include recommended social assistance rates and processes for providing social assistance for each region identified under subsection (1), including consideration of,

(a) monthly basic needs rates at a set amount that will enable benefit units to obtain,

   (i) nutritious food baskets,
   (ii) basic telephone service,
   (iii) basic transportation,
   (iv) personal needs items, including clothing, personal hygiene products and household cleaning supplies,
   (v) items and services relating to the educational and recreational needs of any children,
   (vi) any necessary modifications to a rental unit in order to accommodate any disability,
   (vii) additional expenses that may be incurred by persons with disabilities in order for them to participate fully in society, including expenses relating to education, over the counter medical goods, entertainment and clothing, and
   (viii) other basic goods and services to fulfil needs specified by the Board as basic;

(b) maximum monthly shelter allowance rates, including reference to,

   (i) Canada Mortgage and Housing Corporation research on local rents,
   (ii) any other research that the Board considers relevant regarding local rents and shelter expenses, including utilities, heating costs, furnace or hot water tank rentals, property taxes and fire insurance, and
   (iii) separate recommendations regarding housing that is modified for disabled persons;

(c) the level of benefits to be provided to benefit units under the Ontario Works Act, 1997;

(d) the level of benefits to be provided to benefit units under the Ontario Disability Support Program Act, 1997;

(e) other statutory benefits that are actually received by benefit units, including the Ontario Child Benefit;

(f) the fact that many recipients of social assistance under the Ontario Works Act, 1997 are, for extended periods of time, unable to supplement their income through employment; and
(g) the fact that many recipients of social assistance under the *Ontario Disability Support Program Act, 1997* are, due to the long-term nature of many disabilities, unable to supplement their income through employment.

**Same**

(3) The Board shall consider the rates set under the *Ontario Works Act, 1997* and the *Ontario Disability Support Program Act, 1997* and may recommend changes to those rates.

**Variation in rates**

(4) The regional rates recommended in subsection (2) shall be uniform within each region but may differ between regions.

**Minister’s report**

8. (1) On or before March 31 in every year, the Minister shall publish a report responding to the Board’s recommendations in the annual report and shall set out a timeline for dealing with the recommendations.

**Tabling**

(2) The Minister shall submit any reports received from the Board to the Lieutenant Governor in Council and shall then lay them before the Assembly if it is in session or, if not, at the next session.

**Annual report made public**

(3) The Minister shall make the annual report available to the public within 90 days of receiving the report.

**Commencement**

9. (1) Subject to subsection (2), this Act comes into force on the day it receives Royal Assent.

(2) Sections 1 to 8 come into force six months after the day this Act receives Royal Assent.

**Short title**

10. The short title of this Act is the *Ontario Social Assistance Rates Act, 2007*.

**EXPLANATORY NOTE**

The Bill establishes the Ontario Social Assistance Rates Board, which has the function of providing specific recommendations annually regarding social assistance rates under the *Ontario Works Act, 1997* and the *Ontario Disability Support Program Act, 1997*. 
Hamilton Farmers' Market
Analysis and Action Plan

Final

December 2006
Hamilton Farmers’ Market
Analysis and Action Plan

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EXECUTIVE SUMMARY

Vision

It is time for a bold and exciting new vision for the Hamilton Farmers’ Market. Not only have the needs of the food shopping public changed (e.g., semi-prepared foods, organics, etc.) but also the needs of the City are very different from when the current Market was located in its present location.

A new Hamilton Farmers’ Market will play a much broader and more important role in the City’s future. It will continue to focus on food and to house re-sale vendors as well as farmers/ producers, but the Hamilton Farmers’ Market will also help revitalize Downtown by offering a much wider range of programming for the City’s citizens. As a crossroad for civic activity, programs can feature cultural planning activities, library events, tourism and convention programs, as well as food-based demonstrations and classes (e.g., new immigrant learning). This broader appeal will generate more visits and make much better use of this valuable cultural asset.

In order for this vision to be realized, it will be necessary to introduce change to both the physical aspects of the venue as well as the way it is managed, operated, leased, and marketed. Without these positive changes, the City will see this asset languish.

The vision for Hamilton Farmers’ Market is as follows:
> A food market (primarily) — highlight urban market, experiential appeal
> A catalyst activity centre for Downtown — more than just a market which will include social activities
> An attitudinal/image enhancer for Downtown
> Creates a sense of “I want to go to the Market” — a destination
> Develops a branded identity
> Creates a place of high standards in terms of design, service, architecture, etc.
> Creates a sense of freshness
> A unique community asset.

Organization and Management

> The City should move towards an independent Market Corporation model with the aim of giving this Corporation complete autonomy over Market operations under the umbrella of goals and policies defined by the City.
The UMC Team recognizes that development is difficult to do all at once. Therefore, two organizational structures are proposed: a transitional organization, to be used during the redevelopment phase of the operation and a permanent organization, which would operate the Hamilton Farmers’ Market.

During the transitional phase, the Market could continue to be managed by the City primarily because of the challenges that the Market will face. A separate operation should be set up for the Market with a Market Manager in charge. This should allow for the Market operation to eventually become a non-profit Corporation.

**Tasks and Timeline**

The following highlights the immediate, short-term, and long-term tasks that need to be completed for the Market redevelopment.

**Immediate - Within First Year**

**Organization**
- Set up a transitional Committee to oversee changes at the Market.
- Hire a Market Manager with the goal of transitioning Market. Develop standard lease agreements (or license agreements) and work towards becoming a non-profit corporation. Other duties include the physical redevelopment of the Market.
- Hire an administrative assistant to help manage the day-to-day operations while the Market Manager can focus on the transitional requirements.

**Physical**
- Prepare an RFP for infrastructure renewal program as per Colliers Report
- Begin design build contract (will last nine months to two years)

**Marketing**
- Begin to develop a full marketing program for the New Market once the physical redevelopment is complete – begin to fill out a calendar of events.
- Develop a newsletter for vendors and customers – the primary aim in the first year will be to keep everyone informed of changes that are happening and to encourage visitors to continue to shop.
Executive Summary

- Actively market/educate people on the free parking aspect of the Market. Place a sign (sandwich board) on the north side of York Boulevard adjacent to the parkade indicating there is free parking as well as including signs inside the Market.
- Introduce a validated parking system and allow for a transition period (still offer free parking to all visitors to the York Boulevard Parkade whether they have their validation or not). This transition period is required to acclimatize customers to the new system.

Vendor Recruitment
- Begin to search out qualified leasing agents who may assist in finding qualified vendors for the new Market.
- Create a standard lease agreement to replace the current bylaws that will be used to sign up each vendor to adhere to the rules and regulations of the Market.

Medium Term – One to Two Years

Organization
- Hire a Marketing Coordinator to oversee marketing activities.
- Begin to recruit for a new Board of Directors – approach qualified candidates.
- Begin the process of moving the Market to a non-profit corporation.

Physical
- Hire a professional design firm for architectural reconfiguration of the interior space.

Marketing
- Continue to develop the marketing plan.
- Develop plans for encouraging customers to continue to visit the Market during the redevelopment phases.
- Concentrate on the grand re-opening event

Vendor Recruitment
- Develop a proposed layout within the redeveloped physical space for vendors showing stall areas, sitting areas, cooking school/test kitchen, etc.
- Retain a qualified leasing agent to search out vendors (existing or new) and sign them to the new lease agreement.
- Assist vendors with new stall preparations on an as-needed basis
- Begin to source outdoor arts and craft vendors and farmers (unique and different to indoor vendors).
Executive Summary

Long Term – Two to Five Years

Organization
› Transition to a non-profit corporation.
› Appoint a Board of Directors.
› Set up Board committees.

Physical
› Complete the phased redevelopment.

Marketing
› Grand re-opening event.
› Full marketing plan developed for events throughout the year.

Vendor Recruitment
› New lease agreements with percentage rent in effect
› Vendors move back into the redeveloped Market
1.0 INTRODUCTION

The Hamilton Farmers’ Market has existed in Downtown Hamilton since 1837. This long-standing anchor for the region has evolved over the years. In its current state, the Market is located on York Boulevard and is attached to Jackson Square.

The City has documented several infrastructure issues that need to be resolved to keep the Market building functional. These issues include insufficient electrical and plumbing services, among other issues that need to be brought up to standard to ensure a proper working environment.

The redevelopment of the building presents an occasion to revisit all aspects of the Market’s operations including management structure, tenant mix, and lease and rental agreement terms including bylaws, operations, physical design and aesthetic appeal, marketing and special events, and parking. In effect, this is an ideal opportunity to assess the Market’s competitive capacity and to create a new and improved Market rather than a band-aid approach.

To assist in these overall aims, the City of Hamilton has retained a team of professionals headed by Urban Marketing Collaborative to assess the Market’s needs to enhance its overall appeal. Urban Marketing Collaborative involved a team of market experts including IBI Group and Bob Usher from London Covent Garden Market. The Team has expertise in a variety of disciplines including customer research, operational review, physical design, parking, and marketing and promotions.
2.0 Issues Evaluation

The issues evaluation of Hamilton Farmers’ Market was based on an expert assessment; comparison to other markets going through similar redevelopment situations; consumer surveys; and interviews with Market staff, stakeholders, City of Hamilton staff, the Downtown Councilor, and Market vendors. The evaluation focused on the following pertinent items:

- Vendor product mix and merchandising
- Operations
- Physical design
- Financial performance
- Lease opportunities
- Market penetration
- Vendor performance
- Management structure
- Parking
- Marketing and promotions.

Each factor in the evaluation is not mutually exclusive and there is crossover in terms of issues.
2.1 Vendor Product Mix and Merchandising

Quality

In terms of merchandising, the Market offers standard food goods including fruit, vegetables, baked goods, meat, and cheese. The meat and cheese vendors along with the fruit and vegetable producers are amongst the strongest vendors. The quality of the numerous fruit and vegetable vendors (dealers and producers) varies from good to poor.

While fresh, quality food is still the major draw for the Market, most vendors have not responded to the next generation's needs. There are very few premium products including organic merchandise and very little home meal replacement and semi-prepared products (partially due to insufficient electrical and plumbing). Instead, items such as canned and bottled goods\(^1\) have infiltrated the Market resulting in lower quality vendors overall at the Market. As stated, due to infrastructure deficiencies, the Market has never fully developed the facilities for prepared food options (e.g., electricity, plumbing, venting, etc.).

<table>
<thead>
<tr>
<th>Vendor Mix</th>
<th>Number of Vendors</th>
<th>% of Total</th>
<th>Number of Stalls</th>
<th>% of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fruit and vegetable</td>
<td>26</td>
<td>41%</td>
<td>77.5</td>
<td>46%</td>
</tr>
<tr>
<td>Meat</td>
<td>13</td>
<td>20%</td>
<td>34.5</td>
<td>21%</td>
</tr>
<tr>
<td>Cheese</td>
<td>4</td>
<td>6%</td>
<td>7</td>
<td>4%</td>
</tr>
<tr>
<td>Bakery</td>
<td>6</td>
<td>9%</td>
<td>18.5</td>
<td>11%</td>
</tr>
<tr>
<td>Flowers</td>
<td>5</td>
<td>8%</td>
<td>12</td>
<td>7%</td>
</tr>
<tr>
<td>Eggs</td>
<td>2</td>
<td>3%</td>
<td>3</td>
<td>2%</td>
</tr>
<tr>
<td>Ethnic</td>
<td>2</td>
<td>3%</td>
<td>4</td>
<td>2%</td>
</tr>
<tr>
<td>Sauces</td>
<td>1</td>
<td>2%</td>
<td>3</td>
<td>2%</td>
</tr>
<tr>
<td>Refreshments</td>
<td>2</td>
<td>3%</td>
<td>2</td>
<td>1%</td>
</tr>
<tr>
<td>Clothing</td>
<td>2</td>
<td>3%</td>
<td>2</td>
<td>1%</td>
</tr>
<tr>
<td>Vacant</td>
<td>1</td>
<td>2%</td>
<td>5</td>
<td>3%</td>
</tr>
<tr>
<td>Total</td>
<td>64</td>
<td>100%</td>
<td>168.5</td>
<td>100%</td>
</tr>
</tbody>
</table>

\(^1\) While some ethnic-specific canned or bottled goods may be acceptable, commonly available canned and bottled goods should be discouraged.
Unbalanced

There is an over-abundance of fruit and vegetable vendors as per the preceding table. Forty-six percent of the stalls are devoted to fruit and vegetable vendors. This is very high for most markets.

Stall Size

Vendor stall size has grown. Many vendors occupy more than the allowable three stalls. Vendors have been able to find loopholes in the bylaws by renting additional stalls in other family member’s/friend’s names. The sprawl detracts from an intimate Market experience. In addition, the shape of many stalls allows customers to enter them, which detracts from the Market’s ability to create a busy Market environment that keeps customers in the aisles. The Market staff is constantly addressing issues related to some vendors’ products “spilling over” into the aisles in the vendors’ efforts to increase total square footage.

Stall Productivity

The vendors’ stalls are not as productive (in terms of sales volume per square foot) as they could be. As stated, a large number of vendors have created small stores whereby visitors must come into their stall. This may be acceptable for some fruit and vegetable vendors and other similar vendors; however, it is less than ideal. This type of Market situation takes the visitor out of the common aisles and into the stall thereby detracting from the overall market ambiance and experience. It is better for the overall health of the Market if visitors remain in the aisles and are served by the vendors. In some instances, such as a bakery where self-service is more efficient, the layout should create a sense of flow.
Space has become meaningless to some vendors. There is no incentive created by the Market for vendors to use space wisely and to be more productive with their stalls. Vendor's stalls have sprawled through acquisition of additional stalls to gain increased exposure. One vendor controls 17 stalls through different family members. As such, the vendors are not thinking and developing business plans the way retailers would. Rather, they bring in a lot of merchandise and see what they can sell. There is a need to give space value at the Market. Vendors have to be educated so they can increase sales with less square footage. This involves active communication with the vendors to show them how to make their stalls more productive through design and product display. The vendors will have to be shown visually how this is done at other markets. (See page 68 for best-practice examples.) The Market may also have a reserve fund available to help entrepreneurial vendors with the design and build-out costs.

**Product Turnover**

Vendors have to be more efficient in terms of the products that they bring to the Market. This will be related to what they believe they can sell that day. This will help to keep product turnover high and help to guarantee that fresh products are being sold. This aspect of high turnover and guaranteed fresh products is imperative for the Market. While devoting space to cold and warm storage will assist in product turnover, it will require active communication with each vendor so that they eventually understand how much product to bring that day based on projected sales volume. There will be a learning curve associated with this type of merchandising skills and the Market can assist as the vendors learn. The Market can offer to vendors the opportunity to attend merchandising courses for those that show a real interest in creating very productive stalls.

With higher product turnover, garbage and waste will be reduced. This will have an impact on lowering expenses at the Market.

**Entrance Appeal**

The vendors located at the York Boulevard entrance are weaker tenants and do not portray an overall image of freshness. Some of the vendors are not at the Market everyday. Many vendors on the upper level at the Jackson Square entrance are not present on Tuesday. This makes the Market look vacant and not inviting.

---

2Some of the vendors are excellent operators. However, a few bad vendors spoil the Market for the rest of the better quality vendors.
**Signs**

The abundance of older, hand-written signs in the vendors’ stalls detracts from the professional standards required. The signs look worn and do not convey an image of freshness.

### 2.2 Operations

**Maintained Operations**

Generally, Hamilton Farmers’ Market is clean of major debris. Most consumer systems are in generally good working order including escalators and doorways. The loading dock area is maintained. There are smaller issues regarding timing of deliveries, too many trucks at the loading dock, storage space, moving products to the stalls, C02 emissions in the loading dock area, etc.

Some of the operational issues relate to the design of the building; whereby, the upper level vendors have to use the freight elevator to move product and visitors have to use the ramps and escalators to move about the Market. In addition some of these operational issues will be addressed by stronger management agreements and the enforcement of rules and regulations set out in the proposed lease agreements (e.g., active enforcement of rules regarding no idling in the loading dock area to help control C02 emissions as well as designated delivery times).

**Retailing Standards**

There is a need to improve operations especially related to the Market’s expectations of the vendors. Loopholes in the current bylaws have eroded the Market’s ability to enforce proper professional retailing standards.

Vendors that have stalls at other markets in the area admit that these markets enforce stricter rules and regulations compared to Hamilton Farmers’ Market.
Garbage

The garbage disposal process is cumbersome, labour intensive, distracts from the staff’s duties, and is generally inefficient. Vendors are allowed to place food and cardboard/box waste together near the loading dock. The Market staff then has to load up the garbage into a truck that comes every day the Market is open. The amount of garbage is significant. Vendors are not given an incentive or a penalty that would encourage them to reduce the amount of waste created.

Typical garbage being piled up in the loading dock area and food waste.

It will be important for the Market to involve Public Works and Public Health to assist in creating a more effective waste management system.

2.3 Physical Design

There have been numerous mentions regarding the deficient infrastructure at the Market in the background reports, and these are acknowledged by the Market and the City. Several issues related to the HVAC, windows, York Boulevard entrance doors, insufficient electricity and plumbing services, and loading docks have been stated and need to be addressed. This report acknowledges that all these issues are important and need to be addressed in a timely manner to create a successful Market.
Lacks Fresh Appeal

Beyond these major infrastructure issues, generally, the Market lacks freshness and is considered dull. The major compelling reason to visit a market is related to the idea of buying fresh food products. However, the building does not assist in conveying this image. Beyond the vendors, this includes the low lighting, a cold concrete interior, and covered windows (on the east side).

Other Design Issues

Overall, the building is sufficient to handle the needs of a market. It is large (one of the largest in Canada) and can accommodate a broad mix of vendors. Other important physical design elements include:

- Entrances are weak

Jackson Square Entrance: there is no sign on the doors or a sense of arrival at the Market.
The York Boulevard Entrance is not welcoming with its cold concrete exterior and it does not convey a sense of freshness for a food market.

- The Market faces onto York Boulevard, which is a fast-paced entry into Downtown Hamilton. There is very little other commercial activity nearby.
- The Market is part of the same building as the Library. While there is a need for Library exterior renovations, the Market needs a separate physical presence from the street level that is unique and stands out.
- The outside of the Market has wide sidewalks that can accommodate outdoor vendors. The outside has access to electricity should the outdoor vendors require this.
- Market staff report that there have been issues regarding loiterers and vagrants hanging outside the Market.
- The west entrance to the Market is often open, which creates the possibility for dirt to fall on meat products directly below.
Internally, there are additional issues:

> There is no central gathering place and little opportunity for socialization.

The York Boulevard entrance is not an inviting social gathering space.

There are few places throughout the market that offer a sense of arrival or a social gathering space.
Views from the upper level do not portray an image of an exciting Market. The sight lines are constricted by hanging light fixtures, poorly merchandised stalls, and storage areas.

Physical issues such as stairs, slopes, and multi-levels hamper the ability of the Market to do well. These issues can be mitigated with exceptional, high quality vendors and high performance standards. In addition, its location adjacent to Jackson Square is a positive and the weaknesses listed above are not insurmountable. The Market can be very profitable.

Beyond the infrastructure issues, from a physical design perspective the main themes are as follows:

> To create a sense of presence from the street that demarcates the Market from other buildings and makes it stand out.
> To improve the layout of the Market to aid in circulation (i.e., traffic flow) and to keep visitors in the aisles, while at the same time maximizing stall frontage and improving vendor productivity.
> To increase the integration with the outside (colour, light, trees, window treatments, etc.) to create a strong sense of freshness.
> To create an improved sense of heritage with the Market that relates to its long history in Hamilton.
2.4 Financial Performance

The financial performance of Hamilton Farmers’ Market has been good. The Market has been profitable for the last few years with the exception of 2005. In 2005, higher energy costs and an employee grievance issue pushed the Market into a small deficit. Revenue and expenses at the Market are approximately $520,000. Revenues are sufficient to cover minimum expenses required to sustain the Market including equipment upkeep and repair, salaries and expenses of staff, garbage removal, limited marketing and promotions, and other operating expenses (e.g., electricity).

In the past when the Market produced a profit, these monies have been funneled back into the City’s general levy.

The following chart lists each vendor, their specialty, and the anticipated monthly rent:

Vendor Mix and Rent

<table>
<thead>
<tr>
<th>Vendor</th>
<th>Total Number of Stalls</th>
<th>Producer/Dealer</th>
<th>Product Sold</th>
<th>Monthly Rent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ray’s Health Food</td>
<td>1</td>
<td>Dealer</td>
<td>Asian Food</td>
<td>$251.30</td>
</tr>
<tr>
<td>Future Bakery</td>
<td>15</td>
<td>Producer</td>
<td>Bakery</td>
<td>$368.10</td>
</tr>
<tr>
<td>Multi-Traditional Bread</td>
<td>6</td>
<td>Dealer</td>
<td>Bakery</td>
<td>$1,460.80</td>
</tr>
<tr>
<td>Lina’s European Pasty</td>
<td>4</td>
<td>Producer</td>
<td>Bakery</td>
<td>$955.20</td>
</tr>
<tr>
<td>British Bakery</td>
<td>2</td>
<td>Producer</td>
<td>Bakery</td>
<td>$477.60</td>
</tr>
<tr>
<td>Genuine Bakery</td>
<td>4</td>
<td>Producer</td>
<td>Bakery</td>
<td>$955.20</td>
</tr>
<tr>
<td>Dearsley Meats Ltd.</td>
<td>2</td>
<td>Producer</td>
<td>Beef</td>
<td>$855.00</td>
</tr>
<tr>
<td>Portuguese Bakery</td>
<td>1</td>
<td>Producer</td>
<td>Bread/Bakery</td>
<td>$251.30</td>
</tr>
<tr>
<td>Tilly’s Produce</td>
<td>3</td>
<td>Dealer</td>
<td>Caribbean Foods</td>
<td>$739.70</td>
</tr>
<tr>
<td>Jantzi Cheese</td>
<td>1</td>
<td>Dealer</td>
<td>Cheese</td>
<td>$427.30</td>
</tr>
<tr>
<td>Sam’s International Cheese</td>
<td>2</td>
<td>Dealer</td>
<td>Cheese</td>
<td>$782.60</td>
</tr>
<tr>
<td>Romano Cheese</td>
<td>1</td>
<td>Dealer</td>
<td>Cheese</td>
<td>$427.30</td>
</tr>
<tr>
<td>Sam’s Meat and Cheese</td>
<td>3</td>
<td>Dealer</td>
<td>Cheese/Deli</td>
<td>$1,289.90</td>
</tr>
<tr>
<td>Natural Threads</td>
<td>1</td>
<td>Producer</td>
<td>Clothing/Yoga</td>
<td>$251.30</td>
</tr>
<tr>
<td>Columbian Coffee</td>
<td>1</td>
<td>Dealer</td>
<td>Coffee/Refreshment</td>
<td>$251.30</td>
</tr>
<tr>
<td>Leslie’s Deli</td>
<td>2.5</td>
<td>Producer</td>
<td>Deli Meats</td>
<td>$763.90</td>
</tr>
<tr>
<td>Angela’s Deli</td>
<td>3.5</td>
<td>Dealer</td>
<td>Deli Meats/Cheese</td>
<td>$848.20</td>
</tr>
<tr>
<td>Sensational Samosa</td>
<td>2</td>
<td>Producer</td>
<td>Deli Meats/Cheese</td>
<td>$477.60</td>
</tr>
<tr>
<td>Vita’s Pasta</td>
<td>2</td>
<td>Dealer</td>
<td>Eggs</td>
<td>$477.60</td>
</tr>
<tr>
<td>Vas Eggs</td>
<td>1</td>
<td>Dealer</td>
<td>Eggs</td>
<td>$251.30</td>
</tr>
<tr>
<td>Forever Green</td>
<td>3</td>
<td>Dealer</td>
<td>Flowers</td>
<td>$703.90</td>
</tr>
<tr>
<td>Deborah Rose</td>
<td>3</td>
<td>Dealer</td>
<td>Flowers</td>
<td>$703.90</td>
</tr>
<tr>
<td>Josie’s</td>
<td>2</td>
<td>Dealer</td>
<td>Flowers</td>
<td>$477.60</td>
</tr>
<tr>
<td>Lesley’s Flowers</td>
<td>4</td>
<td>Producer/Dealer</td>
<td>Flowers</td>
<td>$355.20</td>
</tr>
<tr>
<td>Vendor</td>
<td>Total Number of Stalls</td>
<td>Producer/Dealer</td>
<td>Product Sold</td>
<td>Monthly Rent</td>
</tr>
<tr>
<td>--------------------------</td>
<td>------------------------</td>
<td>-----------------</td>
<td>--------------------</td>
<td>--------------</td>
</tr>
<tr>
<td>Temple’s Flowers</td>
<td>3</td>
<td>Producer/Dealer</td>
<td>Flowers</td>
<td>$703.90</td>
</tr>
<tr>
<td>Rudy’s Apples</td>
<td>2</td>
<td>Producer</td>
<td>Fruit</td>
<td>$477.60</td>
</tr>
<tr>
<td>Bentford Orchards</td>
<td>5</td>
<td>Producer</td>
<td>Fruit</td>
<td>$1,191.50</td>
</tr>
<tr>
<td>Spera’s Produce</td>
<td>1</td>
<td>Dealer</td>
<td>Fruit</td>
<td>$254.30</td>
</tr>
<tr>
<td>Jean’s Original Knitting</td>
<td>1</td>
<td>Producer</td>
<td>Knit Wear</td>
<td>$254.30</td>
</tr>
<tr>
<td>N. Giannini Meat</td>
<td>5</td>
<td>Producer</td>
<td>Meats</td>
<td>$1,191.50</td>
</tr>
<tr>
<td>Witteveen Meats</td>
<td>4</td>
<td>Producer</td>
<td>Meats/Deli</td>
<td>$1,769.20</td>
</tr>
<tr>
<td>Jepson Fresh Pork</td>
<td>1</td>
<td>Producer</td>
<td>Pork</td>
<td>$427.30</td>
</tr>
<tr>
<td>Teal Pure Port</td>
<td>1</td>
<td>Producer</td>
<td>Pork</td>
<td>$355.30</td>
</tr>
<tr>
<td>Julia’s Poultry</td>
<td>1</td>
<td>Dealer</td>
<td>Poultry</td>
<td>$355.30</td>
</tr>
<tr>
<td>Sunnybrook Farms</td>
<td>4</td>
<td>Producer</td>
<td>Poultry</td>
<td>$1,463.20</td>
</tr>
<tr>
<td>Anissa’s Chicken</td>
<td>2.5</td>
<td>Dealer</td>
<td>Poultry</td>
<td>$596.60</td>
</tr>
<tr>
<td>Sam The Produce Man</td>
<td>3</td>
<td>Producer</td>
<td>Produce</td>
<td>$703.90</td>
</tr>
<tr>
<td>Buttermilk’s</td>
<td>3</td>
<td>Producer</td>
<td>Produce</td>
<td>$703.90</td>
</tr>
<tr>
<td>Margaret’s Goods</td>
<td>2</td>
<td>Producer</td>
<td>Produce</td>
<td>$477.60</td>
</tr>
<tr>
<td>Williams Bros.</td>
<td>3</td>
<td>Producer</td>
<td>Produce</td>
<td>$703.90</td>
</tr>
<tr>
<td>Bristol’s</td>
<td>2</td>
<td>Producer</td>
<td>Produce</td>
<td>$477.60</td>
</tr>
<tr>
<td>Fleetwood Farms</td>
<td>2</td>
<td>Producer</td>
<td>Produce</td>
<td>$477.60</td>
</tr>
<tr>
<td>Bristol’s</td>
<td>2</td>
<td>Producer</td>
<td>Vegetables</td>
<td>$477.60</td>
</tr>
<tr>
<td>Country Green</td>
<td>3</td>
<td>Dealer</td>
<td>Produce/Grocery</td>
<td>$477.60</td>
</tr>
<tr>
<td>Roy’s Produce</td>
<td>3</td>
<td>Dealer</td>
<td>Produce/Grocery</td>
<td>$703.90</td>
</tr>
<tr>
<td>Roy’s Produce</td>
<td>2</td>
<td>Dealer</td>
<td>Produce/Grocery</td>
<td>$477.60</td>
</tr>
<tr>
<td>Raymond Munoz</td>
<td>4</td>
<td>Dealer</td>
<td>Produce/Grocery</td>
<td>$355.23</td>
</tr>
<tr>
<td>Florsam</td>
<td>4</td>
<td>Dealer</td>
<td>Produce/Grocery</td>
<td>$355.20</td>
</tr>
<tr>
<td>Hieng’s Produce</td>
<td>2.5</td>
<td>Dealer</td>
<td>Produce/Grocery</td>
<td>$647.90</td>
</tr>
<tr>
<td>Hieng’s Produce</td>
<td>2.5</td>
<td>Dealer</td>
<td>Produce/Grocery</td>
<td>$622.90</td>
</tr>
<tr>
<td>Maria’s Fruit</td>
<td>3</td>
<td>Dealer</td>
<td>Produce/Grocery</td>
<td>$703.90</td>
</tr>
<tr>
<td>Currie and Spice</td>
<td>3</td>
<td>Dealer</td>
<td>Produce/Grocery</td>
<td>$703.90</td>
</tr>
<tr>
<td>Leslie’s Deli</td>
<td>4</td>
<td>Dealer</td>
<td>Produce/Grocery</td>
<td>$355.20</td>
</tr>
<tr>
<td>Truong Produce</td>
<td>3</td>
<td>Dealer</td>
<td>Produce/Grocery</td>
<td>$703.90</td>
</tr>
<tr>
<td>Dilly’s</td>
<td>4</td>
<td>Dealer</td>
<td>Produce/Grocery</td>
<td>$355.20</td>
</tr>
<tr>
<td>Can Asia</td>
<td>7</td>
<td>Dealer</td>
<td>Produce/Grocery</td>
<td>$1,694.10</td>
</tr>
<tr>
<td>Giovoni Buonapane</td>
<td>2</td>
<td>Producer</td>
<td>Produce/Grocery</td>
<td>$477.60</td>
</tr>
<tr>
<td>Charlie Chiarelli</td>
<td>2</td>
<td>Producer</td>
<td>Produce/Grocery</td>
<td>$477.60</td>
</tr>
<tr>
<td>Coffee Shop</td>
<td>1.5</td>
<td>Dealer</td>
<td>Refreshments</td>
<td>$489.30</td>
</tr>
<tr>
<td>Ercilia’s Fine Foods</td>
<td>3</td>
<td>Producer</td>
<td>Salsa Sauces</td>
<td>$703.90</td>
</tr>
<tr>
<td>Agro Fish Market</td>
<td>2</td>
<td>Dealer</td>
<td>Seafood</td>
<td>$578.60</td>
</tr>
<tr>
<td>Tran Fish</td>
<td>4</td>
<td>Dealer</td>
<td>Seafood</td>
<td>$355.20</td>
</tr>
<tr>
<td>Tea Leaf Cupboard</td>
<td>1</td>
<td>Dealer</td>
<td>Tea</td>
<td>$250.30</td>
</tr>
<tr>
<td>Storage and Washing Area</td>
<td>5</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
</tbody>
</table>

Total Yearly Rent Revenue $521,029.56
Revenue and expenses in 2005 for the Market are summarized below.

<table>
<thead>
<tr>
<th>2005 Revenue and Expenses</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td></td>
</tr>
<tr>
<td>Merchandise sales</td>
<td>$825</td>
</tr>
<tr>
<td>Daily rentals</td>
<td>$303</td>
</tr>
<tr>
<td>Monthly rentals</td>
<td>$519,845</td>
</tr>
<tr>
<td><strong>Total Revenue</strong></td>
<td>$520,773</td>
</tr>
<tr>
<td><strong>Operating Expenses</strong></td>
<td></td>
</tr>
<tr>
<td>Salaries and wages</td>
<td>$246,642</td>
</tr>
<tr>
<td>Marketing</td>
<td>$26,037</td>
</tr>
<tr>
<td>Office related</td>
<td>$2,570</td>
</tr>
<tr>
<td><strong>Total Operating</strong></td>
<td>$281,249</td>
</tr>
<tr>
<td><strong>Facilities Expenses</strong></td>
<td></td>
</tr>
<tr>
<td>Central Utilities Plant³</td>
<td>$153,905</td>
</tr>
<tr>
<td>Garbage</td>
<td>$63,729</td>
</tr>
<tr>
<td>Security</td>
<td>$16,946</td>
</tr>
<tr>
<td>Other facilities expenses</td>
<td>$75,071</td>
</tr>
<tr>
<td><strong>Total Facilities Expenses</strong></td>
<td>$309,651</td>
</tr>
<tr>
<td><strong>Net Profit (Loss)</strong></td>
<td>($70,127)</td>
</tr>
</tbody>
</table>

As stated, the higher facilities expenses including heating costs and the employee grievance resulted in a small loss for the Market.

Rent

Average rent is consistent throughout the Market. Each vendor is charged the same basic rent. Differences occur from a license fee charged to resellers and some of the vendors on the upper level rent their coolers from the City. There are approximately 168 active, full stalls (some stalls are halved and some are left vacant to allow for storage or walkability throughout the Market. 

³ Refers to hydro, heat, air conditioning plus all services to the equipment to provide these services.
This rent situation does not offer the vendors an incentive to exceed the Market’s expectations to do well. It treats all space as equal. These rates are based on the provision of services rather than one based on the opportunity for vendors to earn. Generally, vendors that are more profitable should pay more rent than others. Within a retail building there will be space that will offer the opportunity to be more productive (i.e., the stall offers more visibility, greater potential for traffic, etc.) and this will be more desirable. Market forces indicate that these spaces should pay more in rent. In addition, certain product categories produce greater sales volume, higher gross margin, and therefore they should pay more rent. For instance, fruit and vegetable growers should be charged a lower rent compared to their counterparts who are resellers. This encourages the Market to stay true to its principles of offering fresh, local produce. This may result in varying rent levels per square foot based on better locations or a percentage based rent. Percentage rent accounts for differences in better locations. In addition, as stated, the rent (either on a per square foot basis or on a percentage rent basis) will also vary depending on the product sold (higher rates for higher gross margin products such as prepared food).

Increased Expenses

Expenses are not high enough to effectively run and manage the Market. The Market needs to increase its expenditure on salaries for a Market Manager, Marketing Coordinator, marketing activities, vendor recruitment, cleanliness, and security. Additional funds are required as a reserve for small capital improvements required on an ongoing basis (e.g., painting, banner replacement, etc.). Common area maintenance (CAM) costs at Hamilton Farmers’ Market are not charged back to the vendors. CAM costs are generally $15 to $20 per square foot for most markets. These fees need to be charged back to the vendors and itemized separately so that the vendors understand these are the costs associated with running the Market and that each vendor is required to pay their proportionate share. Once electricity is supplied to each stall, each stall should have its own separate meter and each vendor will be charged for their electricity usage.
Sales Reporting

Vendor performance is unable to be determined. However, through a proposed sales reporting structure, the Market will be able to determine how well the vendors are performing, if they can offer assistance to the vendor to help improve sales, or whether they should start looking for a replacement vendor. In addition, sales reporting is a required element to determine return on investment for marketing programs including advertising and special events.

Another measure of how well tenants are doing is the occupancy cost as a percent of sales. Occupancy costs include rent, utilities, etc. In most retail situations, the percentage ratio should not exceed 10% unless it is a relatively high margin business or it has almost no sales costs.

Lease Opportunities

Bylaw/Lease Enforcement

In terms of lease opportunities, the current Hamilton Farmers’ Market Bylaws are not enforced in their entirety. There is no proper management agreement in place similar to the way a shopping centre is managed and operated. As stated, vendors have found loopholes, which allow them to rent more than three stalls. There is little available enforcement in terms of vendors adhering to a common shared vision of the Market. Vendors are permitted to set up their stalls as they wish. There is little ability by the Market staff and by the City to enforce rules and regulation on the vendors in terms of product display, merchandising, products sold, customer interaction, as well as opening/closing times and days of the week.

While there is a waiting list of potential vendors for the Market, most want to sell similar products to what already exists (fruit, vegetables, and baked goods). The Market Supervisor is unable to devote significant time towards finding vendors for stalls due to time constraints related to the daily operations required of the Market.

Market Penetration

Hamilton Farmers’ Market tends to attract a very loyal customer base of older visitors. Many of these visitors come to the Market out of habit. Downtown employee visitation is relatively good but can be improved. There is relatively good penetration of the Lower City and Downtown areas in particular those neighbourhoods that straddle the escarpment.
To increase sales, the Market must be able to attract a broader demographic of the Hamilton population. This includes a younger, better-off customer. There is a need to shift the Market’s focus and marketing to citywide penetration. Hamilton Farmers’ Market can respond to these customer’s needs by pursuing opportunities in semi-prepared products for younger families who are time pressed (e.g., home meal replacement) or new products such as heritage varieties, ethnic assortment, etc.

Vendor Performance
As stated, the primary difficulty in determining vendor performance is that none of the vendors reports sales to the Market. This situation makes it difficult to determine if vendors are doing well and if marketing programs are being effective.

The Market gives the appearance of being busy on weekdays and weekends. Most vendors that have been at the Market for a long period of time have noted that sales have been falling and are not as strong as they were 10-15 years ago. However, new vendors are relatively happy with the sales volume and are witnessing steady sales volumes.

The fact that there is a waiting list of vendors is indicative of the fact that the Market does present a profitable business venture for vendors.

Management Structure
The current management structure of the City of Hamilton running the Market is not producing optimal results. The current management structure at the Market includes a Market Supervisor who is responsible for the day-to-day operations of the Market. This is not a management position. The Supervisor reports to the Manager of Culture and Special Events at the City. There is no Market Manager.

The Market operates under an entrepreneurial system of leasing a stall to a vendor and allowing the vendor to sell what they want to create a unique Market environment. The problem is that the entrepreneurial spirit has motivated a small number of vendors to compete on a price basis rather than a superior product and selling basis. The effect is a downgrading of the overall Market. This is partly the result of not having a Market Manager\(^4\) and not having enforced leases (or a management agreement).

\(^4\) The Market Supervisor cannot control vendor product assortment nor quality.
The City is no longer in control of the Market. The Market Supervisor does not have the tools in place to enforce many vendor behaviours beyond the overall Market opening/closing, maintenance, ensuring that vendor’s products stay within their stalls, that there is not excessive usage on the overloaded electrical system, and some marketing.

The bureaucratic nature of the Market means that it is neither able to move quickly enough to respond to day-to-day operations nor take advantage of opportunities for enhancement and improvement.

Parking

The Market is able to provide free one-hour parking to its visitors at the York Boulevard Parkade opposite the Market. Currently, the free parking is available to every visitor of the parkade regardless if they are coming to the Market or not. The Parking Authority estimates that the annual cost to the City of maintaining the current system is $200,000.

All grocery stores and supermarkets offer free/validated parking regardless if they are located in Downtowns, suburbs, or rural areas. Typical parking arrangements at grocery stores allow for five to six parking stalls per 1,000 square feet. However, due to the need for the Market to attract from a broader geographic area than the traditional grocery store, the number of stalls should be increased. The Market’s redeveloped size of 45,283 square feet would require up to 272 parking spaces within easy access. Ideally, this parking availability should be part of the Market building. However, the parking requirements for the Market can be accommodated by the York Boulevard Parkade. The Market’s free parking requirement cannot be adequately provided by the nearby on-street meters (not enough nearby spaces).

The City is considering offering free parking at Downtown meters on Saturday in lieu of free one-hour parking at the York Boulevard Parkade that is available everyday. This program will not work for the Market for numerous reasons:

- Downtown free parking at meters on Saturdays (on-street parking) is not a trade off situation with the Market. The Market’s need for nearby free parking is irrespective of the Downtown merchants and businesses desire for free parking.
- The Market needs to be able to compete on the same level as grocery stores which means that free parking has to be provided every day the Market is open.
- The Market requires up to 272 parking spaces nearby that offer free parking. There are not enough on-street stalls near the Market to provide this level of support.

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5 Based on 7 parking stalls per 1,000 square feet
> There is no guarantee that the free on-street parking will allow for quick turnover of vehicles. It is very easy to foresee a system of abuse as visitors will occupy the free stall for a longer portion of the time than allowed.
>
> The Market can use the fact that there is free parking at the Parkade in their marketing strategies and medium. The Market can reasonably guarantee to potential visitors that there will be an available stall at the Parkade any time that the Market is open (except for some special events such as a concert at Copps Coliseum). The Market cannot reasonably guarantee to visitors that they will be able to find a free on-street stall near the Market should the proposed new system by introduced by the City. The risk of having a potential Market visitor leave because they are unable to find free parking will be detrimental to sales for the vendors.

Just as supermarkets require free parking, discounted or free parking is a required element for a successful market. Most other markets in Canada offer some combination of free and/or discounted parking realizing that this is an essential service that needs to be provided by markets to attract visitors.

### Parking Availability at Other Markets in Canada

<table>
<thead>
<tr>
<th>Farmers’ Market</th>
<th>City</th>
<th>Parking</th>
</tr>
</thead>
<tbody>
<tr>
<td>Covent Garden Market</td>
<td>London</td>
<td>Free parking with validation, two-hours on weekends and one-half-hour on weekdays</td>
</tr>
<tr>
<td>ByWard Market</td>
<td>Ottawa</td>
<td>Free 15-minute parking</td>
</tr>
<tr>
<td>St. Lawrence Market</td>
<td>Toronto</td>
<td>Two-hour stay as low as $2.00</td>
</tr>
<tr>
<td>St. Jacob's Farmers’ Market</td>
<td>St. Jacob's</td>
<td>Free parking</td>
</tr>
<tr>
<td>Your Kitchener Market</td>
<td>Kitchener</td>
<td>Two hours free parking</td>
</tr>
<tr>
<td>Halifax Farmers’ Market</td>
<td>Halifax</td>
<td>Selected free parking lots available</td>
</tr>
<tr>
<td>Old Strathcona Market</td>
<td>Edmonton</td>
<td>Free Saturday parking from 9:00 a.m. to 3:00 p.m. (three hours maximum)</td>
</tr>
<tr>
<td>Granville Island Public Market</td>
<td>Vancouver</td>
<td>Free parking but limited spots</td>
</tr>
<tr>
<td>Brampton Farmers’ Market</td>
<td>Brampton</td>
<td>Free parking at three parking garages in the downtown on Saturday</td>
</tr>
<tr>
<td>Dufferin Grove Farmers’ Market</td>
<td>Toronto</td>
<td>Free parking on Dufferin Park Avenue on Thursdays</td>
</tr>
<tr>
<td>Atwater Market</td>
<td>Montreal</td>
<td>Free parking</td>
</tr>
</tbody>
</table>

*Source: individual Websites for each market*

The Market surveys as well as the Cultural Survey recently conducted for the City revealed that visitors value free/discounted parking whether they use it every time or not. However, a large percentage admitted that they did not know about the free parking. Clearly, education and marketing with respect to parking availability for the Market is essential and needs to be enhanced.
As stated, while the ideal situation would be to have parking located directly at the Market site, the York Boulevard Parkade does provide a convenient alternative. Increased marketing of this service by the Market is required. In addition, the Market should develop a validation program for free parking so that they are accountable for their customers. During the redevelopment process at the Market, the City will be required to offer to free parking for the Market until the Market management and redevelopment phases are completed. However, the validation program can begin immediately (the City will still be required to cover the parking costs from the validation program; however, it will be less than the estimated $200,000 that the Parking Authority pays each year).

**Marketing and Promotions**

The marketing budget for the Market includes a modest amount of approximately $20,000 to $30,000 annually. These funds are used to promote the Market at special events (e.g., Tattoo) and regular events (e.g., Tiger Cats’ games) as well as in-house special events related to the calendar year (e.g., Easter, Thanksgiving), and food-related events (e.g., cooking classes).

Overall, the Market Supervisor does not have the time nor the budget to carry out an extensive marketing program required to bring additional visitors to the Market.

Other issues include:

- The Website is part of the City of Hamilton’s site and it is out of date.
- There are different logos and images currently in use for the Market. This does not convey a consistent, branded image of the Market.
- The outdoor sign on York Boulevard includes the Market and the Library. The Market needs its own separate sign.
The Website includes older information. There is small amount of information on the types of products sold, especially related to ethnicity but there is no vendor directory. This “screen save” from the Hamilton Farmers’ Market Website (part of the City of Hamilton’s Website) was taken on February 9, 2006 and it still has information about holiday hours. The events page conveys old information, and the recipes on the third page date from 2004. In addition, there are no directions on how to get to the Market nor is there information that there is free parking at the York Boulevard Parkade.
2.5 Summary

The Market is currently very active. Visitors come to the Market and there are virtually no vendor vacancies. In addition, although the revenues and expenses are lower than required to run this type of market, the Market has been profitable (exception is 2005). However, while the Market requires urgent physical infrastructure updates, its most urgent need is for enforced leases (or management agreements) with each individual vendor on the rules and regulations for operating at Hamilton Farmers' Market. To that aim, the management of the Market must change to enforce these lease agreements. This is a must-have condition for the Market to succeed. The physical, design, and marketing changes will not have the same effect unless there is an effective management structure to enforce the leases.

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6 These lease agreements will replace the current City of Hamilton's bylaws for the Market.
3.0 CONSUMER SURVEY

3.1 Background and Methodology

Two consumer surveys\(^7\) are summarized in this section:

2. Hamilton Farmers’ Market Trade Area Telephone Survey — referred to as Visitors (visited Hamilton Farmers’ Market within the past six months) and Non-visitors (have not visited Hamilton Farmers’ Market within the past six months).

These surveys were undertaken as part of the research required to understand the consumer market situation at Hamilton Farmers’ Market including its strengths, weaknesses, opportunities, and threats as it relates to developing a strategy for the Market. The intercept survey can be interpreted to include a sample of those people who visit Hamilton Farmers’ Market on a frequent basis, especially local residents living in the Lower City as well as Downtown workers. In addition, it includes visitors from outside Hamilton, which includes tourists. The telephone survey examines the behaviour of a wider cross-section of Hamilton residents and includes an examination of residents who do not visit the Market.

Two hundred intercept surveys were conducted throughout Hamilton Farmers’ Market in November 2005. This was conducted by the field research company of RIS Christie. The surveys were conducted throughout the week of November 21. Interviews were divided over the week to include a selection of visitors on Tuesday, Thursday, Friday, and Saturday.

Based on the postal code data from the intercept survey as well as additional postal code data collected by the Market Supervisor at other times throughout the year, trade areas for the Hamilton Farmers’ Market were developed. This including the Primary Trade Area and Secondary Trade Area. Two hundred telephone surveys of the trade areas were conducted to confirm information from the intercept surveys as well as to gauge opinions from non-visitors.

The survey work at the Market was conducted at the same time as a broad regional telephone survey by Strategic Services Division, Community Services. This survey included approximately 1,200 residents in the Hamilton/Burlington area. There was a separate section to the telephone survey that pertained to the Hamilton Farmers’ Market. The City’s survey asked if the resident had visited the Market in the past five years. Generally, the City survey results

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\(^7\) Full consumer survey details including custom banners, means, standard deviations, and standard errors have been delivered to the Manager of Culture and Special Events.
were similar to the Market survey. Fifty-six of the Hamilton and Burlington residents (larger trade area than this survey) had visited the Market in the last five years (longer timeframe than this survey).

3.2 Market Penetration

The Primary Trade Area includes the Lower City of Hamilton from Highway 403 to Sherman Avenue and from Hamilton Harbour to the escarpment. This area encompasses a population of 79,154 or 35,703 households. The visitation level of the Primary Trade Area was 74%.

In the Secondary Trade Area, which extends west towards Dundas and Ancaster, east towards Kennilworth Avenue, and south towards Mohawk Road, the population increases by a further 42,281 households to 77,984 households. The visitation of this trade area was 63%.

As stated, Hamilton Farmers' Market has collected FSA data on visitors to the Market for several years. The results of these survey results indicate that visitors come from a broad geographic area primarily close by, west towards Dundas, and specific ethnic pockets (e.g., Portuguese, Italian, and East Asian) throughout the City.

Hamilton Farmers' Market Intercept Respondents
3.3 Respondent Profiles

Before proceeding to analyze the survey results, it is important to understand the way the profile of the various survey respondents differ from one another, and from the population of Hamilton (benchmark). Differences in demographic characteristics offer important insights that can help explain survey results.
<table>
<thead>
<tr>
<th>Demographic</th>
<th>Intercept</th>
<th>Telephone Survey (Visitors)</th>
<th>Telephone Survey (Non-visitors)</th>
<th>City of Hamilton</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age Profile(^8)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>16 to 24</td>
<td>8.0%</td>
<td>5.8%</td>
<td>15.9%</td>
<td>15.4%</td>
</tr>
<tr>
<td>25 to 34</td>
<td>11.0%</td>
<td>20.4%</td>
<td>20.6%</td>
<td>19.5%</td>
</tr>
<tr>
<td>35 to 44</td>
<td>16.0%</td>
<td>17.5%</td>
<td>27.0%</td>
<td>20.9%</td>
</tr>
<tr>
<td>45 to 54</td>
<td>19.5%</td>
<td>23.4%</td>
<td>17.5%</td>
<td>16.5%</td>
</tr>
<tr>
<td>55 to 64</td>
<td>23.0%</td>
<td>16.1%</td>
<td>11.1%</td>
<td>9.6%</td>
</tr>
<tr>
<td>65+</td>
<td>22.5%</td>
<td>16.9%</td>
<td>7.9%</td>
<td>18.1%</td>
</tr>
<tr>
<td>Mean Age</td>
<td>50.1%</td>
<td>46.9%</td>
<td>40.7%</td>
<td>n/a</td>
</tr>
<tr>
<td>Household Size</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 Person/Single</td>
<td>36.0%</td>
<td>34.3%</td>
<td>12.3%</td>
<td>38.0%</td>
</tr>
<tr>
<td>2 People</td>
<td>31.0%</td>
<td>30.4%</td>
<td>45.2%</td>
<td>31.4%</td>
</tr>
<tr>
<td>3 People</td>
<td>14.0%</td>
<td>16.6%</td>
<td>12.9%</td>
<td>13.6%</td>
</tr>
<tr>
<td>4-5 People</td>
<td>16.5%</td>
<td>14.8%</td>
<td>22.5%</td>
<td>15.6%</td>
</tr>
<tr>
<td>6 or more People</td>
<td>2.5%</td>
<td>4.4%</td>
<td>6.5%</td>
<td>1.4%</td>
</tr>
<tr>
<td>Marital Status</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Separated, Widowed, Divorced</td>
<td>22.1%</td>
<td>21.3%</td>
<td>12.7%</td>
<td>21.2%</td>
</tr>
<tr>
<td>Single</td>
<td>30.7%</td>
<td>27.9%</td>
<td>28.6%</td>
<td>36.7%</td>
</tr>
<tr>
<td>Married/Living with Partner</td>
<td>47.2%</td>
<td>50.7%</td>
<td>58.7%</td>
<td>42.1%</td>
</tr>
<tr>
<td>Household Income</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Under $10,000</td>
<td>6.20%</td>
<td>4.30%</td>
<td>11.10%</td>
<td>n/a</td>
</tr>
<tr>
<td>$10,000 to $20,000</td>
<td>29.40%</td>
<td>14.80%</td>
<td>18.50%</td>
<td>n/a</td>
</tr>
<tr>
<td>$20,000 to $40,000</td>
<td>26.00%</td>
<td>34.80%</td>
<td>24.10%</td>
<td>n/a</td>
</tr>
<tr>
<td>$40,000 to $60,000</td>
<td>16.40%</td>
<td>16.50%</td>
<td>14.80%</td>
<td>n/a</td>
</tr>
<tr>
<td>$60,000 to $80,000</td>
<td>11.90%</td>
<td>15.70%</td>
<td>16.70%</td>
<td>n/a</td>
</tr>
<tr>
<td>$80,000 to $100,000</td>
<td>4.00%</td>
<td>7.80%</td>
<td>9.30%</td>
<td>n/a</td>
</tr>
<tr>
<td>$100,000 or more</td>
<td>6.20%</td>
<td>6.10%</td>
<td>5.50%</td>
<td>n/a</td>
</tr>
<tr>
<td>Average Household Income</td>
<td>$39.400</td>
<td>$45.800</td>
<td>$44.100</td>
<td>$46.083</td>
</tr>
</tbody>
</table>

\(^8\) The age profile is only for those over 16 years of age.
<table>
<thead>
<tr>
<th>Demographic</th>
<th>Intercept</th>
<th>Telephone Survey (Visitors)</th>
<th>Telephone Survey (Non-Visitors)</th>
<th>City of Hamilton</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employment Status</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Working Full-time</td>
<td>34.5%</td>
<td>41.9%</td>
<td>38.9%</td>
<td>n/a</td>
</tr>
<tr>
<td>Retired</td>
<td>32.5%</td>
<td>25.0%</td>
<td>14.3%</td>
<td>n/a</td>
</tr>
<tr>
<td>Working Part-time</td>
<td>12.0%</td>
<td>8.8%</td>
<td>11.1%</td>
<td>n/a</td>
</tr>
<tr>
<td>Not Working</td>
<td>10.0%</td>
<td>10.3%</td>
<td>14.3%</td>
<td>n/a</td>
</tr>
<tr>
<td>Homemaker</td>
<td>8.5%</td>
<td>7.4%</td>
<td>12.7%</td>
<td>n/a</td>
</tr>
<tr>
<td>Student</td>
<td>3.0%</td>
<td>6.6%</td>
<td>9.5%</td>
<td>n/a</td>
</tr>
<tr>
<td>Occupation</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Skilled/Semi-skilled</td>
<td>26.1%</td>
<td>22.1%</td>
<td>29.0%</td>
<td>n/a</td>
</tr>
<tr>
<td>Professional</td>
<td>16.3%</td>
<td>19.1%</td>
<td>22.6%</td>
<td>n/a</td>
</tr>
<tr>
<td>Finance/Real Estate</td>
<td>13.0%</td>
<td>2.5%</td>
<td>6.5%</td>
<td>n/a</td>
</tr>
<tr>
<td>Education/Health</td>
<td>12.0%</td>
<td>20.6%</td>
<td>12.9%</td>
<td>n/a</td>
</tr>
<tr>
<td>Other</td>
<td>11.9%</td>
<td>17.6%</td>
<td>6.4%</td>
<td>n/a</td>
</tr>
<tr>
<td>Retail/Wholesale</td>
<td>10.3%</td>
<td>7.4%</td>
<td>9.7%</td>
<td>n/a</td>
</tr>
<tr>
<td>Accommodation/Food</td>
<td>7.6%</td>
<td>4.4%</td>
<td>12.9%</td>
<td>n/a</td>
</tr>
<tr>
<td>Non-skilled</td>
<td>2.2%</td>
<td>5.9%</td>
<td>0.0%</td>
<td>n/a</td>
</tr>
</tbody>
</table>
A summary of some of the most significant differences between the respondent groups is provided below:

**Hamilton Farmers’ Market Visitors**

- Older customers dominate the Market: 65% of Intercept Respondents were over 45 years of age; of which 23% were over 65 years of age. This was similar to Telephone Visitors of which 56% were over 45 years of age.
- There is a proportionately smaller but significant younger adult population that visits the Market; however, these visitors tend to visit infrequently.
- Over one-third of the visitors come from single-person households. This corresponds with other data that indicated there were a high proportion of separated, widowed, and/or divorced Market visitors.
- The average household income is predominantly lower to middle income; however, there is a small proportion of higher income households that visit the Market.
- The Market attracts a sizeable proportion of both workers and retirees. Being located Downtown adjacent to Jackson Square near the large office worker population is significant to increasing sales activity. Currently, the Market does not attract local students.
- While skilled and semi-skilled workers represent a significant proportion of the overall Hamilton workforce, the Market attracts its fair share. The Market appeals to education and health workers. There is opportunity to increase marketing to these professionals through direct marketing techniques.

**Non-visitor Telephone Survey**

While Hamilton Farmers’ Market tends to attract an older, loyal customer, those who have a greater probability of not visiting Hamilton Farmers’ Market include a significant proportion of:

- respondents under 45 years of age
- larger households that include married/common law spouses with children, and
- very low income and middle-to-high income households.
The main reasons residents do not visit Hamilton Farmers’ Market are as follows:

<table>
<thead>
<tr>
<th>Reasons for Not Visiting the Market</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Too busy</td>
<td>21.3%</td>
</tr>
<tr>
<td>Inconvenient location</td>
<td>19.7%</td>
</tr>
<tr>
<td>Parking is too expensive</td>
<td>12.5%</td>
</tr>
<tr>
<td>Never go Downtown</td>
<td>11.5%</td>
</tr>
<tr>
<td>Disability/Illness</td>
<td>10.9%</td>
</tr>
<tr>
<td>Lack of available parking</td>
<td>8.2%</td>
</tr>
<tr>
<td>Inconvenient hours/days of operation</td>
<td>4.9%</td>
</tr>
<tr>
<td>New to the City</td>
<td>4.9%</td>
</tr>
<tr>
<td>Do not shop at markets</td>
<td>3.3%</td>
</tr>
<tr>
<td>Do not like going downtown/crime/safety</td>
<td>3.3%</td>
</tr>
<tr>
<td>No reason</td>
<td>6.8%</td>
</tr>
</tbody>
</table>

Why have you not visited the Market in the past three months?

Of the Non-visitors, younger respondents are more likely to find visiting Hamilton Farmers’ Market inconvenient (location and days/hours of operation), young families perceive the Market as inconvenient in terms of shopping, and older respondents are more likely to state that there is nothing to do there, as well as being inconvenienced with issues related to parking.

Improvements and related comments include:

<table>
<thead>
<tr>
<th>Improvements for the Market</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>More convenient location</td>
<td>21.6%</td>
</tr>
<tr>
<td>Free parking</td>
<td>17.6%</td>
</tr>
<tr>
<td>More parking</td>
<td>9.8%</td>
</tr>
<tr>
<td>Lower prices</td>
<td>7.8%</td>
</tr>
<tr>
<td>Open more days/hours</td>
<td>5.9%</td>
</tr>
<tr>
<td>Better building conditions</td>
<td>3.9%</td>
</tr>
<tr>
<td>Other</td>
<td>3.9%</td>
</tr>
<tr>
<td>Nothing</td>
<td>37.3%</td>
</tr>
</tbody>
</table>

What changes at the Market would make you visit?
While it is not feasible at this point to consider moving the Market, improvements related to parking and accessibility can be made. This is primarily in the form of increased marketing and education to let customers know that it is very easy to find, park, and shop at the Market. In addition, opening more days of the week will satisfy customers’ concerns. Other improvements include updating the building. Still, over one-third of Non-visitors stated that nothing the Market could do would encourage them to visit.

It is important to note that 71.4% of the Non-visitors have visited the Hamilton Farmers’ Market in the past and have decided not to return. Of these, 55.6% were under 45 years of age.

### 3.4 Purchases at Hamilton Farmers’ Market

People who visit Hamilton Farmers’ Market primarily come for basic food purchases. The top food purchases include:

<table>
<thead>
<tr>
<th>Items</th>
<th>Intercept</th>
<th>Telephone (Visitors)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vegetables</td>
<td>66.5%</td>
<td>64.0%</td>
</tr>
<tr>
<td>Fruit</td>
<td>53.3%</td>
<td>51.5%</td>
</tr>
<tr>
<td>Baked goods</td>
<td>27.4%</td>
<td>22.8%</td>
</tr>
<tr>
<td>Cheese/dairy</td>
<td>25.4%</td>
<td>20.6%</td>
</tr>
<tr>
<td>Flowers/plants</td>
<td>7.6%</td>
<td>9.6%</td>
</tr>
<tr>
<td>Eggs</td>
<td>14.7%</td>
<td>8.8%</td>
</tr>
<tr>
<td>Poultry</td>
<td>17.8%</td>
<td>8.1%</td>
</tr>
<tr>
<td>Deli meats</td>
<td>10.2%</td>
<td>7.4%</td>
</tr>
<tr>
<td>Pork</td>
<td>17.8%</td>
<td>5.9%</td>
</tr>
<tr>
<td>Seafood</td>
<td>9.1%</td>
<td>5.9%</td>
</tr>
<tr>
<td>Beef</td>
<td>12.7%</td>
<td>4.4%</td>
</tr>
</tbody>
</table>

*What have you bought or what do you plan to buy at the Market? Thinking about your last visit to the Market what did you buy?*

Food items such as fruit and vegetables along with baked goods, cheeses/dairy products, and a variety of meat and seafood products tend to be the staples of most visitors’ purchases. The large amount of square footage devoted to fruit and vegetables tip the scales in their favour but quality vendors selling baked goods, cheese and deli items, and meat ensure that these purchases are high on visitors’ grocery lists.
3.5 Visitation

As stated, Hamilton Farmers' Market draws a very loyal customer base. Eighty-two percent of Intercept Respondents and 60% of Telephone Visitors come to the Market at least once a week in the summer. Visitation adjusts downwards slightly in the winter as people tend to visit only once a week rather than two to three times a week.

Hamilton Farmers' Market Visitation

<table>
<thead>
<tr>
<th>Visitation Frequency</th>
<th>Summer Intercept</th>
<th>Summer Visitor</th>
<th>Winter Intercept</th>
<th>Winter Visitor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Every day it opens</td>
<td>9.5%</td>
<td>1.5%</td>
<td>5.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td>2-3 times a week</td>
<td>42.0%</td>
<td>19.0%</td>
<td>34.0%</td>
<td>10.9%</td>
</tr>
<tr>
<td>Once a week</td>
<td>30.5%</td>
<td>39.4%</td>
<td>39.5%</td>
<td>29.9%</td>
</tr>
<tr>
<td>2-3 times a month</td>
<td>9.0%</td>
<td>19.7%</td>
<td>10.0%</td>
<td>24.1%</td>
</tr>
<tr>
<td>Once a month</td>
<td>3.5%</td>
<td>13.9%</td>
<td>7.0%</td>
<td>18.2%</td>
</tr>
<tr>
<td>Less than once a month</td>
<td>2.0%</td>
<td>3.6%</td>
<td>3.5%</td>
<td>12.4%</td>
</tr>
<tr>
<td>Less than once a year</td>
<td>1.0%</td>
<td>1.5%</td>
<td>1.0%</td>
<td>0.7%</td>
</tr>
<tr>
<td>Never</td>
<td>2.5%</td>
<td>1.5%</td>
<td>0.0%</td>
<td>3.6%</td>
</tr>
</tbody>
</table>

*How often do you come to Hamilton Farmers' Market?*

3.6 Transportation and Parking

A large proportion of visitors to the Market arrive by walking. Walking visitors tend to come primarily from local office buildings in Downtown. In addition, local Downtown and Lower City residents visit the Market. Downtown Hamilton benefits from having a fairly large Downtown population (approximately 20,000) that is growing as new residential units are completed. In addition, easy access by public transit is important to another sizeable visitation segment. Car and motor vehicles are used by just less than 50% of Telephone Visitors. As the Market continues to redevelop, it will be imperative to draw more customers. Increased visitation by those who arrive by car/motor vehicle will be a factor for the growth of the Market.
**Method of Transportation**

<table>
<thead>
<tr>
<th>Mode of Transportation</th>
<th>Intercept</th>
<th>Telephone (Visitor)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Car/motor vehicle</td>
<td>32.5%</td>
<td>46.7%</td>
</tr>
<tr>
<td>Walk</td>
<td>34.5%</td>
<td>32.8%</td>
</tr>
<tr>
<td>Public transit</td>
<td>25.0%</td>
<td>19.0%</td>
</tr>
<tr>
<td>Taxi</td>
<td>2.5%</td>
<td>1.5%</td>
</tr>
<tr>
<td>Other</td>
<td>5.5%</td>
<td>0.0%</td>
</tr>
</tbody>
</table>

*How did you arrive at Hamilton Farmers’ Market?*

**Parking Location**

Of those visitors who arrived by car or other motor vehicle, York Boulevard Parkade provides parking facilities for a sizeable proportion of the visitors.

However, despite the free one-hour parking available at the York Boulevard Parkade, visitors who arrived by motor vehicle opted for other parking locations. Those choosing metered parking often did so because of increased convenience and they tended to have higher household incomes. They were willing to pay a higher rate to be closer to the Market as well as those who did not know there was free parking. In addition, those parking in other locations tended to be local Downtown workers who opted for a lower-priced option (i.e., from a parking pass or a lot slightly further from the core) for their working needs and visited the Market during lunch, at a break, or after work (i.e., walked from their work/office location to the Market).

**Parking Location**

<table>
<thead>
<tr>
<th>Location</th>
<th>Intercept</th>
<th>Telephone (Visitor)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Metered parking</td>
<td>24.6%</td>
<td>45.3%</td>
</tr>
<tr>
<td>York Boulevard Parking Garage</td>
<td>21.5%</td>
<td>42.2%</td>
</tr>
<tr>
<td>Other parking lot</td>
<td>53.9%</td>
<td>12.5%</td>
</tr>
</tbody>
</table>

*Where did you park?*
**Awareness of Free Parking**

<table>
<thead>
<tr>
<th>Aware</th>
<th>Intercept</th>
<th>Telephone (Visitor)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>67.0%</td>
<td>66.4%</td>
</tr>
<tr>
<td>No</td>
<td>33.0%</td>
<td>33.6%</td>
</tr>
</tbody>
</table>

Are you aware that there is one-hour free parking at the multi-level parking garage on York Boulevard for people who shop at Hamilton Farmers’ Market?

One-third of visitors to the Market were not aware of the free one-hour parking available nearby. The awareness increases for those who typically arrive by motor vehicle to approximately 71%. Awareness is also slightly greater for high-income households, high Market spenders, males, working adults, and those who live in the Primary Trade Area. The Market must educate existing and potential visitors on the free parking program available at the York Boulevard Parkade. It is interesting to note that awareness of free parking falls to 23.8% of non-visitors.

### 3.7 Days and Hours of Operation

While Saturday is the most popular visitation day at the Market, weekday visitation tends to be relatively high. Thursday and Friday are essentially tied as the second most popular day. Clearly, the Market appeals to Downtown workers during weekdays.

**Shopping Day**

<table>
<thead>
<tr>
<th>Day</th>
<th>Intercept</th>
<th>Telephone (Visitor)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tuesday</td>
<td>51.5%</td>
<td>43.1%</td>
</tr>
<tr>
<td>Thursday</td>
<td>66.5%</td>
<td>43.8%</td>
</tr>
<tr>
<td>Friday</td>
<td>64.0%</td>
<td>43.8%</td>
</tr>
<tr>
<td>Saturday</td>
<td>72.0%</td>
<td>80.3%</td>
</tr>
</tbody>
</table>

Which days of the week do you typically visit the Market?
The majority of visitors come between 8:00 a.m. and 2:00 p.m. with the 10:00 a.m. to 12:00 p.m. time slot being the most popular.

**Visitation Time**

<table>
<thead>
<tr>
<th>Timeframe</th>
<th>Intercept</th>
<th>Telephone (Visitor)</th>
</tr>
</thead>
<tbody>
<tr>
<td>6:00 a.m. to 8:00 a.m.</td>
<td>2.5%</td>
<td>5.1%</td>
</tr>
<tr>
<td>8:00 a.m. to 10:00 a.m.</td>
<td>21.5%</td>
<td>23.4%</td>
</tr>
<tr>
<td>10:00 a.m. to 12:00 p.m.</td>
<td>38.0%</td>
<td>35.8%</td>
</tr>
<tr>
<td>12:00 p.m. to 2:00 p.m.</td>
<td>22.5%</td>
<td>21.9%</td>
</tr>
<tr>
<td>2:00 p.m. to 4:00 p.m.</td>
<td>13.5%</td>
<td>10.2%</td>
</tr>
<tr>
<td>4:00 p.m. to 6:00 p.m.</td>
<td>2.0%</td>
<td>3.6%</td>
</tr>
</tbody>
</table>

*Which time do you typically visit the Market?*

### 3.8 Number of Years

As stated, Hamilton Farmers’ Market attracts very loyal visitors. The mean number of years visitors have been coming to the Market is approximately 20. However, approximately one-quarter of the visitors have been coming to the Market for less than five years. Still, there is a relatively small amount of new visitors. This fact relates to the long-term viability of the Market. If the Market is unable to sustain new growth in customers, sales will diminish as the core base of older visitors are no longer able to come.

**Number of Years as a Market Shopper**

<table>
<thead>
<tr>
<th>Years</th>
<th>Intercept</th>
<th>Telephone (Visitor)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than a year</td>
<td>3.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td>1 to 5</td>
<td>23.0%</td>
<td>23.0%</td>
</tr>
<tr>
<td>6 to 10</td>
<td>11.0%</td>
<td>17.5%</td>
</tr>
<tr>
<td>11 to 20</td>
<td>25.0%</td>
<td>23.4%</td>
</tr>
<tr>
<td>21 to 30</td>
<td>14.0%</td>
<td>9.5%</td>
</tr>
<tr>
<td>31 to 40</td>
<td>11.5%</td>
<td>8.0%</td>
</tr>
<tr>
<td>41 years and over</td>
<td>12.5%</td>
<td>14.6%</td>
</tr>
<tr>
<td>Mean number of years</td>
<td>20.7%</td>
<td>19.9</td>
</tr>
</tbody>
</table>

*How long have you shopped at Hamilton Farmers’ Market?*
3.9 Amount Spent

The average visitor to the Market spends between $33 and $37 each visit. Given the relatively high frequency of visits, this manifests itself into a significant sales volume at the Market.

<table>
<thead>
<tr>
<th>Spend</th>
<th>Intercept</th>
<th>Telephone (Visitor)</th>
</tr>
</thead>
<tbody>
<tr>
<td>$0</td>
<td>0.0%</td>
<td>0.7%</td>
</tr>
<tr>
<td>$1 to $10</td>
<td>16.0%</td>
<td>11.7%</td>
</tr>
<tr>
<td>$11 to $20</td>
<td>30.0%</td>
<td>23.4%</td>
</tr>
<tr>
<td>$21 to $30</td>
<td>19.5%</td>
<td>21.2%</td>
</tr>
<tr>
<td>$31 to $40</td>
<td>13.0%</td>
<td>16.1%</td>
</tr>
<tr>
<td>$41 to $50</td>
<td>9.0%</td>
<td>12.4%</td>
</tr>
<tr>
<td>$50 or more</td>
<td>12.5%</td>
<td>14.6%</td>
</tr>
<tr>
<td>Mean amount spent</td>
<td>$33.60</td>
<td>$37.20</td>
</tr>
</tbody>
</table>

*How much do you spend at the Market each visit?*
3.10 Market Shopping Priorities and Hamilton Farmers' Market Ratings

Hamilton Farmers' Market visitors were asked to rate those factors, which were the most important in determining their Farmers' Market or grocery shopping experience (1 = not at all important; 5 = very important). These same respondents were then asked to rate Hamilton Farmers' Market on the same factors. The following tables summarize the answers to these questions.

### Market Importance and Ratings

<table>
<thead>
<tr>
<th>Factor</th>
<th>Importance</th>
<th>Hamilton Farmers' Marketing Rating</th>
<th>Gap (Rating - Importance)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fresh quality products and standards</td>
<td>4.6</td>
<td>4.5</td>
<td>-0.1</td>
</tr>
<tr>
<td>Quality of vendors</td>
<td>4.4</td>
<td>4.1</td>
<td>-0.3</td>
</tr>
<tr>
<td>Locally produced food and goods</td>
<td>4.3</td>
<td>4.2</td>
<td>-0.1</td>
</tr>
<tr>
<td>Easy to get to</td>
<td>4.3</td>
<td>4.2</td>
<td>-0.1</td>
</tr>
<tr>
<td>Cleanliness and overall appearance</td>
<td>4.3</td>
<td>4.1</td>
<td>-0.2</td>
</tr>
<tr>
<td>Safe and secure feeling</td>
<td>4.1</td>
<td>4.1</td>
<td>0.0</td>
</tr>
<tr>
<td>Wide selection of grocery items</td>
<td>4.1</td>
<td>3.9</td>
<td>-0.2</td>
</tr>
<tr>
<td>Prices</td>
<td>4.0</td>
<td>4.0</td>
<td>0.0</td>
</tr>
<tr>
<td>Choice of same products</td>
<td>3.8</td>
<td>4.0</td>
<td>0.2</td>
</tr>
<tr>
<td>Ability to shop downtown</td>
<td>3.8</td>
<td>3.9</td>
<td>0.1</td>
</tr>
<tr>
<td>Convenient hours of operation</td>
<td>3.7</td>
<td>3.6</td>
<td>-0.1</td>
</tr>
<tr>
<td>Convenient days of the week</td>
<td>3.5</td>
<td>3.6</td>
<td>0.1</td>
</tr>
<tr>
<td>Personal relationship with vendors</td>
<td>3.3</td>
<td>3.3</td>
<td>0.0</td>
</tr>
<tr>
<td>Discounts and promotions</td>
<td>3.3</td>
<td>3.0</td>
<td>-0.3</td>
</tr>
<tr>
<td>Cost of parking</td>
<td>3.0</td>
<td>2.9</td>
<td>-0.1</td>
</tr>
<tr>
<td>Entertainment and special events</td>
<td>2.3</td>
<td>2.5</td>
<td>0.2</td>
</tr>
</tbody>
</table>

On a scale of 1 to 5, with 5 being the most important, how important are each of these factors for your farmers’ market or grocery shopping experience? How would you rate Hamilton Farmers’ Market on each of these factors?

### Strengths and Weaknesses

Given that visitors to the Market are primarily composed of loyal shoppers, their perceptions are generally positive. A further analysis of different target market segments reveals strengths for the Market to build upon and weaknesses to be addressed.
Overall, the top things visitors to the Market are looking for include fresh, quality products including local produce, attractive prices, a clean environment, knowledgeable and friendly vendors, and a place that is easy to get to. These are the top factors regardless of age or income.

Hamilton Farmers’ Market achieved high ratings for these same issues; however, visitors found that for each of these factors, there was room for improvement (i.e., the gap for each factor was negative). The largest gap differential, albeit very small, was noted in the quality of the vendors. Other noted improvements include cleanliness, overall appearance of the Market, and offering a wide selection of grocery items.

Positive gap differentials were noted for choice of same product, entertainment and special events (however, it was listed as a low importance factor), ability to shop Downtown, and convenient days of the week. Visitors appreciate the fact that the Market is central in Downtown Hamilton and that there is an abundant choice of basic food.

Visitors were also asked why they do not shop at the Market more often. Convenience factors either related to the visitors’ busy schedule not corresponding with the Market’s opening hours and days, parking, and the physical location of the building hindered their ability to shop more.

<table>
<thead>
<tr>
<th>Reason Why Visitors Do Not Shop More</th>
<th>Intercept</th>
<th>Telephone (Visitor)</th>
</tr>
</thead>
<tbody>
<tr>
<td>No reason</td>
<td>73.5%</td>
<td>48.9%</td>
</tr>
<tr>
<td>Inconvenient location</td>
<td>12.5%</td>
<td>12.4%</td>
</tr>
<tr>
<td>Lack of time/busy</td>
<td>3.0%</td>
<td>8.8%</td>
</tr>
<tr>
<td>Inconvenient hours/days of operation</td>
<td>3.0%</td>
<td>7.3%</td>
</tr>
<tr>
<td>Lack/expensive parking</td>
<td>2.5%</td>
<td>5.1%</td>
</tr>
<tr>
<td>Lack of choice at the Market</td>
<td>1.5%</td>
<td>2.2%</td>
</tr>
<tr>
<td>Too expensive</td>
<td>1.5%</td>
<td>1.5%</td>
</tr>
<tr>
<td>Do not like to go downtown</td>
<td>2.9%</td>
<td>1.0%</td>
</tr>
</tbody>
</table>

Are there reasons why you do not shop at the Market more often?
Improvements that the Market could make to encourage visitors to shop more often include making the Market more convenience oriented as well as improving the vendors and the freshness of the products sold. Other notable mentions include a full range of product assortment, organic products, more variety, more ready-to-eat products, and prepared meals. Approximately one-half believed that nothing would make them shop at the Market more often.

<table>
<thead>
<tr>
<th>Improvements by Current Visitors</th>
<th>Intercept</th>
<th>Telephone (Visitor)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Convenience of location if lived closer</td>
<td>7.5%</td>
<td>6.3%</td>
</tr>
<tr>
<td>If I had more time</td>
<td>2.5%</td>
<td>6.3%</td>
</tr>
<tr>
<td>Lower prices</td>
<td>5.5%</td>
<td>6.3%</td>
</tr>
<tr>
<td>Better hours/open more days in the week</td>
<td>7.5%</td>
<td>4.7%</td>
</tr>
<tr>
<td>Cheaper/free parking</td>
<td>3.5%</td>
<td>3.1%</td>
</tr>
<tr>
<td>More farmers/local farmers</td>
<td>2.5%</td>
<td>3.1%</td>
</tr>
<tr>
<td>More consistent freshness</td>
<td>2.5%</td>
<td>2.4%</td>
</tr>
<tr>
<td>Nothing</td>
<td>53.8%</td>
<td>48.8%</td>
</tr>
</tbody>
</table>

What would encourage you to shop more often?

In terms of promoting the Market to Downtown employees more for food and eating purposes, there is an opportunity to capture potential sales. The Downtown worker segment indicates that they eat lunch out on a regular basis. Twenty-six percent indicated that they eat lunch out in Downtown Hamilton once a week and a further 25% eat lunch out more than once a week.

<table>
<thead>
<tr>
<th>Frequency of Eating Lunch in Downtown</th>
<th>Intercept</th>
</tr>
</thead>
<tbody>
<tr>
<td>Everyday</td>
<td>3.0%</td>
</tr>
<tr>
<td>Four times a week</td>
<td>2.5%</td>
</tr>
<tr>
<td>Three times a week</td>
<td>8.5%</td>
</tr>
<tr>
<td>Two times a week</td>
<td>10.8%</td>
</tr>
<tr>
<td>Once a week</td>
<td>26.1%</td>
</tr>
<tr>
<td>Twice a month</td>
<td>2.0%</td>
</tr>
<tr>
<td>Once a month</td>
<td>6.5%</td>
</tr>
<tr>
<td>Never</td>
<td>40.8%</td>
</tr>
</tbody>
</table>

How often do you go out for lunch in Downtown Hamilton?
### 3.11 Other Markets

A small but significant percentage of the Market Visitors also visit other markets. Approximately 13% of the Visitors will also shop at Centre Mall Farmers’ Market. Local Kitchener and Waterloo markets also draw visitors.

<table>
<thead>
<tr>
<th>Markets</th>
<th>Intercept</th>
<th>Telephone (Visitor)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Centre Mall Farmers’ Market</td>
<td>12.5%</td>
<td>12.7%</td>
</tr>
<tr>
<td>Kitchener Market</td>
<td>8.0%</td>
<td>6.0%</td>
</tr>
<tr>
<td>St. Jacobs/Waterloo Market</td>
<td>6.5%</td>
<td>4.5%</td>
</tr>
<tr>
<td>Burlington Mall Farmers’ Market</td>
<td>2.5%</td>
<td>3.0%</td>
</tr>
<tr>
<td>Other</td>
<td>6.5%</td>
<td>9.7%</td>
</tr>
<tr>
<td>Do not visit other markets</td>
<td>68.0%</td>
<td>72.4%</td>
</tr>
</tbody>
</table>

---

Reasons stated for visiting these other markets include better quality of fresh products from local producers, diversity, and friendly atmosphere. In addition, Visitors stated that these other markets are more convenient for them to access. In addition, Visitors appreciated the open-air concept of some of these markets.

<table>
<thead>
<tr>
<th>Reasons for Visiting Other Markets</th>
<th>Intercept</th>
<th>Telephone (Visitor)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fresh produce</td>
<td>12.5%</td>
<td>32.5%</td>
</tr>
<tr>
<td>Convenient location</td>
<td>14.1%</td>
<td>25.0%</td>
</tr>
<tr>
<td>Friendly atmosphere</td>
<td>14.1%</td>
<td>17.5%</td>
</tr>
<tr>
<td>Good variety/diversity</td>
<td>21.9%</td>
<td>12.5%</td>
</tr>
<tr>
<td>More &quot;real&quot; farmers</td>
<td>10.9%</td>
<td>12.5%</td>
</tr>
<tr>
<td>Cheaper/less expensive</td>
<td>3.1%</td>
<td>12.5%</td>
</tr>
<tr>
<td>Open air market</td>
<td>18.8%</td>
<td>5.0%</td>
</tr>
<tr>
<td>Nothing</td>
<td>7.8%</td>
<td>2.5%</td>
</tr>
</tbody>
</table>

---

*What other farmers’ markets do you visit?*
3.12 Main Grocery Shopping

In terms of marketing, parking requirements, merchandising, and management operations, it is important for Hamilton Farmers' Market to compare itself to supermarkets. The competitive nature of the food shopping industry dictates that there are a few very large players who control a large amount of the total food spending. The marketplace will become increasingly competitive as Wal-Mart adds their superstore concepts (approximately 50% food) and Loblaw Corporation continues to expand their Real Canadian Superstore model across Canada.

In terms of main grocery shopping preferences, Fortino's (Loblaws) is the most visited store for Market visitors followed by No Frills. Non-visitors tend to prefer the discount oriented stores of No Frills, The Barn, and Price Chopper\(^9\).

<table>
<thead>
<tr>
<th>Supermarkets</th>
<th>Intercept</th>
<th>Telephone (Visitor)</th>
<th>Telephone (Non-visitor)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fortino's, Loblaws, Real Canadian Superstore</td>
<td>52.5%</td>
<td>60.6%</td>
<td>39.7%</td>
</tr>
<tr>
<td>No Frills</td>
<td>41.0%</td>
<td>38.0%</td>
<td>54.0%</td>
</tr>
<tr>
<td>Food Basics</td>
<td>37.0%</td>
<td>28.5%</td>
<td>19.0%</td>
</tr>
<tr>
<td>The Barn</td>
<td>38.5%</td>
<td>26.7%</td>
<td>46.0%</td>
</tr>
<tr>
<td>Denninger's</td>
<td>15.5%</td>
<td>4.4%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Price Chopper</td>
<td>7.5%</td>
<td>12.4%</td>
<td>25.4%</td>
</tr>
<tr>
<td>Sobeys</td>
<td>6.5%</td>
<td>2.9%</td>
<td>4.8%</td>
</tr>
</tbody>
</table>

\(^9\) Fortino's was also listed by 39.7% on non-visitors, relatively high but smaller than visitors.
Market visitors tend to spend less on their weekly food shopping compared to Non-visitors.

### Amount Spent on Grocery Shopping

<table>
<thead>
<tr>
<th>Spend</th>
<th>Intercept</th>
<th>Telephone (Visitor)</th>
<th>Telephone (Non-visitor)</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1 to $40</td>
<td>15.0%</td>
<td>16.8%</td>
<td>14.3%</td>
</tr>
<tr>
<td>$41 to $50</td>
<td>14.5%</td>
<td>11.7%</td>
<td>9.5%</td>
</tr>
<tr>
<td>$51 to $60</td>
<td>10.0%</td>
<td>7.3%</td>
<td>7.9%</td>
</tr>
<tr>
<td>$61 to $80</td>
<td>14.5%</td>
<td>16.1%</td>
<td>12.7%</td>
</tr>
<tr>
<td>$81 to $100</td>
<td>22.5%</td>
<td>23.4%</td>
<td>30.2%</td>
</tr>
<tr>
<td>$101 to $150</td>
<td>13.5%</td>
<td>13.1%</td>
<td>14.3%</td>
</tr>
<tr>
<td>$150+</td>
<td>10.0%</td>
<td>11.7%</td>
<td>9.5%</td>
</tr>
<tr>
<td>Mean Amount Spent</td>
<td>$35.00</td>
<td>$37.40</td>
<td>$35.10</td>
</tr>
</tbody>
</table>

*How much do you spend on grocery shopping for your household in a week?*

#### 3.13 Other Activities

Hamilton Farmers’ Market is an asset to Downtown Hamilton including Jackson Square. The Market draws visitors to the core for shopping experiences that has spin-off effects for other businesses. As well, a stronger Downtown Hamilton will benefit the Market to create increased synergy.

Visitation to Jackson Square indicates a marked increase at the mall on Market days. Survey respondents noted a strong correlation between shopping at the mall and other activities in Downtown such as visiting the Library.

### Synergy with Other Downtown Activities

<table>
<thead>
<tr>
<th>Activities</th>
<th>Intercept</th>
<th>Telephone (Visitor)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shop at Jackson Square</td>
<td>29.5%</td>
<td>37.2%</td>
</tr>
<tr>
<td>Visit the Library</td>
<td>19.5%</td>
<td>20.4%</td>
</tr>
<tr>
<td>Shop in Downtown</td>
<td>4.5%</td>
<td>19.7%</td>
</tr>
<tr>
<td>Banking</td>
<td>18.0%</td>
<td>8.0%</td>
</tr>
<tr>
<td>Visit Denninger’s Food of the World</td>
<td>8.5%</td>
<td>6.6%</td>
</tr>
<tr>
<td>Eat/drink</td>
<td>4.0%</td>
<td>6.6%</td>
</tr>
<tr>
<td>Entertainment</td>
<td>5.0%</td>
<td>6.6%</td>
</tr>
<tr>
<td>Work</td>
<td>10.0%</td>
<td>1.5%</td>
</tr>
</tbody>
</table>

*What other things have you done or plan to do today/or do you usually do in Downtown Hamilton?*
3.14 Summary

As stated, current visitors to the Hamilton Farmers' Market represent a very stable, loyal following. This target market is slightly older, more ethnically diverse, and primarily live near the Market and to the west of the City. However, this stable, loyal customer base is not large enough to sustain the Market's operations into the future. Additional customers must be encouraged to visit. This includes the Downtown office market, younger households and families, and others who desire an urban, hip food shopping experience.
4.0 TARGET MARKETS

As stated, success for Hamilton Farmers’ Market rests on being able to expand sales for the vendors. This will require more sales from the existing visitors (i.e., increase the sales volume per visit or increase the number of the visits) as well as enticing previous Market customers and new customers to the Market.

The goal is not to lose the existing customer base but to expand it. However, it is important to realize that a certain level of the existing customer base will drop off after the renovation for various reasons. This is even more likely when the customer base is older.

High spending customers according to the survey data tend to live in the Lower City in the neighbourhoods of Kirkendall and Durand as well as the North End. In addition, they live in neighbourhoods throughout the rest of the City.

![High Spenders at Hamilton Farmers’ Market](image)

According to expenditure data for the region, the following maps and table help to illustrate the high potential for new customers who spend more on meat and fruit and vegetables per capita.
The two maps illustrate a similar pattern of high expenditure potential for meat and fruit and vegetables for the western neighbourhoods and communities of Hamilton as well as those neighbourhoods that straddle the escarpment (e.g., Westcliffe). The neighbourhoods of Kirkendall and Durand as well as St. Clair represent lucrative areas to market to in the Lower City.
# Target Markets

<table>
<thead>
<tr>
<th></th>
<th>Per Capita Expenditure</th>
<th>Index of Per Capita Expenditure to Ontario Average</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Primary Trade Area</td>
<td>Secondary Trade Area</td>
</tr>
<tr>
<td>Population</td>
<td>79,154</td>
<td>162,106</td>
</tr>
<tr>
<td>Per Capita Income</td>
<td>$17,033</td>
<td>$19,738</td>
</tr>
<tr>
<td>Per Capita Expenditure</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Beef</td>
<td>$30</td>
<td>$37</td>
</tr>
<tr>
<td>Pork</td>
<td>$43</td>
<td>$47</td>
</tr>
<tr>
<td>Chicken</td>
<td>$64</td>
<td>$70</td>
</tr>
<tr>
<td>Fish (Fresh or Frozen)</td>
<td>$22</td>
<td>$24</td>
</tr>
<tr>
<td>Other Marine</td>
<td>$16</td>
<td>$15</td>
</tr>
<tr>
<td>Dairy</td>
<td>$209</td>
<td>$232</td>
</tr>
<tr>
<td>Eggs</td>
<td>$18</td>
<td>$20</td>
</tr>
<tr>
<td>Baked Goods</td>
<td>$147</td>
<td>$164</td>
</tr>
<tr>
<td>Other Cereals/Grains</td>
<td>$166</td>
<td>$72</td>
</tr>
<tr>
<td>Fresh Fruit</td>
<td>$108</td>
<td>$115</td>
</tr>
<tr>
<td>Fresh Vegetables</td>
<td>$126</td>
<td>$130</td>
</tr>
<tr>
<td>Nuts</td>
<td>$11</td>
<td>$13</td>
</tr>
<tr>
<td>Supermarkets</td>
<td>$1,333</td>
<td>$1,436</td>
</tr>
<tr>
<td>Specialty Food Stores</td>
<td>$121</td>
<td>$129</td>
</tr>
</tbody>
</table>

*Source: Statistics Canada, Generation 5*

On a per capita expenditure basis, the Primary Trade Area (similar to the Lower City) spends less than other areas of the City and Ontario on many items that are typically found in a market. However, indexing expenditure in relation to the per capita income shows that Primary Trade Area residents have an income elasticity of less than 1.0 for certain items including other marine products (e.g., shrimp), pork, eggs, baked goods, other cereals/grains, fresh vegetables, dairy, and nuts. This means than although their per capita income is lower, they choose to spend a higher percentage of the income on these listed items than the average Ontario resident.

However, it is interesting to note that Lower City and the Hamilton CMA residents are more apt to shop at supermarkets than specialty food stores. This variance indicates that the Market will probably have to use strong marketing skills to convince residents to shop at the Market as there appears to be a preference for supermarket shopping.
5.0 ACTION PLAN

This section develops the vision and action plan for Hamilton Farmers’ Market including:

＞ management,
＞ vendor mix,
＞ physical design,
＞ marketing, and
＞ financial pro forma.

5.1 Vision

It is time for a bold and exciting new vision for the Hamilton Farmers’ Market. Not only have the needs of the food shopping public changed (e.g., semi-prepared foods, organics, etc.) but also the needs of the City are very different from when the current Market was located in its present location.

A new Hamilton Farmers’ Market will play a much broader and more important role in the City’s future. It will continue to focus on food and to house re-sale vendors as well as farmers/producers, but the Hamilton Farmers’ Market will also help revitalize Downtown by offering a much wider range of programming for the City’s citizens. As a crossroad for civic activity, programs can feature cultural planning activities, library events, tourism and convention programs, as well as food-based demonstrations and classes (e.g., new immigrant learning). This broader appeal will generate more visits and make much better use of this valuable cultural asset.

In order for this vision to be realized, it will be necessary to introduce change to both the physical aspects of the venue as well as the way it is managed, operated, leased, and marketed. Without these positive changes, the City will see this asset languish.

The vision for Hamilton Farmers’ Market is as follows:

＞ A food market (primarily)—highlight urban market, experiential appeal
＞ A catalyst activity centre for Downtown—more than just a market which will include social activities
＞ An attitudinal/image enhancer for Downtown
＞ Creates a sense of “I want to go to the Market”—a destination
＞ Develops a branded identity
＞ Creates a place of high standards in terms of design, service, architecture, etc.
＞ Creates a sense of freshness
＞ A unique community asset.
5.2 Management

The current management system has been in place for a number of years. While the City and the vendors agreed to move the Market from its original location and struck a long-term agreement (99 Years), that the Market remain in its location adjacent to Jackson Square, there is no agreement that the City is bound to operate the Market.

A review of the management alternatives includes the following assumptions:
> Under any management alternative, the City will continue to own the land and the building.
> Under any management alternative, there will be staff necessary to carry out functions such as maintenance, clerical work, leasing, and marketing/public relations. This analysis deals only with organizational structure above the position of a Market Manager. Please note that the current Market Supervisor position is too limited for the Market's needs.

Alternatives

There are three alternative management structures:

1. Ownership and Direct Operation by the City of Hamilton (i.e., the current situation)

The Market is currently an operating unit within the Department of Culture and Special Events. This is part of a greater department of Culture, Recreation, Public Health, and Community Services.

The Market Supervisor reports to the Manager of Culture and Special Events, who in turn reports to a General Manager of Culture, Recreation, Public Health, and Community Service. This management structure has been in place for many years.
Direct ownership and management of a market by a public sector agency is common among operating markets in Canada. Examples include the following:\(^{10}\):

> Granville Island Public Market, Vancouver: owned and operated by the Government of Canada through CMHC\(^{11}\). This market has an advisory Board of Trustees, but the government retains all decision-making authority.

> St. Lawrence Market, Toronto: owned and operated by the City of Toronto. The Market management reports up through the City organization to Council. Kitchener Market operates in a similar manner.

> ByWard Market, Ottawa: (outdoor farmers’ market) owned and operated by the City of Ottawa and occupies streets owned by the City in the ByWard District. The Market management reports up through the City organization to Council. Please note that the ByWard Market building is owned by the City but is privately operated.

2. **Creation of an Independent Corporation Owned by the City**

The City has the power to create a wholly-owned Corporation for the purpose of operating the Market. The City would retain ownership of the land and the buildings but would delegate all responsibility for operating the Market to the Corporation. The City would likely retain control over capital financing (on the assumption that it would not delegate the authority to borrow) but the Corporation would be responsible for leasing, setting rents, annual budgeting, staffing, creative direction, and all other aspects of operating the Market. The Chair and the Directors of the Corporation’s Board would be appointed by Council and it is likely that some of the Directors would be Council members and potentially senior staff who would act in a liaison capacity and represent the interests of the City.

This type of management structure is in place in a variety of existing markets in Canada including:

> Covent Garden Market, London (ON): the City of London owns the land and building and the Market Corporation owns and operates the market business. The City appoints Directors to the Board but the Corporation is completely independent with regard to leasing, operating budgets, staffing, and other operational matters.

> Forks Market, Winnipeg: the market is part of a larger Forks site that includes a variety of entertainment, commercial, and recreation uses and is owned equally between the City of Winnipeg, the Province of Manitoba, and the Government of Canada. All authority is delegated to a Corporation. Each of the three government stakeholders appoints Directors to the Board.

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\(^{10}\) A comparison of other Markets is provided in Appendix A.

\(^{11}\) CMHC: Canada Mortgage and Housing Corporation.
3. **Long Term lease to a Private Sector Operator**

As the City intends to retain ownership of the property, the only way to turn over complete management responsibility (with no ongoing involvement by Council) to the private sector is through a lease arrangement (head-lease). The City would lease the entire Market to a private sector entity (an individual or a company). The private sector operator would then be responsible for all aspects of operations, except for structural maintenance. The operator would pay the City rent, which might be fixed monthly, or an annual rent, or a payment based on financial performance (or some combination).

There are several privately owned and operated markets in Canada including Lonsdale Quay and Westminster Quay in the Vancouver area; Eau Claire Market in Calgary; and St. Jacobs and Waterloo Markets in the Kitchener/Waterloo area. While these markets are owned and operated by the private sector (not on a head-lease), they provide good examples of private sector management structure.

There are a few examples of situations in which the market property is owned by a public agency and leased on a long-term basis to a private operation. One example is the ByWard Market building in Ottawa (the outdoor market that occurs in the side streets surrounding the building are operated by the City of Ottawa).

The management evaluation is based on the following criteria:

- Potential impacts on revenue
- Potential impacts on costs
- Potential impact on net income to the City
- Management efficiency
- Potential impact on the character and image of the Market
- Accountability to the City (as the ultimate owner and investor).
Potential Impacts on Revenue

If the Market is operated under a policy of achieving fair market value in rent rates, then the ownership/management structure should have no impact on the potential gross revenue from rents.

However, public sector operation (either directly by the City or through an independent Corporation) involves two potential risks related to revenue:
› There can be a prevailing sense (among vendors, community at large, or Council) that a City project should be operated on a break-even basis, as though it were a community facility, not on a for-profit basis. This would make it difficult to achieve the highest possible rents.
› There can be political pressure on Council (usually from vendors) to avoid increasing rents. Usually the lobbying against rent increases involves themes related to hurting small, family-owned businesses.

These risks are greatest when the City owns and directly operates the Market, as the Mayor and Council are necessarily involved in making commercial decisions about the Market and become targets of lobbying and protests. City operated markets that have a better history of non-involvement by elected officials (e.g., Granville Island), or if the operation of the Market is delegated to a Corporation (including the independent authority to set rents), work better. However, the veil of an independent Corporation is of little value if Council members seek to influence unduly the Corporation.

The private sector is immune to these kinds of pressures as there is the expectation that the private sector will maximize revenue. The situation of a private sector operator on a long-term lease may be swayed as there is still a connection between Council and the Market. The solution is always a clear policy and consistent application of that policy.

Given the significant investment by the City of Hamilton and the desire to not subsidize some retailers so they have an unfair advantage over their competitors, the City policy on financial performance and rents should be as follows:
› To seek to operate at a profit
› To set rents at fair market value, subject to the need to offer temporary discounts of favourable terms to achieve “lease-up.”

As stated, this policy is only useful if it is applied consistently and if Council does not seek to unduly influence the Market.
Potential Impact on Costs

There are three main ways that management structure can affect costs:

1. Public sector operation involves an obligation to use unionized personnel and these costs can be significantly higher than if the private sector operated the project. Delegating operational responsibility to a Corporation may not change the requirement for unionized labour. Legal advice will have to be sought to determine if this is the case.

2. The total allocation of management expense against the Market. Depending on the City's accounting practice, this line item can work for or against the books of the Market. Currently, portions of all of the salaries of those involved in the Market beyond the Market Supervisor are not allocated to the Market's books (e.g., Manager of Culture and Special Events, Downtown Renewal staff, etc.). In this situation, the total management expense is less than what would be booked in a Corporation or a private sector.

3. The extent to which management seeks to (or has incentive to) minimize operating costs. The private sector has a profit motive to minimizing costs; whereas, the public sector does not unless there is some kind of bonus scheme in place for management that reward cost reductions. It is important not to be too “spend-thrift” as some short-term cost reductions may jeopardize the long-term performance of the Market.

While private sector operations tend to be leaner, it is possible to develop budget processes and accountability measures that minimize any over spending under City or Corporation management.

Potential Impact on Net Income to the City

The revenue and cost considerations outlined above will have an impact on the net income that will flow to the City as the owner/investor. Previously, the Market has managed to achieve greater revenues than expenses. These profits have been re-invested into the City into the general levy. In 2005, expenses were slightly greater than revenue due to higher energy costs and a one-time employee grievance issue.
Under City operations, the City will continue to receive as income the entire difference between revenues and operating costs. It will be up to the City to determine how to use this revenue (e.g., general levy, retirement of debt). Under a Corporation model, the Corporation’s mandate and budget may call for retaining some cash reserves (presumably up to some limit) that could defer the flow of income to the City, although over the long term, the City should end up with the same total income.

Under the private sector lease model, the main new financial factor is that the private sector will expect to earn a profit and will only pass to the City the agreed on rent. This rent may be a fixed annual payment or some combination of a fixed payment plus supplemental payments based on financial performance. However, it will be less compared to the amount received if the City operated the Market directly and it ran a profit. The City would have lower costs and lower risks; however, the City’s net income would be lower because only a portion of the net income from the Market’s operations would be payable as rent.

The Market’s history of producing a profit may attract interest from private sector individuals or companies. In addition, the healthy financial situation at the Market will be encouraging to help find quality Board members. If the Market were in severe financial difficulties it would be harder to find quality Board members to work together to bring it into a positive financial situation.

Management Efficiency

Generally speaking, private sector management is capable of responding more quickly to some kinds of management issues because there is less need for public process, and for reporting up through layers, as well as the risk of media attention causing delays is mitigated.

For example, the decision to terminate the lease of a defaulting tenant is neither difficult nor time consuming in the private sector. In contrast, the need for public process, the risk of an issue becoming high profile in the media, and the concern about political impacts can make such a decision slow (or worse, can result in not terminating tenants that should be let go).

An independent Corporation can, in theory, be more efficient than a direct City operation as there are fewer layers and the Directors of the Corporation could reasonably be expected to be more focused on Market issues and less sensitive to political repercussions. In practice, this depends heavily on the composition, knowledge, and motives of the Directors. If Council appoints Directors who are community-service oriented, have some understanding of business and retail matters, and who are focused on achieving profitable operations, the Corporation can be efficient. Otherwise, the Corporation can become dysfunctional.
Potential Impact on the Character and Image of the Market

Management structure can, over time, affect the character and image of the Market in two principal ways:

- The tenant mix
- The public’s informal use of the space.

In order to maintain their unique niche in the retail food market, most markets must carefully manage their tenant mix. The tenant mix should exhibit the following characteristics:

- Diversity and variety including some vendors who can add visual interest and customer appeal even if they are not high rent payers.
- Predominantly owner-occupied, rather than businesses owned by parties that do not take an active role in on-site retailing. Personality and customer relations are one of the ways the Markets differentiate themselves from other food retailers.
- Businesses that are unique or at least unique in the regional marketplace. One implication of this is that chains and franchises are generally regarded as inappropriate in a Market.

Public markets such as St. Lawrence, Granville Island, the Forks, and Covent Garden exhibit these kinds of tenant mixes.

Private sector markets strive to adhere to these principles but have difficulty turning down the high rent that can be offered by national and regional chains. Private sector markets also tend to include more flea-market-type vendors and different arts and craft vendors whose quality may be questionable. This is often a complaint at markets such as Waterloo and St. Jacobs, which are privately owned. Ottawa, in contrast, has an adjudication system for craft vendors in ByWard to ensure that the crafts are genuinely locally made and are of sufficient high quality to maintain the image of the craft market. Many markets have day tables available but these are strictly for local produce growers and local artisans.

There are many examples of Markets that have accepted national and regional prepared food chains including one in Kelowna, BC and another in Fort Worth, TX. This was one of a variety of factors that contributed to both of the projects failing within a few years. The City could put provisions in the head-lease, which stipulates the type of tenants (and what is not allowed) and even go so far as to retain the right to review each proposed tenant.
Under the City operation or Corporation models, the City can retain complete control over the tenant mix for the long-term benefit of the Market. This can mean foregoing some short-term income, which may be necessary for the long-term viability of the Market.

The second potential difference can impact on the public’s informal use of the Market space.

Shopping centres tend to use security guards and other means to discourage what the owners might consider “loiterers and undesirables.” Publicly owned space, on the other hand, tends to be more open to a wide range of people. While illegal activities and truly disruptive behaviour cannot be tolerated at the Market, there may be more latitude in accepting buskers or tolerating people hanging out for long periods.

**Accountability to the City**

The City is making a large investment in the Market. As such, the City is quite anxious to ensure that the Market is operated in a manner that maximizes the chances for success and that will make a strong contribution to the vitality of Downtown Hamilton.

On the surface, direct operation would appear to offer the best way to ensure that the Market operates in accordance with the City’s goals and objectives. However, if the City delegates authority to a Corporation, accountability to the City can be achieved by carefully setting up the arrangement in the first place, choosing the appropriate people, and having good reporting and feedback systems.

No management structure is inherently better than the others. All of the options have strengths and weaknesses including the potential to produce very good and very poor results. Vague policy, inconsistent decisions, over-politicization of Market decisions, or inappropriate personnel can prevent success under any of the management options.
The strengths and weaknesses of the options are summarized on the following table:

<table>
<thead>
<tr>
<th></th>
<th>City Operations</th>
<th>Non-profit Corporation Owned by City</th>
<th>Private Sector</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rental Revenue Potential</td>
<td>Can have the greatest risk of under-achieving because the City can find it difficult to push for maximum rent</td>
<td>With enough independence, can match private sector’s ability to maximize rent</td>
<td>Best chance to maximize rental income</td>
</tr>
<tr>
<td>Costs</td>
<td>Can have a hard time minimizing costs due to union labour and lack of incentive for cost reduction</td>
<td>May have the same problems as the City operations and conflicts over responsibility (e.g., maintenance, marketing, etc.)</td>
<td>Best chance to achieve minimum operating costs</td>
</tr>
<tr>
<td>Administrative Efficiency</td>
<td>Has the potential to be less efficient than other options, but this depends heavily on the organizational structure and individuals</td>
<td>Can match the private sector because the Corporation is focused on the Market</td>
<td>Likely to be the leanest organization</td>
</tr>
<tr>
<td>Net Income to City</td>
<td>Paradoxically can generate most cash to the City because no funds are retained by the Corporation or private sector</td>
<td>Can produce the same result as the City operations unless the Corporation retains significant reserves</td>
<td>Can produce the lowest payment to the City because the private sector operator requires profit and is essentially only paying rent for the building</td>
</tr>
<tr>
<td>Character of the Market</td>
<td>Should be little risk of gradual erosion of Market character due to tenant mix problems and should produce the optimal community public space</td>
<td>Probably the same as under City operations</td>
<td>Greater risk of gradual shift in the tenant mix to enhance revenues but possibly at the expense of local unique character. Probably more regimented in terms of public use of the space</td>
</tr>
</tbody>
</table>

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Implications to the Market

Based on the preceding analysis, the Corporation model has the potential to combine the strengths of the City operations and the private sector leasing which will benefit Hamilton Farmers’ Market. The City has an obligation to ensure the Market is operated in such a way that it provides high quality, competitive retail services for the customers, as well as a duty to ensure that the vendors who lease space from them are able to earn a proper living in a quality work environment. A non-profit Corporation model is the best alternative for the following reasons:

- The City is still able to maintain control over the Market so that it continues to operate as a community asset.
- The Market is in a relatively positive economic position and recruiting qualified Board Directors should not be a problem. The Corporation model will allow the Market to expand its operation, increase the budget, and still remain economically sound.
- The Market will be in a better position to be competitive with other food shopping businesses.
- There is a need to increase the quality of the hands-on management at the Market. The Market needs to be guided by a strong Market Manager and strong Board Directors who can be creative, set long-term future direction, have an understanding of retail leasing, and can act quickly. A non-profit corporation provides the required expertise and autonomy to manage this retail and cultural asset yet provides for appropriate control mechanisms for the City to be involved.

Recommendation

The City should move towards an independent Market Corporation model with the aim of giving this Corporation complete autonomy over Market operations under the umbrella of goals and policies defined by the City. However, the following points must be kept in mind:

- Setting up a Corporation will take at least six months from start to finish
- The City should have the new management in place before commencing with the renovations. However, a transitional management structure may be set up instead to provide for some renovation and redevelopment work before preceding with the non-profit Corporation model

The UMC Team recognizes that development is difficult to do all at once. Therefore, two organizational structures are proposed: a transitional organization, to be used during the development phase of the operation and a permanent organization, which would operate the Hamilton Farmers’ Market once the redevelopment is completed.
During the transitional phase, the Market could continue to be managed by the City, primarily because of the challenges that the Market will face. A separate operation should be set up for the Market with a Market Manager in charge. This should allow for the Market operation to eventually become a non-profit Corporation.

**Market Manager**

Having the most effective, efficient management structure and Market Manager is the most important factor in running a successful Hamilton Farmers’ Market.

This person should not be a unionized position within the City. This person’s responsibilities will be to:
- oversee and manage the development project including strategy administration/implementation for phasing, marketing, etc.;
- set leasing policy and review all new leasing deals;
- take over leasing when appropriate from the contracted leasing person;
- handle the overall management of the Market;
- propose and manage budgets;
- develop and implement a marketing plan including public relations for the Market and eventually hire a Marketing Coordinator to fulfill this role;
- manage staff and coordinate the activities of volunteers (if appropriate); and,
- be a spokesperson for the Hamilton Farmers’ Market at community functions.

The type of person who is best suited to this position would be someone with a successful record in farmers’/public market experience. If there are no candidates with market experience then a person who has managed a strip mall or a small shopping complex would also be ideal. It is important that whoever is chosen have real estate experience.

Staff functions, which report to the Market Manager, include janitorial and security. These are important key areas for all Markets. The Market may choose to contract these functions out or hire staff to perform these functions. During the initial transition, UMC believes it will be better to contract these positions.

Administration and marketing during the initial transition should be coordinated by the Market. Special events may be contracted out or someone hired on a part-time basis to fulfill this role until a new Marketing Coordinator is hired.
Board of Directors

Eventually, the Market will transition to a non-profit Corporation model that is operated by a Board of Directors. The Board should be working at a level once removed from the actual management of the Market, except as they are able to assist the Manager by providing special skills or knowledge. The only direct management responsibility that the Board should have is to continue to staff the Manager’s position. The Board will do its work through a series of committees, which will be made up of at least two Board members but may use volunteers depending on their specialization. The committees include:

› Executive Committee — set agenda and acts as a central authority to identify issues to be discussed and voted on by the entire Board.

› Audit Committee — ensure that the Market’s financial transactions are in order and reviews budgets.

› Marketing Committee — assist the Manager in the development and evaluation of a marketing plan. This committee may be involved in the hiring process for the Marketing Coordinator.

› Government Relations — act as a liaison to public officials to build and maintain two-way communication on issues related to the Market.

› Business Assistance Committee — plan for and contribute to the Business Assistance program that will assist small entrepreneurs develop space at the Market (e.g., merchandising, display, stall set up, circulation, signage, etc.).
5.3 Product Mix and Vendor Requirements

Regarding product and vendor mix, there are markets with carefully managed product lines and markets with a more laissez-faire attitude allowing vendors to sell what they want. However, the most successful markets manage product lines and vendor mix carefully to create a diverse, specialized roster of vendors who are not allowed to wander across product categories. For example, a fruit and vegetable vendor sells fruit and vegetables, and not sweaters. This specialization has several advantages:

- It produces a larger number of small vendors rather than a smaller number of large vendors — this is good for diversity, which is key to a successful market.
- Specialization tends to produce better quality — the vendor is focused on good quality, good presentation, freshness, and variety (within that category); mass merchants do not have this level of focus.
- Instances when prepared food is included with fresh food sales, the by-products (e.g., menus, cooking odours, stacks of condiments, etc.) tend to detract from the image and appeal of the fresh food (i.e., prepared food vendors sell prepared food and fresh food vendors sell fresh food).
There are two basic approaches to vendor space design. The classic market approach (e.g., Granville Island, St. Lawrence Market, and London Covent Garden Market) has each vendor fronting onto aisles in which the customers circulate. Each stall is surrounded by counters and display cases. Customers do not go into the stall; they stay in the aisle and interact “over the counter.” This keeps activity in the aisles and is a large part of the market ambiance that people value. In also creates more productive space for vendors as they are primarily leasing space that only has product for sale and not leasing visitor walking space.

In contrast, some markets allow vendors to effectively create little walk-in shops. These interrupt the desired continuous-retail frontage, taking activity out of the aisles and creating the impression of a “warren of little” stores rather than an open, public market. One exception is produce vendors, who can merchandise from several display tables that allow shoppers to walk through. However, produce vendors do not require walls, upright display cases, or large equipment (e.g., ovens or walk-in coolers) that cut off sight lines, thus, they do not detract from the open character of the Market.

The vendor mix should include two main categories of vendors:

- Fresh, processed food vendors: these will sell fresh foods (e.g., fruit and vegetables, meat, seafood, baked goods) and processed foods (e.g., cheese, deli, coffee/tea, spices, sauces), and/or some semi-prepared for home consumption (e.g., pre-made casseroles, salads, dinner entrees, marinated meats). Generally these vendors will not sell any food for on-premise consumption; however, although there are exceptions such as delis and baked goods.

- Prepared food vendors: these will sell food and beverages for on-premise consumption. This group should account for at most 20% of the leasable area.

The tenant mix should include a core of basic food types that provide a complete food shopping experience, supplemented by specialized vendors that provide diversity and character. The reconfigured Market includes approximately 45,283 square feet of space of which approximately 55% will be leasable (22,000 to 25,000 square feet depending on configurations).

This vendor mix should be used as a general guide not a definitive checklist. The tenant mix must be fine-tuned as recruitment initiatives and negotiations with existing vendors take place.

Stall sizes average 450 to 500 square feet. Some are very small (e.g., 125 square feet) and others can be approximately 900 square feet. This is true of markets at Granville Island and London Covent Garden Market. St. Lawrence Market’s stalls tend to be larger averaging 750 square feet in size.
A vendor program should include a broad range of different products$^{12}$:

<table>
<thead>
<tr>
<th>Vendor Types</th>
<th>Average Size</th>
<th>Number of Vendors$^{12}$</th>
<th>Total Square Footage</th>
<th>Existing Market Number of Vendors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Butcher (meat) – full line</td>
<td>600 to 1,000</td>
<td>6</td>
<td>4,800</td>
<td>12</td>
</tr>
<tr>
<td>Fruit and vegetables</td>
<td>500 to 800</td>
<td>7</td>
<td>4,550</td>
<td>26</td>
</tr>
<tr>
<td>Bakery (full-line)</td>
<td>800</td>
<td>3</td>
<td>2,400</td>
<td>6</td>
</tr>
<tr>
<td>Seafood</td>
<td>750 to 1,000</td>
<td>1</td>
<td>875</td>
<td>1</td>
</tr>
<tr>
<td>Deli/cheese</td>
<td>450 to 750</td>
<td>4</td>
<td>2,400</td>
<td>4</td>
</tr>
<tr>
<td>Coffee/tea</td>
<td>300</td>
<td>2</td>
<td>600</td>
<td>2</td>
</tr>
<tr>
<td>Candy/chocolates/confectionery</td>
<td>300</td>
<td>2</td>
<td>600</td>
<td>0</td>
</tr>
<tr>
<td>Flower</td>
<td>400 to 600</td>
<td>4</td>
<td>1,800</td>
<td>5</td>
</tr>
<tr>
<td>Ethnic food</td>
<td>300 to 500</td>
<td>4</td>
<td>1,600</td>
<td>2</td>
</tr>
<tr>
<td>Prepared food</td>
<td>300</td>
<td>4</td>
<td>1,200</td>
<td>0</td>
</tr>
<tr>
<td>Dairy</td>
<td>400</td>
<td>2</td>
<td>800</td>
<td>2</td>
</tr>
<tr>
<td>Dry goods/sauces</td>
<td>300</td>
<td>1</td>
<td>300</td>
<td>1</td>
</tr>
<tr>
<td>Convenience goods</td>
<td>800</td>
<td>1</td>
<td>800</td>
<td>0</td>
</tr>
<tr>
<td>Clothing</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>41</strong></td>
<td><strong>22,725</strong></td>
<td><strong>63</strong></td>
<td></td>
</tr>
</tbody>
</table>

This is a smaller number of vendors but they will be more productive. In addition, space needs to be found for the seating areas and cooking school/test kitchen.

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$^{12}$ Some of these categories are not mutually exclusive, there is an opportunity perhaps for an ethnic butcher, etc.

$^{13}$ There can be overlap between some of the categories such as an ethnic butcher.
**Layout Considerations**

- Aisles are about eight feet wide up to a maximum of 12 feet at main entry points.
- Stall depths are generally 16 to 24 feet. Deeper stalls are required for vendors with equipment that must be at the back (e.g., ovens or coolers). These stalls are not intended to be laid out as walk-in stores (with few exceptions such as fruit, vegetables, or flowers).
- No vendor backs onto the upper level railing.
- The upper level nearest to Jackson Square is used for prepared food as it is the closest to Downtown employees, it is near an important weekday entrance, and it can have a strong relationship with seating located around the upper level railing with views of the Market on the lower level.
- A café that looks out onto York Boulevard can help animate the street.
- Temporary vendors (those that cannot be there everyday the Market is open) should not be located in prime retailing locations.
- Space will be allocated to seating throughout the Market.
- A cooking school/test kitchen area with seating for approximately 30 should be located on the lower level.
- Stalls need to be arranged so that no vendor has four exposed sides. This configuration assists with vendor staffing, customer service, and visual presentation.
- No single vendor occupies more than 1,000 square feet of space in the Market with most occupying 400 square feet or less. The key to creating a vibrant market is the number and variety of vendors per commodity rather than the actual total space per commodity.
- The physical presence of the building should be enlivened with signs, graphics, banners, and lights. Individual vendors should be encouraged to develop stalls including lighting that showcases the products they are selling.
- Entrances need to be large, bright, open, and welcoming.
- The vendor lease agreement must include common design guidelines. Guidelines on height, size, and colours need to be given to all vendors and prospective vendors. Signs should be creative and fun within these guidelines. Individuality should be encouraged.
- Vendors will pay for all the on-floor fixtures, coolers, furniture, and equipment. The central storage cooler will be owned or leased by the Market and vendors charged rent for its usage. Common storage units will be located on the lower level near the loading dock area.
- Where contamination is a concern, ensure that glass-fronted display units are used.
- Any outdoor craft carts and/or vendor tables need to be of a standard design and will be provided by Hamilton Farmers’ Market.
- Security will have strict policies on hours and access.

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14 Appendix C contains examples of a proposed layout. The illustrated stalls show a standard size of 300 square feet for each stall. In reality, the stalls will vary in size.
Service Requirements

- In a market, it is important to maintain a high degree of flexibility to accommodate changes in occupancy. To the extent possible, basic services should be roughed into all vendor stalls including the following:
  - Electrical and telephone service to all stalls with enough service points to provide for the division of areas into smaller units. Electrical service must accommodate equipment such as ovens and coolers and high levels of lighting that are appropriate in stalls. Each stall will be metered for electricity consumption.
  - Floor drains to all stalls. Almost all vendor types can produce water on the floor that must be drained away. Floors should be water resistant for this reason.
  - Water service to all stalls. Each vendor should have an in-stall sink.
  - Special ventilation is only required in a few areas. The main requirement is for prepared food operations with grills, stoves, or deep fryers. Prepared food vendors should be located on the upper level. The test kitchen will require ventilation.
Examples of Stall Layouts, Display Units, Merchandising Techniques, Signage, and Customer Circulation

The following examples illustrate effective stall layouts and configurations that showcase the product, allow customers to remain in the aisles to create a vibrant atmosphere, and how to merchandise products that demonstrate the vendor as a specialist rather than a generalist.

Portland Market: Portland, Maine
North Market, Columbus, Ohio

Pike's Place Market, Seattle, Washington
Other Examples of Merchandising Display

The following examples from outdoor markets illustrate the requirement for proper merchandising. The two stalls have considerable "WOW!" factors that not only drive sales but also helps build the experiential aspect that markets need.

The Market should always portray an image of plenty. While this is an example of an outdoor vendor, the merchandising elements need to be applied for indoor vendors as well. Also note the sample dishes near the product. This not only adds sales but also it creates a greater experiential atmosphere.
The whole Market experience must go far beyond that of the vendors and farmers to include activities at and near the Market. It must be a centre for food diversity, entertainment, and social celebrations.
**Merchandise**

The Lease Agreement must have specific product controls in order to ensure variety of products/vendors. This means that the tenant will specify the products that will be sold and must receive permission from the market management to sell any other products. Other "product line" specifications are as follows:

- Must be high quality
- Source/orign of product must be marked
- Prices must be clearly visible
- Pricing must be competitive with major supermarkets
- Weighing scales must have measurements visible to the customer
- All prepared foods (such as jams and pickles) must be properly labeled according to government and Public Health regulations
- Tainted, spoiled, or wilted products must be removed and discarded to maintain fresh appearance.

**Cleanliness**

Rules and regulations regarding cleanliness must be specific. Recommended cleanliness regulations are as follows:

- Vendor practices must be in accordance with the Public Health Department\(^{15}\) food handling standards
- Garbage must be removed from stalls at regular intervals (daily at a minimum)
- Waste from stalls must be put into proper containers (e.g., recyclables and trash) and stall waste receptacles cleaned nightly
- No waste material may be thrown on the floors
- Management will provide regular central garbage removal and appropriate containers for recyclable materials (i.e., water, paper/cardboard, plastic, glass, and metal)
- Cooking can be done only in designated food booths with proper ventilation
- Stalls, counters, coolers, and fixtures must be washed, and floors swept and washed daily after the Market closes
- Grease traps and hoods are to be cleaned monthly or more frequently if required.

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\(^{15}\) It is important that as the Market moves through this redevelopment phase, Public Health officials are involved in the process. They can offer advice and solutions on creating healthy work and retail environment.
Other Considerations

> Fresh food and prepared food vendors will generate large amounts of garbage and recyclables. Food waste tends to produce strong odours so it is important to have a well-planned approach to storage, removal, and compacting of garbage. Garbage will have to be removed from the upper level to the lower level using a separate elevator (in addition to a separate elevator for passengers). Customers should not have to share use of the elevator with food waste or deliveries.

> The Market needs to invest in a compacting system. This generally costs between $15,000 and $20,000 or you can lease a system that includes repairs over a five-, seven-, or 10-year term. The garbage must be compacted otherwise it will continue to grow and cost more to haul away.

> Receiving and loading. This highly-important area must accommodate frequent, small deliveries. There is need for the loading area to accommodate a variety of trucks and vans for off-loading onto palettes. Strict rules on amount of time vendors can park at the loading dock, hours, as well as rules on no idling need to be enforced.

> Storage requirements. While butchers and seafood vendors will require their own walk-in coolers, many smaller vendors and produce vendors will need some additional dry and cold storage to supplement their stall. It is important to minimize storage in stalls (especially those that do not back onto a wall).

> Customer washrooms may consider doorless entries (i.e., winding entrance). This allows for easy entry for visitors with mobility issues such as wheelchairs, baby strollers, or those who find it difficult to open doors or who are holding a number of bags/parcels. In addition, it creates a more sanitized environment as visitors do not have to touch doors.

> The outdoor Market area can include arts and craft vendors and some farmers. Farmers’ Market Ontario has monies for cost sharing on some items but it must be specifically for farmers items (e.g., canopies, benches, and tables can be purchased under a 50/50 cost sharing).

> The Market office located on the lower level should have space for a manager’s office and a meeting table plus space for additional desks to be used by support staff, marketing personnel, and a waiting area.
Vendor Recruitment

These are required elements of the vendor recruitment plan. Use an outside firm to conduct recruitment efforts:

- A detailed floor plan should be available for discussions regarding potential stall locations.
- A firm schedule for renovation start, substantial completion (so tenants can commence fit-out work), soft opening, and grand opening.
- A lease instrument must be developed. Prospective tenants will want to see the form of lease that they will be expected to sign.
- Basic business terms such as rent rates, expected operating costs, and provisions (if any) for financial assistance with tenant fit-out must be in place so that prospective tenants can be advised of the expected total occupancy costs.
- Proposed days and hours of operation must be established.
- Tenant fit-out guidelines and requirements must be in place. These will include signage guidelines and regulations, design guidelines for vendor stalls (counters, display, and equipment), mechanical and electrical specs, etc.

With these in hand, active recruitment work can begin:

- Hamilton Farmers’ Market must decide whether any existing full-time tenants have any preferential access to the renovated Market. You would do this for existing vendors that are high quality, financially strong, well suited to the new Market, and willing to make a commitment. It is a very good strategy to hang onto good vendors that are known to customers. The Market will need a core of existing vendors carried over from the previous Market to ensure existing consumer loyalty.
- You should hire a company that is responsible for recruiting and negotiating leases. The Market Manager will act as a back up.
- An advertising program aimed at recruiting vendors—ads should be placed in local/regional newspapers and relevant newsletters. This would be coordinated with advertising for part-time vendors as well. There should not be too much reliance on this ad program but it is a source of candidates.
- Plan on making direct contact with potential vendors. These include existing, well-known, and good quality retailers who may be looking for a new or multiple locations; wholesaler-processors who do not have a local retail outlet; and with caution, tenants at other markets.
- Ideally, all vendors will be owner-operated businesses with no or few other outlets in the region. Chains and franchises should be avoided.
Days/Hours of Operation

The Market should operate six to seven days per week. If six days is determined to be the best, the closing should be Sunday. The Market could consider opening seven days a week in the summer months and in December.

While a good amount of sales are conducted during the week with the office market employees, the Market will have to rely on increased sales within the Hamilton area so Saturday will be an important day.

During the weekdays, the Market is used by office workers passing through from York Boulevard to Jackson Square and beyond. Early openings are warranted for some vendors (e.g., coffee/tea and some prepared food breakfast items). A 7:00 a.m. start and a 6:00 p.m. closing are ideal. These hours could be continued on the weekends. Overall, there is a need for consistency in the hours of operation. In addition, as prepared foods are added to the vendor mix, it will be important to attract the office worker lunch market. This can only be accomplished if the Market is open every weekday.
**Lease Structure**

The Market should have a standard form of lease\(^{16}\) that will be used by all full-time and part-time vendors. This form of lease should, in many ways, be similar to a standard commercial lease used in shopping centres. This lease agreement will take the place of the Market’s bylaws that currently exist. Each tenant will have to sign the lease agreement, which will stipulate all the rights and expectations of the vendor. The following notes focus on elements that should be tailored to a market leasing situation.

- **Term**: an initial term of three years for vendors who do not have significant investment in fit-out and equipment and five years for those who do. After you have experience with tenants and are convinced you want to keep them, five-year terms are reasonable for all vendors.

- **Renewal**: tenants will want to know that, if they are successful, they will be able to continue to occupy their space. However, the Market needs to be able to actively manage the merchandising mix, eliminating or replacing weak performers. In this situation, leases need to be renewed on regular basis (e.g., not automatically renewed). This ensures that vendors are operating to the Market’s expectations and this is assessed on a regular interval. This helps to mitigate the risk of renewing a vendor who should be terminated. Renewal terms would be in the range of three to five years.

- **Product lines**: the leases must be very specific regarding the product lines the tenant is allowed to sell. There can be a tendency in markets for product lines to “wander” in ways that may benefit an individual merchant in the short term but are damaging to the overall Market concept in the long term. This has happened at the current Market whereby vendors are continually adding more product lines to help boost sales but the overall image is deteriorating. When several tenants act this way, the situation that results is duplication of products. This can be prevented by drafting and enforcing specific clauses governing the vendor’s allowable use and product lines.

- **Exclusivity**: generally, vendors should not be granted exclusive rights to any product. This does not mean that there should be overlap in categories, but that individual vendors should never be in a position to control or limit the addition of new vendors. Management has the responsibility to ensure that categories do not become overloaded.

\(^{16}\) The Market may consider license agreements. Both leases and license agreements are equally effective. The choice may partially depend on the Market Managers and leasing agent’s knowledge and experience with either lease or license agreements.
• Rent structure: a percentage-based rent structure is ideal for the Market. Vendors pay their proportional share of the common area maintenance costs plus the greater of a fixed base rent or a fixed percentage of sales volume. The advantages of a percentage-based system include the requirement to report sales. This gives management excellent feedback on the performance of individual vendors, the performance of food categories, the effects of marketing campaigns, and required modifications to the vendor mix. In addition, management is given the ability to set base rents low (during the initial stages) so that tenants know that during the “ramp-up,” following the Grand Re-opening, their rent will be commensurate with their volume. Vendors normally resist, mainly because they do not want to report sales volumes, but the benefit of this sales volume information it vital to a successful management. Percentage rents give vendors an incentive to do well providing a carrot in terms of performance. The redevelopment of the Market is the ideal time to introduce a percentage system, as it becomes a condition of the lease. Introducing it after the fact is very difficult. Currently, the vendors do not report sales to management. Percentage rents in a market usually range between 3% and 5% for the lowest margin categories (e.g., fresh food such as produce, meat, and fish) to 9% or 10% for prepared food, candy, and other high margin products. Whether or not a percentage system is used, it is important to structure the rent system so that tenants pay a proportion of the CAM, plus rent rather than a gross or all-in amount. It is important that tenants understand that CAM is simply a cost recovery and not rent.

Appendix B includes a copy of a draft lease from London Covent Garden Market.
5.4 Physical Design

Operational Upgrades

The structure currently housing the Hamilton Farmers’ Market, built in 1982, appears to be in relatively good physical condition. However, in order to better service the needs of the Market, an extensive infrastructure renovation and upgrade program should be undertaken. An assessment of the required upgrades, prepared by Colliers International, in March of 2000 was detailed as follows:

“Revisions to the HVAC resulted in the system running over their design criteria. Very difficult to overcome heat loads - warm air and humidity form the load dock/tunnel area and from radiant sunlight. Increased heat loads from more refrigeration units will put added pressure on the system.

Need to improve loading dock, product storage, upgrade drain lines, increase electrical power, install washing facilities, increase hot water capacity, increase HVAC capabilities, improve lighting, upgrade windows to thermal reflective systems, upgrade the air curtain system to prevent air flow from/to the loading dock area, and the installation of exhaust and fire systems for food preparation appliances such as cooking grills.”

<table>
<thead>
<tr>
<th>Proposed Improvements and Associated Costs</th>
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</thead>
<tbody>
<tr>
<td>Plumbing upgrades</td>
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<tr>
<td>Electrical upgrades</td>
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<tr>
<td>Structural upgrades</td>
</tr>
<tr>
<td>HVAC upgrades</td>
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<tr>
<td>Window upgrades</td>
</tr>
<tr>
<td>Product display tables</td>
</tr>
<tr>
<td><strong>Total</strong></td>
</tr>
</tbody>
</table>

These costs have been designed to deal primarily with the physical operations of the facility itself and would focus on only maintaining the appearance of the building in a status quo condition.
The next steps for the City of Hamilton would be to prepare the Request for Proposal (RFP) documents for the infrastructure renewal program as outlined by the earlier Colliers International Report. The RFP should include requirements to provide a detailed existing condition assessment, complete with lifecycle costing and capital planning projections. This would provide the City with a current market cost assessment of repairs required to modernize the facility to meet current standards. If the projected costs are acceptable to the City, this project could be carried out as a “Design-Build” contract. Based on the current budget for repairs as developed by the City, the time duration for a renewal project of this magnitude could be in the range of nine months to two years, including document preparation and construction.

Once these upgrades have been finished, and based on the types of the improvements the City chooses to adopt, the next step would be to hire a professional design team to prepare the design and contract documents for any major architectural reconfiguration project. The length of this project depends on the scale and scope of renovations selected by the City. The following section represents an outline of suggested physical improvements.

**Architectural Upgrades**

Within terms of the physical appearance of the Market building, a two-phase architectural upgrade strategy can be employed. This would involve an initial phase that would deal primarily with the street appeal of the building through the use of exterior signage, banners, and merchant areas. A large-scale modern graphic sign would be constructed at the York Boulevard main entrance to give a distinct identity to the Market, separate from the Library. The sign itself would become a landmark or urban artifact that could potentially serve as a central rendezvous point within that part of the Downtown core. More animated street activity from the exterior market and seasonal or changeable banners would support the focus of the building initiated by the proposed signage.
Phase I Strategic Sequence (Minor Upgrades):

*Exterior:*

1. Design and install large market signage to create unique street identity.

2. Provide and install exterior wood and aluminum awnings in conjunction with window improvement for infrastructure upgrades. This would animate the streetscape while demarcating areas for small vendor stalls.

3. Develop a program for banner displays relating to the unique market and local events.

*Interior:*

1. Revise ceiling construction: soften concrete structural waffle slab construction with dropped wood slat panels.

2. Repaint ductwork, columns, and handrails.

3. Introduce a food court area on the lower courtyard with seating to allow shoppers to eat purchases at the Market.

4. Provide and install interior awnings and canopies.

*Urban:*

1. Reduce the traffic lane in front of the Library and Market to slow down traffic and create a forecourt in front of the market building.
Phase II Strategic Sequence (Major Upgrades):

The second part of the strategy would involve more substantive renovations to the interior of the building. These renovations would concentrate on a clarification of both the vertical and horizontal circulation. The focus of the renovation would be to create a brighter, greener, cleaner sequence of interior spaces designed to eliminate the predominant concrete feel of the building. In order to create the York Boulevard entrance as a central focal point and junction within the building, the following steps are proposed:

**Interior**

1. Delete the exiting ramps (upwards to the south and downwards to the west of the York Boulevard main entrance).
2. Install a new passenger elevator and stairs up to Jackson Square level and down to the lower level, adjacent to the entrance.
3. Expand the entrance platform to create a sense of place:
   3.1 Create a pedestrian bridge from the York Boulevard main entrance level (mezzanine) up to the new café area and circulation arm for the upper level at the southeast corner of the upper level market.
   3.2 Create a pedestrian ramp down from the York Boulevard entrance level (mezzanine) down to the lower Market.
   3.3 Create an interior planter running along side the pedestrian ramp to animate the area and filter the natural light.
   3.4 Create an interior market courtyard by constructing a continuous circulation loop on the upper level.
4. Install a central video information screen to focus attention to the central Market courtyard.
5. Move the west escalator east to integrate with proposed circulation.
6. Revise floor finishes throughout. Top existing slabs with coloured epoxy flooring; paint the concrete coffered ceiling and install decorative ceiling panels; and apply a tactile, more-human-scale finish to the concrete columns.
7. Embellish the secondary entrance on York Boulevard and create a direct connection to a café area at the proposed northeast corner of the upper market (if feasible).
8. Provide modern glass handrails and guardrails throughout to create a light contemporary architectural finish within the Market courtyard.

Appendix C includes sketches and drawings for the proposed changes for the outside and inside. The renderings show the Market without vendors to give a sense of where the architectural items would be.
5.5 Marketing, Promotions, and Special Events

In terms of market positioning, the image of Hamilton Farmers’ Market should reflect the aspects that make it a special place and unique in comparison to other food stores. According to the research, these include:

- Availability of fresh, high quality food products
- The personal contact with business owners, farmers, and producers
- Convenience and centrality in the region
- A friendly, people place.

Upon careful review of Hamilton Farmers’ Market marketing, it appears clearly that if the go ahead is given to proceed with the much needed management changes and renovations, a rethinking of the Market’s marketing must take place.

The Market needs to re-brand itself. The Market’s repositioning of itself within the marketplace will be of paramount importance. Themes include the concepts related to:

- “It’s New,” “It’s Yours,” and/or “It’s Now”
- It’s Hamilton’s to be proud of

The Marketing should start by using the three positives of the Market with its changes. These were re-enforced by the consumer surveys. This includes:

- The People,
- The Product, and
- The Place.

Building a focused brand that now separates itself from the recent past but does so with respect, while at the same time honouring the long heritage of the Market is important. This should be done by establishing a program that is a mix of reality and perceptions in the minds of desirable customers, such that they choose the Hamilton Farmers’ Market over other options in the area. Hamilton Farmers’ Market will be the place to go for fresh foods and specialty food items in a friendly, personal service oriented atmosphere.

The first year after the re-opening, the marketing plan should focus on advertising that helps build positive perceptions. This is similar to all brand campaigns. It must deliver unique emotional propositions and as a result must establish a four-pronged foundation of strong brands: relevance, differentiation, knowledge, and esteem. In addition, there must be consistency in the positioning conveyed through a coordinated program of advertising, special events, and promotions.
The Challenges

The challenges are many but not insurmountable:

- Vendors are generally responsible for their own operations and profitability, but without the knowledge and/or the understanding of what some marketing could or would do to improve their individual bottom line. As a result, the Market must do the marketing as the vendors will not.
- The Market cannot single-handedly solve the problem of customers migrating away from the Downtown.
- The Market needs to be, as it is not now, seen as a “cool” place to go out to be entertained by events, activities, or even just to be seen at.
- The Market, during the daylight hours and especially at lunchtime, needs to be seen as a “cool” place to have lunch and not just a place to buy vegetables from the current mix of vendors all selling the same product.
- The Market needs to build its reputation for quality, fresh, and unique products to compete with its competition and set itself apart from traditional and discount grocery stores within its trading zone.
- The Market must extend its target market reach to include a broad mix of 25 to 54 year olds, well educated, and middle to upper income households.
- The Market must consider itself in competition with other supermarkets and grocery stores. The marketing plan must be on the same level as a 45,000 square foot grocery store in Hamilton. It’s programming and budget must be in-line with a retail venue that generates approximately $12 million in sales revenue annually.
Meeting the Challenges

Hamilton Farmers' Market must emphasize several key messages in all its communications point of contact and interactions with the public:

- **Ambience**: Hamilton Farmers' Market must show a unique food shopping experience for the whole family. More festivals, events, and buskers are needed on a regular basis.

- **Character**: Hamilton Farmers' Market's vendors are usually owner-operators with unique personalities. The Market needs to convey a sense that this is a friendly, fun place with a sense of community. The messages include "We're a Family," and "We're your neighbours."

- **Quality**: Hamilton Farmers' Market offers an overwhelming abundance of fresh produce, meats, and baked goods that will last longer and are worth paying a little more.

- **Connoisseurs**: Hamilton Farmers' Market must present itself as the place to go for gourmet ideas and to be with people who just care about food and know what is good.

- **Multi-cultural**: Hamilton Farmers' Market must not forget that its ethnic consumers are important and for non-ethnics, the world of ethnic products awaits you at Hamilton Farmers' Market.
The Marketing Plan

Given the fact that establishing a brand for Hamilton Farmers’ Market, through all advertising in the first year or two, is of paramount importance, the advertising program should feature:

> print,
> radio,
> TV
> events and activities,
> in-house banners, and
> TV.

Print

The Print Program should feature vendors photographed on site surrounded by their product offering. The advertisements should not be price driven (i.e., no price points). The advertisements can also be recreated as full colour posters and strategically placed in the Market to create a sense of pride and recognition within the Market. These must be bright, bold, and colourful.

Radio

A sound recognizable to Hamilton Farmers’ Market must be developed (e.g., a jingle) and used to create one more step in building a Brand. Use radio stations that best demonstrate similar demographics as reported in the survey in this report.

TV

Work with CHCH; invite them in to do “street” interviews on any subject whenever they are polling viewers. Other ideas to enhance good public relations include giving them free or privileged parking and making them welcome.

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\(^{17}\) A sample marketing plan from London Covent Garden Market is provided in Appendix D.
Events and Activities

Make certain that activity organizations allowed to be at the Market are non-profit—whether this is for an opportunity to promote themselves or for selling something. This brings many factions into the Market that would not normally be there. Imagine a charitable group being invited by the Market (i.e., the group not having to ask) and the opportunity that creates for positive community ties. In addition, it helps to build community buy in from other groups. An example would be the Heart and Stroke Foundation during Heart Month.

Given the current redevelopment plans, the most important new event to be held at the Market will the Grand Re-opening event. The marketing plan for the Market should contain a regular schedule of annual events. Many of the events listed currently run at the Market (e.g., face painting and cooking demonstrations). These should be continued. The following page contains a list of possible events and tie-ins with other events over the course of the calendar year.
<table>
<thead>
<tr>
<th>Jan</th>
<th>Feb</th>
<th>Mar</th>
<th>Apr</th>
<th>May</th>
<th>June</th>
<th>July</th>
<th>Aug</th>
<th>Sep</th>
<th>Oct</th>
<th>Nov</th>
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</thead>
<tbody>
<tr>
<td>Occasions, holidays, local events</td>
<td>New Year's</td>
<td>Valentine's Day</td>
<td>Easter (or April)</td>
<td>Easter (or March)</td>
<td>Mother's Day</td>
<td>Father's Day</td>
<td>Canada Day</td>
<td>Civic Holiday</td>
<td>Labour Day</td>
<td>Thanksgiving</td>
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<td>Snowfest</td>
<td>Shrove Tuesday</td>
<td>Chocolate Festival</td>
<td>St. Patrick's Day</td>
<td>Victoria Day</td>
<td>Local spring crops oval</td>
<td>South Asian Heritage Month</td>
<td>Dundas Buskerfest International Tattoo Highland Games</td>
<td>Downtown Music Festival</td>
<td>Dundas Cactus Festival Fringe Festival</td>
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<tr>
<td>Marketing Theme</td>
<td>Diet and nutrition</td>
<td>Low Calorie Theme</td>
<td>Office Worker On the Go</td>
<td>New Recipes for Old World Standards</td>
<td>Spring Festival</td>
<td>Children's Festival</td>
<td>Summer Music Celebrations Barbeque Cook Off</td>
<td>Mexican Fiesta</td>
<td>Harvest Festival</td>
<td>Healthy Family Meals</td>
</tr>
<tr>
<td>Special Events</td>
<td>Flower Arranging Classes</td>
<td>Pancake Flipping/Eating Contest</td>
<td>Plant and Garden Sale</td>
<td>Mother's Day Sales (flowers and breakfast items, free tulips for mothers)</td>
<td>Father's Day Ugly Tie Contest</td>
<td>Summer Barbeque Sale</td>
<td>Apples for the Teacher</td>
<td>Win a Turkey Contest</td>
<td>Christmas Sale (gift baskets)</td>
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<tr>
<td>Promotions</td>
<td>Heart Month - Low Cholesterol</td>
<td>Around The Bay Race</td>
<td>Red Cross</td>
<td>MAID</td>
<td>Child Safety</td>
<td>Blood Donor Clinic</td>
<td>UNICEF</td>
<td>Puppies/Remembrance Day</td>
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<td>Charity Tie-In</td>
<td>Art Gallery of Hamilton</td>
<td>Heart Fund</td>
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Urban Marketing Collaborative Team

Hamilton Farmers' Market Analysis and Action Plan
Sponsorship

Hamilton’s Farmers’ Market must be seen as a “community player” and continue its sponsorship of some high-profile events.

In addition, the Market should develop stronger ties with the following:

> Local major food producers in the region (e.g., E.D. Smith, Punchbowl Market, wine and fruit producers in the Niagara region, etc.)
> Schools – because children are great event traffic generators
> New immigrant training – Downtown Hamilton has a large new immigrant population and the Market can help to service their needs of adjusting to Canada
> Artist communities – the Downtown is a growing artist area (e.g., James and Wilson area) and the Market could tie into events that showcase their art helping to draw new customers to the Market.

Other Activities

> Cooking school/test kitchen and Market that is open to other uses for a rental fee
> Parking incentives and promotions, which consistently remind people that free parking is available
> Announcement of new tenants as they come in
> Tie-in to events in the Downtown and region.
Marketing/Promotional Budget

An estimated budget of $300,000 is required for the Market from both the Market and the vendors. A breakdown of the budget is as follows:

- $100,000 (estimated vendor contribution)
- $200,000 (estimated market contribution)
- $300,000 (total budget)

<table>
<thead>
<tr>
<th>Proposed Marketing/Promotional Budget</th>
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<tbody>
<tr>
<td>Print</td>
<td>$40,000</td>
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<td>Radio</td>
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<td>TV</td>
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<td>Banners and Market signage</td>
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<tr>
<td>Activities in the Market</td>
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<td>Sponsorships</td>
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<td>Marketing Coordinator</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>$300,000</strong></td>
</tr>
</tbody>
</table>

Other important considerations include the following:

- If a percentage of rent is implemented, the $200,000 investment in marketing quickly affects the bottom line, sales increases, and percent rent increases.
- A creative agency should be used to develop visuals but they should not do the media buying because agency rates are too high. The agency should be local, if possible, with good community and media understandings.
- A Marketing Coordinator should be someone who coordinates all activities and events as well as the timing and executions of all media buys. They develop relationships with the community and media.

Vendor Communication and Motivation

Vendors should be informed of and involved in all special events held at the Market. The main focus behind this involvement is a Vendor Association representation on the Marketing Committee. A regular newsletter to vendors should be used to provide timely information on upcoming events and instructions on how vendors should be participating. An example is provided in Appendix E.

Point-of-purchase materials, special signage, displays, and decorative themes are some of the instruments that can be used to involve each Market vendor in a given promotional event.
Evaluation Criteria

Another important element of any marketing plan is being able to provide evaluation after the event. Upon completion of all promotions, it is important to evaluate the success against the cost. A promotion evaluation worksheet should be developed with the following factors included:

1. **Date/day**: it is important to note both the date and day, as they may affect the promotion’s results (e.g., an event may be made more successful if it is held the next time on a Friday instead of a Saturday).

2. **Theme/Activities**: these are the foundation of the promotion or event. If the theme is inappropriate, every other factor will be affected negatively.

3. **Targeted Market**: the success of the promotion depends on its being promoted/advertised to the right target market(s). Including this information helps determine if the theme/activity was right for the market you are trying to capture. Information on the types of visitors can be obtained through an informal survey of postal codes (then mapped) or by asking for their contact information through the use of a prize (this can later be used for direct marketing purposes).

4. **Types(s) of Advertising Used**: the sheet should include the types of advertising, when, where, cost, etc. to determine if it reached the target market. Did advertising make a significant contribution to the success of the promotion?

5. **Estimated Sales, Actual Sales, Dollar Variance, and Percentage Variance**: the primary objective of many promotions is to increase sales. Information about estimated and actual sales helps determine the effectiveness of the promotion. The percentage and dollar variance of sales will tell you how close you were in estimating sales as a result of a particular promotion.

6. **Estimated Costs, Actual Costs, Dollar Variance, and Percentage Variance**: promotional costs are a key factor in deciding whether to repeat the promotion or not. If estimated costs were not accurate, determine what made the difference (e.g., if advertising was not effective, perhaps you need to spend more than budgeted to reach your target market).

7. **Transaction Counts**: keeping track of the number of transactions during the promotion helps to determine if the promotion drew more customers, or drew the same or fewer customers who spend more than usual on each transaction.

8. **Customer Comment Cards**: to evaluate the true success of a promotion, you need to know whether your customers like it or not. Comment cards will tell you if they liked, disliked it, and reasons why. These cards will also tell you if they were not aware there was a promotion. In the latter case, consider changing your advertising for future promotions.
9. **Results/General Comments**: be sure to include your own opinions, rate the promotion on a scale from excellent to poor, and include any general comments about other evaluation factors. Finally, comment on whether you feel you should repeat the promotion, modify it, or scrap it in the future and why. This information will be invaluable in planning next year's promotions.

### 5.6 Financial

A typical market this size should be able to achieve sales volume of $300 to $700 per square foot. This is equivalent to approximately $12 million in sales for the vendors.

An estimated pro forma for the Market's operating budget includes revenue of over $1 million. Expenses will be related to operations such as salaries for the Market Manager, support staff, marketing, and vendor recruitment. The building operations expenses are related to keeping the building clean and safe. These expenses are charged back to the vendors in terms of CAM.

The break-even rent scenario has an average rent for all of the vendors being approximately $16 per square foot. However, rent will be charged on a base rent and percentage rent basis. Increased rent will provide additional reserve funds for future renovations, repairs, and small capital projects.

- The $100,000 Marketing Fee is charged to each vendor pro rata and is considered a flow through expense.

- CAM charges are for Common Area Maintenance and reflect the Building Operations Expenses section of the pro forma business plan. In this situation, vendors are charged back the expenses as they occur. Note, the recommendation for metered stalls eliminates these expenses from the pro forma.

- Office and administrative expense will vary. Some of the expense items will be contingent on whether the Market pays for the expense or the City does. An example would be accounting and auditing expenses.

- Custodial and janitorial wages are itemized separately as these services may be contracted out separately. This is also true of security expenses.

- Marketing costs represent the total contribution of both the vendors and the Market. Salaries for the Marketing Coordinator are placed in the Salaries and Wages line item.
Salaries include Market Manager, Marketing Coordinator, and administrative assistance.

Vendor recruitment may be higher or lower depending on the vacancy at the Market. An estimated $10,000 annual fee to assist in recruiting vendors along with additional marketing will be required.

The free parking expense is listed as an expense but recouped from the City. This is a necessity.

<table>
<thead>
<tr>
<th>Revenue</th>
<th>Proposed</th>
<th>Current 2005</th>
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<tbody>
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<td>City reimbursement for free parking</td>
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<td></td>
</tr>
<tr>
<td>CAM</td>
<td>$550,000</td>
<td></td>
</tr>
<tr>
<td>Total revenue</td>
<td>$1,130,000</td>
<td>$520,773</td>
</tr>
</tbody>
</table>

**Expenses**

<table>
<thead>
<tr>
<th>Market operations</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries and wages</td>
<td>$175,000</td>
<td>$246,642</td>
</tr>
<tr>
<td>Advertising and publicity</td>
<td>$245,000</td>
<td>$26,037</td>
</tr>
<tr>
<td>Free parking</td>
<td>$100,000</td>
<td>$0</td>
</tr>
<tr>
<td>Vendor recruitment</td>
<td>$10,000</td>
<td>$0</td>
</tr>
<tr>
<td>Office and administration</td>
<td>$50,000</td>
<td>$8,571</td>
</tr>
<tr>
<td>Total market operations expenses</td>
<td>$580,000</td>
<td>$261,250</td>
</tr>
</tbody>
</table>

**Building operations**

| Custodial and maintenance wages           | $250,000   | $0           |
| Facilities management                     | $200,000   | $138,800     |
| Security                                  | $100,000   | $16,946      |
| Central Utilities Plant                   |            | $153,905     |
| Total building operations expenses        | $550,000   | $309,651     |
| Total Expenses                            | $1,130,000 | $436,996     |

Net income (loss) $0 ($70,127)²⁰

---

¹⁸ Salaries and wages include the Market Supervisor as well as wages for Market staff (cleaning and dock workers). In the revised budget these expenses are allocated in the Building Operations Expenses.

¹⁹ This item is listed as an expense for the Market. This report urges the City to continue to fund the free parking system at the Market through a direct allocation equivalent to the validation system.

²⁰ The Market normally is in a profitable situation. However, in 2005, there were higher electricity expenses as well as a grievance issue that placed the Market in a loss situation.
In terms of financing some of the operational items and capital recommendations, the Market needs to “think outside the box” and meet with major players in the community. This can be effective in cross-promotional activities. The Market should look at sponsorship funds for a wide range of activities.

For example, the kitchen at London Covent Garden Market is sponsored by The London Free Press. In addition, the lounge area is sponsored by Labatts as well as events are co-sponsored by them. The Rotary Club sponsors the outdoor ice rink.

The Market needs to look to sponsors ranging from Dofasco, Hamilton Spectator, Copps Coliseum, Royal Botanical Gardens, McMaster University, Jackson Square, Rotary Club, Chamber of Commerce, Lakeport Brewery, CHCH, among others for sponsorship, cost sharing, and other promotional, operational, and/or capital improvements.
6.0 PROCESS

As stated, the primary challenge will be to change the management structure of the Market to ensure that there is the creative direction and leadership to enforce effective leases with the vendors.

This process will take time to develop. The most effective organization for the Market is a non-profit corporation of the City of Hamilton to manage the affairs of the Market.

While there are mounting pressures to bring the infrastructure changes at the Market, it would be very unwise to begin the physical redevelopment at the same time as the organizational/management redevelopment. A transitional committee/organization must be in place first. This includes hiring a Market Manager. Once this is completed, the physical redevelopment can begin in the two phases discussed. Eventually, the Market should shift to the non-profit corporation model.
6.1 Tasks and Timeline

The following highlights the immediate, short-term, and long-term tasks that need to be completed for the Market redevelopment.

Immediate - Within First Year

Organization
- Set up a transitional Committee to oversee changes at the Market.
- Hire a Market Manager with the goal of transitioning Market. Develop standard lease agreements (or license agreements) and work towards becoming a non-profit corporation. Other duties include the physical redevelopment of the Market.
- Hire an administrative assistant to help manage the day-to-day operations while the Market Manager can focus on the transitional requirements.

Physical
- Prepare an RFP for infrastructure renewal program as per Colliers Report
- Begin design build contract (will last nine months to two years)

Marketing
- Begin to develop a full marketing program for the New Market once the physical redevelopment is complete – begin to fill out a calendar of events.
- Develop a newsletter for vendors and customers – the primary aim in the first year will be to keep everyone informed of changes that are happening and to encourage visitors to continue to shop.
- Actively market/educate people on the free parking aspect of the Market. Place a sign (sandwich board) on the north side of York Boulevard adjacent to the parkade indicating there is free parking as well as including signs inside the Market.
- Introduce a validated parking system and allow for a transition period (still offer free parking to all visitors to the York Boulevard Parkade whether they have their validation or not). This transition period is required to acclimatize customers to the new system.

Vendor Recruitment
- Begin to search out qualified leasing agents who may assist in finding qualified vendors for the new Market.
- Create a standard lease agreement to replace the current bylaws that will be used to sign up each vendor to adhere to the rules and regulations of the Market.
Medium Term – One to Two Years

Organization
› Hire a Marketing Coordinator to oversee marketing activities.
› Begin to recruit for a new Board of Directors – approach qualified candidates.
› Begin the process of moving the Market to a non-profit corporation.

Physical
› Hire a professional design firm for architectural reconfiguration of the interior space.

Marketing
› Continue to develop the marketing plan.
› Develop plans for encouraging customers to continue to visit the Market during the redevelopment phases.
› Concentrate on the grand re-opening event

Vendor Recruitment
› Develop a proposed layout within the redeveloped physical space for vendors showing stall areas, sitting areas, cooking school/test kitchen, etc.
› Retain a qualified leasing agent to search out vendors (existing or new) and sign them to the new lease agreement.
› Assist vendors with new stall preparations on an as-needed basis
› Begin to source outdoor arts and craft vendors and farmers (unique and different to indoor vendors).

Long Term – Two to Five Years

Organization
› Transition to a non-profit corporation.
› Appoint a Board of Directors.
› Set up Board committees.
Physical
> Complete the phased redevelopment.

Marketing
> Grand re-opening event.
> Full marketing plan developed for events throughout the year.

Vendor Recruitment
> New lease agreements with percentage rent in effect
> Vendors move back into the redeveloped Market
CITY OF HAMILTON

BY-LAW NO. 07 - XXX

To Amend Market By-law No. 92-310

WHEREAS section 113 of the Municipal Act, 2001, S.O. 2001, c. 25 authorizes local councils to pass by-laws to establish, maintain and operate markets;

AND WHEREAS the Council of The Corporation of the City of Hamilton passed By-law No. 92-310 on the 8th day of December 1992 to regulate the Hamilton Farmers’ Market;

AND WHEREAS the City of Hamilton Act, 1999, S.O. 1999, c. 14, Schedule C, did incorporate as of January 1, 2001, the municipality “City of Hamilton”;

AND WHEREAS the City of Hamilton is the successor to certain area municipalities, including the former area municipality known as “The Corporation of the City of Hamilton” and is the successor to the former regional municipality, namely “The Regional Municipality of Hamilton-Wentworth”;

AND WHEREAS the City of Hamilton Act, 1999 provides that every by-law of a former municipality that was in force on December 31, 2000 becomes a by-law of the City of Hamilton on January 1, 2001 and remains in force, in respect of the part of the municipal area to which it applied on December 31, 2000, until it expires or is repealed or amended to provide otherwise;

AND WHEREAS the Council of the City of Hamilton in adopting Item ______ of Report ___________ of the ________________________ Committee at its meeting held on the ___ day of _____________ 2007, recommended that the Hamilton Farmers’ By-law No. 92-310 be amended as hereinafter provided;

NOW THEREFORE the Council of the City of Hamilton hereby enacts as follows:

1. By-law No. 92-310, as amended, is further amended by deleting every reference to “The Corporation of the City of Hamilton” and substituting in each case the “City of Hamilton”.

2. By-law No. 92-310, as amended, is further amended by deleting every reference to “Market Manager” and substituting in each case “Market Supervisor”.
3. By-law No. 92-310, as amended, is further amended by:

(a) repealing Paragraph 1.(c);

(b) adding a new paragraph after Paragraph 1.(d) as Paragraph 1.(da) as follows:

" 1.(da) “General Manager, Community Services” means the General Manager, Community Services of the City of Hamilton;"

(c) deleting every reference to “committee” and substituting in each case “General Manager, Community Services”.

4. By-law No. 92-310 shall apply to the City of Hamilton.

5. In all other respects, By-law No. 92-310, as amended, is hereby confirmed, unchanged.

6. This by-law comes into force on the date that it is passed.

PASSED AND ENACTED this _______ day of ____________________, 2007.

____________________________  __________________________
MAYOR     CLERK
PROJECT PLAN

Review of the Services Funded by the Ontario Works Cost of Administration and Employment Assistance Budgets

June 8, 2007
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1. PURPOSE

The General Manager of Community Services Department requested a review of the services funded by way of the Ontario Works Cost of Administration and Employment Assistance budgets.

The purpose of this document is to establish a common understanding between the Projects Sponsor, Project Managers and Subject Matter Experts (and ultimately the Consultant) regarding the goals of the project. The Terms of Reference provides the foundation for the project by documenting:

- Project Objectives
- Project Scope
- Roles and Responsibilities of the project participants
- Assumptions concerning the project

Some of the information contained within this document will be used in the RFP to outline the project to potential firms who may bid to conduct the Review.

2. PROJECT DELIVERABLES

In order to determine if the City of Hamilton is providing any services that are beyond our scope and mandate, the following three questions need to be answered:

a) Are there any services that the City of Hamilton is not providing that we should?

b) Are there any services that the City of Hamilton is providing that other Consolidated Municipal Service Managers (CMSMs) are not?

c) Are there any services that the City of Hamilton is providing that we should not?

3. PROJECT OBJECTIVES

The Operational Review has the following five objectives:
Determine if services offered by Ontario Works operate in accordance with or beyond the Ontario Works legislation and directives.

Determine the cost, the level and the benefit of “discretionary benefits” provided within the Ontario Works legislation and Council directives.

Determine if the Ontario Works Cost of Administration (budget) is in compliance with all Provincial legislation and directives, and determine the actual cost-sharing ratio.

Determine how the Ontario Works Cost of Administration and Employment Assistance budgets compare to other Consolidated Municipal Service Managers (CMSMs) in relation to cost sharing, cost per case, major expenditure contributors.

Determine if identified outcomes and performance indicators for the Ontario Works and Employment Assistance are comparable to other CMSMs.

The following series of questions could be used to add clarity to the objectives and guide the work:

- What services are mandated by the province?
- What services are provided at the direction and discretion of Council?
- Are Ontario Works benefits and the Employment Services delivered beyond the mandatory level? If so, what is the cost and are the levels and mode of service delivery appropriate for Hamilton? What would be the impact of reducing service levels?
- Is the Ontario Works Program including Employment Services delivering discretionary benefits and services that are comparable to other municipalities and of a type and level appropriate for Hamilton demographics?
- Are the Ontario Works Cost of Administration and Employment Assistance budgets funded at a level appropriate for Hamilton’s caseload taking into account factors such as demographics, labour market conditions, etc? How does Hamilton’s level of funding compare with other municipalities?
• How do the service levels for the case management and employment service components of Ontario Works compare with other municipalities?

• How do the outcomes for the Ontario Works case management and employment service components (i.e. length of time on caseload, clients finding employment, etc.) compare to other CMSMs?

• Do other Consolidated Municipal Service Managers (CMSMs) receive funding from the local tax levy beyond the 50/50 matching of the provincial budget for Ontario Works Cost of Administration and 80/20 matching of Employment Assistance?

• Do our discretionary services attract people to Hamilton?

  NB: The intent of this question is to have the consultant provide an opinion based on the work that has occurred in the review. For example, it may be possible for the consultant to express an opinion as to the likelihood of Hamilton attracting OW recipients based on neighbouring municipality service levels, or suggest that their work indicates our differential service levels, if they exist, would have only a small effect compared with our lower housing costs, specialized medical facilities, etc., OR the consultant could express an opinion on the impact of cutting these discretionary services if they are found to be more generous than our comparators. If the consultant does provide an opinion that Hamilton’s discretionary services do attract significant numbers of recipients, this might warrant a more detailed, scientific study.

4. PROJECT SCOPE

The review will include the following budget areas: (see organization charts)

Ontario Works Cost of Administration
  • Overall comparators (with other Consolidated Municipal Service Managers (CMSMs))

Ontario Works Employment Assistance
  • Entire budget and related programs
  • Employment Resource Centers
  • Employment Related benefits for participants
  • LEAP
  • Employable Caseloads
  • Helping Hands
  • Self-Employment Programs (Small Business Centre and Independent)
  • Employment Placement Services / Community Placement
  • Accreditation for Foreign Trained Professionals
  • Getting Started Information Sessions
Appendix D to Report 07-009

Project Plan

Review of the Services Funded by the Ontario Works Cost of Administration and Employment Assistance Budgets

- Employment Supports (pre-employment programs)
- Skills to Work Program

Ontario Works Client Benefits
- Mandatory benefits
- Discretionary benefits

NOTE: The OW hostels, domiciliary hostels and Homelessness programs are funded by Ontario Works but are not included in this review as they do not provide financial or employment assistance and have been recently reviewed both provincially and internally.

4.1 In Scope

- Review of provincial guidelines to determine the required service standards and benefit levels of mandated social assistance programs
- Review Ontario Works organizational chart
- Review of Hamilton’s service standards and benefit levels in comparison to the provincial mandate
- Review of Hamilton’s service standards and benefit levels in comparison to a minimum of 3 neighbouring municipalities as well as other large urban Consolidated Municipal Service Managers (CMSMs) of similar demographics
- Review of Hamilton’s Cost of Administration and Employment Assistance budgets, Ontario Works Client Benefit budget, caseload statistics and performance measures (i.e. Ontario Municipal Benchmarking Initiative – OMBI) vs. comparison CMSMs
- Review of Hamilton’s outcome measures for Ontario Works and Employment Assistance programs
- Review of recent provincial compliance reviews of Ontario Works
- Review of recent City and Provincial audits of Ontario Works
- Review current work undertaken by the City Of Hamilton and compare against a minimum of 3 comparable municipalities of similar size and complexity
- Meet with Subject Matter Experts (individual interviews)
- Meet with Staff (individually and/or in groups)
- Meet with elected officials in an effort to understand and address their concerns (individually or in groups)
- Benchmarking review (minimum of 3 comparators)
- Present final recommendations/deliverables to Council

4.2 Out of Scope

- Detailed documentation of current business processes used by Ontario Works (process and system flows, etc.)
- Detailed documentation of current business systems used by Ontario Works (SDMT)
Appendix D to Report 07-009
Page 7 of 10

Project Plan
Review of the Services Funded by the Ontario Works Cost of Administration and Employment Assistance Budgets

- Alternative service delivery models, revised business services or business processes
- New business information systems to replace the provincially mandated SDMT system
- Organizational structure within Ontario Works
- Employee salaries, benefits and related costs covered by City collective agreements or HR practices

_NB: This phase of the review does not pertain to organizational structure._

5. TIMELINES

It is anticipated that to conduct a review of this magnitude it could take anywhere from 12 to 18 months to complete.

The RFP process would commence in July and the contract would be awarded by mid August.

6. COST

It is projected that the review will cost upwards of $100,000, therefore a Request for Proposal will be completed.

The project will be funded through the Tax Stabilization Fund.

The project will be managed internally using existing resources.

7. PROJECT ASSUMPTIONS

- Project timeline: The project will be completed in late 2007/early 2008.
- Management commitment: The project managers and consultant have the support of the Ontario Works senior management and reasonable access to information required.
- Staff Availability: Staff will be made available as required to provide expert knowledge of their subject area.
Project Plan
Review of the Services Funded by the Ontario Works Cost of Administration and Employment Assistance Budgets

- Project Management: Project management and oversight will be provided by the Director of Audit Services and the Corporate Initiatives Coordinator. Responsibilities are outlined in Section 5.
- External Consultation: The project will be contracted to an External provider.

8. CHANGE CONTROL

Any change to the scope of the project or deliverables will be reviewed and approved by the Project Sponsor.
9. ROLES AND RESPONSIBILITIES

The following table lists the roles and responsibilities for City Staff and the External Consultant:

<table>
<thead>
<tr>
<th>Role</th>
<th>Responsibilities</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Project Sponsor</strong></td>
<td>• Approve Project Plan &lt;br&gt;• Present Project Plan to Emergency &amp; Community Services Standing Committee in conjunction with the General Manager, Community Services &lt;br&gt;• Review, approve and/or deny changes to the Project Scope as they arise &lt;br&gt;• Resolve issues as required.</td>
</tr>
<tr>
<td>City Manager</td>
<td></td>
</tr>
<tr>
<td><strong>Project Managers</strong></td>
<td><strong>Planning Phase:</strong> &lt;br&gt;• Develop the Project Plan (Deliverables, Objectives, Scope, Cost, Time) &lt;br&gt;• Identification and mitigation of project risks &lt;br&gt;• Development of an RFP document &lt;br&gt;• Prepare Project Charter &lt;br&gt;• Update Project Sponsor, as required &lt;br&gt;<strong>Implementation Phase:</strong> &lt;br&gt;• Review bids, evaluate and award Contract (in accordance with Purchasing Policies) &lt;br&gt;• Prepare a Work Breakdown Structure (WSB) &lt;br&gt;• Monitor project progress &lt;br&gt;• Cost and schedule management &lt;br&gt;• Issue resolution &lt;br&gt;• Change Control (scope, deliverables, etc.) &lt;br&gt;• Report project progress to Sponsor (and Subject Matter Experts, as appropriate) &lt;br&gt;<strong>Close-Out Phase:</strong> &lt;br&gt;• Terminate contract with Consultant &lt;br&gt;• Prepare final payment &lt;br&gt;• Prepare Final Reporting including Procurement Audit &lt;br&gt;• Document lessons learned &lt;br&gt;• Present final document to Project Sponsor and Subject Matter Experts</td>
</tr>
<tr>
<td>Director of Audit Services Corporate Initiatives Coordinator</td>
<td></td>
</tr>
</tbody>
</table>
# Project Plan

## Review of the Services Funded by the Ontario Works Cost of Administration and Employment Assistance Budgets

<table>
<thead>
<tr>
<th>Role</th>
<th>Responsibilities</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Subject Matter Experts</strong></td>
<td>• Draft Terms of Reference</td>
</tr>
<tr>
<td>General Manager,</td>
<td>• Confirm project resources, i.e. budget, staff resources</td>
</tr>
<tr>
<td>Community Services</td>
<td>• Review deliverables</td>
</tr>
<tr>
<td>Director, Benefit Eligibility</td>
<td>• Serve as functional experts and share knowledge when requested by Project Managers or External Consultant.</td>
</tr>
<tr>
<td>Director, Employment &amp;</td>
<td>• Provide access to staff members, as appropriate.</td>
</tr>
<tr>
<td>Income Support</td>
<td>• Communicate with staff on status of Review, when appropriate.</td>
</tr>
<tr>
<td>Director, Child and Social Development (LEAP)</td>
<td></td>
</tr>
<tr>
<td><strong>Consultant</strong></td>
<td>• Propose workplan/timeline</td>
</tr>
<tr>
<td></td>
<td>• Conduct review based on “Scope”</td>
</tr>
<tr>
<td></td>
<td>• Present final recommendations/deliverables to Project Sponsor et al.</td>
</tr>
<tr>
<td>Category</td>
<td>Current Rates ($ per hr)</td>
</tr>
<tr>
<td>-----------------------------------------------</td>
<td>--------------------------</td>
</tr>
<tr>
<td>Non Subsidized</td>
<td>182</td>
</tr>
<tr>
<td>Subsidized</td>
<td>91</td>
</tr>
<tr>
<td>Non Prime (daytime Monday to Friday)</td>
<td>145</td>
</tr>
<tr>
<td>Tournament Rate (subsidized groups only)</td>
<td>132</td>
</tr>
<tr>
<td>Non Subsidized Summer</td>
<td>200</td>
</tr>
<tr>
<td>Subsidized Summer</td>
<td>100</td>
</tr>
</tbody>
</table>

* Rates do not include GST.
Mohawk 4Ice Centre
Financial Statements
December 31, 2006

Grant Thornton®
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<td>Statement of Financial Position</td>
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</tr>
<tr>
<td>Statement of Financial Activities</td>
<td>3</td>
</tr>
<tr>
<td>Notes to the Financial Statements</td>
<td>4-9</td>
</tr>
</tbody>
</table>
AUDITORS' REPORT

To the Members of Council, Inhabitants and Ratepayers
of the City of Hamilton

We have audited the statement of financial position of the Mohawk 410e Centre as at December 31, 2006 and the statement of financial activities for the year then ended. These financial statements are the responsibility of the Centre's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Centre as at December 31, 2006 and the results of its operations for the year then ended in accordance with Canadian generally accepted accounting principles.

Hamilton, Ontario  
March 3, 2007

Grant Thornton LLP  
Chartered Accountants

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Suite 1040  
Hamilton, Ontario L8P 0V2  
T (905) 522-1900  
F (905) 522-4413  
E Hamilton@GrantThornton.ca  
W www.GrantThornton.ca  

Canadian Member of Grant Thornton International
Mohawk 4Ice Centre  
Statement of Financial Position  
Year Ended December 31  

<table>
<thead>
<tr>
<th></th>
<th>2006</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Current assets:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$159,447</td>
<td>$164,378</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>366,471</td>
<td>305,833</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>2,142</td>
<td>2,024</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$529,060</td>
<td>$472,835</td>
</tr>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Current liabilities:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable and accrued liabilities</td>
<td>$113,000</td>
<td>$135,929</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>171,702</td>
<td>192,157</td>
</tr>
<tr>
<td>Due to City of Hamilton</td>
<td>430,488</td>
<td>330,976</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>715,287</td>
<td>659,052</td>
</tr>
<tr>
<td><strong>Deficit</strong></td>
<td>(196,227)</td>
<td>(186,227)</td>
</tr>
<tr>
<td></td>
<td>$529,060</td>
<td>$472,835</td>
</tr>
</tbody>
</table>

See accompanying notes to the financial statements.
### Mohawk 4Ice Centre

#### Statement of Financial Activities

For the Year Ended December 31, 2006

<table>
<thead>
<tr>
<th></th>
<th>2006</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ice rentals (Note 3)</td>
<td>$2,200,892</td>
<td>$1,805,487</td>
</tr>
<tr>
<td>Food, beverage and concessions</td>
<td>199,884</td>
<td>113,690</td>
</tr>
<tr>
<td>Advertising</td>
<td>125,170</td>
<td>64,820</td>
</tr>
<tr>
<td>Other</td>
<td>9,567</td>
<td>12,699</td>
</tr>
<tr>
<td><strong>Total Revenue</strong></td>
<td>2,555,319</td>
<td>1,948,696</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Expenses</strong></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Bed debt expense</td>
<td>10,220</td>
<td>-</td>
</tr>
<tr>
<td>Bank charges and Interest</td>
<td>9,459</td>
<td>6,685</td>
</tr>
<tr>
<td>Insurance</td>
<td>64,237</td>
<td>58,498</td>
</tr>
<tr>
<td>Management fees (Note 3)</td>
<td>182,638</td>
<td>187,625</td>
</tr>
<tr>
<td>Marketing and sales</td>
<td>35,754</td>
<td>17,723</td>
</tr>
<tr>
<td>Office</td>
<td>22,687</td>
<td>28,818</td>
</tr>
<tr>
<td>Professional fees</td>
<td>12,000</td>
<td>-</td>
</tr>
<tr>
<td>Repairs and maintenance</td>
<td>112,563</td>
<td>64,363</td>
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<tr>
<td>Salaries and benefits</td>
<td>814,921</td>
<td>564,534</td>
</tr>
<tr>
<td>Telephone</td>
<td>14,247</td>
<td>14,830</td>
</tr>
<tr>
<td>Travel</td>
<td>1,972</td>
<td>4,670</td>
</tr>
<tr>
<td>Training</td>
<td>4,723</td>
<td>3,298</td>
</tr>
<tr>
<td>Utilities</td>
<td>446,433</td>
<td>397,688</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td>1,521,854</td>
<td>1,347,122</td>
</tr>
</tbody>
</table>

**Excess of revenue over expenses before transfer to reserve and debt repayment**

|                      | 1,003,624 | 648,574 |

**Transfer to Reserve for Capital Projects (Note 3)**

|                      | (75,000)  | (68,750) |

**Transfer to City of Hamilton for debt repayment**

|                      | (969,924) | (727,443) |

**Excess of expenses over revenue before recoveries**

|                      | (41,300)  | (148,619) |

**Recovery of 50% of operating deficit from the City of Hamilton**

|                      | 20,650    | -        |

**Recovery of 50% of operating deficit from Hamilton Arena Partners**

|                      | 20,650    | -        |

**Excess of expenses over revenue**

|                      | $        | $ (148,619) |

**Deficit, beginning of the year**

|                      | $ (186,227) | $ (39,608) |

**Excess of expenses over revenue**

|                      | -         | $ (148,619) |

**Deficit, end of the year**

|                      | $ (186,227) | $ (186,227) |

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See accompanying notes to the financial statements.
Mohawk 4ice Centre
Notes to the Financial Statements
December 31, 2006

1. Nature of operations:
The Mohawk 4ice Centre (Centre) is a four pad arena complex owned by The Corporation of the City of Hamilton (City of Hamilton). The City of Hamilton entered into a 10 year partnership agreement with Hamilton Arena Partners Inc. (HAP) to maintain and operate the Centre.

2. Significant accounting policies:
Basis of accounting
The Centre follows accounting principles for local governments, as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants except that it does not present any operating, capital, reserves and reserve funds which are set aside by Council for use by the Centre on the statement of financial position or statement of financial activities. This basis of accounting is considered appropriate as the Centre's financial information is included with the consolidated financial statements of the City of Hamilton for the Members of Council, Inhabitants and Ratepayers. These financial statements reflect the operating arrangement between the City and Centre, whereby the City owns the capital assets and arranges with Hamilton Arena Partners Inc. to operate the facilities on the City's behalf.

The financial statements presented herewith are required under the operating agreement between the City of Hamilton and Hamilton Arena Partners. As these financial statements have not been prepared for general purposes, some users may require further information.

Revenue recognition
Revenues are reported on the accrual basis of accounting which recognizes revenues as they become available and measurable. Expenditures are reported on the accrual basis of accounting which recognizes expenditures as they are incurred and measurable as a result of a receipt of goods or services and the creation of a legal obligation to pay.

Capital assets
The land, buildings, and the original equipment of the Centre are owned by the City of Hamilton. A capital projects reserve fund has been established for the future purchase of capital assets and is maintained by the City of Hamilton on behalf of the Centre.

Use of estimates
The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.
Mohawk 4Ice Centre
Notes to the Financial Statements
December 31, 2006

2. Significant accounting policies (continued):

Financial Instruments
The Centre's financial instruments consist of cash, accounts receivable, accounts payable and accrued liabilities and amounts due from related parties. Unless otherwise noted, it is management's opinion that the corporation is not exposed to significant interest, or credit risks arising from these financial instruments. The fair value of these financial instruments approximates their carrying values, unless otherwise noted.

3. Transactions with the City of Hamilton:

(a) Bank account
HAP has established a bank account in its own name pursuant to the operating agreement between the City and HAP. This bank account is to be a trust account for the benefit of the City of Hamilton. The City of Hamilton may at any time require that all monies held in the trust bank account be transferred to another separate account maintained by the City of Hamilton.

(b) Ice rentals
The City of Hamilton shall have available 3,620 hours of prime-time ice at the Centre. The City of Hamilton is responsible for scheduling, invoicing and collecting the revenue for this ice time. During the year, ice rental revenue in the amount of $401,500 (2005 - $324,400) with respect to City of Hamilton ice time was included in revenue for the year.

(c) Management fees
Pursuant to the agreement between the Centre and HAP, the City of Hamilton has agreed to pay HAP an annual management fee of $150,000 for managing the facility on behalf of the City of Hamilton. In addition HAP is entitled to an annual commission equal to 10% of the gross revenues from sponsorship, advertising, vending, leasing, and naming and naming rights. During the year, the City of Hamilton paid HAP $192,939 (2005 - $167,325) with respect to these management fees.

(d) Reserves:
The City of Hamilton holds a capital fund reserve for the Centre in the amount of $143,750 (2005 - $88,750) to be used primarily to finance major capital repairs to the facility. The capital fund has not been included in the Centre's Balance Sheet nor has its operations been included in the Statements of Revenue and Expenses and Cash Flows.

<table>
<thead>
<tr>
<th></th>
<th>2006</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance, beginning of year</td>
<td>$ 88,750</td>
<td>$ -</td>
</tr>
<tr>
<td>Funds transferred from current operations to fund future capital projects</td>
<td>-</td>
<td>58,250</td>
</tr>
<tr>
<td>Amounts owing at year end to fund future capital projects</td>
<td>75,000</td>
<td>12,500</td>
</tr>
<tr>
<td>Balance, end of year</td>
<td>$ 143,750</td>
<td>$ 68,750</td>
</tr>
</tbody>
</table>
Mohawk 4Ice Centre
Notes to the Financial Statements
December 31, 2006

3. Transactions and Balances with the City of Hamilton (continued):

(a) Operating Stabilization Account:
The City of Hamilton will establish and control a stabilization account to help offset the City of Hamilton’s cash requirements in dealing with future operating deficits of the Centre. The account is to be funded from the operating surplus to a maximum of $30,000 per year. Deposits to the account will continue until the account balance is $250,000. During the year, $0 was contributed to the operating stabilization account.

(f) Operating Deficits:
Subsequent to the first year of operation the City of Hamilton and HAP have agreed to each fund 50% of any operating deficit. HAP’s obligation to fund an operating deficit in any year is limited to the annual commission income for the year plus $30,000.

(g) Debt repayment:
The construction of the Mohawk 4Ice Centre was financed through development charges of $5 million and internal debt of $12 million. The internal debt charges bear interest at 5.245% and are repayable in blended monthly instalments of $30,628. The debt is held by the City of Hamilton and the Mohawk 4Ice Centre receives an internal debt charge allocation for its repayment.

4. Statement of Changes in Financial Position:

A separate statement of changes in financial position is not presented because cash flows from operating activities are readily apparent from the other financial statements.
March 19, 2007

Mohawk 4Ice Centre
C/o City of Hamilton
71 Main Street West, 1st Floor
Hamilton, Ontario
L8P 4Y5

Dear Sir/Madam:

RE: Internal Control Findings from the 2006 Audit

Receiving observations and findings on your financial reporting processes and controls is one of the benefits of an annual financial statement audit. Grant Thornton LLP incorporates processes and technology to address the changing standards of conducting a financial statement audit. This approach includes an increased emphasis on internal control. Our procedures identified a few items that we need to bring to your attention.

Our audit is planned and conducted to enable us to express an audit opinion on the annual financial statements. The matters dealt with in this letter came to our attention during the conduct of our normal examination, and as a result, this letter does not necessarily include all matters that would be uncovered through a more extensive or special engagement.

The standards of the public accounting profession require us to report annually to you our findings on certain weaknesses and deficiencies in your internal controls. We have categorized our findings as follows:

- **Material weaknesses** (individual or aggregated deficiencies that could result in a material misstatement in the financial statements due to fraud or error)
- **Significant deficiencies**
- **Other deficiencies and advisory comments**

**Material weaknesses:**

We noted no material weaknesses in documenting internal controls for the Mohawk 4Ice Centre.
Significant deficiencies:

Segregation of duties

Segregation of duties is a key control designed to prevent employees from both being able to commit and conceal errors or irregularities in the normal course of their duties. Supervision acts as a compensating control in some cases where, because of the size of the organization, complete segregation of duties is not possible. However, supervision will only detect an error; it will not prevent it from occurring.

The Mohawk 4Ice Centre has a small accounting department, with one employee having primary responsibility for most of the bookkeeping, in conjunction with services provided by Nustadia Recreation staff at another site. We realize that it is often difficult to have an appropriate segregation of duties in these circumstances.

Notwithstanding the size of the accounting department, we noted an area where there was an opportunity to have more effective segregation of duties.

In documenting our understanding of processes and controls, we noted that the accounting clerk is responsible for invoicing, summarizing and making the deposit, as well as posting deposits. In addition, the same employee has signing authority on cheques. The duties are not ideally segregated; therefore, an error could be made that would go undetected.

There are two signatures required on cheques and a second person prepares monthly bank reconciliations. These are good controls to have in place to detect any potential errors. However, it is important to have controls in place earlier in the process to reduce the risk of error.

Other deficiencies and advisory comments:

Reliance on external accountant

The preparation of the year end financial statements is done by the external auditor through summarization of information provided by management and generation of appropriate note disclosures to apply generally accepted accounting principles (GAAP).

The external audit provides:

- appropriate summarization of accounts for financial statement presentation;
- a continuing evaluation of the appropriateness of accounting policies;
- preparation of financial statements in accordance with GAAP.

While the audit process itself provides management with a level of assurance regarding the above, this only occurs at year end. Any internal information utilized during the year may not be in accordance with GAAP.

We recommend that management assume the responsibility of the preparation of financial statements in accordance with GAAP, as well as the related notes. We would be happy to provide a template, as a starting point for management, in their efforts to prepare annual financial statements in accordance with GAAP.
It is management's responsibility to weigh the costs of implementing controls against the benefits that the controls will achieve. The purpose of this letter is to provide you with the information related to the identified risks so that you can make the necessary decisions.

The matters discussed herein are those that have been noted as of March 19, 2007, and we have not updated our procedures regarding these matters to the current date. In addition, this communication is prepared solely for the information of management and is not intended for any other purposes; we accept no responsibility to a third party who uses this communication.

Thank you for the opportunity to contribute to the present and future success of the Mohawk 41ce Centre.

Yours truly,

GRANT THORNTON LLP

[Signature]

Evan McDade, CA, CBV
Partner