The Gathering Place of Honolulu™

. . . a sumptuous and exciting place to visit at any time

Prepared for the Hawaii Department of Agriculture

The Gathering Place of Honolulu™

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June 27, 2003
Honolulu, Hawaii

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Acknowledgments
Thanks to Dr. Matthew Loke (Hawaii Department of Agriculture); Dr. Khem Sharma (Hawaii Department of Business, Economic Development and Tourism); Greg Tilley, MBA; Bill Hartford (Hartford & Associates, Inc.); Dr. Eugene Tian (Hawaii Department of Business, Economic Development and Tourism); Joan Namkoong (food consultant and writer); Wendell Koga (Hawaii Farm Bureau Federation); Dean Okimoto (Nalo Farms); Garrett Grace (Central Pacific Bank), Conrad Nonaka (University of Hawaii, Kapiolani Community College, Director of professional food service programs), and Calvin Lee (HDOA) for their help and advice with this project. The following market managers provided information for this report as well and we extend our mahalo to them: Ted Spitzer (formerly with the Portland Public Market, Portland, Maine and now president of Market Ventures, Inc., Portland, Maine); Bill Salder (Pike Place Market, Seattle, Washington); Stan Savage, Jr. (Farmers Market, Los Angeles, California); Nasser Mohtashami (St. Lawrence Market, Toronto, Canada); Mike Young (Granville Island Public Market, Vancouver, Canada), and Bryan Tunke (Lonsdale Quay, Vancouver, Canada).

Notes
 Note, most of the photos in this report came from trips other than ones paid for by this project.

Disclaimer
While many subcontractors and other informants provided information for this project not everyone got to participate in the entire project or comment on the final report. Therefore, Resource Research and Evaluation alone is responsible for errors or omissions contained herein.

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Preface

What you are about to read is a report about the reconnaissance of an idea to build a world-leading public market hall in Hawaii. A place where residents and visitors alike can gather frequently meet, eat, shop, and talk. They will be eating Hawaii-grown products, made by resident and visiting cooks and chefs. They will be shopping for fresh produce, fish, poultry, meat, flowers, processed foods, and the finest handcrafts found in Hawaii. They will learn about Hawaii's many cultures and their foods and get to be part of the food they eat. They will be at *The Gathering Place of Honolulu* (a factitious name used in this report).

This market is just a dream at this point in time and this report is just the beginning of that discussion. This reports' authors realize that it is not possible to interview everyone who might have an opinion on this project and so that is why this report is *just a beginning*. We also cannot anticipate or answer all the questions that might be asked because decisions need to be made on how a market might be finally designed and what businesses might be in it–this requires a market champion and the resources to put the market in place.

You are encouraged to find ways to see how this idea might work and to continue the discussion with those who might help make this market possible. Hawaii farmers, food processors, chefs, crafters, and other small business entrepreneurs statewide can all benefit if this market becomes a reality. Our economy can grow in one area where we have some uniqueness–local flavors. Therefore, we encourage you to get excited and make this project successful in whatever form it might eventually take. Take these ideas and change them to fit your dreams and make the market your own! It is clear that this project will require a new paradigm of teamwork so that an "all-gain" situation can be created. Given the right set up circumstances *The Gathering Place of Honolulu* can become a reality.

Executive summary

New business opportunities are needed for Hawaii's entrepreneurs, including Hawaii's "growth sector," agriculture. One way of increasing revenues for agriculture, as well as related businesses, would be the creation of a "place" that gathers together people and agricultural products from all over Hawaii. This place could be called, *The Gathering Place of Honolulu*, after the general meaning of the Hawaiian word Oahu. Similar market halls are successfully operated in many cities including Seattle, Washington; Vancouver, Canada; Portland, Maine; Los Angeles, California; New York City, New York, and elsewhere. These exciting markets act as important incubators of new businesses and can be the birthplace of state, national, and international phenomena. A case in point is that Starbucks was cultivated in the Pike Place Market in Seattle and witness their success.

Besides the state needs' for business diversity and economic growth, Hawaii's repeat visitors are also desiring new things to do, so says the Hawaii Department of Business, Economic Development and Tourism. Our visitors are looking for an additional attraction or experience; a reason to return to our shores as our guests. *The Gathering Place of Honolulu* could provide visitors with a unique food-based, culinary and shopping experience that could be the envy of the world.

This report is a follow-up to a 2001 study performed by the Hawaii Department of Agriculture. That study noted that there was some potential for the idea of a permanent public market hall somewhere in Hawaii. This study took that idea further and looked at what a world-leading market could look like, contain, cost, and generate in the way of financial and economic benefits.

The market could contain a cornucopia of food-related businesses from fresh produce to fish to wine, as well as restaurants big and small where the guest can see how their food is prepared. The market could be a portal for processed Hawaii products that are starting to appear in larger numbers and in higher quality. The market could also have a food stadium for televised food contests and lessons, ala The Iron Chef on the FoodTV Network, and could also have a culinary school. High quality meeting rooms with catered food from market vendors is also an exciting possibility. Fine crafts, arts and cultural demonstrations could also be an important part of the market experience. Finally, a Pacific and Asian food and culinary museum is also envisioned and representatives from the Smithsonian Institution in Washington, D.C. have indicated their willingness to see if they can help make this a reality in Hawaii. The market could also be a learning center for Hawaii's youth.

This report notes that the market should possess many of the architectural features of some of Hawaii's most treasured homes and hotels. These places welcome us to relax and stay a while. The "vintage Hawaii" style can easily be seen in features of the Moana and Royal

Hawaiian hotels–graceful elegance. Anyone who has visited Waikiki of late will notice a movement away from vintage Hawaii to styles that may be more at home in New York City, The Ginza in Tokyo, or Las Vegas. But is that what visitors travel to Hawaii to see and experience? One of the authors of this study overheard a conversation in Waikiki during the writing of this document that illustrates this point well. A woman was overheard talking to another woman as they were walking through Waikiki. One said to the other, "there is nothing here we can't get back home."

Briefly, the market could cost $24-30 million to build, not including the cost of land. This low-end $24 million dollar investment could create 461 construction and related jobs, and generate $2.8 million in state income and excise taxes during its approximately one year construction time. Once the market is operational it could cost over $1 million a year to operate. Employment with vendors and market management could generate 230 full time on-site positions and 65 off-site jobs. Given the impact of these jobs and assuming a modest one percent growth in statewide visitor industry spending, and a one percent increase in the exports of agriculture and processed food product exports, 2,276 direct and indirect jobs (including the jobs above) could be created. In addition, over $12 million in state income and excise taxes on $13.7 million in income could result. These economic impacts could reach back into agricultural and other small communities statewide as the market could be portal for high quality products from all islands.

Despite some exciting potential, preliminary estimates of revenues are just barely enough to pay off a loan at the lower end of the construction estimate. This means that there is not yet enough revenue to cover the cost of annual market operations and also provide a competitive rate return on the investment. Our estimates on revenues, however, are purposely conservative and have not yet taken into account potential revenues from some of the more interesting ideas for the market including the food stadium, culinary institute, culinary and cultural museum, and meeting rooms. In addition, the value of the "naming rights" to any of these large features could be substantial. There might also be increased traffic flow to adjoining properties and that could provide some incentive to look at this project as a "loss leader". The potential for a significant philanthropic "legacy gift" should also not be overlooked.

Markets such as the one envisioned here are typically public sector investments, though some are also funded by philanthropic and private sector investors. It is conceivable in the case of *The Gathering Place of Honolulu*, that a new form of private/philanthropic/public relationship could make the investment work if the impact on the larger economy is taken into consideration–the potential impact to the economy statewide of the projected short and long term employment, income, and tax revenues is estimated to be fairly substantial.

One of the final keys to success with this concept will be a good location with ample parking, and a reasonable or virtually zero price for

the land. The best location for the market is between Waikiki and Downtown Honolulu because it will be easily accessible to the largest number of residents and visitors. Our surveys back up this desire. The market should also be designed from the ground-up to accommodate visitors with handicaps. Similarly, the market should be a model for energy efficiency, wise water use, and be designed to be a cool, but non-air-conditioned space. It should also foster the use of mass transit and other modes of transportation, such as a shuttle boat from Waikiki to the market like they have in Vancouver for the Granville Island Public Market.

The Gathering Place of Honolulu is currently just a dream, but it could be made very real if enough of the right people got behind the idea and focused on producing a world-leading market that can be enjoyed by Hawaii residents and their guests for many years to come.

The Gathering Place of Honolulu–an introduction to the possibility

...sometime in the near future...

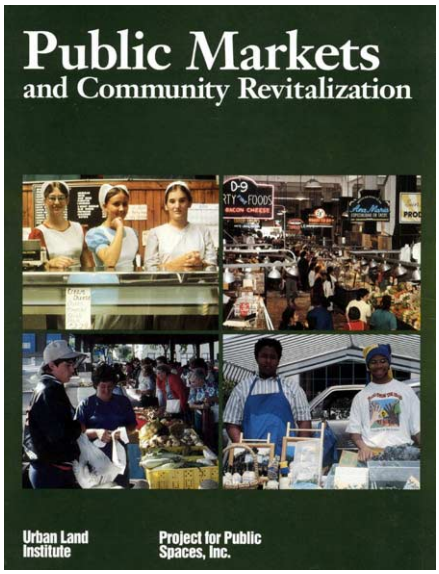
Visitors and residents of Honolulu are invited to enjoy Hawaii's latest and most sumptuous visitor destination, *The Gathering Place of Honolulu* (Figure 1). Imagine a place where the primary focus is on great food and your senses of sight, sound, smell and taste are always on holiday.

Figure 1. A potential representation of *The Gathering Place* of Honolulu.

As of the first half of 2003, Hawaii in general, and Honolulu in specific still lacks a physical location or "place" where significant numbers of people can gather together with friends, family, and friends not yet met, to eat great food primarily supplied by Hawaii farms, and where they can talk, walk and enjoy our wonderful ocean views and balmy breezes. We lack a place where people can confirm our community and where we can go to see people, and be seen. Simply, we lack a "gathering place" or public (city) market hall for Oahu's 881,300 residents and 4 million (+/-) visitors. We are without a place or space that truly illustrates and celebrates some of the very unique aspects of our many cultures and foods, and our special environment and architecture. Further, if the state wants to nurture and support small business and businesses owned by women and minorities, it needs a place that provides additional marketing opportunities. Simply, we need a showcase, or portal, for Hawaii's higher quality fresh and processed agricultural products *from all islands*. A recent discussion with Hawaii Department of Business, Economic Development and Tourism officials also indicated that the visitor industry needs a new attraction for our guests. If planned and implemented in a thoughtful manner, *The Gathering Place of Honolulu* could be such a significant attraction that it helps us grow Hawaii's visitor count. More visitors mean more tax revenues. Markets, like the one envisioned herein, have attracted millions of additional visitors annually to cities across North America. At the heart of their success is an unwavering commitment to the quality of the products and a unique, local market experience. The best

public markets are hot beds of local entrepreneurial activity that is centered on great regional food.

Ted Spitzer and Hilary Baum wrote the book on public markets, *Public Markets and Community Revitalization*, 1995, for the Urban Land Institute and the Project for Public Spaces, Inc. They had this to say about the value of markets, and why people and government planners are discovering or rediscovering that public markets are great institutions for a healthy, vibrant city and its people.



"The reasons for the renaissance of markets, one of the oldest and most widespread forms of retail trade, are diverse. Cities looking to bring consistent activity to their public spaces are using regularly scheduled markets to transform streets, plazas, and parking lots into bustling "people places," alive with vitality and commerce. Public markets are valued because they create common ground in the community, where people feel comfortable to mix, mingle, and enjoy the serendipitous pleasures of strolling, socializing, people-watching, and shopping in a special environment. Other observers see public markets as an effective way to support local economic development and small businesses in their own cities. As distributors of needed goods and services, market merchants and vendors provide farm-fresh fruits and vegetables, ethnic foods, crafts, and personal services that often are unavailable elsewhere at the same level of quality, variety, and price. People are rediscovering the fact that public markets - with their emphasis on locally grown and locally made wares, and on locally owned businesses - accentuate the qualities that make their communities special (Spitzer and Baum, pg 1).

Public markets add a human component to the buying and selling of products that often has been lost in conventional retail experiences. Vendors' personalities are important reasons why markets are special places. The intense, people-oriented environment generally attracts individuals who value interaction with the public and appreciate the communal sense among market vendors (Spitzer and Baum, pg 31).

Markets attract shoppers and browsers from many walks of life and, in the process, often become a common ground for the community. As in few other shopping venues, people of all ages, races, ethnic backgrounds, and income levels rub elbows. In many cities, public markets are among the few spaces that feel truly democratic. People feel welcome and invited, which encourages a true cross section of the community to appear (Spitzer and Baum, pg 31)."

A public market hall is conceptually larger and more permanent than a typical farmers market. It can also feature enriching businesses such as meeting rooms, teaching centers, museums, (carefully-chosen)

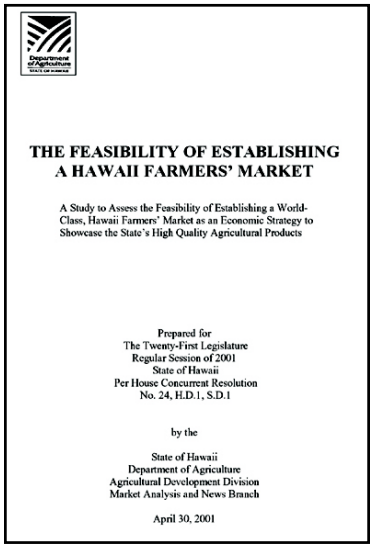
"*The Gathering Place of Honolulu* can be a place where food is fun, local agriculture is apparent and appreciated, eating is entertaining, and where friendships are started or deepened because there is a time and a place for good conversations."

retail establishments, and so forth. But the heart of the market, whatever it is called or how it is finally formulated, is food–great food, fresh and tasty food, exotic food, food supplied by local purveyors and often cooked on-site by local chefs from numerous ethnic backgrounds. It is also a place where the best food the world has to offer can be found. *The Gathering Place of Honolulu* can be a place where food is fun, local agriculture is apparent and appreciated, eating is entertaining, and where friendships are started or deepened because there is a time and a place for good conversations. A place where, if you didn't know better, you would think you were having a delicious meal at your best friend's house while overlooking the beautiful Pacific from their elevated lanai. *The Gathering Place of Honolulu* can be this place.

A well designed public market, (hereinafter referred to as *The Gathering Place*), can be an exciting and beneficial addition to Honolulu and all the islands of the state. It can provide residents great food and a way to support their farm communities–statewide, and it can provide visitors, many of them repeat guests, what they are now calling for–"something new to do."

What follows is an attempt to sketch some ideas on what *The Gathering Place* could look like: what types of businesses could populate it and develop and maintain it's uniqueness; what design features will be necessary to meet city, state and federal codes; what features could be incorporated to make it a world *leader* in public market design and smart resource utilization; what are potential financial and economic impacts, and finally thoughts on how it could be successfully financed, led, and managed.

The following information provides greater depth to an earlier preliminary market reconnaissance, *The Feasibility of Establishing a Hawaii Farmers' Market*, April 30, 2001, conducted by the Hawaii State Department of Agriculture. While the report you are reading is essentially focused on a market for the Honolulu area, the data could generally be used for markets elsewhere in the state. This report is meant, therefore, to be a source of ideas for further discussion and decision making, rather than a definitive how-to-do-it-for-Hawaii guide. Wherever possible throughout this document images from existing markets are used to illustrate concepts, thus focusing the reader on the possibilities. *Bon appetite!*



THE FEASIBILITY OF ESTABLISHING A HAWAII FARMERS' MARKET

A Study to Assess the Feasibility of Establishing a World-Class, Hawaii Farmers' Market as an Economic Strategy to Showcase the State's High Quality Agricultural Products

Prepared for
The Twenty-First Legislature
Regular Session of 2001
State of Hawaii
Per House Concurrent Resolution
No. 24, H.D.1, S.D.1

by the

State of Hawaii
Department of Agriculture
Agricultural Development Division
Market Analysis and News Branch

April 30, 2001

If a market hall like *The Gathering Place* is built, will they come?

The Gathering Place is envisioned to gather people and products into one enjoyable venue. In an attempt to get a sense of what residents, visitors, and agricultural producers and trade associations might think about the idea of *The Gathering Place*, a number of surveys were undertaken. There was no attempt to make the surveys exhaustive given the fact that this idea is still very much in the dreaming phase.

The first section below is directly from the summary provided by Ward Research, Inc. and it covers Oahu resident and visitor data. The Ward survey appendix, page 139, contains the results of the entire survey. The second section is a compilation of thoughts from some leaders in Hawaii agriculture and food. More in-depth discussions will need to take place with agriculture product providers should the idea be put into motion.

The following summarizes data collected from Oahu residents (n=101) residing in Honolulu, US visitors (n=108), and Japan visitors (n=101). Most questions were addressed *only* to those expressing an interest in visiting or shopping at the proposed public market.

Honolulu Residents (n=101)

- **Shopping Frequency.** Most Honolulu residents shop more than once per week for fresh produce, meat and seafood, on average (mean 2.1 times).

- **Factors in Shopping.** In the decision to purchase such items, *taste* and *appearance* were judged most important among six factors rated on a 10-point scale, where 10=extremely important in deciding to purchase, and 1=not at all important.

- **Interest in Public Market.** Forty percent of local residents expressed strong interest in a public market, saying they were very likely to shop there. Another 40% said somewhat likely. Only 21% said they were not likely to shop at a public market.

  About 80% of Honolulu residents – 80 of 101 – then, expressed interest in the public market concept and proceeded to respond to the following topics.

- **Key Factors**. Besides *product variety* and *friendliness*, *available parking* and *accessible location* ranked highly among nine factors tested, based on 10-point ratings where 10=extremely important in encouraging residents to shop at a public market, and 1=not at all important.

- **Location**. Unlike US visitors and Japan visitors, most residents prefer *Ala Moana* or *Ward Warehouse* as sites of a public market. Only one-third favored Waikiki.

- **Activities**. Among those likely to shop at a public market, one in five said they were very interested in *watching noted local chefs*, and

one in five said they were very interested in *taking cooking classes*.

- **Crafts vs. Souvenirs**. Residents were less interested than were US or Japan visitors in having *locally-made craft products* or having *T-shirts, souvenirs, etc*. for sale at a public market. Only one-third and one-fifth of those likely to shop at the market, respectively, rated these products high in importance.

- **Choices of Food.** *Homegrown fruits, plate lunches* and *fish or seafood* were named most often as choices for snacks, takeout meals and dine-in meals by likely residents.

- **Food gifts.** *Hawaiian condiments, candies, macadamia nuts* and *Hawaii-grown or made foods* in general were most-often mentioned as desirable food gift items.

- **Open-Air vs. Closed Facility**. Consistent with visitors, nine in ten local residents likely to shop at a public market endorsed an *open-air* facility. Only 6% preferred a completely enclosed, air-conditioned market.

US Mainland Visitors (n=108)

- **Interest in Public Market.** Interest in the public market concept is *strong* among US visitors, almost half (48%) of whom said they were *very likely* to visit such a market. Another 37% were *somewhat* likely to visit the market, and only one in seven (14%) said they were not likely.

  Seven of eight US visitors – 85% or 92 of 108 — expressed interest in this concept and proceeded to give responses to the following topics.

- **Key Factors**. *Friendliness, product variety* and *attractive dining location* ranked highest among nine factors tested, based on 10-point ratings where 10=extremely important in encouraging visitors to shop at a public market, and 1=not at all important.

- **Activities**. The level of interest either in the *opportunity to watch noted local chefs* or in *taking cooking classes* is not high. Of the two activities, watching noted local chefs evoked more interest than did cooking classes.

- **Crafts vs. Souvenirs**. Most US visitors interested in a public market felt that having *locally-made craft products* for sale is important. Well under half, however, felt that having *T-shirts, clothing,* or *souvenir items* for sale is important.

- **Choices of Food.** *Homegrown fruits, Chinese food*, *pizza* and *fish or seafood* were named most often as choices for snacks, takeout meals and dine-in meals.

- **Food gifts.** *Pineapple, macadamia nuts, fruits* and *coffee* were most-often mentioned as desired food gift items.

- **Amenities.** Forty percent said they were very interested in visiting

the market *while waiting for their hotel room or flight*. Asked to name desired amenities, many wanted *comfortable sitting areas*, *restrooms*, and *luggage storage* facilities while they wait. Some also named *Hawaiian entertainment* as desirable as well.

- **Open-Air vs. Closed Facility**. US visitors overwhelmingly endorsed an *open-air* facility. Very few preferred a completely enclosed, air-conditioned market.

- **Location**. US visitors most prefer a location *near Waikiki*. Sites near Ala Moana, Ward Warehouse, in Chinatown or outside Honolulu were much less favored, based on 5-point ratings of preference.

Visitors from Japan (n=101)

- **Interest in Public Market.** One-third of Japan visitors (35%) said they were *very likely* to visit a public market, and another 41% were somewhat likely. One in four (24%) said they were not likely.

  Three-quarters of Japan visitors – 75% or 76 of 101 — expressed interest in this concept and were asked about the following topics.

- **Key Factors**. *Friendliness* and *price* ranked highest, while *parking* and *food available for take-out* ranked lowest, based on 10-point ratings of importance.

- **Activities**. Only one in five Japanese indicated an interest in *watching noted local chefs,* and less than one in ten indicated interest in *taking cooking classes*.

- **Crafts vs. Souvenirs**. Unlike local residents and US visitors, Japanese are much more interested in shopping for *T-shirts, clothing,* or *souvenirs* than in shopping for *locally-made craft products* at a public market.

- **Choices of Food.** For the Japanese, *sandwiches, burgers* and *Hawaiian food* topped the list of foods named most often as snacks, takeout meals and dine-in meals.

- **Food gifts.** Hawaii-made *chocolate* and *coffee products* were most-often mentioned as desired *omiyage*.

- **Amenities.** Thirty percent said they were very interested in visiting the market *while waiting for their hotel room or flight*. Asked about desired amenities, many wanted to sit in a *café* or *coffee shop* or in similarly *comfortable sitting areas* while they wait.

- **Open-Air vs. Closed Facility**. Consistent with other segments, over 90% of Japanese endorsed an *open-air* or partially open facility.

- **Location**. Japanese visitors overwhelmingly prefer a site *near Waikiki,* and secondarily, a site *near Ala Moana,* based on 5-point ratings of preference.

Survey of some leaders in Hawaii agriculture

While *The Gathering Place* is an amalgamation of many types of businesses, food or agriculture is at the core of the market. In order to get an initial feeling for how agricultural producers see the opportunity to sell more of their goods, the Hawaii Farm Bureau's Commodity Advisory Group members was selected as informants. The group of about 25 agriculture leaders, on various islands, were asked to comment on a number of questions after they had seen some of the images found in this report and after a brief introduction to this concept. There was no attempt made to gain any statistical reliability in this sample, rather it was more to "test the water" while being careful not to raise expectations.

Even after a reminder, only 12 email surveys were returned and not surprisingly, the answers were brief and generally not organized to coincide with each of the following questions. But to the one, every response was upbeat and they were interested in being kept informed on this idea. Since the survey responses were not generally useful as verbatim bulleted points under each question, a summary is provided.

1) Does the idea of *The Gathering Place of Honolulu* appeal to you as a business opportunity, and if so, can you please list two reasons?

- I support this concept for individual businesses as well as commodity organizations.
- Needs to be in a central location with access to a high number of potential customers.
- There is an immense opportunity for exposure of a company's product to a large population, hopefully initially drawn by an "experience" for locals and visitors.
- This market might be an opportunity to alter the market distribution system by allowing small producers to deliver small shipments.

2) Can you envision completely different alternatives to the market hall concept that would provide Hawaii agri-entrepreneurs equal or better access to more customers either in Hawaii or off-shore, thus raising the potential for increased revenues?

- A trade commission in off-shore markets that could scout out opportunities and help create business relationships would be helpful.
- A "super cooperative" in the local market could help consolidate orders and farmer interests.

3) How do you see coalitions of agricultural entrepreneurs and processors being assembled to fund their own businesses in a market hall?

- Coalitions within the market of producers based on product or location might help distribute costs, such as labor, over many producers and that can reduce costs.

4) What is highest rent per square foot per month you could imagine paying for access to thousands of people per day?

- I have no idea.

5) Other than a source of funds to build a market, what do you see as the next largest roadblock to making a market like *The Gathering Place* a reality?

- Politics (zoning, neighborhood board concerns, traffic concerns, location, Not In My Back Yard, tax incentives, whose vision is the "right" vision.
- The risk acceptability of entrepreneurs in embracing a new marketing concept.

6) What types of businesses, foods, or activities would you want to be in The Gathering Place so it would be fun for you and your friends to visit on a frequent basis?

- Fresh produce (conventional and organic) at affordable prices.
- Eating places (international–Indian, Thai, Indonesian, Ethiopian, Chinese, Mexican, etc). (*ed note*, Japanese, Korean, Filipino, Vietnamese would also be appropriate to consider).
- Nursery plants, flower shops, bakeries, candy shops, herbs and spices, Asian food products.
- Need to mix food service with emphasis on exotic or different in terms of products, service, etc.
- Arts and crafts, and a certain entertainment component.

Other comments:

- perhaps it would be good to start with a night street market to test viability

One of the main reasons that this market idea got started was because agriculture in Hawaii is changing. For the last 20 years or so pineapple and sugar have seen significant reductions in acreage and thus value (though they are still #1 and #2 in value in Hawaii). Taking up many of the abandoned fields are a growing number of agricultural entrepreneurs who are producing crops that heretofore were only cultivated in small plots. As can be seen in the figure below (Figure 2), and in Table 1, agriculture in Hawaii is not dead, it is just different. In addition, it was estimated that in year 2000, agriculture contributed $2.4 billion to Hawaii's economy and 38,350 jobs (PingSun Leung and Matthew Loke, *Agriculture's Contribution to Hawaii's Economy–an Update*, College of Tropical Agriculture and Human Resources, University of Hawaii). While these figures are 5 percent or less of the entire economy, they are not insignificant.

In order to stay ahead of eclectic agricultural and processed product production and to even accelerate their penetration into Hawaii markets and markets "beyond the reef," mechanisms must be put into place that increase the exposure of quality products to a large consumer and professional customer base. *The Gathering Place* can take that role. It appears from the preliminary survey work (see previous section), however, that various agricultural entrepreneurs are going to need to work closely with market developers from the outset to achieve ends that are mutually beneficial.

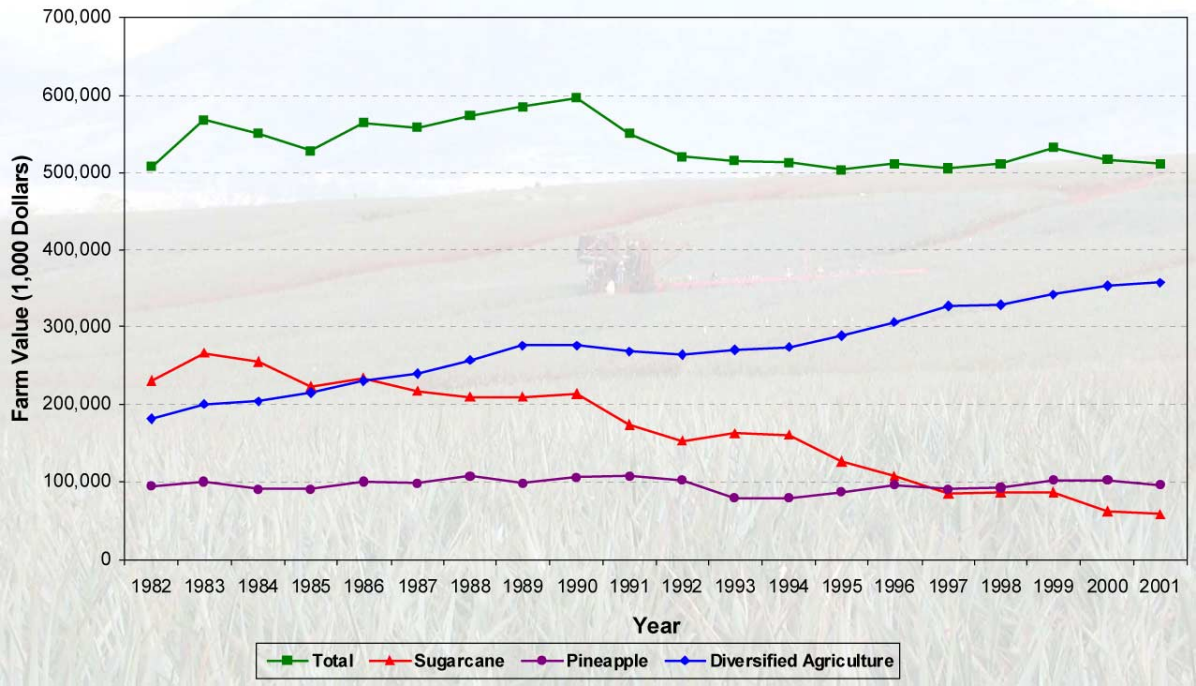


Figure 2. A look at Hawaii's growth industry, agriculture 1982-2001.
Source: Hawaii Department of Agriculture.

Table 1. Various attributes of Hawaii agriculture.

Top 20 commodities, State of Hawaii, 2000-2001

Commodity [1]	Rank		Value of production	
	2000	2001	2000	2001
	--- Number ---		--- 1,000 dollars ---	
Pineapples (fresh equivalent)	1	**1**	101,530	**96,337**
Sugarcane (unprocessed)	2	**2**	62,600	**57,800**
Seed crops	3	**3**	32,200	**32,800**
Macadamia nuts	4	**4**	29,500	**32,480**
Milk	5	**5**	28,102	**26,546**
Coffee	6	**6**	23,055	**19,600**
Cattle	7	**7**	19,204	**18,007**
Papayas	8	**8**	16,007	**14,598**
Bananas	10	**9**	10,440	**10,640**
Eggs	9	**10**	10,598	**9,640**
Tomatoes	12	**11**	8,580	**9,275**
Algae	13	**12**	8,447	**8,461**
Dracaena (potted)	16	**13**	6,648	**8,443**
Palms (potted)	14	**14**	8,434	**8,280**
Ginger root	11	**15**	8,910	**8,100**
Anthuriums	15	**16**	7,357	**6,904**
Dendrobium, pots	17	**17**	6,528	**6,608**
Hogs	18	**18**	4,425	**4,546**
Onions, dry	22	**19**	3,053	**4,052**
Basil	19	**20**	3,600	**3,458**

NA = Not available.
[1] Floriculture categories include only growers with total sales of $10,000 or more.

Farm values, State of Hawaii, 1982-2001

Year	Sugar (unprocessed cane)	Pineapples (fresh equivalent)	Diversified agriculture [1]	Total
		1,000 dollars		
1982	230,800	94,364	182,104	507,268
1983	266,900	100,376	201,138	568,414
1984	256,200	89,928	204,389	550,517
1985	222,400	90,530	215,719	528,649
1986	233,800	99,720	231,197	564,717
1987	218,000	99,286	240,012	557,298
1988	209,900	107,402	256,660	573,962
1989	210,300	98,310	276,438	585,048
1990	213,800	106,365	275,789	595,954
1991	174,900	107,775	268,707	551,382
1992	153,700	102,100	264,427	520,227
1993	163,000	79,850	271,094	513,944
1994	160,100	78,890	273,826	512,816
1995	127,700	87,360	288,530	503,590
1996	108,100	95,914	306,207	510,221
1997	85,500	91,721	327,456	504,677
1998	87,400	92,776	329,886	510,062
1999	86,800	101,448	342,846	531,094
2000	62,600	101,530	352,870	517,000
2001	**57,800**	**96,337**	**356,935**	**511,072**

[1] Aquaculture included beginning 1993.

Diversified agriculture ranked by value, State of Hawaii, 2000-2001

Commodity	Rank		Value of production			Percent of diversified agriculture	
	2000	2001	2000	2001	Year-to-year percent change	2000	2001
	--- Number ---		------ 1,000 dollars ------		---------- Percent ----------		
Flowers and nursery products	1	**1**	82,684	87,976	**+6**	23.4	**24.6**
Vegetables and melons [1]	2	**2**	59,159	62,043	**+5**	16.8	**17.4**
Seed crops	3	**3**	32,200	32,800	**+2**	9.1	**9.2**
Macadamia nuts	5	**4**	29,500	32,480	**+10**	8.4	**9.1**
Fruits (excluding pineapples)	4	**5**	31,364	30,190	**-4**	8.9	**8.5**
Milk	6	**6**	28,102	26,546	**-6**	8.0	**7.4**
Aquaculture	8	**7**	22,170	22,200	**0**	6.3	**6.2**
Coffee	7	**8**	23,055	19,600	**-15**	6.5	**5.5**
Cattle	9	**9**	19,204	18,007	**-6**	5.4	**5.0**
Eggs	10	**10**	10,598	9,640	**-9**	3.0	**2.7**
Hogs	11	**11**	4,425	4,546	**+3**	1.3	**1.3**
Other livestock and crops			10,409	10,907	**+5**	2.9	**3.1**
Total			352,870	356,935	**+1**	100.0	**100.0**

[1] Includes ginger root and herbs.

Source: Hawaii Agricultural Statistics Service, *Hawaii Agriculture 2001*. October 10, 2002.

Farmers markets in Hawaii and Honolulu's Chinatown

All the main islands of Hawaii, except Molokai and Lanai, have some form of farmers market–a place where producers and re tailers can meet with customers to exchange fresh and processed agricultural products for money. According to the US Department of Agriculture and the Hawaii Department of Agriculture there were approximately 75 farmers markets (known by many names such as Peoples, Farmers, and Sunshine markets) in Hawaii in 2002. Hilo, on Hawaii Island, has probably the two most advanced farmers markets in the state as measured by the number of vendors, square footages, hours of operation, and visitors numbers. Hawaii island has a total of 25 markets. Oahu has 34 markets, 24 City and County of Honolulu's People's Markets, and 10 private markets. There is also the Ward Farmers Market, a fixed private market in the Ward complex. Maui has 6 markets and Kauai 10 markets. There are no reliable estimates to the revenues generated at any of the public markets in Hawaii. This lack of information makes it difficult to project the potential impacts of *The Gathering Place* with any certainty, but some estimate framework will be presented near the end of this document to provide some guidance on this important discussion. While no dollar figures are available for the public markets, the summary in the shaded box, provides some interesting information.

Another food area of Honolulu is Chinatown in Downtown Honolulu. The food areas: fish, meat, produce, are generally in the Mauna Kea Market Place and in the area surrounding the Oahu market on King Street. Chinatown's importance to the food culture of Hawaii will be discussed at the end of this section.

Forms of Public Markets

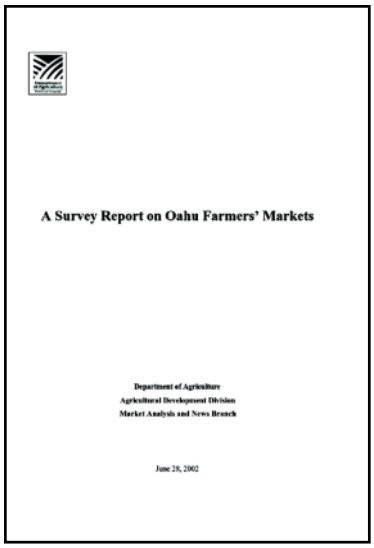
Public markets range from tented and non-tented open areas with no utilities for day vendors (open-air), to permanent structures with utilities for permanent vendors (market hall).

Open-air markets
- *Oahu's People's markets*
- *Kauai's Sunshine markets*

Shed-roof structures
- *Old Aloha Motor flea market*

Market halls
- *Granville Island Public Market, Vancouver, BC.*
- *Grand Central Market, Los Angeles, CA.*
- *Portland Public Market, Portland, ME.*

Source: Public Markets and Community Revitalization. 1995.


A Survey Report on Oahu Farmers' Markets

Department of Agriculture
Agricultural Development Division
Market Analysis and News Branch

June 28, 2002

A closer look at farmers markets in Hawaii

Following is a discussion and some photographs that illustrate a typical farmers market setup in Hawaii. Generally, state-wide most markets are open just a few hours in a week with no permanent market-specific structures such as buildings or utilities but many have tents and small electrical generators. Some are open for the two weekend days. A June 28, 2002 Hawaii Department of Agriculture study of the farmer's markets on Oahu noted some business trends worth highlighting. It is unknown whether these trends are similar to those encountered on the neighbor islands. It is also unclear how some of these trends would actually be carried into a public market hall or whether these markets and their clients are generally different than those who would frequent a more formal market hall.

- Parking is free for vendors and customers.
- Shoppers can range from a few dozen to 900 per hour.
- Fresh fruit and vegetables (82% of sales) and floral items are typical, but other items are available.

Oahu's People's Open Market Program for Fiscal Year 2002

The People's Open Market (POM) program began in November 1973. The overall purposes of the program are: (1) to provide the public, especially the less affluent residents, the opportunity to purchase low-cost fresh agricultural and aquaculture products and other food items, (2) to support the economic viability of diversified agriculture and aquaculture in our State by providing market sites where local farmers and fishermen or their representatives are encouraged to sell their surplus and/or off-grade products, and (3) to provide focal points for residents to socialize. Vendors must be registered in the Federal Food Stamp program and are required to accept food stamps. The Department of Parks and Recreation provides the staff and sites. The staff monitors the program in accordance with a set of rules and regulations adopted at public hearings.

Average Weekly Customer Count

Day	No. of Sites/week	Ave. No. of Customers/week
Sunday	2	1,554
Monday	4	1,012
Tuesday	4	4,435
Wednesday	3	2,433
Thursday	3	2,146
Friday	3	1,766
Saturday	5	6,118
Total	24	19,464

Vendors are required to submit a report of items sold in the POM on a daily basis. The items are categorized and reported by weight, bunches and by dozens rather than dollar amount except for the ethnic (Filipino imported grocery) products in the "Other" category. The amount sold in each category throughout the year follows:

Amount Sold in each Category

Category	Amount
Fruits	1,618,579 lbs.
Vegetables	1,731,248 lbs.
Seafood	107,228 lbs.
Eggs	39,900 dozens
Honey	469 lbs.
Plants	2,313 plants
Flowers	6,260 bunches
Other	$6,089

People's Open Market Staff

1 – Recreation Specialist II, SR-22 (POM Supervisor)
4 – People's Open Market Assistants, SR-15
3 – Program Aides (Up to 19 hrs/wk each)

Highlights in the Year

A total of 910,416 people were attracted to the 24 market sites during fiscal year 2001-2002, an increase from the last year's count of 875,192. This was due to the addition of two markets on Sunday. Kapolei and Royal Kunia are the newest communities to get an open market site. Both markets are doing well and plans are in place to add an additional market on Sunday. The POM has achieved its purpose of aiding and promoting diversified agriculture, providing low cost produce to Oahu's citizens and tourists and having a local point where people of a community can gather and "talk story".

The Kalihi Kai site had the highest average number or patrons (2,943 each week) and the Mother Waldron site the lowest (112 each week).

There has been a slight decline in Electronic Benefit Transfer transactions during this fiscal year. A total of $127,531 was collected in the markets.

Source: City and County of Honolulu, Department of Parks and Recreation, 2003.

- Rents or sales fees for vendors range from zero in the City's People's Markets up to $50 per session in the private markets.

- Market times range from 45 minutes to 14 hours in one day.

- Market days in one location can be 1-3 times a week, twice-a-month, or other arrangements.

- Product quality ranges from off-grade to good.

- Customer flows can vary by the type of market, but are generally more intense at the shorter time period People's markets than the longer period private markets. In other words, the visitor count is more spread-out throughout the operating hours of the longer markets.

- It is preferred by the management of the People's markets that the markets take food stamps and EBT (Electronic Benefits Transfer) cards. This creates savings opportunities for low income shoppers.

- Market prices at the Oahu's People's markets are monitored and kept at 35% below retail.

- All new vendors at the People's Open markets must farm at least one acre of land. Many of the current vendors do not farm the crops they sell.

- The demographics of shoppers at the markets are mixed by weekday and weekend shoppers. Generally, there is a higher percentage of senior citizens at markets that operate during weekdays.

- All current farmers markets lack significant refrigeration and on-site food preparation and cooking capacity, as well restroom facilities for a large number of guests.

Overall, what makes these markets function well for both the buyer and seller is the low or no cost for the farmers (or produce vendors) to sell their products. In other words, the cost of paying the market fee (rent, common area maintenance (CAM), and parking) adds very little, if anything, to the cost of the product. This rental cost structure is not the case with retail property in Honolulu, however. A June 2001 Pacific Business News summary of retail market rents within the largest shopping centers on Oahu have a range of rents per square foot per month of reporting businesses that range from $0.40 for Costco Center on Lawehana St. (Costco is no longer at that site) to $12.00 at the Royal Hawaiian Shopping Center in Waikiki. For a typical 225 sq.ft. food vendor space (15 foot x 15 foot) located in either complex an entrepreneur would be paying $90 or $2,700 per month, respectively, for rent. These figures do not take into account the additional CAM that range from $0.11/sqft/mo at Costco to $0.96/sqft/mo at Royal Hawaiian. Note that rents have dropped considerably since that study was done and there are many deals being offered by real estate firms in Honolulu. A third quarter 2002 Grubb & Ellis report has average rents at $1.95/sqft/mo plus $0.69/sqft/

mo CAM in the "greater Honolulu" area. They report that the "tourist core" has an average rent and CAM of $5.62/sqft/mo and $1.62/sqft/mo, respectively.

Similarly, the fact that the buyer can come to the market and not have to pay parking fees makes the shopping experience less expensive than an area where parking fees are charged. Parking in downtown Honolulu, for example, can add an additional $20 to the cost of a four hour shopping trip. High parking fees can often negate the savings that a market can bring a buyer and thus cause them to reevaluate the benefit of shopping at a certain establishment.

The Ward Farmers Market has local name recognition (and free parking), but is not what many would consider to be a typical "farmers market" given it's rather permanent tenants (i.e. no visible farmers)–it is more like a grocery store or at the extreme, a mini market hall. Inside, mostly Hawaii shoppers, can buy local produce, fish, meat, crack seed, meals, and other products that are familiar and appeal, in their current form, to mostly Hawaii residents. Some neighbor islanders come to this market specifically to get their "fill" of "local" products.

The Kea'au Village Market opened in 2002. This fixed place market is located in Kea'au on Hawaii Island.

The Kea'au Village Market has a covered area with good sun coverage and rain gutters. The market is U-shaped with an open center courtyard and eating tables shaded by umbrellas.

This attractive sign welcomes guests to the market which operates all week long in Hilo. The market started in 1988 and has 124 vendors at peak periods.

Large tents cover gravel walking and retail areas. Tents provide shade from the sun and protection from Hilo's frequent rains.

This private market at the shopping center in Manoa Valley, Oahu, has created a growing list of customers.

This North Shore of Oahu Market is one of the more unique-looking markets.

Honolulu's Chinatown

The current Chinatown in Downtown Honolulu came into existence after about 1900. The area is made up of clothing stores, banks, restaurants, offices, and produce, fish and meat markets among others. The area is a fascinating part of Hawaii's history and can be a lively and fun place to visit. Yet, it is an area that is not frequented by visitors in large numbers or by as many Oahu residents as it could be, and is not typically seen as the food mecca it might be. Generally, this has to do with the real or perceived cleanliness of the area; the real or perceived safety of the area; the cost and availability of parking; and the real or perceived quality and safety of the meat, fish and produce. There is also a very real lack of knowledge by a large number of potential food buyers about how to prepare the many interesting foods sold in the many stores. In general, the food sold in the Chinatown area is safe from a food safety standpoint and it is generally cheaper than grocery stores, but the quality is not often up to standards of many high-end restaurants or many home

Clockwise from upper left: the mall in front of the Mauna Kea Market Place, sidewalk vendor and his produce, outside the mall facing the Oahu Market, inside the market in the fish area.

cooks. While Chinatown has some of the more interesting attributes that would be found in a world-leading marketplace, it is clearly not a substitute for one in its present form.

The Gathering Place cannot be just another farmer's market

The many farmers markets of Hawaii and Honolulu's Chinatown provide a needed outlet for sellers of off-grade and good agricultural products (among other things) and a wonderful place to shop for certain types of customers. They are welcome events in the lives of families in Hawaii and our frequented by a small percentage of guests to our state. However, if *The Gathering Place*, as proposed here, is to be a culinary and cultural mecca for the world it must be more than just another farmers market and must be more "accessible," in many ways, than Honolulu's Chinatown. It must stand shoulder-to-shoulder with the reputations of the great public markets of Europe and North America. Yet, at the heart of the market must be farmers, fishers, butchers and bakers–the very people who grow and create our foods. It must also have chefs and tropical flowers, classes and condiments, music and merriment. It can and should be a portal for high quality agricultural products from around the state, not just Oahu. It should be a place where locals and visitors alike desire to spend a good deal of their spare time on a frequent basis. It should be the main shopping area for commercial and home chefs. *The Gathering Place* should be a cultural and culinary experience that is based on fresh, high-quality, tasty Hawaii products and the building and site themselves should be designed so well that people desire to spend hours on a frequent basis shopping and eating.

Some of the best public, city and farmers markets in North America

There is little question that the idea of a public market place did not start with this study–markets are about as old as human civilization. Anyone who has had the pleasure of visiting Europe, Asia, South America, or Africa has seen wonderful markets that have histories counted in the hundreds of years. These markets illustrate the human desire to act in a communal way. The renowned planner Christopher Alexander and his colleagues write this about markets and promenades. They are places where "people with a shared way of life gather together to rub shoulders and confirm their community." They go on to say, "people go there to walk up and down, to meet their friends, to stare at strangers, and to let strangers stare at them." "It seems that people, of all cultures, may have a general need for the kind of human mixing which the promenade makes possible..." (Alexander, Iskikawa, and Silverstein, 1977, *A Pattern Language*).

So, people want to mix! What else do they need to be happy? Food! And public and farmers markets are all about providing wonderful looking, fresh tasting, locally produced, world-expanding, knowledge-gaining, and 'it-makes-me-happy to eat' feelings.

There are a number of terrific public/farmers markets in North America that provide both a place to mix and a place for great food. From interviews with market managers in Seattle, Vancouver, and Los Angeles, these reasons were provided for their markets being successful:

- people want to get out and be together
- people want to learn more about their foods
- people want to connect with their agricultural roots
- people want to buy fresh products
- people want to support their local agricultural (broadly defined) businesses
- people want to have an experience, i.e. some variation in their lives
- many people like good food–period
- markets have history that interest people
- markets attract people for people-watchers to watch
- markets are great places to take out-of-town guests to eat and shop
- society needs places for people of different ethnic groups to mingle
- communities want to create and foster economic opportunities, especially for small business, including those owned by women and minorities.

Below are images of a number of successful markets and also some operating figures where available (Figure 3). Images from each of these markets are used later in this report to create a visual context for discussion about the possibility of the market. They also illustrate many of the best practices and ideas for improvement that were suggested by the interviews with market managers. Note, while market places on the coasts of North America are featured here, that does not mean there are not successful markets on the interior of the continent. It was just a matter of being able to get access to information and photos.

Figure 3. Locations of some of the larger public markets in North America.

Lonsdale Quay Market, Vancouver, BC.

Granville Island Public Market, Vancouver, BC.

St. Lawrence Market, Toronto, ON.

Map courtesy of maps.com

Pike Place Market, Seattle, WA.

Portland Public Market, Portland, ME.

Farmers Market, 3rd and Fairfax, Los Angeles, CA.

Market name	Location	Est.	Management structure (e.g. public or privately owned and operated)	Development and Building Cost	Annual visitors	% locals summer	% locals winter	Sq.ft. farm and food market areas, including common space
Farmers Market	Los Angeles, CA	1934	privately owned & operated by the A.F. Gilmore Co.		3,000,000			
Portland Market	Portland, ME	1998	nonprofit management company operates under contract to private foundation which owns market	$9,000,000	600,000	70%	85%	37,000
Pike Place Market	Seattle, WA	1907	nonprofit public corporation of the city of Seattle		9,000,000	30%	60%	450,000
St. Lawrence Market	Toronto, ON	1803	owned & managed by the city of Toronto		2,008,000 - 3,120,000 (low end is winter)	50%	50%	112,000
Granville Island Public Market	Vancouver, BC	late 1970's	managed by the Canada Mortgage & Housing Corporation (National Gov.)		10,500,000	50%	>50%	55,000
Lonsdale Quay	Vancouver, BC	circa 1980	privately owned					

Table 2. Available information on some of the larger public markets in North America.

Market name	No. permanent farmer and food vendors	Range of vendor stall sizes- sq ft, NOT including common area	Avg monthly revenue/ sq.ft. for produce and food sales, and cooked food establishments.	Rent range (plus common area maint)	Annual Oper. & Mgt. Budget for produce and food sales, and food cooking areas	Annual Gross Revenues for produce and food sales, and food cooking areas	# Market management employees + employees of vendors	# Parking spots
Farmers Market	>80			3-7% + ?			45-50 +	500-600 + 3,500 in parking structure near Grove
Portland Market	21	290-1,300	$471	3-7% + ?	$800,000	$8 million	3 +110	100 wkday; 650 wkend
Pike Place Market	150			3-7% + ?		$59 million		
St. Lawrence Market	55	129 - 12,000	$C 50	2-6% + ?	$3,000,000		6 + 24	None belonging to market, 3,000 commercial spots in area
Granville Island Public Market	50		$C 1,800			$C 40 million	2000-3000 employees on island	1700 total; 500 covered
Lonsdale Quay	60							

Table 2 con't. Available information on some of the larger public markets in North America.

Some observations about the data on mainland public markets– They are not an investment equal to a typical shopping mall

The data in Table 2 is some of the more valuable information in this document and the market managers who provided this information are due a debt of gratitude. At the same time the data should not be haphazardly transferred to Hawaii because there are many conditions at each market that created their unique successes and struggles. For example, other than the Portland, Maine public market, the other 5 markets are considerably older. The only new markets on this list, and of course this list is not exhaustive because there are other fine public markets in North America, are Portland and Lonsdale–they were markets planned from the ground up. The other four markets, Los Angeles, Seattle, Granville, and St Lawrence are considerably older with roots going back a couple of hundred years in some cases. This later group has not had the luxury of being able to create a new market with all the modern technology and planning tools we now have, but they do enjoy a considerable history and "funkiness" that creates a unique attraction in their areas. This type of history is hard to create in a new market, but a new market can also provide characteristics that the older markets wish they had. This includes a high level of cleanliness or the appearance there of, the ability to better accommodate disabled visitors and children, the ability to create new architectural design, the ability to craft entirely new business relationships with vendors, the ability to create more accessible parking, and so forth. Therefore, there are two sides to all of these markets.

One issue that should not be ignored is the fact that 5 of the 6 markets is owned and operated by a nonprofit or government-affiliated entity. The 6th, the Los Angeles market owned by the A.F. Gilmore family, operates the market with almost a nonprofit attitude as they admit they could be making more money from the property where the market now sits, but they feel that they are guardians of an LA tradition and are willing to make less money in exchange for being positive contributors to the LA community. These nonprofit organizations, these "public" markets, are a unique investment in a community and a way of life. They are not an investment that is directly comparable to a typical shopping mall. When asked about public markets being a different type of investment, Ted Spitzer, the noted public market planner, had this to say:

> "The general model of public markets does not encourage private investment. A few public markets have been profitable enough, in hindsight, that they might attract private investors. The principal problem is that these examples are limited in number, and they have been accompanied by some failures, some marginally successful projects, and other projects that are successful on their own terms (based on the owner's goals) but not profitable enough to attract private developers. The message we generally preach is that the market requires public or philanthropic investment so it can open debt free, so to be feasible it must be

able to operate on a profitable basis after a reasonable start up period, including an operating reserve for future capital needs.

In the right situation, I think you can demonstrate that a public market can be profitable on a more conventional basis - in a large enough community, with an excellent location with adequate parking, with a great facility and skilled management, with a great group of tenants, etc. Even when all these stars align, however, most investors would be very hesitant to invest because of the lack of comparables and the inherent risks of the public market model (relying on small food businesses as tenants).

I don't think the lack of profitability comes from the tight margins on produce. First of all, produce is typically a fraction of the entire merchandise mix. The rents for the produce tenant can be kept very low, offset by higher rents charged to the other tenants, particularly those selling prepared (fast) food. There are plenty of examples of profitable produce vendors at successful public markets. The basic problem is (1) the inefficiency of the public market model, (2) the challenges facing all small businesses, particularly in the hyper-competitive food sector, and (3) the difficulty in finding great tenants.

First the inefficiency: within one building you might have 25 different tenants, each with a management structure, and then on top of that you add the market's management. Compare this with the efficiencies created by the world's large supermarket chains (which is most of the remaining competition - the independents are nearly all gone). It's a lot of overhead to capture, but essential to creating a successful shopping experience.

Second, the problems with small business. I'm a great believer in small business, in part because they are the source of most innovation (witness Starbucks evolution from a single store in Pike Place Market). However, the decks are certainly stacked against the small guy, particularly in terms of buying power. On the other hand, when a small business is great, it can be truly great, with superior products and service, coupled with product and service innovation. Unfortunately, these businesses are few and far between. A public market is a great place to incubate small businesses, but it must be recognized that there is a process of separating the wheat from the chaff (which results in a cycle of business failure, vacancy, then new tenants).

So why try? The ancillary benefits make the public market a worthy investment. Supporting small businesses and local agriculture, creating a great public space in a downtown area, and helping to revitalize the neighborhood around the public market are the typical justifications. As an economic development strategy, public markets can be quite effective, reasonably inexpensive, and sustainable. In our increasingly homogenized world, they are truly local places, with locally-based, owner-operator

businesses, indigenous architecture, and local foods. They are a quintessential positive urban experience in an increasingly suburbanized world. Our economy needs places to incubate small businesses (including the need to support women and minority-owned businesses) and a public market environment offers a great number of benefits over other options, which can be demonstrated through survival rates in the public market."

Ted's commentary results from his many years experience with helping to establish the Portland, Maine market place and being a student of public markets worldwide. His words should not be ignored and in fact with a realistic perspective decision-makers are much more likely to make informed decisions about the future of this type of investment. It can work for Honolulu and perhaps elsewhere in Hawaii but the expectations on the return from such as investment must be realistic. Ted points out that the ancillary benefits, those that could extend to business near the market or all the way to another island where someone is farming a crop that is sold at the market, can be significant. There is more on the potential economic impact of the market later in this report.

Now, let's take a look at a unique private sector/philanthropic investment, to the tune of $55 million dollars or more, that has created a food-based attraction that is truly the envy of the food world. Meet Napa Valley's *Copia*...

Note: The Culinary Institute of the Pacific (CIP), based out of the University of Hawaii's Kapiolani Community College campus, is leading an effort in a similar area with the acquisition of the Cannon Club on the slope of Diamond Head. In a talk with their director it appears that an "all-gain" arrangement could be created between the CIP and The Gathering Place.

Copia, Napa Valley, California - a special focus

One of the more leading edge concepts in food, is Copia: the American Center for Wine Food & the Arts. Opened in 2001, Copia bills itself as "the leading cultural center dedicated to the discovery, understanding and celebration of wine, food and the arts". The project was spearheaded by vintner Robert Mondavi.

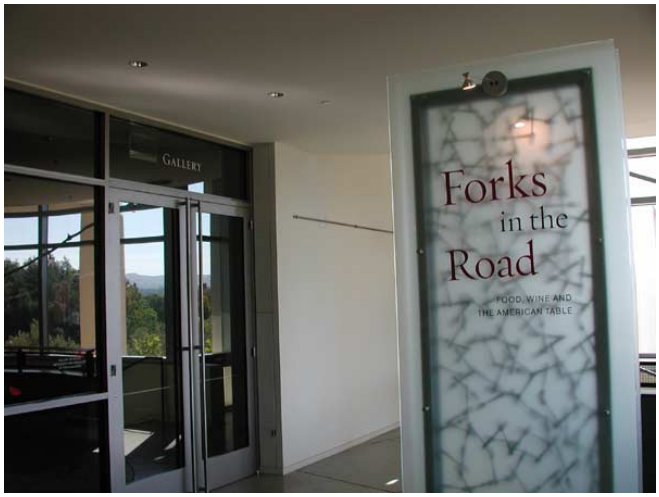
With an 80,000 square foot building on a 12 acre campus (3.5 acres of gardens), Copia, named after the Goddess of Abundance, is a hive of activity with food-based classes running continuously. Copia has a store for high-end cooking products, a restaurant, a food-stadium, a theatre, a museum, and is located on the Napa river where they are able to host numerous outdoor events such as small concerts. Over $55 million dollars was raised to design, build, and operate this amazing, internationally acclaimed non-profit facility. Honorary board members include cooking legend Julia Child, artist Wayne Thiebaud, author and businesswoman Martha Stewart, and restaurateur Alice Waters. Partners include the University of California at Davis, Cornell University's School of Restaurant and Hotel Administration, and the American Institute of Wine& Food. Admission ranges from $12.50 for adults to $7.50 for children ages 6 to 12. The price includes a tour and introductory class.

Copia from the front, Napa, CA.

Inside Copia's food stadium and classroom, Napa, CA.

Copia's food stadium up close. Ready for television broadcasting, Napa, CA.

Copia's food stadium prep kitchen, Napa, CA.



Copia's museum and gallery, Napa, CA.

Copia's back porch facing the Napa river, Napa, CA.

Copia's restaurant where customers can view chefs at work, Napa, CA.

Copia's upscale food supply store, Napa, CA.

Copia's outside cooking and demonstration area, Napa, CA.

A fire place and wood-burning oven at Copia's outside cooking and demonstration area, Napa, CA.

Current visitor options in Central Honolulu

Note: Other new shopping complexes that need to be considered as potential competition for a large market hall include the Wal-Mart/Sam's complex on Keeaumoku street near Ala Moana Shopping Center, and the Outrigger shopping complex on Lewers and Saratoga roads in Waikiki.

Residents and visitors to Honolulu have a number of options for their pleasure time, and food and entertainment dollars. In the greater Honolulu area, within a few miles of Waikiki, there are many clothes and accessories shops, as well as restaurants, museums, and theaters. There are also other free options such as parks and memorials. Outside of the Waikiki-Kakaako-Downtown-Iwilei area there are only a few major attractions, including the Polynesian Cultural Center, Waikele Shopping complex, Germaine's Luau, Hawaiian Waters Adventure Park, and the Pearl Harbor Memorial to mention the largest. While these and other free and for-fee attractions draw visitors and visitor dollars, in no case does the visitor or resident interact *in a large way* with an ethnically diverse collection of Hawaii food purveyors (farmers, ranchers, fishers, or food processors) or chefs who prepare fresh food on-site. These small food vendors are typically interesting to market goers and generally are small businesses that are "incubated" or nurtured to greater success in a public market atmosphere.

The Table 3 is a brief glimpse of the major visitor, and in a large way, local, shopping attractions that have some connection to locally grown and processed agricultural products. While there is no doubt con-

Table 3. Characteristics of visitor alternatives in the Central Honolulu area as they relate to Hawaii agricultural products and other products

Name	Primary Activity	Food Court / Restaurants	Music (listen or dance)	Significant focus on HI agriculture products?
Ala Moana	Full range of shopping Food Court,	yes, Makai Market various plus restaurants	some	not really
Aloha Tower	Clothes, jewelry, restaurants	no, restaurants	various	not really
Chinatown	Food, clothes, jewelry	yes, Maunakea Market Place	not really	yes
Dole Cannery	Variety of shops, theaters	no	not really	no, one specialty wholesaler
Hawaii Maritime Museum	Museum, rental hall	no	not really	no
Restaurant Row	Restaurants, theaters	no, restaurants	occasionally	no
Victoria Ward	Full range of shopping, theaters	no, restaurants	not really	some, farmers market
Waikiki	Clothes, jewelry, restaurants	yes, International Market Place Food Court, plus restaurants	various	not really

nections of greater and lessor extent to purchasing agricultural products by food court vendors and restaurants, there is no evidence that local products are a feature in any of these shopping/eating alternatives except perhaps in the Maunakea Market Place in Chinatown. Of course, the many grocery stores and People's Markets (City and County of Honolulu) would have local produce to varying degrees.

Following are images (Figure 4) of the areas discussed in Table 3. On the next page are images of the various food courts along with some statistics on the number of food vendors at each food court (Figure 4). The Ward Farmers Market does not have a food court and is discussed in the section on Hawaii farmers markets.

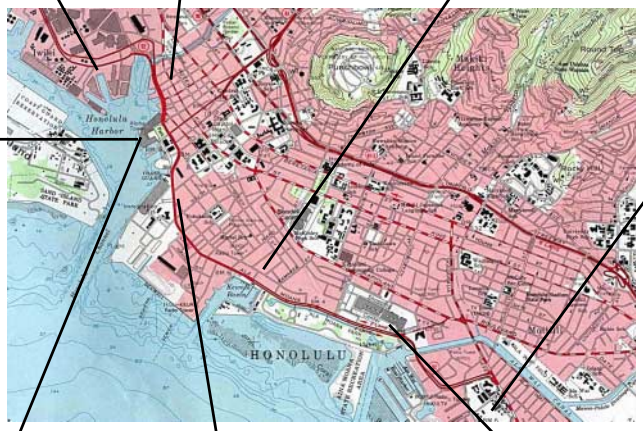
Figure 4. Images of the many shopping/food alternatives in the Central Honolulu area.

Dole Cannery, Iwilei, Honolulu.

Chinatown, Honolulu.

Victoria Ward complex, Kakaako, Honolulu.

Aloha Tower Marketplace, Downtown, Honolulu.



Waikiki, Honolulu.

Hawaii Maritime Museum, Downtown, Honolulu.

Restaurant Row, Downtown, Honolulu.

Ala Moana Shopping Center, Ala Moana, Honolulu.

Figure 5. The three major food courts in the Central Honolulu area

Chinatown and Maunakea Marketplace, Honolulu. There are 14 food vendors and 10 fruit, vegetable, fish and meat retailers at this market.

Ala Moana's Makai Market, Ala Moana, Honolulu. There are 23 food vendors in this market, plus other restaurants in the near vicinity.

Food court at the International Market Place, Waikiki, Oahu, HI. There are 18 food vendors in the food court and also other restaurants in the area.

The food scene in Honolulu, Hawaii, and globally

Food can be both attractive and yummy! Washington Place, Honolulu, Hawaii.

Food defines life and culture in Hawaii: it is the focal point of conversations, gatherings, celebrations and every day life in the islands. After all, it was a food product – sugar – that formed the diverse melting pot of people and culture that define Hawaii today.

The first Polynesians to arrive in the islands brought with them a meager supply of food that included pigs, chickens, dogs, sweet potatoes, and of course taro, the staple of the Hawaiian diet. Taro, its starchy corm cooked and pounded into a starchy paste called poi, and its leaves and stems eaten as vegetables, was not only sustenance for the people but a symbol of the ohana (family) and social order of Hawaiian culture.

When Captain Cook arrived in the Hawaiian Islands in 1778, the native Hawaiian diet began to change as cows, horses, sheep, goats and a variety of vegetables and fruits were introduced. Salt beef and salt salmon became protein staples; hard tack biscuits, a staple of sailing vessels, were introduced and Christian missionaries from New England began to add to the food supplies of the islands.

In the last half of the 19th century, the growth of the sugar industry fueled the fires of immigration from other parts of the world. From Southern China came the first wave of sugar plantation workers bringing with them today's starch staple, rice. The Japanese followed, then the Koreans, Filipinos, Puerto Ricans and Portuguese. Soy sauce, ginger, garlic, chili peppers, breads, beans and a multitude of other foods became part of the islands' pantry. The sharing of ethnic foods by workers in the field at lunchtime or home cooks over backyard fences began to define Hawaii's food culture, blending and adapting ingredients and flavors into what we call local food, the unique dishes and flavors that are evident in Hawaii's cuisine today.

In the first half of the 20th century, American foods and dietary standards became more prominent in the diet of the islands as school lunch programs were established and canned and frozen food products made their way across the Pacific to Hawaii.

Sugar and pineapple were the primary agricultural products and industry in Hawaii through the mid 20th century. Tourism began its growth, too, and with the advent of air transportation, Hawaii became the dream holiday destination for millions of people. Talented chefs, mostly European trained, came to Hawaii to head up the kitchens of the growing numbers of restaurant and hotels built to service the tourist trade. By the 1980s these chefs had established Continental cuisine as fine dining fare in hotels and restaurants.

Hawaii Regional Cuisine (HRC)

In 1988 Roy's Restaurant opened in the east Honolulu neighborhood of Hawaii Kai, with entrepreneur and chef Roy Yamaguchi creating a new kind of East-West fusion on the dining plate. This was the start of a new breed of younger chefs, trained in Europe and America, who began to redefine Hawaii's palates and menus.

Capitalizing on the concept of fresh, locally grown products and creative menus as espoused by Alice Waters of Berkeley, California's Chez Panisse restaurant, a dozen chefs in Hawaii formed a loosely knit group known as the "Hawaii Regional Cuisine". In this group were chefs Roy Yamaguchi, Sam Choy, Roger Dikon, Gary Strehl, Amy Ferguson-Ota, Jean-Marie Josselin, George Mavrothalassitis, Philippe Padovani, Beverly Gannon, Peter Merriman, Mark Ellman and Alan Wong.

Representing prominent hotels and their own restaurants, their mission was to involve farmers and food producers in the planning and execution of their menus. Forming alliances with key growers and suppliers, the chefs began to insist on fresh products from the land and ocean and supported those that provided them. The chefs began to change Continental menus to reflect the ethnic flavors and dishes found in island kitchens.

With their technical expertise, an abundant and growing pantry and the increasing sophistication of resident and visitor palates, Hawaii Regional Cuisine succeeded in its mission of showcasing island food products and placing Hawaii on the culinary map. As a bonus, many of the original dozen chefs attained celebrity status in national and international food circles and media.

Hawaiian Island Chefs (HIC)

Following on the success of HRC, a still younger group of well-trained chefs has formed the "Hawaiian Island Chefs" group to further promote the use of island products and to nurture future chefs in the industry. In contrast to HRC, HIC's focuses much of their effort on the education and mentoring of up-and-coming food service professionals and "star" chefs. Together, the HRC and HIC chefs as well as dozens more in hotels and restaurants, have redefined Hawaii's cuisine in the last two decades, relying more on locally grown and produced food products and adding their creative flair and talent to "local food."

The Media and the FoodTV Network

The food media and especially the Food TV network have encouraged and supported these efforts as well as those of chefs worldwide. Cooking shows and celebrity chefs have become every day viewing and reading fare, leading to greater consumer interest and awareness of how and what to eat to dine well.

From the FoodTV website's press page "FOOD NETWORK (www.foodtv.com) is the only 24-hour cable television network and website devoted exclusively to all things related to food, cooking and entertaining. With headquarters in New York City and offices in Atlanta, Los Angeles, Chicago, Detroit and Knoxville, FOOD NETWORK is distributed to almost 75 million U.S. households. Internationally FOOD NETWORK can now be seen in Canada, Australia, France, Hong Kong, the Republic of Korea, Thailand and the Philippines."

Food and wine tasting events as charity fund raisers, guest chef events, cooking classes and the increasing number of specialty food stores have also contributed to the growing interest in food in Hawaii. A quick look on the FoodTV network site reveals hundreds of Hawaii/Hawaiian food recipes and the names of some of Hawaii's star chefs. In October of 1999 FoodTV kicked off a national Cooking Across America series with the Hawaii Food Festival at the Hawaii Convention Center.

Slow Food USA®

Slow Food International

Slow Food International, dedicated to preserving and encouraging artisan food producers, is taking a foothold in Hawaii, too, reaffirming peoples' desire for greater quality and enjoyment from what they eat. The Slow Food movement, begun in Italy by Carlo Petrini in the early 1980's, is a new force that is touching people around the world who want to enjoy food more. The 65,000 members worldwide also have a great desire to preserve and encourage local agricultural producers and processors. The first Slow Food Hawaii event was held on Oahu on April 25, 2002 at Fujioka's Wine Merchants.

Culinary Institute of the Pacific (CIP)

This program, with its roots going back to 1949, is based out of the University of Hawaii community college system. The CIP develops a wide range of skills in future food service workers and chefs on campuses on Hawaii island, Maui, Kauai, and Oahu. There are a number of notable Hawaii Regional Cuisine chefs among the program's graduates. This program is growing with over 1,000 students system wide and serves many of the needs of Hawaii's restaurant and travel industries, the military, as well as some residents and visitors. The program recently acquired the Cannon Club on the slopes of Diamond Head crater and has high hopes of developing an internationally acclaimed culinary school. In a conversation with their director for this report, he indicated that he saw some potential synergy of the CIP and *The Gathering Place*.

Hawaii's food future–does it include *The Gathering Place*?

Food is a reflection of who we are in Hawaii: a melting pot of ethnic groups whose diversity is shared at the table. The prominence of traditional foods during special celebrations, the elevated quality of everyday fare at humble eateries and the finesse of fine dining restaurants, all speak to the importance and ongoing evolution of Hawaii's culinary tradition that draws on a multitude of international food cultures. Hawaii is truly one of the world's most delicious food mecca.

*The Gathering Plac*e, if built with a major focus on food, and containing a food stadium and education kitchen, a food museum, and perhaps a culinary finishing school, could draw numerous guests and students from around the Islands and the globe. It could be a major force in highlighting and promoting Hawaii's fresh produce, fish and processed food products. *The Gathering Plac*e could gather many of the disconnected food elements in Hawaii and provide them with a home. And *The Gathering Place's* partners could be the programs mentioned above, just like the example set by Copia in Napa Valley. Casual discussions with people connected with the high-end food industry in Hawaii indicated that there was interest in this idea as much as people in the industry had heard about it. If the project is picked up it would be good to engage some of the more active food professionals in discussions.

The Gathering Place of Honolulu–a closer look at the details

Figure 6. Some of the potential characteristics of The Gathering Place. Each of these ideas are discussed in photos in the following sections.

Someone once said, "the best way to predict the future is to invent it." Hawaii, in general, and Honolulu, in specific, has a great opportunity to create a place in the culinary world. We have Hawaii Regional Cuisine, and Hawaii Island Chefs, and food from all over the world, but we don't have one "gathering place" where we can share and learn about our foods. We don't have one place where visitors and residents can taste the foods of our abundant islands in one place. *The Gathering Place*, a permanent, attractive, vibrant public market hall, with a farmers market at its heart could be our food mecca. A place where people from all over the world come to enjoy even more of what the many ethnic groups of Hawaii have to offer. It can also be a place where residents come, on a very frequent basis, to enjoy their home and great food.

To that end, in the next few sections are some ideas of what *The Gathering Place* could look like, some of the vendor types it could contain, some of the guest amenities that could really make it a comfortable place to visit (and stay for a few hours), some of the structural characteristics that would make the market in-

teresting, and some of the development, leadership and management requirements. These are just ideas and we encourage the reader to pick and choose ideas that suit their dreams best. While at times these may seem like "just a bunch of pictures" or ideas that are "obvious" to everyone, great care has been taken to draw a very large picture of many of the aspects of a potential market so that the many reader perspectives (visitor, tenant, designer, investor, government so forth) have been touched upon. Another purpose of all the photographic detail is to provide a "straw man" from which a larger discussion of this opportunity can evolve in a somewhat methodical manner.

The tour starts with some sketches of the outside and inside of the imaginary *Gathering Place* (Figures 7 and 8). Again, these are not meant to be final drawings, just drawings to help "color" the discussion of what "might be" possible if many people put their support and energy behind such an exciting, innovative project. More architectural ideas on the market can be found in the Architectural Appendix.

Figure 7. A view of *The Gathering Place* Lanai - note the cool, shaded, relaxed atmosphere created by "vintage Hawaii" - style architecture.

Figure 8. Inside *The Gathering Place*...lively, lovely, lit.

Creating an ambiance for *The Gathering Place*

What do most people think about when they think "Hawaii"? Probably bright sun, wide clean beaches, palm trees, clear skies, deep green forests, deep blue ocean water, sweet-smelling air, great food, positive energy, and friendly people. They leave their hectic lives from around the world to come to Hawaii to relax and pay to have a unique experience that they could not find back home. *The Gathering Place* could be the place for Hawaii's visitors and residents to relax and to be exposed to many of the visual and other sensory pleasures that we have to offer. These quiet, beautiful "time-out" opportunities and places that people are willing to pay for are slowly disappearing in many places, especially Honolulu, with more and more construction and traffic congestion. In fact, during this study a visitor in Waikiki was heard to say, "there is nothing here we can't get back home." This statement is a wake-up call for Hawaii tourism.

At the same time *The Gathering Place* could be a wonderful place to relax, it can also be a portal through which agricultural-based products from all islands and oceans of Hawaii can pass and be presented before guests, both residents and visitors. Once a significant number of Hawaii products meet a significant number of buyers, good things can happen for market investors and the economy. To that end, here are some concepts that might shape the "feeling" and functions of *The Gathering Place*.

Romantic, quiet, relaxed Waikiki around the turn of the last century–that historic ambiance can be a template for *The Gathering Place*. Waikiki, Oahu, HI. Original photographer name not available.

A place that actively promotes the concept of people gathering. Pike Place Market area, Seattle, WA.

A place that is open and naturally-lit like the airport in Savannah, GA.

A place that shares our tasty bounty, like in this Hawaii Farm Bureau exhibit, Waikiki, Oahu, HI.

A place where our bounty is only exceeded by our generosity toward others as in the Pike Place Market, Seattle, WA.

A place with some Hawaii–inspired architectural details like the new Hawaii Governor's residence, Honolulu, Oahu, HI.

A place for some quiet (shaded) time to yourself, like this sea shore, Lahaina, Maui, HI.

A place where the market buildings become part of the natural environment (once the landscape grows-in), such as the case with the Waikiki Police station, Waikiki, Oahu, HI.

A place where our natural beauty is respected, protected, and shared, Waikiki, Oahu, HI.

A place where we come and *gather*. We eat great locally grown and cooked food, drink, sing, watch, and talk. We enjoy each other's company, the design of the market, and the environment in which the market is enveloped. Napa valley winery, Napa Valley, CA.

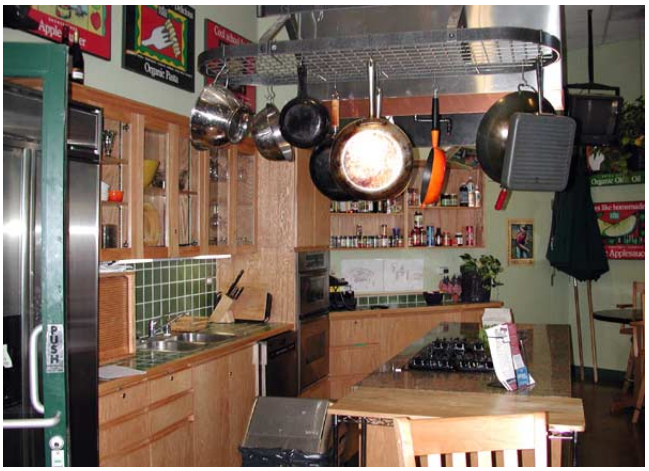
A place that is well planned with plenty of walking space like the Portland Public Market, Portland, ME.

A place that is flower and plant-rich, shaded and cool like this New Mexico market, Albuquerque, NM.

Honolulu unplugged? – a place where the music of our many cultures can be intertwined with our equally diverse foods. Albuquerque, NM.

A place with a tasteful "theme" can help bring all the aspects of *The Gathering Place* together, DisneySea food court, Tokyo, Japan.

A place that is "strollable" like this one in Alexandria, Virginia, makes the market an enjoyable time.



Perhaps *The Gathering Place* can be a learning, training and product development place (The Ipu? - the Hawaiian name for a large pot), like the Sur La Table educational kitchen, San Francisco, CA (top left); Whole foods educational kitchen, Fresno, CA (top right); Copia food stadium, Napa Valley (right).

cooking schools

training day

Give an aspiring chef a present that will last a lifetime: a gift certificate to a top culinary academy. Then reap the rewards. —*Jessica Blatt*

California Sushi Academy, Venice, CA The first U.S. vocational training school for sushi chefs, CSA also offers a three-hour session for amateur cooks ($80; 310-581-0213 or www.sushi-academy.com).

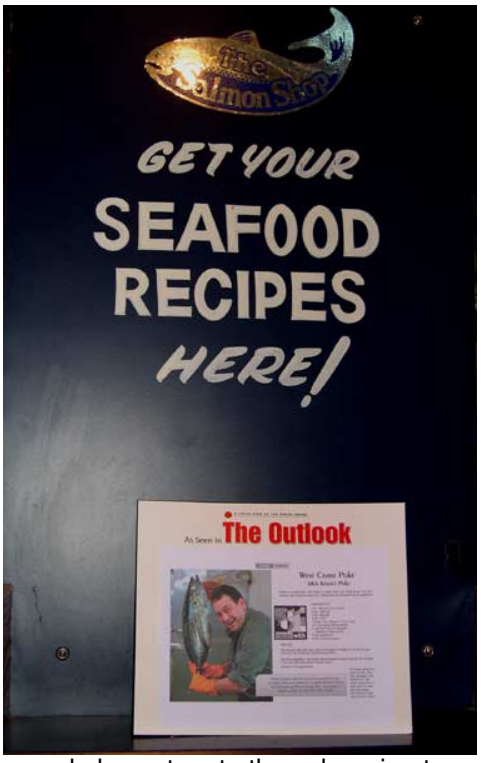
Calphalon Culinary Center, Chicago, IL Home cooks will improve their chopping and dicing techniques with one of CCC's Knife Skills classes ($75; 866-780-7799 or www.calphalonculinarycenter.com).

Texas Culinary Academy, Austin, TX TCA offers classes for nonprofessionals in Mexican cuisine, pasta making and more ($85 and up; 888-553-2433 or www.txca.com).

The French Culinary Institute, New York, NY The weeklong Artisanal Bread Making class (below) covers favorites like focaccia, challah and baguettes ($1,025; 888-FCI-CHEF or www.frenchculinary.com).

Could it be a place of significant stature in the culinary world as are these examples from Food & Wine magazine (Dec 2002) (left) or the Culinary Institute of America (CIA) of Napa Valley, CA and New York (bottom).

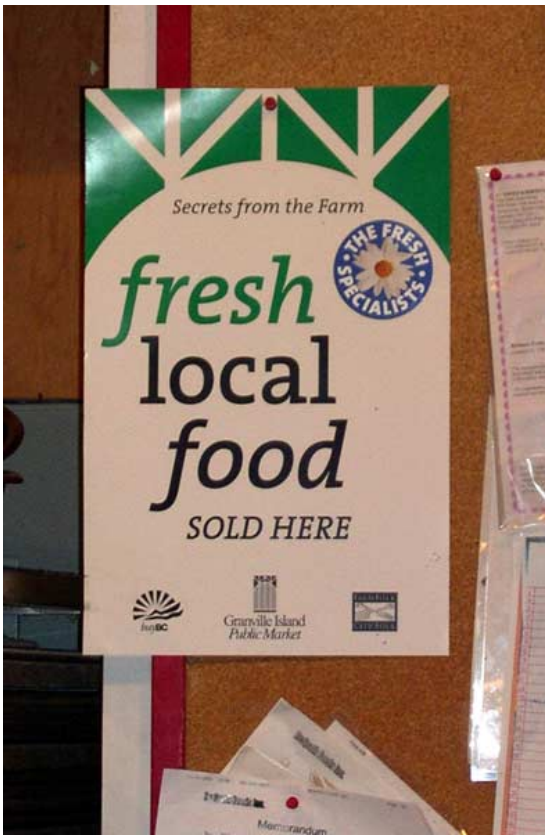
A place that caters to those who cater - professional chefs! Granville Island Public Market, Vancouver, BC.



....and also caters to those learning to cook certain products. Lonsdale Quay Market, North Vancouver, BC.

A place that gives a lot of information so that consumers can make more informed decisions. All fresh products sold in this market are identified as to their origin. Granville Island Public Market, Vancouver, BC.

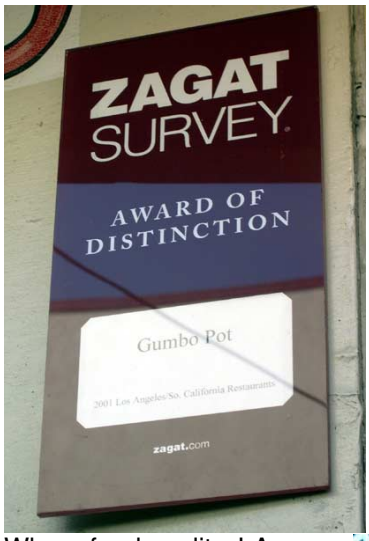
A place that is identified with something fun for the kids, like this pig mascot (Rachel) at the Pike Place Market, Seattle, WA. (Its also a large piggy bank that collects money for market projects, over $8,000 in 2001).



A place where guests from any port of call can get grown-in or made in Hawaii agriculturally-based products including organically-grown products. Granville Island Public Market, Vancouver, BC.

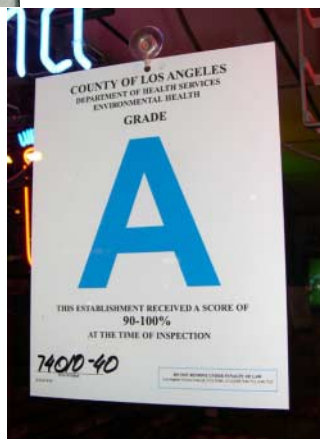
A place where guests can find healthy food (note the KCAL numbers at the top of the cards) and foods in different proportions so that it is not wasted. Tokyo subway station, Japan.

A place where guests are treated to pleasantly arranged foods, Ikebukuro, Japan.



A place where food safety is a way of life for employees as well as guests, Los Angeles, CA.

Where food quality, LA Farmers Market (top), and food safety (right), Los Angeles, is known to be critical to the success of any food operation, Los Angeles, CA.



A place where food safety is communicated to guests, Wendy's, Science Center, Tokyo, Japan.

Staffed (from the custodians to the chefs) with people who are focused on great customer service for every guest of *The Gathering Place*, like they are at the Great Harvest bread company–this is their mission statement.

A placed staffed with informed, food-savvy and food-interested employees and purveyors like the Whole Foods stores, Fresno, CA–this is their company's philosophy.

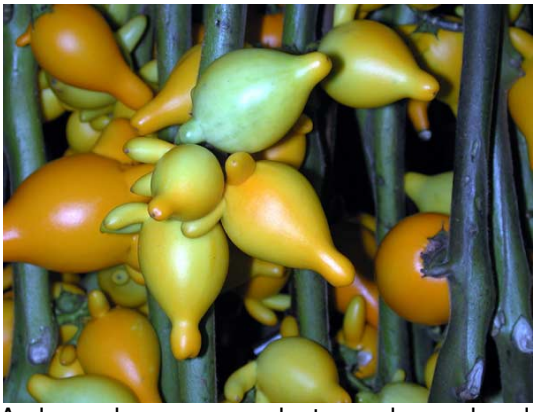
A place where the guest are kept well-informed about happenings and events, Farmers Market, Los Angeles, CA.

A place where fresh is the focus, like this coffee shop in the Granville Island Public Market, Vancouver, BC.

A place that looks and feels as good (and is as safe) at night as it does during the day, The Grove, Los Angeles, CA.

A place for all seasons and all reasons, Farmers Market, LA and Granville Market, Vancouver, BC.

A place where exotic is common place, Pike Place Market, Seattle, WA.



A place where new products can be explored. Matsushima, Japan.

A place where we grab the guest by their senses, Pike Place Market, Seattle, WA.

A place where we could honor our culinary (and music?) heroes, Vancouver, BC. *A Culinary Walk of Flame?*

A place that brings the farm to the guest, Pike Place Market area, Seattle, WA.

A place where entrepreneurs are center stage in their own success. Granville Island Public Market, Vancouver, BC.

A place where guests can become involved in their food, and a business's improvement at the same time. North Vancouver, BC.

A place where guests can watch their food being prepared. Matsushima, Japan.

A place where children can learn more about the food they eat. Ikebukuro, Japan.

A place where everyone can see how to prepare many of the traditional foods of the people of Hawaii, the Pacific, and Asia. Apia, Samoa.

A place where young entrepreneurs can also be part of a successful market, Suva central market, Fiji.

A place where guests can learn about how their food was grown and prepared. Sendai, Japan.

A place where food can be a little bit silly. Sendai, Japan.

A place where children have a place of their own. Granville Island Public Market, Vancouver, BC.

...and something kid-like to do. Lonsdale Quay Market, Vancouver, BC.

...and where kids can be well protected by their guardians. Pike Place Market, Seattle, WA.

...and where kids, of ages, can learn about many cultural, food, and agricultural heritages. Pike Place Market, Seattle, WA.

Some ideas of the types of businesses for the market

Hawaii has some wonderful food and food products but we lack a "portal" or show place to display our wares to a large group of potential buyers (consumers and commercial buyers). *The Gathering Place's* central function is to bring sellers and buyers of fresh and processed agricultural products together in a pleasurable environment. Here are some ideas from markets across North America and elsewhere that could, and probably have, a Hawaii parallel.

The eclectic nature of markets is what makes them fun and unique; they are not just another shopping mall. From the Chelsea Market website, New York City, New York.

Regional branding gives products uniqueness. Selectiveness also assures that only the best is being offered to guests. Pike Place Market area, Seattle, WA.

Public markets are a prime incubator of local business and local business are very popular with locals and visitors alike, such as the case with this St. Louis, Missouri, coffee company (which is not in a public market).

Variety is a key draw for a wide variety of customers, like this Emmaus, Pennsylvania farm.

Local products, like Kobe beef, can be branded to create a distinctive cache, Gotonda market, Tokyo, Japan.

Variety includes farm fresh fruits and vegetables that help people get their "5-a-day", Farmers Market, Los Angeles, CA.

Many local foods, such as cooked Samoan food (taro, breadfruit, and palusami), are desired "beyond the reef" and can help grow export sales, Apia, Samoa.

Fresh fish-shipped anywhere, Pike Place Fish Market (aka The Fish Show), Pike Place Market, Seattle, WA.

Cheese, St Lawrence Market, Toronto, ON.

Dumplings and other Chinese foods, Chinatown, Vancouver, BC.

Sweeter Asian pastries, Pike Place Market area, Seattle, WA.

Fresh soup, The Stock Pot, Lonsdale Quay Market, North Vancouver, BC.

Fresh and healthy (and perishable) soup-to-go, the Stock Market, Granville Island Public Market, Vancouver, BC.

Beer, brewed on-site, Granville Island Public Market, Vancouver, BC.

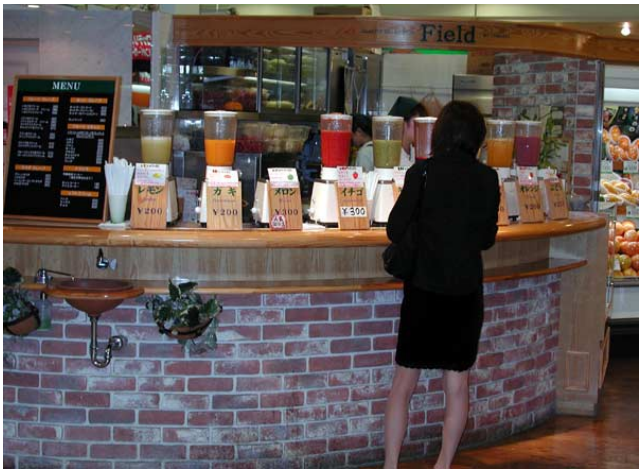
Espresso and tea, Pike Place Market area, Seattle, WA.

Wine, Pike Place Market area, Seattle, WA.

Tea etc., Pike Place Market area, Seattle, WA.

Coffee, Seattle, WA.

A variety of drinks and spices, Pike Place Market, Seattle, WA.



A fresh juice bar, Sendai train station, Sendai, Japan.

Bagels, Granville Island Public Market, Vancouver, BC.

Bakery goods, Pike Place Market, Seattle, WA.

Ice cream treats, Pike Place Market area, Seattle, WA.

Dairy goods, Pike Place Market area, Seattle, WA.

Chocolate, Pike Place Market area, Seattle, WA.

Dessert mecca, North Vancouver, BC.

Hot dogs and Turkish food, Pike Place Market area, Seattle, WA.

Japanese food, Pike Place Market area, Seattle, WA.

Singaporean food, Farmers Market, Los Angeles, CA.

French food, Pike Place Market, Seattle, WA.

Gumbo, Farmers Market, Los Angeles, CA.

Kosher and deli food, Pike Place Market, Seattle, WA.

Latino food, Pike Place Market area, Seattle, WA.

Seafood and Mediterranean food, Pike Place Market area, Seattle, WA.

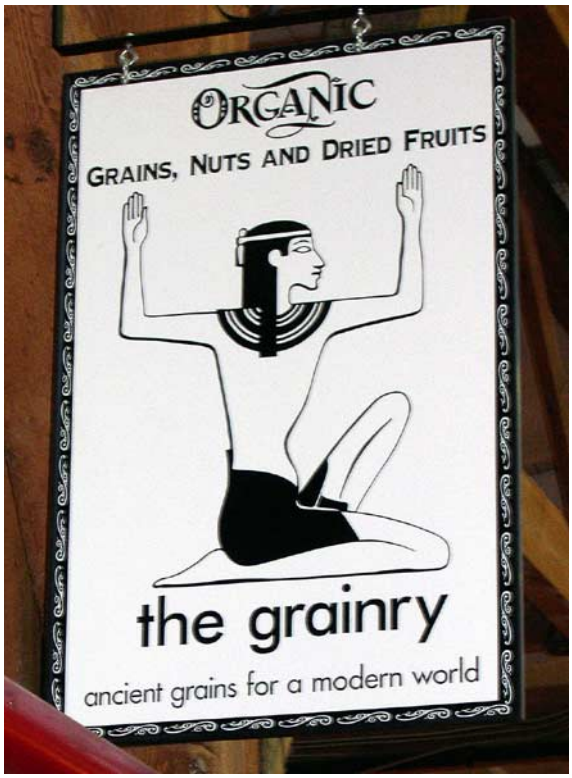
Cambodian noodles, Chinatown, Vancouver, BC.

Italian food, Granville Island Public Market, Vancouver, BC.

Fresh crepes and Greek food, Lonsdale Quay Market, North Vancouver, BC.

Perogy, juice and salad, Granville Island Public Market, Vancouver, BC.


Make your own fresh salad–to eat now or later, Lonsdale Quay Market, North Vancouver, BC.



Grains, nuts and dried fruits, Granville Island Public Market, Vancouver, BC.

Vegetarian hot dogs, Robson Street, Vancouver, BC.

Vegetarian foods, Robson Market, Vancouver, BC.

Herbs, Granville Island Public Market, Vancouver, BC.

Honey, Pike Place Market, Seattle, WA.

Organic produce, Pike Place Market, Seattle, WA.

Butcher shop, Farmers Market, Los Angeles, CA.

Sausages, Pike Place Market, Seattle, WA.

Agriculturally-related, nonfood items

Health and beauty products, Robson street, Vancouver, BC.

Kitchenwares, Sur La Table, Pike Place Market area, Seattle, WA.

Gardener supplies, Sendai area, Sendai, Japan.

Fresh flowers and live plants, Sendai area, Sendai, Japan.

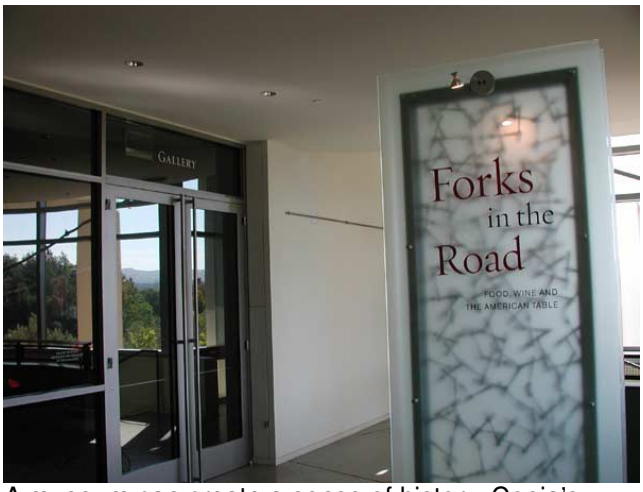
Dried flowers, Pike Place Market, Seattle, WA.

Other potential revenue-generating functions for *The Gathering Place*

It is well documented that a successful public market hall cannot survive alone on the rents generated by fresh produce stands, there is just not enough rent generated to cover the debt service and management costs. Therefore, the market must be an eclectic, but thoughtful, mix of revenue-generating alternatives. For example, a food stadium (stadium seating in front of a large-scale demonstration kitchen) and culinary institute could bring in revenues through television contracts, admission fees, and tuition. A Hawaii or Pacific/Asian food and cultural museum, an idea currently supported by the Smithsonian Institute in Washington, D.C., could generate visitor revenues that are a good contributor to the market's bottom line. Similarly, great meeting rooms (accessible parking, appropriate room amenities, and access to a large variety of food offerings) can be a real boom to the market as the existing inventory of meeting rooms in the Honolulu/Waikiki area leave a lot to be desired.

A food stadium can attract world-wide attention to Hawaii. It can be the core of a weekly television show, a culinary boot camp or a finishing school for short and long-term learning. Copia's food stadium and classroom, Napa, CA.

Large, open and attractive areas, both inside and out, can host a variety of private and public functions. Lonsdale Quay Market, North Vancouver, BC.



A museum can create a sense of history. Copia's museum and gallery, Napa, CA.

A meeting room with high quality communications infrastructure could generate lucrative daily use. Farmers Market, Los Angeles, CA.

Besides fresh, having more nonperishable foods can create a more complete food shopping experience, especially for visitors who won't typically buying large quantities of fresh food. Mistukoshi, Sendai, Japan.

Traditional crafts and more modern art can be an additional draw for visitors, Apia New Market, Samoa.

Performance stages can provide additional activities for guests, Dai Ichi Hotel, Saipan.

Food types for different food needs

Food to eat now or later, Sendai, Japan.

... and at Lonsdale Quay Market, North Vancouver, BC.

Fresh products, in one-serving sizes (the pineapple crown is now a handle!), can be a hit with visitors who will not typically be shopping for many fresh groceries while on vacation. Suva, Fiji.

Local products, like these cherries make great take home gifts, Pike Place Market area, Seattle, WA.

Omiyage or gifts are important to many visitors, Matsushima, Japan.

Food sent to self, family or friends expands a products' market, Lonsdale Quay Market, North Vancouver, BC.

Great visitor and worker amenities keep people coming back!

Ask anyone what one thing is a "must" at a market where you want people to stay a long time and "guest amenities" is it. This is especially important for children, those with physical challenges, and also caregivers. There is little question that *The Gathering Place* must meet the American's with Disabilities Act (ADA) regulations but it can and should also be a model site. There are also some other niceties that really make a place fun to come to and stay a while. Overall, the market should be planned from the start so it will receive rave reviews by food magazines, the American Association of Retired People, and groups who champion access for those with disabilities.

Child care room gives parents and children a break from a busy market, Granville Island Public Market, Vancouver, BC.

Power-assisted doors help those who need a hand, Getty Museum, Los Angeles, CA.

Handicapped bathrooms are an essential part of any people-friendly facility, Sendei Airport, Japan.

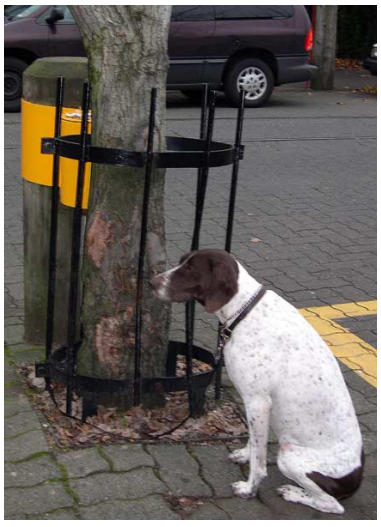
On-site wheelchairs and strollers are a great help to those who need them, Hakone Museum, Hakone, Japan.

On size does not fit all guest - note the shelf to put packages on, Seattle Airport, Seattle, WA.

First aid is critical to guest safety, Granville Island Public Market, Vancouver, BC.

Bike racks allow guests not to have to drive cars, Granville Island Public Market, Vancouver, BC.

Elevators are essential for multistory buildings, Lonsdale Quay Market, North Vancouver, BC.



Making allowances for pets brings their owners to the market for shopping, Granville Island Public Market, Vancouver, BC.

Treating bus drivers well keeps them coming back with their guests, Farmers Market, Los Angeles, CA.

Staff bathroom and lunchroom provide staff with a much needed bit of privacy during a long day, Granville Island Public Market, Vancouver, BC.

Lockers help people hold packages while they continue to shop and eat, Seattle Airport, Seattle, WA.

Retrieving missing items is important, Tokyo subway, Japan.

Clean, fresh, cool water is something guests look for in a good shopping experience. Note, one size does not fit all and they should be handicapped accessible. Hilo International Airport, Hilo, HI.

Shopping bags are essential. Lonsdale Quay Market, North Vancouver, BC.

If larger quantities of products are to be purchased, volume transportation is necessary. Farmers Market, Los Angeles, CA.

Being able to phone home allows guests to tell their friends about their experiences at the market. Sendei, Japan.

Encouraging feedback speeds evolution of the market. Sendei Airport, Japan.

Access to the internet is important to some guests. Lonsdale Quay Market, North Vancouver, BC.

Structural characteristics

The Gathering Place could be something on everyone's "to see" list if it had a number of characteristics that made people wel come, comfortable, and excited to be there. Here are just some ideas to consider. Others are mandated by building codes and laws.

Parking (reasonably priced) is a primary design need as defined by discussions with city market managers. Savannah, GA.

Buses and vans must have places to drop passengers off safely, turn around safely, and often park for an extended period of time. Honolulu, HI.

The site, feeder streets, and area parking lots must be able handle large crowds (up to 50,000 on First Night (Dec. 31) in Granville) Granville Island Public Market, Vancouver, BC.

A clean (and quickly cleanable), spacious, and low noise eating area is important to a quality eating and visiting experience. Seattle Airport, Seattle, WA.

A water feature helps tie-in a maritime and water-based history (note: waterfalls can be so noisy that it is hard to have a conversation near them). Pike Place area, Seattle, WA.

Ramps and stairs must be designed well to accommodate all types of guests and product delivery. Robson Street store, Vancouver, BC.

Various forms of transportation to and from the market can reduce road traffic and provide an interesting experience. Granville Island Public Market, Vancouver, BC.

Guests need places to rest, often frequently. Benches scattered throughout the complex (especially outside of restrooms) keep guests and their caregivers comfortable and staying put for a long time. Note: these benches are designed purposely to discourage napping. Waikiki Beach, Oahu, HI.

Abundant and shaded places to sit and eat is critical for guest comfort and food sales. Pike Place Market, Seattle, WA (right top), Granville Island Public Market, Vancouver, BC (right bottom).

Making eating and meeting tables accessible (and the correct height) for those in wheel chairs is important too. Waikiki Beach, Oahu, HI.

Amphitheater stairs can create a comfortable place to sit for many people, American Samoa Community College.

Sitting places can be made of many materials, DisneySea, Tokyo, Japan.

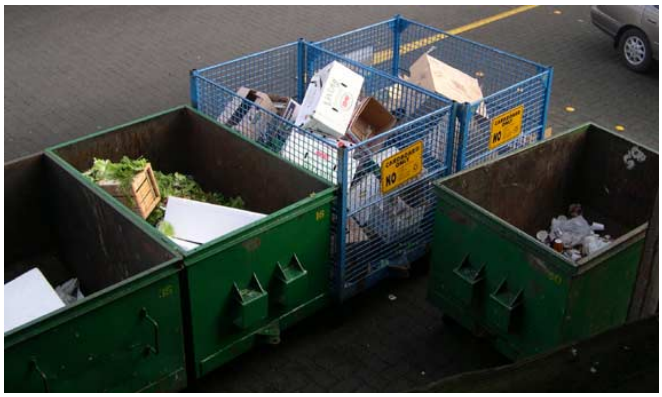
Leaning can suffice for many visitors like runners who stop by the market for a quick smoothly, Tokyo subway, Japan.

Banners or other interior design touches makes the market experience interesting and memorable, St Lawrence Market, Toronto, ON.

You've got to have art! Art, both inside and out helps create a more beautiful market. Functional art also keeps both kids and adults engaged in the market. Pike Place Market, Seattle, WA above. Dai Ichi Hotel, Saipan, below.

Rustic, older-style booths have a certain charm, but they may also be giving consumers unintended signals about cleanliness and food quality. New Apia Market, Samoa.

More updated booths, while less "homey" can be more attractive to customers and be easier to clean and meet food safety standards. Lonsdale Quay Market, North Vancouver, BC.



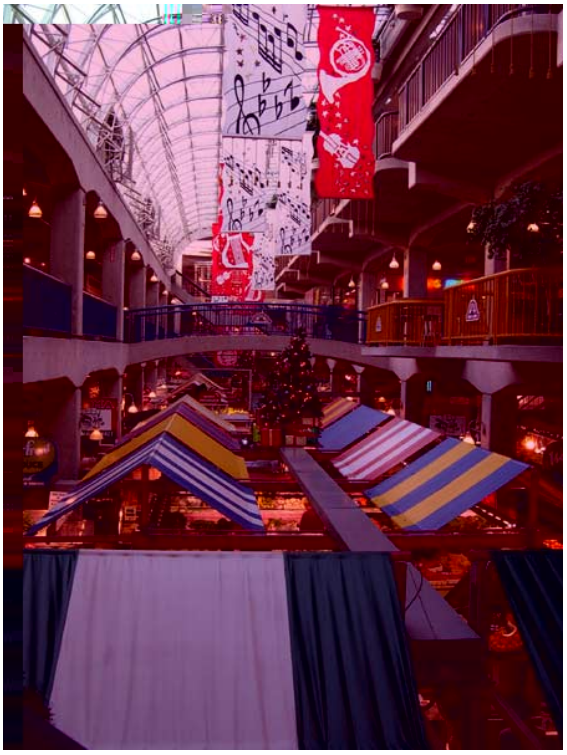
Appropriate discard management and recycling is important to a well-run operation and to the environment. Granville Island Public Market, Vancouver, BC (left top); Seattle Airport, Seattle, WA (right top), Sendai, Japan (left).

Alternative energy, such as solar, and efficient water use can be good for business and the environment and be a teaching and research tool. It can also attract additional visitors. Photo courtesy Siemens Solar Industries, from U.S. DOE website.

Office and storage space for vendors, in this case located above market stalls, is important. Granville Island Public Market, Vancouver, BC.

Meeting all construction, health, and fire codes is good business and keeps guests and employees safe. Rockridge Market Hall, Oakland, CA.

Reducing the ceiling clutter, both unsightly and a potential source of food contamination, is a primary design issue. Pike Place Market, Seattle, WA.



Tents over vendors, if the market is over one-story, helps to protect foods from debris and dust falling from upper floors. Lonsdale Quay Market, North Vancouver, BC.

Floors must be designed to be slip-free when wet, easy to clean and not harbor germs. They also need to be smooth enough so when carts roll over them they do not disturb guests. Lonsdale Quay Market, North Vancouver, BC.

Interesting displays help get guests excited about food. Pike Place Market area. Seattle, WA.

Pleasant, knowledgeable and helpful staff create a welcome and positive environment. Sendai, Japan.

Planning for, and hopefully avoiding, a combination of vehicle and pedestrian traffic can keep guests safer. The Grove, Los Angeles, CA.

Creating efficient and safe access for vendor work, both inside and outside the market, is important to everyone. Granville Island Public Market, Vancouver, BC.

Having a police presence is always helpful. Farmers Market, Los Angeles, CA.

Managing bird populations is important for health reasons and guest enjoyment. One of this study's survey observations notes that visitors want an un-air-conditioned space, if so, birds need to be kept in check from the outset. Granville Island Public Market, Vancouver, BC.

...signs can help a little. Lonsdale Quay Market, Vancouver, BC.

...and so can good engineering. Chinatown, Seattle, WA.

But sweeping up food litter and busing tables immediately, can also significantly reduce a bird's food source. DisneySea, Tokyo, Japan.

Informational signage

Market guests need to know how to get where they want to go. Often this journey starts far from the market...

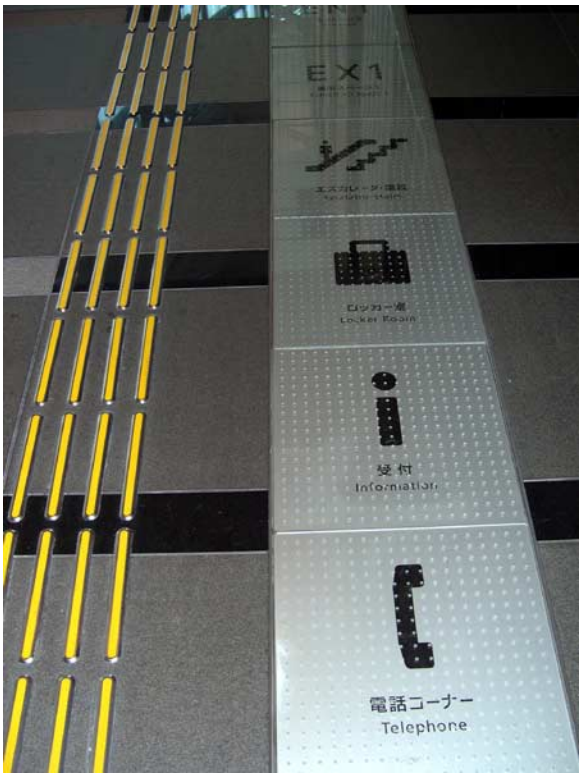
Signs away from the market help visitors find their way. Pike Place Market area, Seattle, WA.

A truly international market welcomes all. It also has many multilingual and universal language signs as possible. Seattle Airport, Seattle, WA.

Bus transportation can be a preferred mode of transportation or a necessity, either way good market signs at bus stops help. Pike Place Market area, Seattle, WA.

Informational signs can be both informative and fun. Granville Island Public Market, Vancouver, BC.

One central meeting point is important to people finding each other quickly. Narita Airport, Japan.



Sometimes the best signs are right under people's feet. The strip at the left is for sight-impaired visitors and can be found all over Japan. Japan Science Center, Japan.

Making market hours highly visible will create comfort for guests. Farmers Market, Los Angeles, CA.

Knowing about large events and how to navigate a market is important to guests. Granville Island Public Market, Vancouver, BC.

Parking lots must be easy to find, easy to navigate, and not be so expensive that it takes away savings from shopping at the market. Farmers Market, Los Angeles, CA.

A market's and surrounding area's history is important to many visitors, make a point to make the history visible. Pike Place Market, Seattle, WA.

Market place rules

Rules, while not always popular, should be established early and made very visible. Rules help keep guests safe and reduce po tential liability. Rules, not already part of law, should be established in coordination with vendors and tenants if possible.

Pike Place Market area, Seattle, WA.

Vancouver Seabus terminal, Vancouver, BC.

Granville Island Public Market, Vancouver, BC.

Pike Place Market, Seattle, WA.

Farmers Market, Los Angeles, CA.

A bread shop, Vancouver, BC.

Market vision, leadership, and management

Good market leadership and management are critical to the success of the market. Previous to this section there have been many management-related ideas suggested. In addition to those ideas, the "ethics" and "values" of the market are fundamental to the success of the market. From discussions with current market managers and advice from others, here are some best practices:

1. Establish a long term vision or blueprint for the market that is well promulgated. In other words, answer the question: "what is the purpose of the market, and what do we have to do to every day achieve that purpose?" There should be a simple, clear, written mission statement for the market, which is used to guide development, tenant recruitment, operations, the evaluation of management, and the ultimate definition of the market's success.

2. Take the vision and "populate" the market, via responses to public offerings for specific types of businesses, with the highest quality businesses, even if they are small. Create a merchandise mix that meets the varied needs of targeted consumers and professional buyers.

3. Create a vision that is proactive toward local businesses and residents–they will sustain the market over the long run. The markets studied for this report do not have any national or large local chains stores within the markets. Giving preference to local business creates a unique experience for customers and incubates small businesses.

4. Maintain a vision that does not stray from a market founded on good food, quality products, and great service. Resist any temptation to lower standards and thus the value of the market's reputation as it can erode the market's reputation and appeal over time.

5. Establish common-sense rules, promulgate them, enforce them, and revisit them often to make sure they are still valid. Incorporate product list limitations within each tenant's lease so vendors do not change their focus without agreement by market management.

6. Decide on a compassionate plan to handle undesirable situations in the market place. This includes issues with homeless people, shoplifting, unruly youth and older customers, low sales, irate customers, slip and fall accidents, food poisoning, medical emergencies, terrorism, weather (e.g. wind blowing trash around), and other maladies.

7. Color the market's vision with activities that give the market a different taste and feel throughout the year. Variation brings in repeat business.

8. An open and proactive dialog between management and tenants should be standard operating procedure. The more that this relationship is like a partnership–an "all-gain", the better. Remember, it is the collection of seemingly disparate vendors that provides the guest with a unique and memorable experience.

9. Business, product, and service improvement seminars should be part of market activities. Guests come to interact with vendors, they need to be ready to provide outstanding service and products, and an interesting interaction. Partner with educational institutions to create and on-going education series.

10. Provide a sophisticated marketing program, giving the market's small businesses a big business advantage. A thorough program includes advertising, special events and promotions, public relations, and education. Focus on attracting customers who care about the market's core values, which will generally be a higher income, geographically scattered population, as well as visitors. Establish a distinct logo for the market place and an additional one for products that can only be purchased at that market–an "exclusive" product. An exclusive can drive up the *omiyage* market.

11. Require all vendors to use cash registers to reduce any issues with revenue estimates–these will be used for rent calculations. If possible, utilize a fully integrated point-of-sale system that gives management access to all sales information, then share that information back with vendors in aggregate form to provide them comparative sales data across the market.

12. Encourage vendors to create their own association as this group can take more ownership over the success of their part in the market. They can often sponsor many of the events that bring in additional customers.

13. Encourage owner-operators where ever possible: the quality of the product and service is higher when a customer is served by an owner.

14. Realize that agricultural produce, meats, fish, and processed products are the core identity of a market, their margins might be lower than other businesses, and so they may need appropriate or subsidized rents to maintain the core focus and public purpose of the market.

15. Find ways to partner with everyone, such as the federal government (US Departments of Agriculture, Commerce, Health, Education, Energy, and Environment), state government (Departments of Agriculture, Human Services, Health, Business, Economic Development and Tourism, University of Hawaii), City and County government, farmer associations, chefs and other food professionals, and downtown groups.

16. The market could be a coordinator for a Community Supported Agriculture (CSA) program–the Pike Place market provides this service with great success. CSA's buy high quality bulk produce from many growers, then repackages them in mixed market baskets for home consumption.

17. Sufficient parking, safe vehicular and pedestrian access, and a safe market are issues that should be addressed on an on-going basis. The market must be perceived as convenient, accessible and safe all the time.

18. Develop a variety of transportation modes that get guests to the market. Consider seniors' needs as well as the handicapped.

19. Understand that the market is going to cost a good deal of money to build, maintain, and operate. Creative funding options should be a standard operating procedure. Look for ways for vendors to be investors. Also realize that success takes time, so there must be adequate reserve funds to offset potential losses in the early years.

20. Always be on the lookout for the opportunity to "catch" employees and vendors doing great work, and publicly recognize these and other good deeds as often as possible.

21. Guests come to markets to have fun, along with other motivations, create a fun place to work and visit.

22. Recognize the seriousness of competition within the retail food sector. Consumers have many choices and supermarkets are rapidly improving. The public market is a difficult business model to operate, requiring a good plan, highly skilled development and management team, and continual hard work.

23. Clearly assess the public market's competitive advantages and disadvantages, and strive to maximize the advantages while minimizing the disadvantages. The major disadvantages are price and convenience – public market vendors generally cannot match the prices of transnational supermarket chains nor the convenience of "hypermarkets" such as WalMart Super Centers. The four major advantages include:

    a. The market's physical environment, which must be a great public space.

    b. The quality and uniqueness of the market's products through their tie to local agriculture. There must be continual "product innovation" through introduction of new locally produced foods in the market. Similarly, consumers must have the opportunity to interact with the people who grew or made the food – "meet the producer."

c. Vendors' personalities and great customer service, which requires passionate, committed owner-operators who constantly strive for "service innovation" – new and better ways to serve their customers.

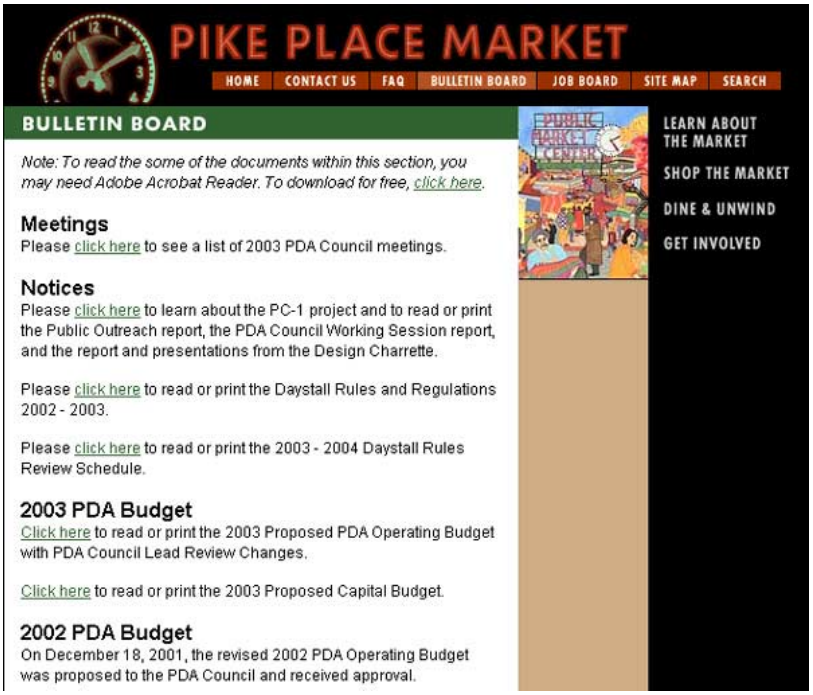
d. Consumer loyalty because of local ownership and community focus.

24. Make the public market an inexpensive place to start a business, requiring little up-front capital investment. Tie rents to gross sales through a percentage rent arrangement, thereby sharing both the downside risk if sales are low and the upside potential if sales are high.

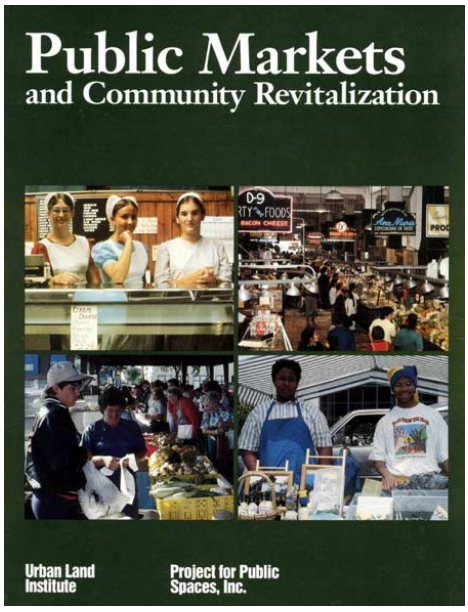
25. Don't make the public market a visitor attraction, but rather a truly authentic, local place. The visitor will follow but should not crowd out the locals.

These are but a few issues to understand, below are additional items and opportunities to lead a market to continuous success.

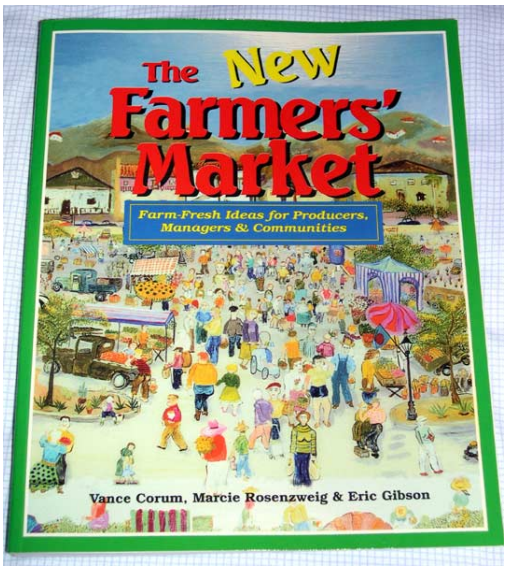
The Project for Public Spaces, Inc. <www.pps.org> of New York, NY, is an nonprofit organization that helps city's realize their dreams. Over the years they have developed this tool for visioning development of a public space.



Market rules are critical. The Pike Place Market's operation's manual and rule book can be freely downloaded from their website. From there it can be modified for local needs. <www.pikeplacemarket.org>, Seattle, WA.



Public Markets and Community Revitalization was written for organizations wanting to set up larger public markets. Includes sample budgets, staffing requirements, tenant mix plans, marketing strategies, cash flow analysis and cost projections. Theodore Spitzer and Hilary Baum. Urban Land Institute and Project for Public Spaces, New York, NY.



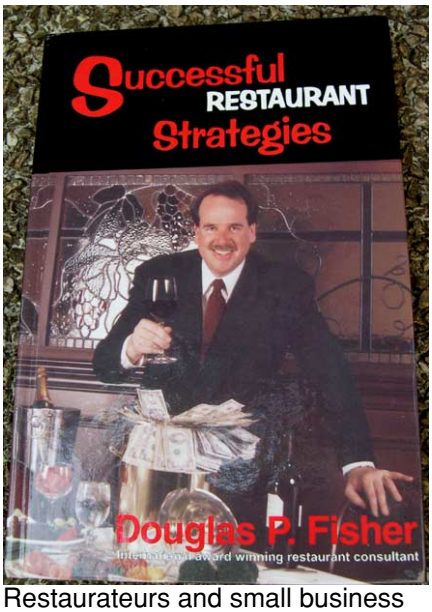
The New Farmers' Market book is a great resource for management and has additional resources that are valuable to market leadership. New World Publishing, Auburn, CA.

Every successful market has a management office. Staff it with knowledgeable and customer service-oriented people. Remember, they will have an opportunity to make sure a guest has a memorable (positive) experience at the market. Farmers Market, Los Angeles, CA.

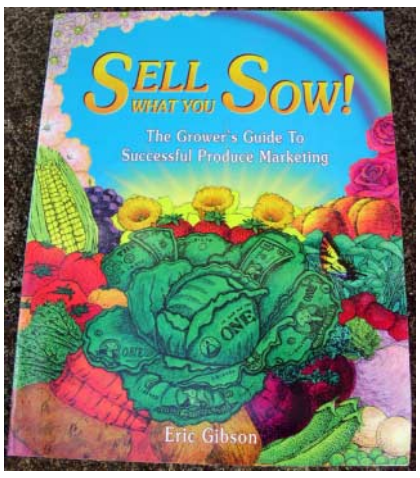
A public market, and the businesses within, must market themselves–here is just one idea (to go with all the other ideas in the pictures in this report). Pike Place Market area, Seattle, WA.

Market guests become attached to “their” market–keep them informed.

Create an "exclusive" line of products within the market. This will provide very unique gifting opportunities as this label would restrict sales to the market place alone. This idea would be complimentary to Made/Grown in Hawaii, Island fresh and other branding mechanisms.



Restaurateurs and small business chefs can improve their business skills with resources such as this. Published by Hospitality Ink, Toronto, ON.



Marketing quality produce while managing a successful company is difficult, even for the best entrepreneurs. These two books can help provide some quick insight to those in need of some help. UHM–College of Tropical Agriculture and Human Resources, Honolulu, HI (left), New World Publishing, Auburn, CA (left bottom).

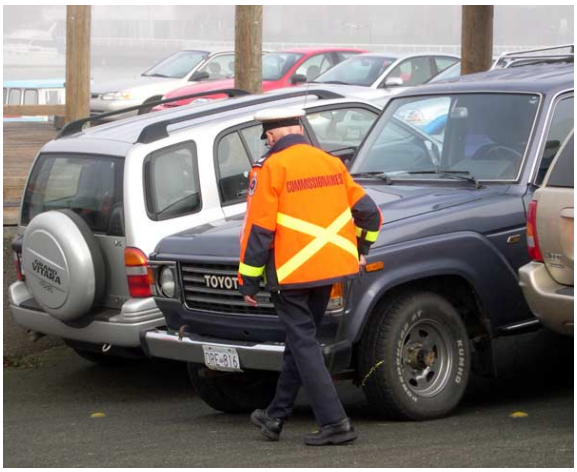
On-farm and at-market food safety is critical to a business's success and to human health. This poster is a good reference tool for food safety. UHM–College of Tropical Agriculture and Human Resources, Honolulu, HI.

Being able to staff a produce booth 7 days a week might be difficult for most growers, an alternative would be for a grower cooperative to market the products of many growers. Of course, the employees should have a thorough knowledge of where products were produced and who produced them. Granville Island Public Market, Vancouver, BC.

A merchant association can help share the management responsibilities of a successful market. Granville Island Public Market, Vancouver, BC.

Market places require a good deal of money to establish and operate. Special product fund raisers can help. Pike Place Market, Seattle, WA.

The United States Department of Agriculture, and other federal agencies such as the Environmental Protection Agency and the Department of Commerce, have funds for certain aspects of agricultural development. <www.ars.usds.gov/directmarketing>.



Uniformed security is important to people and property safety. Granville Island Public Market, Vancouver, BC.

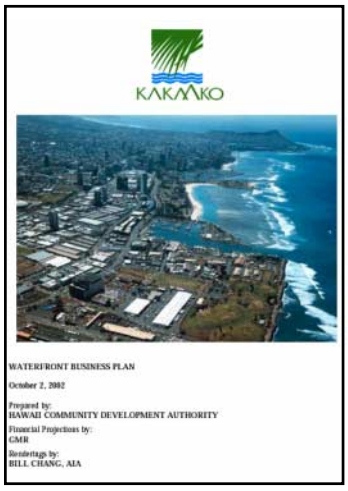
The Gathering Place–where could it be located?

Location, location, location says the old real estate adage. In order for *The Gathering Place* to be financially or economically viable and accomplish its three objectives it must be in a convenient location. Those objectives are:

- generate economic opportunities statewide, including business incubation, for Hawaii's agricultural community, local processors, restaurateurs, and artisans,
- create a fun place for Hawaii residents to gather to talk, learn and eat; and
- to create a place where Hawaii's guests can partake in a feast of the foods, culture, and art shared by Hawaii's many ethnic groups.

In the best of worlds this location would have easy access, even during high traffic periods of the day, for guest as well as commercial vehicles, pedestrians and cyclists. It would be able to host guests numbering in the range of 5,000-10,000. It would have parking for hundreds of cars in the nearby vicinity. It would also use current mass transit and develop new forms of transportation to avoid heavy road conditions. Finally, it would be located as near as possible to the highest population concentrations. In the case of Honolulu, if only the population concentration consideration is looked at, this would mean that the market would be located somewhere between Hawaii Kai and Pearl City. In this zone there are only a small number of "dream" locations that could be made enticing enough to all types of guests. In other words, if one were to wish for a location that could eventually have enough parking, as in a dream, this is where it might be:

- The Kakaako area where Fisherman's Wharf is now located (this would play in well with the UH medical school, and the aquarium as suggested in the October 2002 report by the Hawaii Community Development Authority.)
- An extension of Aloha Tower Market Place area
- In the triangle of Chinatown, Kalihi and Iwilei



Waterfront Business Plan, October 2, 2002, by the Hawaii Community Development Authority, discusses the possibility of a public market on the Fishermans Wharf site.

The Fisherman's Wharf area off of Ala Moana Boulevard and Ward Avenue is one possible site, Honolulu.

The new fish auction house at Pier 35 off of Nimitz Highway, Honolulu, could be one location.

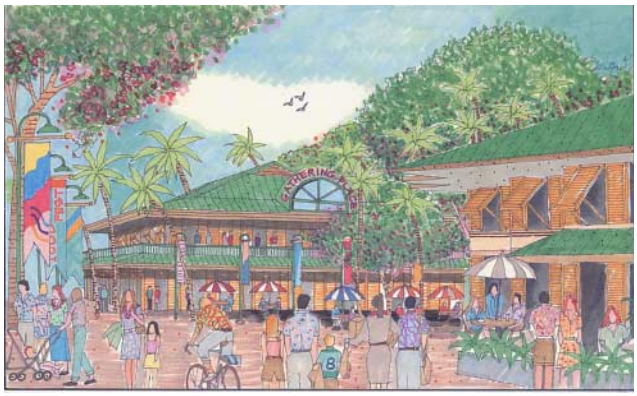
other potential areas include the following:

- Sand Island
- Pier 35 off Nimitz
- Kapolei–Ewa area
- Central Oahu such as in the area of the Dole Plantation
- North Shore, e.g. Haleiwa, Oahu

Needless to say, this list is not exhaustive. Nor should the list stifle discussions about other sites that can meet the above criteria. Similarly, as was pointed out in the Introduction of this study the information contained herein can be used to explore markets elsewhere in Hawaii. That said, it is important to understand that if there is a real commitment to a

world-leading public market, then starting off with a few tents to test the concept will probably not get the project on the fast track even though some valuable information can be collected from a prototype market. Similarly, there must be some understanding that *The Gathering Place* should not be looked at as a potential "cash cow" for developers, real estate managers, and state and city coffers, such as is the case with many commercial properties in the Waikiki-to-Ward-to Aloha Tower corridor. This is because many of the small agricultural and culinary businesses - the market "magnets," may not be able to afford high rents. *The Gathering Place*, like the Hawaii Convention Center, might even be a "loss leader". When rents are too high and local businesses cannot afford them then national chains, or large Hawaii chains, will populate the market. It will then have "just another food court" or shopping mall. When that happens, there is no "uniquely Hawaii" character and thus the cache we are trying to create is lost. It is possible, however, to establish preferential rent structures that helps subsidize the unique businesses, such as the farmers, fishers, and the like so that the market "magnets" are subsidized by peripheral establishments that bring in higher revenues per square foot.

The Gathering Place–what could it cost to build and operate?



Building in Hawaii is expensive and the estimates here support this assertion. But the estimates are not out of line with the construction costs of the relatively new Portland Public Market in Maine. In 1998, that 37,000 sq.ft. market cost $9 million to build (not including the cost of land which was donated and the 650 stall, $12 million, parking structure that benefited surrounding office buildings as well as the market). That market was even easier to build because the money was donated by a benefactor who believed in the public vision of the market. *The Gathering Place*, by contrast, is 99,019 sq.ft and is estimated to cost between $24-30 million, both parameters about three times that of Portland's market (Table 4). The cost of land is excluded in this estimate since it is assumed that it could be an in-kind donation to this economic development project. Naturally, if this market concept is picked up, and a final location determined, the cost of land must be factored into the cost/benefit equation.

The total market area is 213,923 sq.ft. located on nearly 5 acres; the buildings use 99,019 sq.ft., and the leasable space is 63,130 sq.ft. The 230 stall ground level parking lot will require 69,000 sq.ft. of land.

Table 4. A summary of estimates for the construction of The Gathering Place

Item	Area	Low Cost	High Cost	Median
Total Building Area	99,019	$12,457,370	$15,314,940	$13,886,155
Parking Structure	69,000	$4,140,000	$5,520,000	$4,830,000
Exterior Construction		$2,368,000	$3,124,000	$2,746,000
Utility Fees		$252,000	$365,000	$308,500
Soft Costs		$1,617,230	$2,036,715	$1,826,972
Subtotal		$20,834,600	$26,360,655	$23,597,627
Contingency @ 15%		$3,125,190	$3,954,098	$3,539,644
GRAND TOTAL PROJECT COSTS		**$23,959,790**	**$30,314,753**	**$27,137,272**

Cost psf Calculations

Item	Area	Low Cost psf	High Cost psf	Median
Cost psf Total Building Area	99,019	$126	$155	$140
Cost psf Total Project Costs	99,019	$242	$306	$274
Cost psf Total Project/Leasable Area	63,130	$380	$480	$430

By comparison, in 2001, Ala Moana Center had 1,800,000 sq. ft., Victoria Ward Centers had 650,000 sq. ft., and Kahala Mall 455,000 sq. ft. of leasable space on fairly large properties (Pacific Business News, 2002 Book of Lists, Largest Shopping Centers - Oahu).

A short summary of proposed space needs within *The Gathering Place* is on Table 5. Again, these are just suggested area needs by floor and major features. It is known that the 230 parking stalls is considerably less than for many the other markets in the nation. This is because it is hoped that this market would be situated in a place where existing parking is available, or that they will be available in the future from another funding source, and/or that mass transit would serve the needs of many visitors such as those coming from Waikiki. A full summary on cost estimates and site needs is in the Architectural Appendix.

Table 5. A summary of footage of *The Gathering Place*

Building 1 First Floor	27,959
Building 1 Second Floor	23,876
Building 1 Exterior Terrace	5,915
Subtotal (sq.ft.)	57,750
Building 2 First Floor	24,100
Building 2 Second Floor	13,044
Building 2 Exterior Terrace	4,125
Subtotal (sq.ft.)	41,269
Total Building Area (sq.ft.)	99,019
Parking Structure (230 stalls @ 300 sq.ft. per stall)	69,000
Outdoor Eating and Gathering Area (sq.ft.)	16,800
Walk of Flame promenade (sq.ft.)	25,600
Additional outside area (sq.ft.)	3,504
Site Area (4.911 Acres)	213,923

The operating and marketing costs of the Hawaii Convention Center is estimated to be about $18.6 million in 2002-2003 (www.state.hawaii.hi.us/dbedt/hecon/he7-99/cc.html). It is unknown how much shopping centers or similar commercial properties in Hawaii cost to operate because that information is confidential. Therefore, $1 million is the minimum cost of operations and marketing costs of *The Gathering Place*. Rents must eventually cover these costs and they can be more closely estimated once the final configuration of the market is established. In Table17, 10 employees are assigned to market operations.

Financial and economic benefits of public markets-qualitative benefits

To off-set the cost of a venture such as *The Gathering Place*, financial and economic benefits must accrue to private, philanthropic, and/or public investors. Successful public markets around the world generate a host of economic and social benefits for local businesses, consumers, the local community, and the region's agricultural base. These benefits usually justify the public and philanthropic investment typically required to initiate a public market. They can often even meet the goals of a public sector investment. While every public market is different in purpose and design, the benefits of public markets can generally be clustered among the following four categories. Note: much of this section is from the book, *Public Markets and Community Revitalization*, used by permission of Ted Spitzer.

Opportunities for small local businesses

Public market vendors are independent, locally-owned and operated small businesses. Recently, there has been increased appreciation of the critical role played by small business in job creation, innovation, and other measures of a vibrant economy. By lowering the financial barriers for small and start-up businesses, assembling a group of fellow vendors, and establishing a direction and theme for economic activity, public markets provide an accessible and nurturing environment for a small business person.

Public markets offer small businesses significant advantages within the very competitive arena of food retailing. Unlike an independent food store that tries to go head to head with supermarkets and large retailers, a vendor within a public market is part of a themed center that is large enough to be a regional destination, with professional market management and marketing, inside a compelling structure. In other words, the whole is greater than the sum of the parts. While being a public market tenant does not completely shield one from the harsh reality of being a small food business, the chances of survival are generally much higher than trying to do it alone within a conventional retail space.

These benefits can be particularly important to entrepreneurs who are women, members of minority groups, and recent immigrants, who may have difficulty raising capital from traditional sources. Immigrants often are familiar with the market setting from their homelands, and markets offer them a chance to enter business with fewer complications and more support than they would encounter in standard retail stores. Moreover, flexible operating hours benefit business women who must juggle the demands of home and work.

The importance of small businesses is particularly evident within the public market setting because of the constant innovation on display. Public market vendors are experimenters and risk takers, introducing new products to consumers well before they are copied by supermarkets

and other mainstream businesses. Starbucks Coffee, for example, began as an independent business in Seattle's Pike Place Market and went on to completely change the coffee industry. Many of the food trends over the past several decades, such as the interest in heirloom variety tomatoes and apples, organics, and unique items such as purple potatoes, were introduced to consumers at farmers' markets, picked up by chefs and food writers, and eventually copied by the mainstream.

Rents within successful public markets are generally high on a per square foot basis but low on an absolute basis. In part, this is because public markets provide nearly all the costs associated with marketing, security, restrooms, and waste removal, as well as common area utilities. Tenants only pay rent for their actual stalls and not for customer circulation areas, which they would have to absorb in a storefront. Therefore, tenants need much smaller spaces to generate similar or higher sales volume. As a result, the rents per square foot are higher, but the absolute cost of occupancy is not. These benefits must be stressed to potential tenants in the face of the seemingly high rates per square foot. According to the Urban Land Institute's annual survey of shopping centers, food stores such as bakeries, delicatessens and butcher shops typically pay between 7% and 17% of their gross sales in total real estate occupancy costs, with an average of 12.5%. By contrast, total occupancy costs for vendors in public markets are usually in the range of 4% to 8% of gross sales.

Reflect and support local agriculture

Public markets are unique developments, in part because they reflect the agriculture of their region, which is intrinsically different from place to place. By incorporating a large proportion of local foods into their product mix, public markets are able to differentiate themselves from supermarkets and maintain a steady flow of new and interesting products, in contrast to the increasingly globalized and homogenized offerings of supermarkets. In general, a goal of public markets is to maximize the amount of local offerings by encouraging vendors who sell locally produced foods and by persuading customers to demand these foods through marketing efforts. This keeps local farmland in production and helps limit the pernicious effects of suburban sprawl.

At public markets such as Granville Island Public Market in Vancouver and Pike Place Market in Seattle, the majority of foods sold in the market come from the region's farmers, fishermen, and food producers, with a high proportion of the sales price flowing directly to producers because of the absence of middlemen and low transportation costs. As sales in the market grow over time, the positive impact on local farmers increases. A secondary effect of a public market is that area supermarkets respond to the new competition and become more serious about buying directly from local farmers, which most supermarket chains do

minimally, if at all. Given the overwhelming dominance of supermarkets in food distribution at the consumer level, even a small change in their purchasing practices can have a large effect on local agriculture.

Downtown revitalization

Public markets are magnets for area residents from a wide geographic region, with household incomes that are typically higher than the general population. The largest public markets attract 25,000 to 50,000 customers per week, on average. These customers often drive up to 45 minutes to visit the market on a regular basis. As such, they bring substantial buying power to the neighborhood around the public market and, given their lengthy travel time, often combine their visits with other experiences, such as additional shopping, going to museums, etc.

It is typical to see land values increase dramatically around a public market. In Portland, Maine, for example, the opening of the Portland Public Market led to increases of approximately 25% in adjacent land values in the four years following the Market's opening in 1998, which the real estate community attributed directly to the establishment of the Market. A neighborhood that had been regarded as one of the least desirable in the region quickly became very desirable. At other public markets, the privately owned land around the market has been transformed into a food district, with many related businesses. This can be seen clearly at Findlay Market in Cincinnati, for example, where food stores and various service businesses surround the city-owned public market building.

Public markets bring with them many jobs, again helping to stimulate the local economy. The vendors and management at Pike Place Market provides about 2,000 jobs. Because public market businesses are locally owned, they offer a high multiplier effect because they generally use area suppliers and because they spend much of their income in the local economy.

Celebrate community and create identity

Public markets are often landmarks in their community, one of the essential institutions that create a sense of place and differentiate their host city from the blanketing sameness that reflects many locales. As cities struggle to create or maintain an identity, a public market can be a seminal institution for "placemaking." This is created through conscious efforts to design and manage pedestrian-scaled, attractive public spaces, the presence of locally owned businesses, and direct connections to the local food supply. Of the 20 winners of the Rudy Bruner Award for Urban Excellence over the past 12 years, the nation's premier award for this concept of placemaking, four have been public markets.

The marketing programs of public markets typically include many festivals and special events, designed to celebrate local foods and local people. They honor the harvest with creative means to encourage the public to appreciate how their food is grown and by whom, often work-

ing closely with local chefs who have a sincere professional interest in the highest quality, freshest ingredients.

Markets have proven to be popular in ethnic communities where people wish to reconnect to their culinary traditions. Markets can reflect the ethnic flavor of their communities through the special products sold there, through the presence of long-standing families among the vendor population, and through physical design elements reminiscent of traditional marketplaces. At Grand Central Market in Los Angeles, for example, more than a dozen different languages are spoken, while at other public markets a particular ethnicity is dominant, such as the Pennsylvania Dutch at the Central Market in Lancaster, Pennsylvania.

Strengths and weaknesses, and opportunities and threats

One way of exploring the viability of a market hall concept for Hawaii is to perform a SWOT analysis – or a strengths and weaknesses, and opportunities and threats, reconnaissance. These are pro and con looks at an issue and requires the issue to be turned-around and looked at from various angles. Table 6 illuminates some issues in each area. More specific benefits can be found in the Benefits Appendix.

Table 6. Strengths and weaknesses, and opportunities and threats of *The Gathering Place* Concept

Strengths

- Can provide residents and visitors a unique place to gather and eat and buy Hawaii-grown, harvested, and produced foods, and other agriculturally-related products.
- Could provide visitors with a new attraction, thus could grow the number of visitor days or visitors or both.
- Could act as a conduit or portal for agricultural products statewide, thus bringing the greatest number of agricultural products to the largest number of potential buyers.
- Could also act as a place for artisans and musicians.
- Could be "the" place for festivals year round.
- Could be an educational center for youth.
- Could be symbiotic tie-in with other visitor amenities such as the Hawaii Convention Center.

Weaknesses

- Concept relies to a large extent on small, unique businesses to create a unique experience for users of the market - are there enough entrepreneurs available and do they have the management skills to be quickly successful?
- Concept, at least with other such markets, relies heavily on philanthropic and public funding, rather than private funding whose requirement of return on investment might be different than the other two sources of funds.
- Hawaii suppliers could be slow to meet the needs of market vendors or open their own individual or association stores.
- Currently without a market champion or financial "angel".
- More refined development and building costs, and potential revenue streams need to be developed once interested parties are identified. The numbers must meet their individual vision and expectations.

Opportunities

- The creation of a unique place that could be valued by both residents and visitors.
- Since products could come from all over the state, the benefits could reach many isolated families and communities.
- New businesses could be incubated or existing ones grown and this could have an impact on the economy through increased employment and taxes.
- New partnerships could be created resulting in gains for all participants.
- New market opportunities could be created for agri-entrepreneurs, processors, and artisans.
- A more professional place to showcase Hawaii's agriculture products might increase commercial exports of high quality products.
- Could provide a unique private-public sector partnership when it comes to business incubation, the culinary school, the product development kitchen, and the testing and use of technology such as the use of industrial-level solar power.
- A copycat effect might arise in nearby grocery stories as a result of new marketing ideas and increased competition and this might increase the sales of Hawaii-produced products.
- At least in the short-term, spending on construction would give the economy a boost.

Threats

- Political/community/business action could stop this project.
- Lack of interest by the private sector could stop this project.
- Could infringe on the revenues of existing businesses.
- Could infringe on development plans yet to be revealed or ones already in progress.
- Parts of this concept could be built in different areas of a city but the synergy of the concept or the symbiosis of the projected businesses and activities might never be realized.
- After the initial euphoria of the project, the number of market guests (or their spending) could drop to below viable levels.
- Vendors could fail to provide desired products at prices that are acceptable to guests.
- The market mix, as defined by the market operators, could be inappropriate for creating the unique viewing/visiting/eating/dining/shopping/learning experience desired by residents and visitors.
- Access and parking could become so unpleasant or costly that the "experience" is not worth the cost of getting to the market.
- High-end, well financed supermarkets can duplicate this concept and it can create serious and well-financed competition for a new public market.

The Gathering Place–what are the financial and economic benefits?

Through numerous pages this document has attempted to sketch out the potential of a world-leading public market hall for Honolulu. Of course, as was pointed out in the Introduction, the information contained herein could be of great value to anyone in Hawaii or elsewhere who is thinking about this type of investment. Now it is time to explore a potential framework that might help to describe the financial and economic benefits to a market such as *The Gathering Place*.

Because the following are only rough estimates more information will be required to get more "accurate" numbers. This will require a number of planning decisions that are best made by those who will actually implement the project. From those decisions the typical financial forms: profit and loss, cash flow, and income statements will need to be precisely tailored. For example, the price of land is considered zero in this estimation, and that might be the case or it might not. The final location of the market will have a dramatic impact on the market rents which will in turn affect profitability for vendors, which will then affect how much rent they can pay. Rents will help pay the monthly debt payment, operating costs, and return on investment. Similarly, the vendor mix suggested here might be radically different than what is ultimately chosen, and so the estimates could change dramatically. Finally, when projects like this are first under consideration, "comparables", or the historical performance of similar businesses, are used to develop projections of success. We have no such business in Hawaii to make comparisons and so we must make do with the numbers from North American markets. Therefore, the numbers given here should only be considered a place to start a discussion.

Perspectives on the return-on-investment

The value of an investment such as this can be measured in both financial and economic terms. Financial terms relates to the costs and revenues of construction and operation at the site of the market. Economic terms relates to the value of the project in the larger context of the economy. For example, what could be the benefit of the project at the producer level out on all the Hawaiian islands? Or what amount of income and excise taxes could be generated from the sales at the market or in the larger economy because of increased visitor numbers? Following are three treatments on these returns:

- financial costs related to construction
- financial costs and revenues related operations and construction cost repayment
- economic impacts of the market on the economy

Financial costs related to construction

The Gathering Place is estimated to cost between $24-30 million dollars to construct (Table 4). This figure does not include the cost of the land. Very conservative figures, Tables 8 and 7, put the ability to generate enough rents to cover the 30 year loan on the low end of the construction cost. While these numbers do not paint a picture of immediate success, the market is still a real possibility if new partnerships can be formed with a philanthropic or government entity. For example, the naming value and/or television rights to the envisioned food stadium could be substantial enough to make the project viable.

Table 7. Loan that might secured for *The Gathering Place* (given the assumptions of Table 8).

Monthly Revenues	$196,772
Deduct 20% (Turnover and Vacancy Factor)	$39,354
Adjusted Monthly Revenues	$157,417
Projected Monthly Cash Flow/Revenues	$157,417
Divide: Debt Coverage Ratio	1.15
Cash Flow to Debt Service	$136,885
[illegible]	[illegible]
amortization rate $136,885/month	$24,108,343

Expectations for a return on investment for the private, philanthropic, and public investors differ. Construction and outfitting loans need to be repaid by rents and CAM fees as quickly as possible. Investors also need to make a satisfactory return. If *The Gathering Place* does not look like it can generate the revenues needed by investors it will not get built unless there is the possibility to use it as a "loss leader" or to fulfill a worthy social good.

Given the monthly revenue figures as generated by the vendors (Table 8), a loan of $24 million (Table 7) might be secured to cover the low-end estimate of construction costs. These rents, however, are not sufficient to cover the projected $1 million operating costs and a reasonable return on investment. *Caution:* costs could be higher or lower depending on final design decisions and construction costs. The CAM will also affect the costs of vendors and the revenue projections of investors. Similarly, revenues and rents can be different than estimated here for a variety of reasons; final location and the cost of the land, among others. It is not atypical to have the first set of costs and revenues unequal during a preliminary study such as this. That is when actual investors get to work on making decisions and firming up dollar estimates that are in-line with the inside knowledge of the construction and real estate industry.

Table 8. Potential Revenue Proforma for *The Gathering Place*

Tenant	Leasable Area (sf)	Year 1 Estimated Sales	Rent as a % of Sales	Annual Rent	Monthly Rent	Rent psf per annum	Rent psf per month	Notes
Bakery 1	700	$373,333	9.0%	$33,600	$2,800	$48.00	$4.00	
Bakery 2	600	$320,000	9.0%	$28,800	$2,400	$48.00	$4.00	
Bakery 3	500	$266,667	9.0%	$24,000	$2,000	$48.00	$4.00	
Cheese 1	500	$266,667	9.0%	$24,000	$2,000	$48.00	$4.00	
Cheese 2	400	$213,333	9.0%	$19,200	$1,600	$48.00	$4.00	
Coffee/tea 1	300	$240,000	9.0%	$21,600	$1,800	$72.00	$6.00	
Coffee/tea 2	300	$240,000	9.0%	$21,600	$1,800	$72.00	$6.00	
Eggs/Dairy 1	600	$320,000	9.0%	$28,800	$2,400	$48.00	$4.00	
Eggs/Dairy 2	400	$213,333	9.0%	$19,200	$1,600	$48.00	$4.00	*CAM not yet included for any space.*
Flowers 1	400	$200,000	9.0%	$18,000	$1,500	$45.00	$3.75	
Flowers 2	400	$200,000	9.0%	$18,000	$1,500	$45.00	$3.75	
Meat 1	800	$426,667	9.0%	$38,400	$3,200	$48.00	$4.00	
Meat 2	750	$400,000	9.0%	$36,000	$3,000	$48.00	$4.00	
Meat 3	650	$346,667	9.0%	$31,200	$2,600	$48.00	$4.00	
Poultry 1	600	$320,000	9.0%	$28,800	$2,400	$48.00	$4.00	
Poultry 2	500	$266,667	9.0%	$24,000	$2,000	$48.00	$4.00	
Prepared food 1	300	$225,200	9.0%	$20,268	$1,689	$67.56	$5.63	
Prepared food 2	300	$225,200	9.0%	$20,268	$1,689	$67.56	$5.63	
Prepared food 3	300	$225,200	9.0%	$20,268	$1,689	$67.56	$5.63	
Prepared food 4	300	$225,200	9.0%	$20,268	$1,689	$67.56	$5.63	
Prepared food 5	300	$225,200	9.0%	$20,268	$1,689	$67.56	$5.63	
Prepared food 6	300	$225,200	9.0%	$20,268	$1,689	$67.56	$5.63	
Produce 1	700	$326,667	9.0%	$29,400	$2,450	$42.00	$3.50	
Produce 2	600	$280,000	9.0%	$25,200	$2,100	$42.00	$3.50	
Produce 3	600	$280,000	9.0%	$25,200	$2,100	$42.00	$3.50	
Produce 4	500	$233,333	9.0%	$21,000	$1,750	$42.00	$3.50	
Seafood 1	700	$373,333	9.0%	$33,600	$2,800	$48.00	$4.00	
Seafood 2	600	$320,000	9.0%	$28,800	$2,400	$48.00	$4.00	
Seafood 3	600	$320,000	9.0%	$28,800	$2,400	$48.00	$4.00	
Java Bar	750	$600,000	9.0%	$54,000	$4,500	$72.00	$6.00	
Day table 1	200	$160,000	9.0%	$14,400	$1,200	$72.00	$6.00	
Day table 2	200	$160,000	9.0%	$14,400	$1,200	$72.00	$6.00	
Day table 3	200	$160,000	9.0%	$14,400	$1,200	$72.00	$6.00	
Day table 4	200	$160,000	9.0%	$14,400	$1,200	$72.00	$6.00	
Restaurant 1	8,247	$2,749,000	9.0%	$247,410	$20,618	$30.00	$2.50	
Restaurant 2	11,408	$3,802,667	9.0%	$342,240	$28,520	$30.00	$2.50	
Other Food Vendor and Retail Space (a number of businesses expected here)	6,400	$3,413,333	9.0%	$307,200	$25,600	$48.00	$4.00	
Offices and Meeting Rooms *	3,500	??	9.0%	$63,000	$5,250	$18.00	$1.50	
Pacific Culinary Academy *	5,250	??	9.0%	$126,000	$10,500	$24.00	$2.00	
Food Stadium *	11,125	??	9.0%	$400,500	$33,375	$36.00	$3.00	
Culinary Museum *	1,150	??	9.0%	$34,500	$2,875	$30.00	$2.50	
Total	**63,130**	**$19,302,867**		**$2,361,258**	**$196,772**			
Average						**$51.30**	**$4.28**	

Source: Original table from Public Markets and Community Revitalization, Project for Public Spaces, Inc., 1995. Hawaii estimates from Via Architects, Honolulu. Sales, where estimated, were calculated by what might be an reasonable montly, square foot (sf) rent for a business in the Waikiki-Downtown corridor. That number was then multiplied by the sf of the business. That number was then extrapolated to an annual basis and multiplied rent as a percent of sales to arrive at an expected annual revenue for the business. The resulting total was put into a bank loan calculator to arrive at a loan that could be supported by the total/monthly rent revenue stream.

Notes: * for these four entities there were no revenue estimates made because of the large number of unknown variables and no local comparables.

Potential impact on Hawaii in the broader sense-economic returns

There is a second part of the impacts puzzle; impacts to Hawaii's economy and thus its people. These are called economic impacts in contrast to the financial ones that are critical for private investors. For example, the Hawaii Convention Center was never intended to cover its costs with meeting rents alone. The way this public investment was justified was that its construction and operating costs could be subsidized from the additional tax revenues that would come as a result of "new" or unplanned visitors coming to Hawaii because they needed to attend a convention.

In the case of *The Gathering Place*, there might be impacts on the economy if similarly "new" visitors came to Hawaii to visit the market or that there was increased spending over and above what "planned" visitors would have spent here anyway. From Table 9 it can be seen that visitors from all sources spent over $10 billion in Hawaii in 2001. Of that amount, about $2 billion, or 20 percent, was spent on cooked food and groceries, and another $102 million was spent on Hawaii food products. These are major investments in our economy. The question then becomes if there was a new public market in Honolulu, or elsewhere in Hawaii, would there be an increase in sales in the food categories or just a redistribution of money from existing businesses? This is the question for resident spending as well and is much harder to quantify. Suffice it to say, depending on prices and product availability and quality, there could be a good deal of switching from a current retail establishments to

Table 9. Visitor expenditures by category: 2001 and 2000 (in millions of dollars)

Expenditure Type	2001	2000	% change
GRAND TOTAL	**10,121.30**	**10,918.13**	**-7.3**
Total Food & Beverage	**2,005.2**	**2,104.2**	**-4.7**
Food at restaurant	1,265.9	1,315.7	-3.8
Other food and groceries	739.3	788.5	-6.2
Total Entertainment	**528.7**	**583.3**	**-9.4**
Total Transportation	**887.8**	**849.1**	**4.6**
Interisland Travel	224.1	199.1	12.6
Ground Transportation	85.0	88.2	-3.7
Rental Vehicles	454.2	456.6	-0.5
Gasoline and Parking	100.4	91.1	10.2
Other Transportation Expenses	24.1	14.2	69.2
Tour Pak Expense Not Allocated	**330.9**	**419.9**	**-21.2**
Total Shopping Expenditures	**1,991.3**	**1,980.3**	**0.6**
Total Fashion	**1,251.4**	**1,186.2**	**5.5**
Clothing	593.8	647.8	-8.3
Jewelry and Watches	341.6	315.2	8.4
Cosmetics and Perfumes	70.3	56.3	24.9
Leather Goods	245.7	167.0	47.2
Other Fashion Items	203.6	329.6	-38.2
Hawaii Food Products	102.0	102.4	-0.4
Total Souvenirs	**434.3**	**362.1**	**19.9**
Total Lodging [1/]	**3,263.3**	**3,587.9**	**-9.0**
All Other/Miscellaneous	**738.3**	**871.0**	**-15.2**
Supplemental Business Spending	**376.0**	**522**	**-28.0**

Source: Deparment of Business, Economic Development and Tourism, 2002.

the market initially. But this would have near zero effect on the economy unless more Hawaii grown or made products were purchased over imports or prices were less.

It is hard to make any solid predictions but could there be another alternative outcome–could the economic "pie" grow by one percent because we now have new a "foodie" clientele coming to the islands? If so, this could mean that more food is consumed throughout the system, including a great deal at the new market hall.

Let's take a close look at potential economic impacts, especially through a multiplier effect, that takes into account that spending in one location can have impacts in other places in the economy. For example, it is conceivable that we could have increased sales of Maui onions through *The Gathering Place* on Oahu, either because of on-site sales to visitors or residents, or because a large international buyer saw the product in this new market as part of a commercial product showcase. More sales could mean more jobs in Kula, Maui. This multiplier effect could be realized for fresh and processed products all over Hawaii if there was a significant "portal" or showcase for products that bring together significant numbers of sellers and buyers. These multiplier effects as illustrated below:

- One percent growth in the size of the visitor industry and spending
- One percent growth in agricultural exports
- One percent growth in processed food exports
- Growth in short-term construction jobs and associated spending
- Growth in longer-term jobs with vendors and management of the market

Based on various multipliers generated by the Hawaii Department of Business, Economic Development and Tourism, Table 10 illustrates the potential impact of a one percent growth in spending by visitors. The impact is measured in millions of dollars and thousands of jobs.

Table 10. Impact of a one percent increase in visitor spending ($100 million of $10 billion) on the entire Hawaii Economy.

	Income	Jobs	Total sales	Income and excise taxes
Entire economy	$4,602,000	1,859	$15,976,000	$9,700,000

Notes: Source: The Hawaii Input-Output Study, 1997. Hawaii Department of Business, Economic Development and Tourism. Table 6.1.

Similarly, what would be the impacts of a one percent increase in agricultural product and processed food product exports that might be generated by the presence of a world-leading market hall? Tables 11 and 12 explore those opportunities in further detail.

Table 11. Impact of a one percent increase ($1,900,000) in agricultural product exports.

	Income	Jobs	Total sales	Income and excise taxes
Direct	$627,000	49	1,900,000	$62,700
Indirect and Induced	$494,000	16	1,786,000	$87,400
Total	$1,121,000	65	3,686,000	$150,100

Notes: Source: The Hawaii Input-Output Study, 1997. Hawaii Department of Business, Economic Development and Tourism.
Multipliers: Total and Direct effects calculated with multipliers based on $1,900,000 in increased agriculture exports. Indirect and Induced are the difference between the former two.

Direct/Income: $1,900,000 * 0.33
Direct/Jobs: ($1,900,000 * 25.7)/1,000,000
Direct/Total sales: $1,900,000; one percent increase
Direct/Income and excise taxes: $1,900,000 * 0.033
Total/income: $1,900,000 * 0.59
Jobs: ($1,900,000 * 34.3)/1,000,000
Total/Total sales: $1,900,000 * 1.94
Direct/Income and excise taxes: $1,900,000 * 0.079

Table 12. Impact of a one percent increase ($3,030,000) in processed food product exports.

	Income	Jobs	Total sales	Income and excise taxes
Direct	$481,770	20	3,030,000	$39,390
Indirect and Induced	$851,430	37	2,969,400	$148,470
Total	$1,333,200	58	5,999,400	$187,860

Notes: Source: The Hawaii Input-Output Study, 1997. Hawaii Department of Business, Economic Development and Tourism.
Multipliers: Total and Direct effects calculated with multipliers based on $3,030,000 in increased in processed food product exports, Indirect and Induced are the difference between the former two.

Direct/Income: $3,030,000 * 0.159
Direct/Jobs: ($3,030,000 * 6.65)/1,000,000
Direct/Total sales: $3,030,000; one percent increase
Direct/Income and excise taxes: $3,030,000 * 0.013
Total/income: $3,030,000 * 0.44
Jobs: ($3,030,000 * 19)/1,000,000
Total/Total sales: $3,030,000 * 1.98
Direct/Income and excise taxes: $3,030,000 * 0.062

Could these growth opportunities actually be realized? Let's take a look at Japanese visitor spending patterns and overall growth in the visitor industry to look for clues.

For the Japanese visitor, statistics show that they spent almost $33 million dollars for food and beverages in 2001, an increase of almost 35 percent over the previous year. Could the Japanese be enticed to come, visit and buy something from *The Gathering Place* so that progress is made toward creating that one percent growth? One area that is of interest is food as gifts or *omiyage*. Giving *omiyage* upon returning home is an important cultural tradition for Japanese and a reduction in spending on food-related gifts could be a problem for the proposed market. For example, Japanese spending on Hawaii food products was reduced by 24 percent to $1.6 million in 2001 (see Hawaii Food Products, Table 13). There could many reasons for this reduction but one could be that products that were once considered unique to Hawaii are now available in Japan in the same packaging. Macadamia nuts for example, are now readily available in many stores throughout Japan. As a result, some of their Hawaii cache is now gone. One Japanese visitor even confided that is was much more convenient for them to leave Hawaii empty handed and then to buy "Hawaii" *omiyage* when they got back home. While this is certainly not the norm, it is a wake up call that Hawaii needs to create and preserve unique products if it wishes to grow agriculture and related

Table 13. International Japanese personal daily spending by category: 2001 vs. 2000 (in dollars)

Expenditure Type	2001	2000	% change
GRAND TOTAL	**245.1**	**236.9**	**3.4%**
Total Food & Beverage	**32.6**	**24.2**	**34.9%**
Food at Restaurant	23.4	13.6	71.7%
Dinner Shows and Cruises	0.0	2.2	-99.8%
Groceries	6.0	2.8	116.0%
Other Food Expenditures	3.2	5.5	-42.0%
Total Entertainment [1/]	**3.7**	**2.0**	**81.1%**
Total Transportation	**11.8**	**7.9**	**50.7%**
Interisland Travel	6.1	4.6	32.3%
Ground Transportation	0.9	0.8	13.5%
Rental Vehicles	2.9	1.9	56.8%
Gasoline and Parking	0.2	0.1	72.4%
Other Transportation Expenditures	1.6	0.4	319.0%
Tour Pak Expense not allocated	**14.7**	**12.9**	**13.8%**
Total Shopping Expenditures	**85.7**	**71.8**	**19.4%**
Total Fashion	56.8	43.8	**29.8%**
Fashion and Clothing	18.0	17.8	1.3%
Jewelry and Watches	8.8	8.3	6.0%
Cosmetics and Perfumes	5.0	3.3	52.8%
Leather Goods	24.9	14.4	73.4%
Hawaii Food Products	1.6	2.1	-24.5%
Other Shopping	4.7	12.5	-62.8%
Total Souvenirs	**22.7**	**13.4**	**68.8%**
Total Lodging [1/]	**71.9**	**83.3**	**-13.6%**
All Other/Miscellaneous	**24.7**	**34.9**	**-29.3%**
Sample Size	**15,319**	**19,967**	

[1/] This category only applies to visitors staying in hotels and condominiums.
Source: Deparment of Business, Economic Development and Tourism, 2002.
NA: Not Available

food product sales. One way to reverse this trend is to create a market place full of "exclusive" products. Products that are only made and sold at *The Gathering Place*–"you want it, come and get it!" This is one way that food purveyors featured on FoodTV's show, "Food Finds," have grown the uniqueness of their products and their market share.

As can be seen in Table 14, there are many indicators to be considered when suggesting estimates of growth. Despite the fact that over $10 billion was spent in our economy in 2001 by all visitor types, spending has been reduced by 28 percent in 2001 over the previous year. The only two categories that grew between 2000 and 2001 was average length of stay and average spending per trip, a natural correlation. So, how do we get visitors to come back to Hawaii? Perhaps one solution lies in providing an alternative or additional attraction to retail shopping and the beach. Perhaps a food-based experience that is different every time they visit. Perhaps a venue that can host events, such as Mardi Gras, 4th of July, Halloween, and First Night, could convince some new visitors to come to Hawaii or some old friends to return for a new adventure.

Table 14. Summary of Visitor Statistics: 2001 vs. 2000

CATEGORY AND MMA	2001	2000	(%) Change
TOTAL EXPENDITURES ($mil.)	10,121.2	10,918.1	-7.3
U.S. West	3,510.4	3,455.8	1.6
U.S. East	2,664.0	2,996.8	-11.1
Japan	2,219.2	2,370.4	-6.4
Canada	400.7	451.5	-11.2
Europe	243.9	263.8	-7.6
Oceania	115.2	132.3	-12.9
Other Asia	134.7	192.8	-30.1
Latin America	24.9	32.1	-22.4
Other	432.2	500.3	-13.6
Supplemental business	376.0	522.3	-28.0
TOTAL VISITOR DAYS	57,760,242	61,721,150	-6.4
U.S. West	23,462,699	23,978,995	-2.2
U.S. East	16,524,415	17,673,292	-6.5
Japan	9,201,668	10,097,846	-8.9
Canada	2,638,548	3,081,557	-14.4
Europe	1,521,623	1,996,697	-23.8
Oceania	681,446	773,573	-11.9
Other Asia	771,288	988,880	-22.0
Latin America	153,372	178,884	-14.3
Other	2,805,183	2,951,426	-5.0
VISITOR ARRIVALS	6,303,791	6,948,595	-9.3
U.S. West	2,372,070	2,432,444	-2.5
U.S. East	1,588,164	1,712,712	-7.3
Japan	1,528,564	1,817,643	-15.9
Canada	216,948	251,843	-13.9
Europe	126,020	166,973	-24.5
Oceania	81,158	95,974	-15.4
Other Asia	101,870	152,543	-33.2
Latin America	14,737	18,150	-18.8
Other	274,259	300,313	-8.7
AVERAGE LENGTH OF STAY	9.16	8.88	3.2
U.S. West	9.89	9.86	0.3
U.S. East	10.40	10.32	0.8
Japan	6.02	5.56	8.4
Canada	12.16	12.24	-0.6
Europe	12.07	11.96	1.0
Oceania	8.40	8.06	4.2
Other Asia	7.57	6.48	16.8
Latin America	10.41	9.86	5.6
Other	10.23	9.83	4.1
PER PERSON PER DAY SPENDING ($)	175.2	176.9	-0.9
U.S. West	149.6	144.1	3.8
U.S. East	161.2	169.6	-4.9
Japan	241.2	234.7	2.7
Canada	151.9	146.5	3.7
Europe	160.3	132.1	21.3
Oceania	169.1	171.0	-1.1
Other Asia	174.6	194.9	-10.4
Latin America	162.5	179.6	-9.5
Other	154.1	169.5	-9.1
PER PERSON PER TRIP SPENDING ($)	1,605.6	1,571.3	2.2
U.S. West	1,479.9	1,420.7	4.2
U.S. East	1,677.4	1,749.8	-4.1
Japan	1,451.8	1,304.1	11.3
Canada	1,847.1	1,792.6	3.0
Europe	1,935.2	1,580.1	22.5
Oceania	1,419.9	1,378.3	3.0
Other Asia	1,322.2	1,263.8	4.6
Latin America	1,691.2	1,770.0	-4.4
Other	1,575.9	1,666.0	-5.4

Source: Deparment of Business, Economic Development and Tourism, 2002.

Turning now to the potential benefits generated by short-term construction spending and the impact of longer-term jobs with vendors and management at the market, it is obvious that some significant benefits could arise from the construction and operation of a market hall.

Table 15 provides an estimate of the amount of new jobs, income, and taxes that could be created by the $24 million (low end=smallest impact) construction project, which could take about a year. Nearly $3 million in excise and state taxes could arise as a result of 461 direct and indirect jobs.

Similarly, Table 16 provides an estimated impact of the 230 direct jobs created by the business and operations of the market. This table is based on job estimates from Table 17. Ultimately, some 295 jobs and $2.1 million in state and excise taxes could result on an annual basis.

Table 15. Construction jobs impact based on a $24,000,000 commercial facility.

	Income	Jobs	Total sales	Income and excise taxes
Direct	$8,880,000	208	$24,000,000	$1,368,000
Indirect and Induced	$7,440,000	253	$25,440,000	$1,440,000
Total	$16,320,000	461	$49,440,000	$2,808,000

Notes: Source: The Hawaii Input-Output Study, 1997. Hawaii Department of Business, Economic Development and Tourism.
Multipliers: Total and Direct effects calculated with multipliers based on $24,000,000 in investment, Indirect and Induced are the difference between the former two.
Direct/Income: 0.37 * $24,000,000
Direct/Jobs: 8.67 jobs per million spending
Direct/Total sales: estimate of construction spending
Direct/Income and excise taxes: 0.057 * $24,000,000
Total/income: 0.68 * $24,000,000
Total/Jobs: 19.2 jobs per million spending
total/Total sales: 2.06 * $24,000,000
Direct/Income and excise taxes: 0.117 * $24,000,000

Table 16. Potential economic impact of 230 new vendor and management jobs.

	Income	Jobs	Total sales	Income and excise taxes
Direct	$4,426,350	230	$10,675,220	$1,718,710
Indirect and Induced	$2,192,286	65	$8,219,919	$427,009
Total	$6,618,636	295	$18,895,139	$2,145,719

Notes: Source: The Hawaii Input-Output Study, 1997. Hawaii Department of Business, Economic Development and Tourism.
Multipliers: Total and Direct effects calculated with multipliers,
Indirect and Induced are the difference between the former two.
For ease of estimation, average job is considered to be from the food retail service sector.
Direct/Income: 230 jobs * $19,245 per year
Direct/Jobs: number from estimation
Direct/Total sales: $46,414 * 230 jobs
Direct/Income and excise taxes: $10,675,220 * 0.161
Total/income: $10,675,220 * 0.62
Jobs: ($10,675,220 * 27.6)/1,000,000
Total/Total sales: $10,675,220 * 1.77
Direct/Income and excise taxes: $10,675,220 * 0.201

Table 17. Potential direct jobs created over time at *The Gathering Place* once construction is finished.

Operation	Est. jobs
Bakery 1	4
Bakery 2	4
Bakery 3	4
Cheese 1	4
Cheese 2	4
Coffee/tea 1	4
Coffee/tea 2	4
Eggs/Dairy 1	4
Eggs/Dairy 2	4
Flowers 1	4
Flowers 2	4
Butcher 1	4
Butcher 2	4
Butcher 3	4
Poultry 1	4
Poultry 2	4
Prepared food 1	4
Prepared food 2	4
Prepared food 3	4
Prepared food 4	4
Prepared food 5	4
Prepared food 6	4
Produce 1	4
Produce 2	4
Produce 3	4
Produce 4	4
Seafood 1	4
Seafood 2	4
Seafood 3	4
Java Bar	4
Day table 1	1
Day table 2	1
Day table 3	1
Day table 4	1
Restaurant 1	20
Restaurant 2	20
Other Food Vendor and Retail Space	30
Offices and Meeting Rooms	4
Pacific Culinary Academy	10
Food Stadium	6
Culinary Museum	6
Market management	10
Total	230

All told, the $24 million construction project could create total sales of $49.4 million and tax revenues of $2.8 million. In addition, 208 direct jobs and 253 indirect jobs could be created (Table 15). Once operating, the market's 230 direct jobs would spawn an additional 65 jobs, which could be out in communities away from Honolulu. Total sales (multiplied spending of wages) for these 295 long-term jobs would be $18.9 million and they would contribute $2.1 million to Hawaii's tax base.

When coupled with the projected impacts from increased visitor spending, and increases in exports of agricultural and process food products (Tables 10, 11, 12, 16), the long-term effects could be substantial and possibly worthy of some level of public sector investment (Table 18). Over $12 million in state and excise taxes and 2,276 jobs could be created if growth opportunities are reached and maintained. These impacts also have not taken into account the branding value of *The Gathering Place* as a unique place for food and fun in all the world.

Table 18. Potential cumulative economic impacts of *The Gathering Place*.

Information from other tables	Income	Jobs	Total sales	Income and excise taxes
Increased visitor spending (1%)	$4,602,000	1,859	$15,976,000	$9,700,000
Increased agricultural export (1%)	$1,121,000	65	$3,686,000	$150,100
Increased processed food export (1%)	$1,333,200	58	$5,999,400	$187,860
New jobs (230)	$6,618,636	295	$18,895,139	$2,145,719
Total non-construction impact	$13,674,836	2,276	$44,556,539	$12,183,679

The socializing value of The Gathering Place

Even after reading this report, some still might ask, "Do we need *another* shopping mall?" In response it must be made clear that *The Gathering Place* is not "another shopping mall". It is a unique place where people can gather and enjoy a food-based experience. Hawaii does not have such a venue and visitors are looking for such a place and the experience it can give them. As Starbucks is illustrating, people want to be outside, away from their VCRs, eating, drinking, and talking with friends and family. Starbucks, and the businesses found on the streets of Paris or Rome, are places for socializing. Is there a social value in socializing? Yes, there probably is but there are probably costs as well. How big are either of these factors? It would be impossible to estimate with any certainty without further study. But logic would dictate that if people are happier when they are at *The Gathering Place* than an alternative place, then there is a positive value. As for what a new "attraction" could do for Hawaii's visitor-based economy–it could help grow our visitor numbers overall. We could have more visitors and more visitor days.

Admittedly, some of the numbers from the visitor surveys might seem small, percentage wise,but if they are extrapolated over a large population there could be a great number of people at the market every day

(See Ward survey appendix). Similarly, the numbers at first seemed low for those interested in taking cooking classes, but given the popularity of FoodTV, Hawaii could do well with a marketing thrust aimed at "foodies". They could be given a food experience only found in Hawaii! This would benefit the businesses (hotels, cars, retail, restaurants, etc.) that are already here to serve visitors and also create new business for new businesses that get established as a result of a unique venue like *The Gathering Place*.

Other factors that can create uncertainty for market projections

This study has been purposely cautious given the fact that many "great ideas" in Hawaii have not turned out to be that way. Nonetheless, the best way to make informed decisions is to understand some of the complexities of the market suppliers and vendors.

Hawaii suppliers

Being able to identify what the impact on Hawaii-based suppliers could be from the market is nearly impossible to do with any precision. This is because there are so many variables that are uncontrollable in the market place. For example, unless there is a rule (or an incentive) that market vendors had to "buy local" as part of their lease, the impact on Hawaii growers could be highly variable because of price, variety, and availability. While it is hoped that vendors would naturally "buy Hawaii" and growers would respond accordingly to market demands for price, variety and availability there is no guarantee. We do know, however, that there is a great deal of potential for local or regional sales if all the pieces are in place. For example, in the Portland Public Market, Portland, Maine over 60% of the agricultural products used and sold in the market are from area growers.

Market vendors

For those who are lucky enough to make it in *The Gathering Place* they will have access to hundreds, if not, thousands, of Hawaii residents and visitors–everyday. This is a huge advantage over most of the retail and restaurants on the island, but can these businesses be profitable? There is relatively little public data on any type of business' profitability in Hawaii, either as a group, or as individual businesses. But we do know that Hawaii has one of the higher bankruptcy figures in the U.S. The lack of highly detailed information is a natural result of privacy. Nonetheless, some educated guesses can be used to project what might be possible. Based on data from public markets in North America, and based on some Hawaii knowledge of the industry and what is happening in the rental market in the Waikiki–Downtown Honolulu corridor, Table 8 lists some possible businesses that might populate the market and what might be potential revenue projections. Here it is estimated that over $19 million in revenues are generated annually. But, that number could be higher if

there was a better idea of what revenues could be generated by the offices and meeting spaces, the Pacific and Asian Culinary Institute, the Food Stadium, and the Culinary Museum. These later four businesses just have too much variability and too many unknowns at this point to suggest reasonable revenues without additional information. Nonetheless, some estimates of what might be reasonable rents have been applied in this table.

Finally, will Hawaii fresh produce growers and other local product suppliers be able to sell at prices acceptable to new market vendors? Or will the market vendors try to locate the cheapest inputs? No one can predict this behavior with any certainty unless some agreements are put into place or some of the vendor stalls or restaurants are owned by farmers, fishers and other Hawaii food providers in a collective.

The Gathering Place –how could it be financed?

The *Gathering Place of Honolulu* has a lot of potential and if built could be a real culinary and cultural focal point for Honolulu. But as wonderful as it could be, it is going to be expensive to plan, build, outfit, and maintain. How could this market idea be financed? Here are three typical funding options for public market halls. The fourth could be a unique amalgamation of two or three.

Private Sector Investment

The first option for paying for the market is through a private sector investment, like a typical real estate development project. Wealthy backers, it could be individuals, corporations, banks and so forth, would put up the capital to build a facility such as a shopping center, housing complex, or in this case, a market hall.

Examples of markets that have been funded in this manner include the Lonsdale Quay market in Vancouver, British Columbia, Canada, and the Farmers Market at 3rd and Fairfax in Los Angeles, California. A group of investors owns the first market, and one family has owned the second since 1934.

The pros of this type of financing are that it relieves the government sector from the responsibility of financing. In this case, the cons might be that the private sector investors might not have a great interest in the social or public goals or potential of the market. Or the private sector plan might be inconsistent with City or State plans for the area where the market might be located. This is because private sector investment, in general, is typically geared to profit maximization through rents, and this goal might not be compatible with the different vendor's ability to pay. While there is little precedence for private sector financing of market halls, compared to public sector financing of halls (primarily because the markets cannot typically handle the cost of construction debt) the investment might be seen as a 'good' "loss leader," or magnet, if other symbiotic investments are made or exist in the area.

Philanthropic or Non-Profit Investment

A philanthropic or non-profit investment involves wealthy individuals, corporations, or non-profits (501c3 or c5) such as foundations, putting up the funding for an activity such as a construction project. Such activities would include gymnasiums, libraries, museum wings, and even market halls.

Examples of this type of investment include the Napa Valley Copia complex, and the Portland, Maine, Public Market. The former required a minimum of $55 million in philanthropic investment, and the later $9 million (plus the cost of the parking structure).

The pros of this type of funding source is that many of the social goals of a market hall, such as being a small business incubator or being

a portal for products from around an area, are best met with the philosophy that accompanies this type of social investment. The cons are that there is only a limited amount of funds available for this type of investment, especially in light of the U.S.'s economic downturn. Nonetheless, one non-profit group that has shown some interest in the proposed food and culinary museum at the Hawaii market hall is the Smithsonian Institute in Washington, D.C.

Public Sector Investment

Government funding is another, and the most frequently used, form of investment for this type of market. A likely option would be for either the City and County or the State to issue a general obligation bond to raise funds for market construction. Private investors would buy the bond issue in exchange for an acceptable rate of return. State and/or City and County tax dollars are generated by income, corporate, and sales taxes, among others, and those dollars would help service the debt to the extent that cash flow from the operation of the market falls short.

Examples of where tax and other government dollars have been used include Pike Place Market, Seattle, Washington and Granville Island Public Market, Vancouver, British Columbia, Canada. While these are certainly "older" public investments they have enjoyed infusions of public funds over the years.

The pros of this type of financing include investors knowing that the government backs the debt. There is also an eye toward the social opportunities and distant multiplier effects of this type of investment. The cons of public sector investments in entrepreneurial activities often include a less disciplined approach to fiscal management because there are conceptually more funds to "bailout" the operation in times when costs exceed revenues.

Also, there might be the possibility of some Federal funding if the proper criteria are met. Organizations such as the Economic Development Administration of the U.S. Department of Commerce and the U.S. Department of Agriculture are potential partners if not just good advisors for this type of venture.

A Private, Philanthropic, and Public Sector Joint Investment

The last option for funding the market could be a unique partnership between the private, philanthropic, and/or public sectors. To the author's best knowledge, this type of investment does not currently exist in Hawaii, but might exist elsewhere. The key to this conglomeration would be an eye toward "how things can be done" rather than "why they can't". Certainly there will be issues of ownership, return on investment, and the best way to staff the operations that will arise in early discussions of this idea. But a skilled visionary "finance and development" team might be able to put all the necessary pieces in place.

The pros of this idea are an "all-gain" for more than just one group. Certainly, the con side would include the lack of familiarity with this type of complicated investment.

One way of creating a private-public partnership would be for the State of Hawaii or the City and Country of Honolulu to donate the land, or greatly reduce its cost, as a contribution to a mostly private or philanthropic effort. Or, perhaps companies or individuals would like to sponsor a section of the market, such as the food stadium or culinary museum, in exchange for naming rights which could translate into a great promotional investment for all parties. Or, government funding could be secured for certain types of experimental or business development portions of the market, such as on solar powered electrical and water works or small business incubation. In any case, once secured, each one of these investments require their own "style" of market management and leadership as discussed elsewhere in this document and in the book, *Public Markets and Community Revitalization*, by Spitzer and Baum.

What option is the best?

These four options all have pluses and minuses. The feasibility of each option is going to be dependant on the desires, expectations of returns (financial or economic), and on the risk adversity of the investor(s). Ultimately, if the other markets in North America are any indication, a philanthropic/public sector model has the most history. This is not to say that other single or combination options are not equally valid, there is just not much history with them. Preferably either private or philanthropic would be the best option for the proposed market hall given the state of Hawaii's economy.

Conclusions and recommendations

A great deal of information on *The Gathering Place* has been presented here. There has been a sincere attempt to anticipate and answer as many questions as possible, but there are probably many more to answer as a result of this preliminary work. *The Gathering Place* is envisioned as a place of great excitement where food is the engine of the market. Music and art could complete the experience. Hawaii agricultural producers and processors could benefit from that engine if they can match their products and prices to the needs of the vendors in the market. Low-end annual revenue estimates suggest that $19 million could be generated by a majority of vendors in the market. This is not an unreasonable number given that Seattle Pike Place market generated $59 million in revenues in 2000 with 9 million visits. The Portland Public Market in Maine generated $8 million in its third year of operation, which is pretty significant for a town of 65,000 people. There is a whole host of benefits that could accrue to various individuals and groups if the market place were made a reality and the focus was not solely on maximizing profit at the place, but perhaps looking at revenues from a larger development complex where *The Gathering Place* is but one critical component.

The market as described here could cost in the range of $24-30 million to build. Preliminary estimates suggest that a construction loan on the lower end of the cost spectrum could be paid off if revenue projections were met and the price of land was zero. But there were not enough revenues to pay for land, market management or a reasonable return on investment. Yet, there could be significant economic impacts of the market that could accrue to Hawaii's economy. For example, up to 2,276 direct and indirect jobs, $13.7 million in income, and $12 million in income and excise taxes could result if the market became a hit and grew visitor numbers and exports of agricultural and processed food products. This value to the larger economy might justify some level of public funding for the market place.

Many aspects of the planning and management of a successful market have been provided by interviews, resource materials, and from experts such as Ted Spitzer (www.marketventures.com), and the Project for Public Spaces, Inc. (www.pps.org). If anyone is interested in looking into this opportunity further, they would be wise to bring in people with experience such as Mr. Spitzer, the market managers of Granville Island Public Market and Seattle Pike Place Market, and a representative from the Copia project in Napa for more in-depth discussions. Further, contacts with the U.S. Departments of Agriculture and Commerce, and the Smithsonian Institute, might reveal some cost-sharing opportunities.

Benefits Appendix

Benefits of Market to Honolulu and its People

Having a food-based visitor market can provide different groups, different benefits, but all benefit because of the symbiotic relationship created by a multifunctional market. Ancillary businesses or activities can also benefit from a market built on a core of food. Such activities might include live music, dancing, a gallery and/or museum, state-of-the-art meeting rooms, arts and craft displays and sales, culinary classes, and specialized and well-chosen retail establishments. The benefits of all these activities might be:

For visitors to Oahu

- Convenient, and unparalleled, access to a cornucopia of ethnic foods representing the many people of Hawaii.
- Access to people who are knowledgeable about Hawaii's agriculture, how to cook different foods, and about processed products. These interactions (relationship marketing) provide visitors with a unique experience, something they come to Hawaii to receive.
- Highly nutritious and tasty foods to be consumed on-site or taken away.
- Take- or mail- home gift foods (such as omiyagi which is very important in the Japanese culture) that are unique in all the world because they were made at *The Gathering Plac*e.
- An outdoor place where they can sit for a time and socialize, watch people, and enjoy Hawaii's unparalleled environment.
- A chance to learn about traditional agriculture and the many Hawaii cultures that have played apart in agriculture for hundreds of years from educational displays.
- A chance to learn about the culinary history of Hawaii, the Pacific, and Asia in a culinary and cultural museum.
- A highly enjoyable "waiting station" for many visitors who have arrived on early morning flights or for those who have to check out of their hotel well before their evening flight.

For Hawaii residents

- Convenient, and unparalleled, access to a cornucopia of ethnic foods representing the many people of Hawaii.
- Access to people who are knowledgeable about Hawaii's agriculture, how to cook different foods, and about processed products. These interactions (relationship marketing) provide residents, including children and students, a greater appreciation of the importance of agriculture to the local economy, environment, and social fabric.
- A chance to learn from educational displays about traditional agriculture and the many Hawaii cultures that have played a part in agriculture for hundreds of years.

- A chance to learn about the culinary history of Hawaii, the Pacific, and Asia in a culinary and cultural museum.
- Highly nutritious foods to be consumed on-site or taken away.
- Take- or mail- away gift foods that are unique in the entire world because they were made at *The Gathering Place*.
- An outdoor place where they can sit for a time and socialize, watch people, and enjoy Hawaii's environment.
- A place were they can entertain guests to the Islands.
- A place for productive meetings.
- A place to hold parties, weddings, and other private functions.
- Additional tax revenues that benefit Hawaii infrastructure.
- A chance to demonstrate support for Hawaii-owned businesses.

For investors

- Opportunity to work with vendors as partners in meeting customer needs and thus generating profits.
- A locally-driven, food-based venue offers a unique identity to a visitor complex among many who are primarily clothes-based.
- Access to state tourism marketing funds.

For vendors

- Access to a large, consistent flow of customer traffic.
- A statewide "portal" for all agricultural products meeting a consistent level of quality. Agriculture as defined here would include aquaculture, nonconsumable agricultural products such as plants and flowers, and agriculture-based value-added products.
- Increased access to more potential buyers is an opportunity to show the world what tasty products can be grown and produced in Hawaii.
- County or island vendor areas can help highlight products from someone's favorite island. This can be a huge boost for small entrepreneurs struggling to get access to enough potential buyers.
- Access to a large tasting "panel" (aka customers) where immediate feedback can cause rapid product evolution.
- Opportunity to work with investors as partners in meeting customer needs and thus generating profits.

For society

- Tax revenues benefit social, economic, educational, health and other programs. If the products are mostly grown or produced in Hawaii the impact of the sales can be even greater.
- Gleaning, or gathering unsold products, from the markets can support local food banks and thus the less fortunate in our community.
- Building stronger bridges between urban and regional dwellers because increased interactions and conversations while shopping can improve the understanding of how and why to support a diverse economy and the preservation of green and agricultural space for the long term health of a region.

- Increased business opportunities for small and woman-owned businesses.
- Increased business opportunities for immigrants who are struggling to assimilate into society, but who are wonderful agricultural producers and processors of foods that people are excited to try.
- Increased consumption of fruits and vegetables, a documented impact from many markets, can improve the health of many residents, thus reducing some medical costs. This is USDA's 5-a-day program.
- A fixed, well designed venue, with significant parking, can host a variety of important cultural and social events that struggle year after year for a viable home.
- Increased sales opportunities for businesses surrounding *The Gathering Place* because of increased number of potential shoppers to the area. Sales can also improve in the early hours of the day because of early morning fresh produce shoppers.

These descriptions of potential benefits are more qualitative than quantitative and will be realized in greater and lesser extents given the funding and operation of a public market hall, such as *The Gathering Place*.

Architectural Appendix

This appendix is divided into three parts: an explanation of some of the architectural features of the market, some general sketches of the market, and finally, a number of tables that explore some of the costs of each aspect of the construction of the market.

Some architectural features

The architecture of *The Gathering Place* is inspired by "vintage Hawaii" architecture. This style, with its many angled roofs, balconies, and understated elegance can be found in many of the historical buildings of Hawaii including the Moana and Royal Hawaiian hotels in Waikiki. The new Governor's residence, below, is an example of "vintage Hawaii".

Elements are from traditional Hawaiian architecture and are also modifications of styles brought in by the many immigrants. This style, once a dominant part of Waikiki (but still a part of Lahaina, Maui), is fast disappearing. It is still highly desired, however, by those watching the evolution of many shopping areas into ones that could easily be found in the Ginza in Tokyo or New York City. The "vintage Hawaii" style is warm and inviting, perfect for gathering people together to talk, eat, shop, and learn. Perfect for creating community. Here are some of the qualities that the market architecture seeks to achieve:

- *The Gathering Place* features many interior and exterior plazas and walkways shaded by tropical landscaping which will encourage the meeting of small groups of people. In addition to the attention paid to indoor space, emphasis is given to the outdoor spaces formed by the layout of the buildings. Napoleon once said that St. Mark's Square in Venice "was the greatest living room in Europe". It happens that this "great living room" is formed by the negative or "in between" space of buildings. The main plaza at *The Gathering Place*, as well, is defined by the "in between" space of two buildings and tropical landscaping.

- The demarcation between interior and exterior spaces is relaxed at *The Gathering Place*. Natural ventilation and landscaping flow easily into the buildings through the rhythm of French windows, louvers, and clerestories that impart character to the building elevations. Movement by people from interior to exterior (and vice versa) is encouraged in the form of outdoor dining and cafes. All of the large restaurants feature generous outdoor terraces and in some cases trellises to take advantage of the gentle Hawaii climate.

- The comfort and well being of visitors to the complex are important considerations. Natural ventilation is assisted by the Venturi effect created by cupolas, clerestories, and natural cross breezes. Generous roof eaves provide shading and protection from the occasional light mists which shower the Hawaiian Islands. Flexible devices such as trellises, louvers, and canvas overhangs provide interesting interplays of light and shadow and mitigates the severity of the sun.

- Attention to the needs of those with handicaps is a primary design feature of *The Gathering Place*. Ramps, few stairs, elevators, and well-designed bathrooms are just a few of the features that welcome everyone to the market.

- Flexibility of use is a major requirement of the program. The buildings will accommodate vendors as diverse as cafes, poultry stands, fishmongers, vegetable stands, cheese makers, and restaurants. In this project, the structural grids allow for maximum flexibility. Customized and strongly articulated spaces have been de-emphasized because it is understood that the uses of the space will change.

- A culinary "Walk of Flame" which will celebrate achievements of Pacific Rim producers, suppliers, chefs, and other leaders of the food industry is featured. The Walk of Flame is a tree lined pedestrian avenue paved in brick and colorful bands of stone tile. The walkway will feature metal plaques inserted onto the paving, handprints of the chefs, or reliefs of favorite regional dishes.

- Ease of accessibility and logical, simple communication routes is emphasized. Elevators, ramps, and wide corridors are provided to ensure that movement around all the spaces will be relaxed and friendly. Adequate and convenient parking is on site. Loading stalls, which allow for the convenient and continual replenishment of the market, as well as the disposal of garbage, are situated at junctures close to the buildings.

- Places to sit, talk, eat and watch will be plentiful and interesting. One of the market's goals is to have people visit often and stay as long as possible, great seating will help make this happen.

The Iconography of the Architecture

The architecture is distinctly Hawaii with large double-pitched roofs and generous eaves and trellises. The exterior walls are an expression in flexibility with the ability to be nearly entirely open or closed depending on the needs of the users and the orientation of the sun. The buildings will be able to serve many different functions ranging from a marketplace, educational center, and a culinary institute during the day to being able to host intimate functions as night. When not in use, space can essentially be used as storage.

Emphasis during the conceptual stage of architectural design has been given to the concept of the typology of the building. Research by the French Ecole des Beaux Arts architect Durand and even the modern architect Aldo Rossi have demonstrated while the function of buildings change over the years, the typology of great buildings endure over many centuries. The typology of *The Gathering Place* is a traditional agrarian/market building, adapted to the Hawaiian environment, which accommodated multiple functions at different times of the year.

The cultural diversity, which makes the Hawaiian Islands so unique around the world, will be celebrated. References to Hawaiian, Western, Japanese, Chinese, Korean, Filipino, Samoan, and other cultures will be reflected in the architectural detailing, motifs, and artwork.

Structure

The foundation of the buildings will depend on the soil conditions of the selected site. Because the structure is only two stories, however, it is probable that a matt concrete slab will be adequate. Basements and levels below grade have been avoided in deference to the expense associated with dewatering in Hawaii.

The structure is steel columns encased in concrete tubes laid out on a 25' or 30' structural grid. This type of structural system avoids bearing walls and allow for the maximum flexibility in the interior layout.

Prefabricated metal trusses support the standing seam metal roof. Due to modern fire codes for assembly spaces such as food markets, the trusses will need to be fireproofed. The spray-on fireproofing is visually unattractive and therefore will be covered with a sheathing of wood or metal. The configuration of the trusses is an important aesthetic consideration, which will greatly impact the effect of the great hall in the interior of the building. Therefore the sheathing of the fireproofing needs to be carefully designed.

It is desirable to have strong, thick, robust exterior walls, punctuated regularly by doors and windows. These qualities will impart permanence to the buildings and a tactile sensation to the surfaces. The exterior walls are precast concrete with molded stone forms and color concrete sections. The precast concrete panels will be tilted up into place and attached with clips to the columns. An advantage of precast concrete panels is that detailing can be very consistent and precise. Quality control can be monitored very carefully at the fabrication area. The building

must be built to handle hurricanes.

The parking structure will be a combination of poured-in-place and precast concrete.

Mechanical and Electrical Systems

Many of the large spaces may be naturally ventilated. Some spaces, such as the educational facilities, offices, and the restaurants may be air-conditioned most of the time. However all other tenants will be given the choice of air conditioning or natural ventilation through the means of mechanical stub-outs located in the ceiling of the 14' high spaces. The mechanical chiller system will perhaps be located on the roof of the parking garage.

Wastewater, water, and electrical stub-outs are provided at regular modules in the floor slab. As mentioned above, air-conditioning and ventilation infrastructure will be provided in the ceiling.

Due to the large areas of kitchens, food preparation areas, and lighting for market display areas, electrical loads are likely to be quite high for ventilation, spot air-conditioning, electricity, and wastewater systems. Mechanical and electrical engineers must provide enough capacity for all tenants. The use of solar for electricity and water heating should be a part of the design plan. Recycling needs should also be part of the design from the outset.

Civil and Site Selection

The civil engineer must ensure adequate infrastructure for sewage, storm drainage, water, and electricity during site selection. Furthermore, the disposition of the roads and traffic conditions leading to the site should be investigated carefully as the market could attract thousands of people to a big event such as First Night. Important issues such as traffic lights, the number of curb cuts allowed to the site, and car cueing at the entrances and exits should be considered. Whenever possible, pedestrians and vehicular interactions should be minimized. Again, great attention to the needs of those guests with handicaps should be taken in the site design and market approaches. In general, the selection of a flat site without varying slope is recommended. This will reduce the problems encountered in resolving the various accessibility issues. Issues of safety for guests and employees, e.g. dark, isolated corridors, should also be addressed in the final design.

Landscaping, Lighting and Art

Lush and tropical landscaping is an integral part of the character of Hawaii architecture. At *The Gathering Place*, tropical landscaping is an essential component that allows the synthesis of interior and exterior space. Green, buffered space is essential to the "gathering" process and can create a market without peer in

the world. The spaces at *The Gathering Place* have been generously landscaped with tropical trees and flora to provide color to and add definition to outdoor space.

The site will look as wonderful at night as it does in the day with great consideration given to the tasteful night lighting.

Finally, appropriate art will be an integral part of the entire market place whether as a part of the landscape, interior design, or educational display.

Some possible design features

Here are some potential views of the exterior and interior of the market. These sketches are provided for discussion purposes only.

One side of *The Gathering Place*.

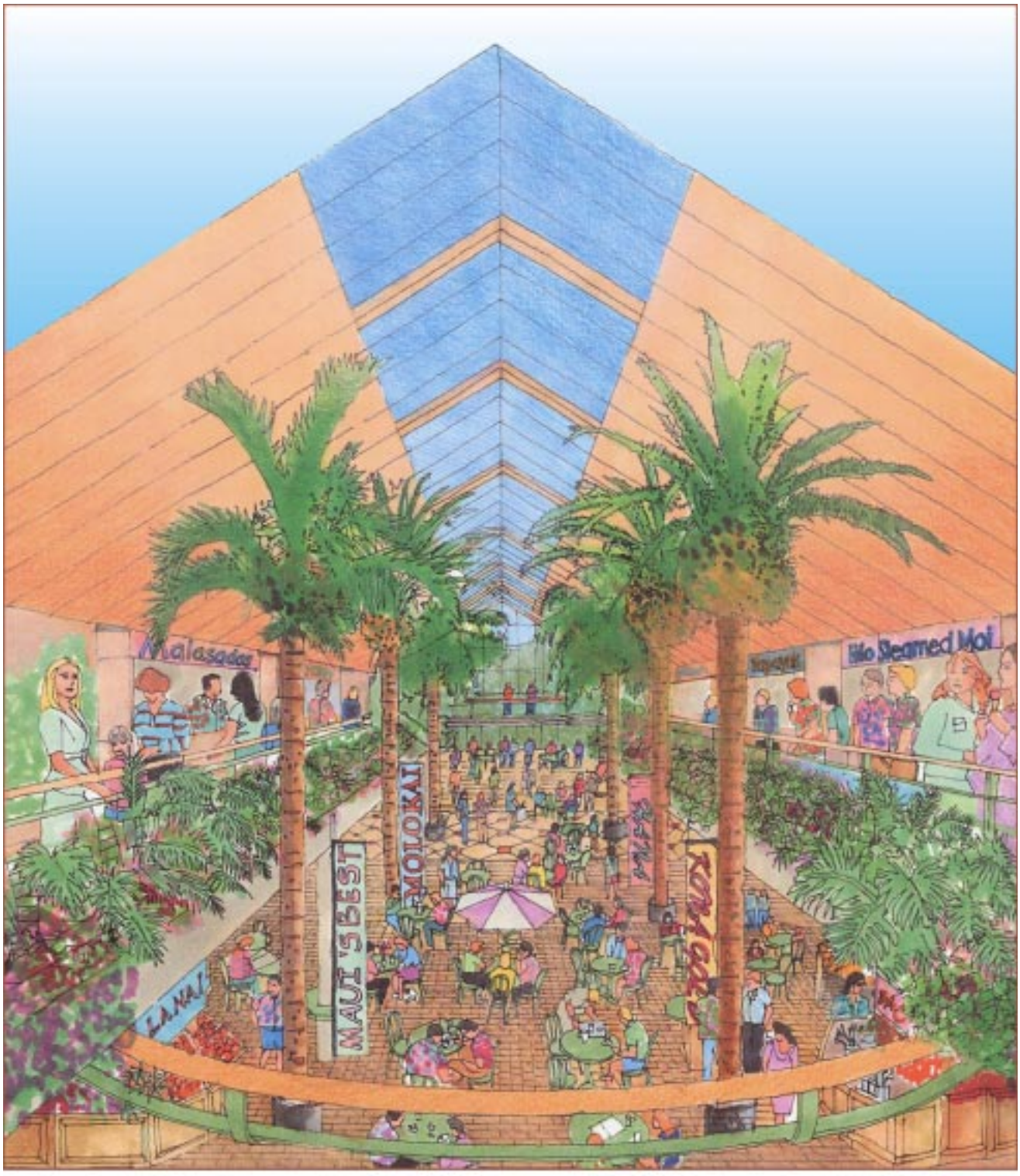
As seen in the body of the report, *The Gathering Place* as seen from the “Walk of Flame” into “The Gathering Place Lanai”.

A potential first floor of *The Gathering Place*.

A possible second floor of *The Gathering Place*.

A view of *The Gathering Place* from above the roof.

As seen in the body of the report, one potential interior view of *The Gathering Place*.



A slightly different interior view of *The Gathering Place*.

VIA

Detailed estimates of potential costs for *The Gathering Place*

In this reconnaissance some assumptions needed to be made so that a starting point for a discussion on *The Gathering Place* could be initiated. Below are some tables that illustrate some potential costs of building the market. *They do not include the cost of land or operations*. These additional costs will raise the amount of money that is needed for the market place. Of course, the numbers here should be reworked to take into account more specific information. *NOTE: these numbers should not be quoted as highly accurate, they are only estimates for further discussion.*

Table A1. Construction cost estimates for *The Gathering Place.*

Program Space	Qty	Area per Unit	Area	Low Cost psf	High Cost psf	Low Cost	High Cost	Median	Notes
Building 1									
First Floor									
1. Open Vendors	16	300	4,800	$90	$120	$432,000	$576,000	$504,000	
2. Storefront Vendors	18	500	9,000	$120	$150	$1,080,000	$1,350,000	$1,215,000	
3. Elevator Lobbies and Stairs	2		1,185	$280	$320	$331,800	$379,200	$355,500	Includes Cost of 2 Elevators
4. Cart Vendor Areas	2	1,000	2,000	$90	$120	$180,000	$240,000	$210,000	
5. Grand Hall Entry (Double Height Space)	1	3,183	3,183	$150	$180	$477,450	$572,940	$525,195	
6. Cupola Atrium (Double Height Space)	1	900	900	$150	$180	$135,000	$162,000	$148,500	
7. Indoor Seating Area	1	3,359	3,359	$90	$120	$302,310	$403,080	$352,695	
8. Circulation/ Storage	1	3,532	3,532	$90	$110	$317,880	$388,520	$353,200	
Subtotal			**27,959**	**$1,060**	**$1,300**	**$3,256,440**	**$4,071,740**	**$3,664,090**	
Second Floor									
1. Open Vendors	8	300	2,400	$90	$120	$216,000	$288,000	$252,000	
2. Storefront Vendors	7	500	3,500	$120	$150	$420,000	$525,000	$472,500	
3. Offices + Meeting Rms.	7	500	3,500	$120	$150	$420,000	$525,000	$472,500	
4. Elevator Lobbies and Stairs		1,185	1,185	$80	$100	$94,800	$118,500	$106,650	
5. Mens' Room	1	500	500	$150	$180	$75,000	$90,000	$82,500	
6. Women's Room	1	500	500	$150	$180	$75,000	$90,000	$82,500	
7. Restaurant	1	8,247	8,247	$150	$180	$1,237,050	$1,484,460	$1,360,755	Shell Only. Does not include Kitchen Equipment
8. Circulation	1	4,044	4,044	$90	$110	$363,960	$444,840	$404,400	
9. Exterior Terrace	1	5,915	5,915	$50	$70	$295,750	$414,050	$354,900	
Subtotal			**29,791**	**$1,000**	**$1,240**	**$3,197,560**	**$3,979,850**	**$3,588,705**	

Table A1 con't. Construction cost estimates for *The Gathering Place,* con't.

Program Space	Qty	Area per Unit	Area	Low Cost osf	High Cost osf	Low Cost	High Cost	Median	Notes
Building 2									
1st Floor									
1. Food Stadium (Double Height Space)	1	10,000	10,000	$180	$220	$1,800,000	$2,200,000	$2,000,000	
2. Pacific Culinary Academy Classrooms	6	750	4,500	$130	$160	$585,000	$720,000	$652,500	
3. Kitchen Prep Area	1	1,125	1,125	$220	$250	$247,500	$281,250	$264,375	
4. Men's Room	1	375	375	$150	$180	$56,250	$67,500	$61,875	
5. Women's Room	1	375	375	$150	$180	$56,250	$67,500	$61,875	
6. Elevator Lobby and Stairs		886	886	$215	$240	$190,490	$212,640	$201,565	Includes cost of 1 Elevator
7. Java Bar	1	750	750	$220	$250	$165,000	$187,500	$176,250	
8. Culinary Museum foyer	1	750	750	$130	$150	$97,500	$112,500	$105,000	
9. Culinary Museum	1	3,734	3,734	$150	$180	$560,100	$672,120	$616,110	
10. Circulation/Storage	1	1,605	1,605	$90	$110	$144,450	$176,550	$160,500	
Subtotal			**24,100**	**$162**	**$195**	**$3,902,540**	**$4,697,560**	**$4,300,050**	
Second Floor									
1. Restaurant	1	11,408	11,408	$150	$180	$1,711,200	$2,053,440	$1,882,320	Shell Only. Does not include Kitchen Equipment
2. Stairs and Elevator Lobby		886	886	$80	$100	$70,880	$88,600	$79,740	
3. Men's Room	1	375	375	$150	$180	$56,250	$67,500	$61,875	
4. Women's Room	1	375	375	$150	$180	$56,250	$67,500	$61,875	
5. Open Exterior Terrace	1	4,125	4,125	$ 50	$ 70	$ 206,250	$ 288,750	$247,500	
Subtotal			**17,169**	**$122**	**$149**	**$2,100,830**	**$2,565,790**	**$2,333,310**	
TOTAL Building Area			**99,019**	**$ 126**	**$ 155**	**12,457,370**	**15,314,940**	**$13,886,155**	

Table A1 con't. Construction cost estimates for *The Gathering Place*.

Program Space	Qty	Area per Unit	Area	Low Cost psf	High Cost psf	Low Cost	High Cost	Median	Notes
Parking Structure	1	69,000	69,000	$60	$80	$4,140,000	$5,520,000	$4,830,000	230 Parking Stalls @ 300 sf each.
Exterior Construction									
1. Site Preparation		213,000	213,000	$6	$8	$1,278,000	$1,704,000	$1,491,000	
2. Landscaping		70,000	70,000	$7	$10	$490,000	$700,000	$595,000	
3. Paving, Brickwork, Outdoor Furniture		40,000	40,000	$15	$18	$600,000	$720,000	$660,000	
Subtotal (Exterior Construction)						**$2,368,000**	**$3,124,000**	**$2,746,000**	
Utility Fees									
1. Electric Meter						$80,000	$120,000	$100,000	
2. Water Fees						$60,000	$80,000	$70,000	
3. Wastewater Facilties Fee						$100,000	$150,000	$125,000	
4. Water Transmission Charge						$12,000	$15,000	$13,500	
Subtotal						**$252,000**	**$365,000**	**$308,500**	
Soft Costs									
Architecture/ Engineering						$1,517,230	$1,916,715	$1,716,972	
Permitting						$100,000	$120,000	$110,000	
Subtotal Soft Costs						**$1,617,230**	**$2,036,715**	**$1,826,972**	
GRAND TOTAL						**$20,834,600**	**$26,360,655**	**$23,597,627**	

Table A2. A summary of construction cost estimates for *The Gathering Place*

Item	Area	Low Cost	High Cost	Median
Total Building Area	99,019	$12,457,370	$15,314,940	$13,886,155
Parking Structure	69,000	$4,140,000	$5,520,000	$4,830,000
Exterior Construction		$2,368,000	$3,124,000	$2,746,000
Utility Fees		$252,000	$365,000	$308,500
Soft Costs		$1,617,230	$2,036,715	$1,826,972
Subtotal		$20,834,600	$26,360,655	$23,597,627
Contingency @ 15%		$3,125,190	$3,954,098	$3,539,644
GRAND TOTAL PROJECT COSTS		**$23,959,790**	**$30,314,753**	**$27,137,272**

Cost psf Calculations

Item	Area	Low Cost psf	High Cost psf	Median
Cost psf Total Building Area	99,019	$126	$155	$140
Cost psf Total Project Costs	99,019	$242	$306	$274
Cost psf Total Project/Leasable Area	63,130	$380	$480	$430

WARD RESEARCH

INTEREST IN THE CONCEPT OF A PUBLIC MARKET FACILITY IN HONOLULU

SURVEYS AMONG U.S. VISITORS, JAPAN VISITORS AND OAHU RESIDENTS

Prepared for:

DEPARTMENT OF AGRICULTURE

STATE OF HAWAII

JANUARY 2003

RESEARCH OBJECTIVES

The Hawaii State Department of Agriculture currently is considering plans for a public market similar to those found in Seattle and Portland. The Market is envisioned as a popular "gathering place" both for Oahu residents and visitors with an emphasis on Hawaii-grown foods and products. In January 2003, the Department commissioned Ward Research to gain feedback from US visitors, Japan visitors and Oahu residents, with the primary objective being:

TO HELP THE STATE DEPARTMENT OF AGRICULTURE TEST THE CONCEPT OF A PUBLIC MARKET IN HONOLULU AMONG OAHU RESIDENTS, U.S. AND JAPAN VISITORS.

The specific objectives of the study were as follows:

- To test interest in the overall concept of a public market;
- To explore the kinds of foods most preferred by the various audiences;
- To gain feedback on the key factors attracting visitors and residents to a public market; and
- To gain feedback on various market features, such as amenities, entertainment, retail options and best location.

RESEARCH METHODS

To accomplish these objectives, surveys were conducted January 16-30, 2003 among approximately 100 U.S. visitors, Japan visitors and Oahu residents each. Visitors – both U.S. and Japanese --- were interviewed via in-person intercept surveys while they waited to check in at Honolulu Airport, while Oahu residents were interviewed at home by telephone. The maximum sampling error for each sample of respondents is ± 9.8% at the 95% level of confidence.

Sample	*Method*	*N =*	*Max. Error*
US Visitors	Airport Intercept	108	+/- 9.8%
Japan Visitors	Airport Intercept	101	+/- 9.8%
Oahu Residents	Telephone	101	+/- 9.8%

The client, in consultation with the research firm, designed a 5-minute survey. Interviews of Japanese visitors were conducted in Japanese by executive-level interviewers fluent in the Japanese language. In the phone interviews with Oahu residents, respondents were screened to live in Honolulu urban areas accessible to any future location of a public market.

Telephone interviewing was conducted from the Ward Research Calling Center in downtown Honolulu during evening hours in order best to reach residents at home. Data provided in the following tables were processed were processed using the SPSS/Windows software.

DATA TABLES
Responses from US Visitors, Japan Visitors and Oahu Residents

U.S. MAINLAND VISITORS ONLY:

Q1. *What is the zip code of your residence?*

	US VISITORS (n=108)	**JAPAN** (n= 101)	**OAHU** (n=101)
Los Angeles, CA	9.3%	---	---
Other Southern California	3.7	---	---
Northern California	7.4	---	---
Southwest / Mountain (CO, UT, AZ, NV)	9.3	---	---
Oregon - Washington	2.8	---	---
Oklahoma - Texas	11.1	---	---
Midwest (OH, IL, IN, MN, MI, NE, KS, SD, ND)	24.1	---	---
South (LA, FL, VA, MD, KY, NC)	18.5	---	---
East (NY, PA)	5.6	---	---
Other U.S. (non-specific)	8.3	---	---

JAPAN VISITORS ONLY:

Q1. *In which prefecture in Japan do you live?*

	US VISITORS (n=108)	JAPAN (n= 101)	OAHU (n=101)
Tokyo	---	29.7%	---
Other Kanto	---	29.7	---
Aichi City	---	8.9	---
Other Chubu	---	6.9	
Osaka City	---	8.9	---
Other Kinki	---	7.9	---
Fukuoka City	---	1.0	---
Tohoku	---	2.0	---
Okayama City	---	1.0	---
Hokkaido	---	4.0	---

OAHU RESIDENTS ONLY:

Q1. *Area of residence on Oahu*.

	US VISITORS (n=108)	JAPAN (n= 101)	OAHU (n=101)
East Honolulu (Halawa to Kalihi)	---	---	10.9%
Urban Honolulu (Kaimuki to Moanalua)	---	---	62.4
Aiea – Pearl City	---	---	26.7

US MAINLAND VISITORS AND JAPAN VISITORS ONLY:

Q2. Including this visit, how many times have you visited Honolulu?

	US VISITORS (n=108)	JAPAN (n= 101)	OAHU (n=101)
1st visit	41.7%	40.6	---
2nd visit	21.3	16.0	---
3rd to 5th visit	17.6	28.7	---
More than 5 times	19.4	13.9	---
Don't know / Refused	0.0	1.0	---
Mean:	3.69 times	3.40 times	---

OAHU RESIDENTS ONLY:

Q1. How many times a week, on average, do you shop for fresh produce, meat and seafood?

	US VISITORS (n=108)	JAPAN (n= 101)	OAHU (n=101)
Once per week	---	---	37.6%
Twice per week	---	---	37.6
3 – 5 times per week	---	---	21.8
More than 5 times	---	---	3.0
Don't know / Refused	---	---	0.0
Mean:	---	---	2.11 times

OAHU RESIDENTS ONLY:

Q2. I'm going to mention some factors influencing your choice of produce, meat and seafood. Please rate each on a 10-point scale, with 10=extremely important in deciding to purchase and 1=not at all important. First…

Appearance of the product	**US VISITORS** (n=108)	**JAPAN** (n= 101)	**OAHU** (n=101)
8-10	---	---	78.2%
5-7	---	---	20.8
1-4	---	---	1.0
No response	---	---	0.0
Mean:	---	---	8.53

Made or grown in Hawaii	**US VISITORS** (n=108)	**JAPAN** (n= 101)	**OAHU** (n=101)
8-10	---	---	54.5%
5-7	---	---	32.7
1-4	---	---	12.9
No response	---	---	0.0
Mean:	---	---	7.28

Taste of the product	**US VISITORS** (n=108)	**JAPAN** (n= 101)	**OAHU** (n=101)
8-10	---	---	83.0%
5-7	---	---	15.8
1-4	---	---	1.0
No response	---	---	0.0
Mean:	---	---	8.70

OAHU RESIDENTS ONLY:

Q2. I'm going to mention some factors influencing your choice of produce, meat and seafood. Please rate each on a 10-point scale, with 10=extremely important in deciding to purchase and 1=not at all important. First…

Food that is easy to prepare	**US VISITORS** (n=108)	**JAPAN** (n= 101)	**OAHU** (n=101)
8-10	---	---	60.4%
5-7	---	---	32.7
1-4	---	---	5.9
No response	---	---	1.0
Mean:	---	---	7.68

Products that are already prepared for eating	**US VISITORS** (n=108)	**JAPAN** (n= 101)	**OAHU** (n=101)
8-10	---	---	25.7%
5-7	---	---	42.6
1-4	---	---	31.7
No response	---	---	0.0
Mean:	---	---	5.55

Product price	**US VISITORS** (n=108)	**JAPAN** (n= 101)	**OAHU** (n=101)
8-10	---	---	67.3%
5-7	---	---	27.7
1-4	---	---	5.0
No response	---	---	0.0
Mean:	---	---	7.92

ALL RESPONDENTS:

Please look at these pictures while I describe a concept for a new public market in Honolulu. This market is designed to be a large, active gathering place for residents and visitors seeking Hawaii-grown produce and Hawaii-made products. It will feature a food bazaar, restaurants, live cooking demonstrations, cooking classes and nice lunch counters where you can watch meals being prepared for dining or take-out. Here, shoppers will be able to find fresh Hawaii-grown produce, unique local foods and a full range of local herbs and condiments.

Q.3 If there was such a market, how likely would you be to shop there / visit it during your stay? Would you be…?

	US VISITORS (n=108)	**JAPAN** (n= 101)	**OAHU** (n=101)
Very likely	48.1%	34.7%	39.6%
Somewhat likely	37.0	40.6	39.6
Not very likely	11.1	21.8	13.9
Not at all likely	3.7	3.0	6.9
Don't know refused	0.0	0.0	0.0

Q4. *Now I'm going to mention aspects of the proposed marketplace. Please rate each on a 10-point scale, with 10=extremely important in encouraging you to shop there more than once during your stay, and 1= not at all important in encouraging you to come more than once. First…*

Variety of products	**US VISITORS** (n=92)	**JAPAN** (n= 76)	**OAHU** (n=80)
8-10	79.3%	67.1%	82.5%
5-7	19.3	28.9	17.5
1-4	0.0	3.9	0.0
No response	1.1	0.0	0.0
Mean:	8.59	8.07	8.60

Products made or grown in Hawaii	**US VISITORS** (n=92)	**JAPAN** (n= 76)	**OAHU** (n=80)
8-10	72.8%	53.9%	68.8%
5-7	23.9	35.5	26.3
1-4	3.2	10.5	5.0
No response	0.0	0.0	0.0
Mean:	8.45	7.20	8.20

Freshly cooked food available for take-out	**US VISITORS** (n=92)	**JAPAN** (n= 76)	**OAHU** (n=80)
8-10	59.8%	40.8%	60.0%
5-7	27.2	38.2	33.8
1-4	13.0	21.1	6.3
No response	0.0	0.0	0.0
Mean:	7.28	6.43	7.60

Q4. *Now I'm going to mention aspects of the proposed marketplace. Please rate each on a 10-point scale, with 10=extremely important in encouraging you to shop there more than once during your stay, and 1= not at all important in encouraging you to come more than once. First…*

Product prices	**US VISITORS** (n=92)	**JAPAN** (n= 76)	**OAHU** (n=80)
8-10	73.9%	68.4%	75.0%
5-7	22.8	26.3	22.5
1-4	2.2	5.3	2.5
No response	1.1	0.0	0.0
Mean:	8.44	8.36	8.44

Friendliness of staff and vendors	**US VISITORS** (n=92)	**JAPAN** (n= 76)	**OAHU** (n=80)
8-10	87.0%	78.9%	83.8%
5-7	13.0	21.1	16.3
1-4	0.0	0.0	0.0
No response	0.0	0.0	0.0
Mean:	9.08	8.82	8.78

Available parking	**US VISITORS** (n=92)	**JAPAN** (n= 76)	**OAHU** (n=80
8-10	67.4%	40.0%	85.0%
5-7	13.0	22.7	11.3
1-4	19.6	37.3	3.8
No response	0.0	0.0	0.0
Mean:	7.46	5.63	8.79

Attractive location for eating	**US VISITORS** (n=92)	**JAPAN** (n= 76)	**OAHU** (n=80)
8-10	78.3%	67.1%	62.5%
5-7	18.5	31.6	35.0
1-4	3.3	1.3	2.5
No response	0.0	0.0	0.0
Mean:	8.39	8.25	8.01

Q4. *Now I'm going to mention aspects of the proposed marketplace. Please rate each on a 10-point scale, with 10=extremely important in encouraging you to shop there more than once during your stay, and 1= not at all important in encouraging you to come more than once. First…*

Easily accessible to accommodations / home	**US VISITORS** (n=92)	**JAPAN** (n= 76)	**OAHU** (n=80)
8-10	76.1%	76.3%	81.3%
5-7	20.7	18.4	17.5
1-4	3.3	5.3	1.3
No response	0.0	0.0	0.0
Mean:	8.53	8.37	8.65

Having farmers & knowledgeable vendors	**US VISITORS** (n=92)	**JAPAN** (n= 76)	**OAHU** (n=80)
8-10	58.7%	46.1%	60.0%
5-7	33.7	36.8	31.3
1-4	7.6	17.1	8.8
No response	0.0	0.0	0.0
Mean:	7.28	6.79	7.43

Q5a. *How interested would you be in the opportunity to watch noted Hawaii chefs prepare meals? Would you be…?*

	US VISITORS (n=92)	JAPAN (n= 76)	OAHU (n=80)
Very interested	29.3%	19.7%	20.0%
Somewhat interested	50.0	27.6	51.3
Not very interested	18.5	50.0	22.5
Not at all interested	2.2	2.6	6.3
Don't know / refused	0.0	0.0	0.0

Q5b. *How interested would you be in classes in cooking or culinary skills? Would you be…?*

	US VISITORS (n=92)	JAPAN (n= 76)	OAHU (n=80)
Very interested	12.0%	7.9%	20.0%
Somewhat interested	25.0	23.7	40.0
Not very interested	19.6	55.3	28.8
Not at all interested	43.5	13.2	11.3
Don't know / refused	0.0	0.0	0.0

Q6. *How important is having locally-made craft products such as artwork, jewelry and paintings for sale at this market? Please rate this on a 10-point scale, with 10=extremely important and 1=not at all important.?*

	US VISITORS (n=92)	JAPAN (n= 76)	OAHU (n=80)
8-10	63.0%	32.9%	32.5%
5-7	30.4	44.7	46.3
1-4	6.5	22.4	21.3
No response	0.0	0.0	0.0
Mean:	7.83	6.01	6.06

Q7. *How important is having for sale T-shirts, clothing, souvenirs and other retail products? Please use the 10-point scale, with 10=extremely important and 1=not at all important.*

	US VISITORS (n=92)	**JAPAN** (n= 76)	**OAHU** (n=80)
8-10	39.1%	60.5%	21.2%
5-7	41.3	25.0	48.8
1-4	19.6	14.5	30.0
No response	0.0	0.0	0.0
Mean:	6.41	7.39	5.19

Q8. *If located near the ocean, would you want the market and the eating area to be…?*

	US VISITORS (n=92)	**JAPAN** (n= 76)	**OAHU** (n=80)
Completely enclosed and air-conditioned, or	3.3%	7.9%	6.3%
Open-air or partially open-air	95.7	92.1	88.8
Don't know/refused	1.1	0.0	5.0

Q9. *I'm going to read you locations being considered for the marketplace. Please rate each on a 5-point scale, with 5=very preferable to you and 1=not at all preferable. First…* ***(READ)***

Near Waikiki	**US VISITORS** (n=92)	**JAPAN** (n= 76)	**OAHU** (n=80)
4-5	64.1%	80.3%	33.8%
3	16.3	5.3	27.5
1-2	18.5	14.5	38.8
No response	1.1	0.0	0.0
Mean	3.80	4.26	2.94

Near Ala Moana Shopping Center	**US VISITORS** (n=92)	**JAPAN** (n= 76)	**OAHU** (n=80)
4-5	27.1%	64.5%	65.0%
3	28.3	22.4	18.8
1-2	43.5	13.2	16.3
No response	1.1	0.0	0.09
Mean	2.60	3.87	3.78

Near Fisherman's Wharf/Ward Warehouse	**US VISITORS** (n=92)	**JAPAN** (n= 76)	**OAHU** (n=80)
4-5	16.3%	22.4%	62.5%
3	28.3	42.1	27.5
1-2	53.3	35.5	10.0
No response	2.2	0.0	0.0
Mean	2.30	2.79	3.89

Q9. *I'm going to read you locations being considered for the marketplace. Please rate each on a 5-point scale, with 5=very preferable to you and 1=not at all preferable. First…* ***(READ)***

Near Chinatown	**US VISITORS** (n=92)	**JAPAN** (n= 76)	**OAHU** (n=80
4-5	6.5%	5.3%	32.5%
3	16.3	11.8	21.5
1-2	76.1	82.9	45.0
No response	1.1	0.0	1.0
Mean	1.67	1.58	2.73

Outside of Honolulu	**US VISITORS** (n=92)	**JAPAN** (n= 76)	**OAHU** (n=80)
4-5	28.3%	10.5%	27.5%
3	15.2	11.8	16.3
1-2	55.4	77.6	56.2
No response	1.1	0.0	0.0
Mean	2.51	1.75	2.45

Other locations specified	**US VISITORS** (n= 0)	**JAPAN** (n= 0)	**OAHU**[1] (n=3)
4-5	---	---	100.0%
3	---	---	0.0
1-2	---	---	0.0
No response	---	---	0.0
Mean	---	---	---

[1] Only three Oahu residents mentioned other locations.

Q10. *If the marketplace offered **snack** items, what snacks would interest you the most? Any others?*

	US VISITORS (n=92)	**JAPAN** (n= 76)	**OAHU** (n=80)
Fruits	48.9%	7.9%	8.8%
Sandwiches	5.4	47.4	0.0
Hamburger	3.3	18.4	1.3
Hot dog	3.3	18.4	1.3
Juice	4.3	15.8	3.8
Local food	7.6	11.8	2.5
Ice cream	13.0	5.3	7.5
Soda / cold drinks	12.0	0.0	1.3
Dried fruits	2.2	0.0	7.5
Bakery	2.2	13.2	3.8
Fish / seafood	5.4	0.0	7.5
Cookies	5.4	3.9	2.5
Chips	5.4	2.6	6.3
Japanese food	0.0	2.6	7.5
Oriental / Asian foods	0.0	1.3	5.0
Dim Sum	0.0	0.0	3.8
Crack seed	0.0	0.0	3.8
Malasadas	0.0	0.0	3.8
Other snack items	38.0	5.3	8.8
None/nothing	3.3	1.3	20.0
Don't know/refused	13.0	3.9	17.5

(Responses may exceed 100% due to multiple mentions)

Q12. *If the marketplace offered food in the form of a **take-out meal**, what types of food would interest you the most? Any others?*

	US VISITORS (n=92)	**JAPAN** (n= 76)	**OAHU** (n=80)
Pizza	16.3%	3.9%	2.6%
Chinese Food	15.2	7.9	14.1
Sandwich	13.0	32.9	6.4
Sushi	3.3	27.6	0.0
Hamburger	10.9	31.6	11.5
Bento	1.1	21.1	1.3
Salad	9.8	1.3	6.4
Chicken	6.5	3.9	6.4
Plate Lunch	0.0	2.6	17.9
Hawaiian Food	6.5	7.9	11.5
Juice	0.0	11.8	0.0
Loco Moco	0.0	10.5	0.0
Ethnic Food	2.2	0.0	9.0
Japanese Food	1.1	3.9	6.4
Local Hawaii Food	5.4	3.9	6.4
Other take-out foods	14.1	3.9	11.5
None/nothing	3.3	1.3	11.5
Don't know/refused	22.8	2.6	2.6

(Responses may exceed 100% due to multiple mentions)

*Q12. If the marketplace offered food as a **dine-in meal,** what types of food would interest you the most? Any others?*

	US VISITORS (n=92)	JAPAN (n= 76)	OAHU (n=80)
Fish / Seafood	46.7%	13.2%	26.3%
Hawaiian Food	4.3	32.9	7.5
Steak	22.8	9.2	11.3
Chinese Food	14.1	28.9	6.3
Japanese Food	4.3	28.9	5.0
Ramen/Noodles	0.0	26.3	0.0
Curry rice	0.0	14.5	0.0
Vietnamese Food	0.0	9.2	0.0
American Food	12.0	0.0	1.3
Italian	12.0	0.0	0.0
Local Hawaii Food	10.9	6.6	6.3
Chicken	8.7	0.0	6.3
Oriental / Asian Food	3.3	1.3	8.8
Meat	0.0	2.6	8.8
Salad	3.3	0.0	8.8
Pasta / Spaghetti	3.3	2.6	6.3
Other foods	28.3	13.2	8.8
None/nothing	2.2	1.3	10.0
Don't know/refused	8.7	2.6	6.3

(Responses may exceed 100% due to multiple mentions)

Q13. If you could find in this market any type of food gifts / omiyage made in Hawaii, what kinds of food gifts / omiyage would interest you the most? Any others?

	US VISITORS (n=92)	**JAPAN** (n= 76)	**OAHU** (n=80)
Pineapple	33.7%	3.9%	3.8%
Chocolate	3.3	43.4	5.1
Macadamia Nuts	29.3	26.3	10.3
Coffee	19.6	35.5	6.4
Fruits	21.7	5.3	7.7
Hawaiian quilts	0.0	18.4	0.0
Aloha shirts	0.0	17.1	0.0
Hawaiian jewelry	0.0	13.2	0.0
T-shirts	0.0	13.2	0.0
Locally-grown or made items	1.1	9.2	15.4
Hawaiian condiments	3.3	3.9	11.5
Chocolate-covered macadamia nuts	8.7	0.0	1.3
Nuts (non-specific)	8.7	3.9	0.0
Candy	6.5	3.9	11.5
Coconuts	5.4	0.0	1.3
Jams / Jellies	1.1	1.3	6.4
Vegetables	1.1	0.0	6.4
Laulau	0.0	0.0	6.4
Other food gifts	18.5	13.2	21.8
None/nothing	0.0	1.3	12.8
Don't know/refused	16.3	2.6	15.4

(Responses may exceed 100% due to multiple mentions)

U.S. VISITORS AND JAPAN VISITORS ONLY:

Q14. *If you arrived in Honolulu and were not able to check into your hotel immediately, how interested would you be in spending time at this public market while you wait – maybe having lunch, relaxing in a spa, drinking Hawaii-grown coffee, things like that? Would you be…?*

	US VISITORS (n=92)	JAPAN (n=76)	OAHU (n=80)
Very interested	40.2%	30.3%	---
Somewhat interested	46.7	36.8	---
Not very interested	6.5	27.6	---
Not at all interested	5.4	5.3	---
Don't know refused	1.1	0.0	---

IF VERY OR SOMEWHAT INTERESTED IN Q14.

Q15. *What kinds of amenities would make you feel more comfortable while you are waiting for your hotel or your flight?*

	US VISITORS (n=80)	JAPAN (n=51)	OAHU (n=80)
A comfortable area to sit	31.3%	29.4%	---
Café or coffee shop	10.0	41.2	---
Sleeping rooms	1.3	19.6	
Shower rooms	1.3	17.6	
Massage	2.5	15.7	---
Smoking area	3.8	11.8	---
Restrooms	23.8	0.0	---
Storage for luggage	16.3	9.8	---
Hawaiian entertainment	13.8	0.0	---
Cocktail lounge	11.3	0.0	---
Souvenir shop	5.0	7.8	---
Playground / game room for children	0.0	7.8	
Information center	0.0	5.9	
Other amenities	51.3	25.5	---
Don't know/refused	11.3	3.9	---

(Responses may exceed 100% due to multiple mentions)

ALL RESPONDENTS:

Q16. *Is there anything else that would encourage you to shop at / visit this new market?*

	US VISITORS (n=92)	**JAPAN** (n= 76)	**OAHU** (n=80)
Hawaiian entertainment	8.3%	6.6	5.0%
Reasonable prices	4.6	19.7	20.0
Other entertainment (non-Hawaiian)	0.0	13.2	0.0
Shuttle bus service	1.9	0.0	15.8
Coupon promotions	5.6	0.0	0.0
Good food	1.9	5.3	23.8
Discount stores	0.0	6.6	0.0
Information booth / museum	0.0	7.9	0.0
Other	23.1	27.6	40.0
None/nothing	1.9	7.9	0.0
Don't know/refused	59.3	2.6	40.0

(Responses may exceed 100% due to multiple mentions)

The following questions are for classification purposes only…

Q17. *What was your age on your last birthday?*

	US VISITORS (n=108)	**JAPAN** (n= 101)	**OAHU** (n=101)
18 – 34	24.3%	47.5%	14.9%
35 – 44	14.0	22.8	17.8
45 – 54	22.4	6.9	22.8
55 – 64	21.5	12.9	11.9
65+	17.8	5.0	30.7
Refused	0.9	5.0	2.0
Mean:	48.1 years	38.9 years	53.0 years

Q18. *And you household income for 2002, before taxes?*

	US VISITORS (n=108)	**JAPAN** (n= 101)	**OAHU** (n=101)
Under $25,000	4.6%	12.9%	19.8%
$25,000 but under $35,000	13.0	14.9	11.9
$35,000 but under $50,000	15.7	11.9	13.9
$50,000 but under $75,000	18.5	17.8	17.8
$75,000 but above	37.0	17.8	18.8
Refused	11.1	24.8	17.8

Q19. *Gender:*

	US VISITORS (n=108)	**JAPAN** (n= 101)	**OAHU** (n=101)
Male	42.1%	52.5%	49.5%
Female	57.9	47.5	50.5