

Business Plan

for

BRICKWORKS

Permanent Farmers' Market and Event Center

150 Nichols Street

Friday Harbor

Washington

A Project of

The San Juan Islands Agricultural Guild

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Friday Harbor, WA 98250

<http://www.sjiaguild.com/>

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1. Project Summary & Background

Brickworks is a project of the San Juan Islands Agricultural Guild, a 501(c)(3) Washington State non-profit corporation whose primary purpose is to foster sustainable agriculture in San Juan County.

Friday Harbor Brickworks will:

- Provide a permanent, year-round home for the San Juan Farmers' Market
- Preserve and restore the downtown's last historic industrial building
- Create an event center and greenspace in the downtown core
- Offer economic development opportunities for farmers, seafood harvesters, artisans, food purveyors, and the surrounding merchants
- Increase the availability of local products to residents and visitors
- Revitalize the Nichols Street area of downtown Friday Harbor



*BRICKWORKS site at 150 Nichols Street is outlined in red
(San Juan County orthophoto 6/08)*

Project Background & History:

San Juan Island is the most populous island in the San Juan County archipelago and includes Friday Harbor (population 2,260), which is San Juan County's only incorporated town, largest commercial hub, and the location of the county seat. Friday Harbor is also the location of the San Juan Farmers' Market, which is one of three San Juan County farmers' markets.

San Juan County has a total population of 16,300; however, San Juan County also has a significant number of part-time residents and is a major tourist destination. For example, in 2006, there were 258,801 visitors to the San Juan Island National Historical Park. The San Juan Farmers' Market customer surveys in recent years show a significant percentage of both part-time residents (12%-13%) and tourists (39%-44% in summer and 28% in the spring) at the San Juan Farmers' Market.

The remote location of San Juan County coupled with the growing expense of transportation off island and increased emergency preparedness awareness has also increased consumer demand for local foods. The draft Economic Development Element of San Juan County's Comprehensive Plan states that San Juan County agriculture "ensures a fresh, healthy, local supply of food – which is a valuable community asset in and of itself, but absolutely critical in times of emergency (i.e. islands are cut off from mainland due to some kind of natural or man-made catastrophe)." The draft Economic Development Element identifies agriculture as one of the top five economic emphasis areas for the county, focusing on preservation and growth through value-added capacity and marketing and further asserts the need for market infrastructure to develop the viability of island agriculture and food security.

Permanent, year-round facilities are recognized as an important component to the stability and economic success of farmers' markets, as well as a benefit to the local community in increased economic development with the greatest multiplier effect and increased community food security

The Ag Guild recognizes that development of a comprehensive food system is essential to fostering sustainable agriculture. The Permanent Farmers' Market multi-use agricultural facility was selected as the Ag Guild's first project which was identified to

- Be designed to include storage, processing, distribution, and educational facilities
- Address the goals of the San Juan Farmers Market Association for a year-round covered farmers' market facility
- Address several county goals including the preservation of agricultural lands identified in San Juan County's Open Space and Conservation Plan, the tourism promotion priority to bring more tourists to the islands in the off-peak season, and economic development with the greatest local multiplier effect
- Address emergency preparedness goals by collaborating with the San Juan County /Town of Friday Harbor Department of Emergency Management on storage facility design and encourage and support increased self-sufficiency
- Provide cold and cool storage facilities for San Juan County farmers with no public electricity access and farmers with limited cold and/or cool storage capacity

The Ag Guild completed a feasibility study in January 2009, which determined the feasibility of a permanent farmers' market facility in Friday Harbor given the identified need and demand for the facility, the longevity and success of the San Juan Farmers' Market and its strong customer base, and the local population base augmented by part-time residents and tourists. The feasibility study also identified and reviewed the top three most feasible locations that were identified during a comprehensive site selection process. The Ag Guild's Site Selection Committee evaluated nine potential facility locations. Potential sites were evaluated for appropriate zoning, location and proximity to the ferry landing and downtown Friday Harbor, assessed value, existing infrastructure, potential partners (funding and development), access to adjacent facilities, and criteria identified by the San Juan Farmers Market Association. The most feasible site identified was 150 Nichols Street primarily due to location and committed local public funding.

Since September of 2008, the San Juan County Land Bank (Land Bank)'s approved budget has included \$400,000 for the purchase of an historic preservation and conservation easement on the 150 Nichols Street property. The Land Bank's mission includes historic preservation in addition to land conservation. The building at 150 Nichols Street has historic significance for a number of reasons. It was constructed in 1921 as the new home for the Friday Harbor Brick and Tile Company, which manufactured the concrete blocks used in the construction of several of the historic buildings in Friday Harbor, including Town Hall (1934). The historic building at 150 Nichols Street is the only remaining historic industrial building in downtown Friday Harbor. The building has undergone an initial structural engineering analysis in August of 2008 and an additional structural engineering analysis in July of 2010. While a number of structural reinforcement and remodeling requirements are needed to bring the building up to code, the building is essentially sound.



There is strong support for the restoration of the historic building and the renovation of this property into a vibrant and festive downtown event center and green space where the San Juan Farmers' Market can thrive year-round.

The 150 Nichols Street property is large enough to accommodate an approximate 40% increase in the current number of peak season farmers' market vendors. The historic structure originally included an approximate 2,400 square foot open area with large barn-like doors at either end that will provide a multi-use year-round event space and accommodate approximately 23 market vendors. Additionally, the 960 square foot 'shed' area could include cool, cold, and dry storage, as well as a small commercial kitchen, and an ADA accessible restroom. The 863 square foot second floor two-bedroom apartment will be remodeled to provide additional facility operating revenue as a separately rented office suite, vacation rental, or residential apartment. The remaining property will be developed to include a market plaza outdoor patio area for use as outdoor event space and space for an additional 35 – 39 market vendor in the spring, summer, and fall. Additional development features will include a greenspace with an outdoor stage, on-site parking (per Town code); amenities such as walkways, benches and perhaps picnic tables; and heritage, agritourism, and other relevant signage.

Another advantage of the Nichols Street site is the Town of Friday Harbor's public restrooms located adjacent to the property. Both the San Juan County Health Department and the Town of Friday Harbor have said that these restrooms would meet the restroom requirements for the facility. The existing public restrooms afford significant savings to both the project's capital development and operating budgets.

In 2009, a purchase and sale agreement and a lease agreement were secured with the owners of the 150 Nichols Street property. The agreed purchase price of \$775,000 is within \$5,000 of the 2009 San Juan County assessed value, and over 18% less than the \$950,000 purchase price included in an expired lease with option to purchase agreement dated October 2007. The purchase and sale agreement and the lease agreement expire on August 31, 2010.

2. Organization Profile

The San Juan County Agricultural Resources Committee's 2006 Producer Survey identified access to markets as a major barrier to farming in San Juan County (second only to regulatory barriers). The San Juan County Agricultural Resources Committee subsequently identified the creation of a permanent farmers' market as a major component for successful marketing of local agricultural goods in the islands.

In early December 2007, the San Juan County Agricultural Resources Committee along with representatives from a broad range of county agencies, farmers, and local food advocates recommended the formation of the San Juan Islands Agricultural Guild, having determined that a 501(c)(3) Washington State non-profit corporation would have the most effective organizational structure with which to address local agricultural needs and goals, including the development of a permanent farmers' market facility. The Ag Guild was ratified at a public meeting on February 4, 2008, with the primary purpose to foster sustainable agriculture in San Juan County. The Ag Guild's Board of Directors represents a broad range of local and regional agricultural organizations, and diverse county organizations.

The San Juan Islands Agricultural Guild (Ag Guild) has been joined by a broad range of community members and local and regional organizations that are engaged in the development of Friday Harbor Brickworks as a downtown events center, greenspace, and a year-round permanent farmers' market and multi-use agricultural facility.

The Ag Guild includes three board members who are farmer's market vendor/members of the San Juan Farmers' Market Association. Another Ag Guild Board member officially represents the Island Grown Farmers Cooperative, and is also a farmers' market vendor/member of the San Juan Farmers' Market Association. Another Ag Guild Board member (representing the San Juan County Agricultural Resources Committee) was the San Juan Farmers' Market Manager for seven years, and has been actively involved over these many years in every effort to establish a permanent farmers' market facility.



The San Juan Farmers Market at the Courthouse parking lot

The Ag Guild has partnered closely with the San Juan Farmers' Market Association on the planning, design, and development of this project. The San Juan Farmers' Market's customers have demonstrated strong support for a permanent farmers' market facility. In 2004, two-thirds of the customers surveyed said that a year-round covered structure was desirable. By 2008 over 87% supported a permanent farmers' market facility with less than 4% supporting the continuation of the market at the current locations.

The Land Bank's historic preservation and conservation easement on the 150 Nichols Street property will provide historic standards for restoration and construction and ensure the preservation of the historic structure. The conservation easement will also establish a green space and ensure public access in perpetuity.

In May 2009 the Ag Guild began work with local graphic artist Anne Sheridan on project "branding" and the process of developing capital campaign marketing materials. The Ag Guild Board of Directors selected the name Brickworks or Friday Harbor Brickworks in order to identify the project as more than just a permanent farmers' market and multi-use agricultural facility. The name was selected in reference to the history of the property and with the option to include the place name of the Town. The name Brickworks was vetted with the San Juan County Land Bank, Town officials and the Town Administrator, the San Juan Island Chamber of Commerce, the San Juan Islands Visitors Bureau, the San Juan Farmers' Market Association, neighboring developers, and additional key project constituents and supporters.

In the summer of 2009 the Ag Guild held several fundraising events including a three farm tour and dinner and a cooking demonstration and dinner hosted by Chef Greg Atkinson, as well as the second annual Fall Harvest Dinner & Auction. Several dinners and cocktail parties were also held for supporters and potential major donors to the capital campaign.

3. Industry & Target Market Analysis

San Juan County Agriculture Background Summary:

Agriculture is growing and changing in San Juan County. The San Juan Islands once produced a significant amount of the agricultural products for the Puget Sound region. After the development of agricultural land in Eastern Washington and the economic changes following World War II, San Juan County’s agricultural production declined. However, much of the historic pastoral landscape remained, contributing to the scenic beauty of the islands so valued by residents and visitors to this day. In the 1980s and ‘90s the number of farms and agricultural production began to rise again with more diversified, niche, and sustainable farming. This increase in farming is a result of consumer demand for fresh, local farm products as well as those who have chosen to farm in San Juan County.

San Juan County is experiencing rapidly changing demographics to a wealthier, retirement aged populace, and San Juan County farmers’ are facing rising land costs and impinging development. Residents and visitors are simultaneously becoming more aware of the value of San Juan County’s pastoral landscape and the value of local food production to community food security, environmental stewardship, and quality of life and health issues.

In the 2007 USDA Census of Agriculture (most current data available), the total market value of agricultural production in San Juan County increased 16% from \$3,114,000 in 2002 to \$3,617,000 in 2007. The total number of farms in San Juan County increased almost 30% from 225 farms in 2002 to 291 farms in 2007, as compared to an approximate 9% increase in the State and a 4% decrease in the Nation. There was a 25% increase in total acreage of farms in San Juan County, from 17,145 acres in 2002 to 21,472 acres in 2007, as compared to an approximate 2% decrease in both the State and the Nation.

An increasing majority of farms in San Juan County, Washington State and the nation are small farms with annual sales under \$10,000 per the following table:

Farms		Annual Sales	
		% < \$10,000	% > \$50,000
San Juan County Farms	2002	68%	3%
	2007	73%	6%
Washington State Farms	2002	59%	24%
	2007	66%	20%
Farms Nationally	2002	59%	21%
	2007	60%	22%

Direct marketing venues such as farmers' markets are essential to the economic sustainability of small farms.

Food Industry Overview:

The U.S. food system is in constant flux with retail competition continually driving changes that affect the nation's farmers, positive or not. Retail grocery mergers have sped the trend toward direct contracting of produce supplies with the largest farms, leaving a diminished role for wholesale markets and, consequently, negatively impacting small and medium-sized farmers. Faced with fewer markets to buy their products, thousands of farmers have turned to direct marketing. Often with local business, government and consumer support, a loose infrastructure of farmers' markets has been rebuilt across the nation over the last three decades.

Within this larger context of retail mergers, expanded consumer selection and diminished farmer marketing channels, the resurgence of farmers' markets has provided a beacon of hope for America's small farmers. Farmers' markets have expanded in number from 1,746 in 1994, to 2,863 in 2000 and to 4,700 in 2008. This explosion translates into a doubling of volume sold in 14 years to more than \$1 billion of products annually. However, most of these markets do not have locally financed structures established on "Market Street" or on the Commons as in our past. The great majority of farmers' markets operate "open air" on parking lots, city streets, parks, church lots, hospital property, private plazas, mall lots and elsewhere.

Communities have documented numerous benefits from farmers' markets: local food system strengthening, downtown and neighborhood renewal and revitalization, economic opportunities for vendors, local economy building, public health promotion, growth reduced, sprawl minimized, public space enlivened and people diversity celebrated.

Markets serve as anchors for local businesses, encourage spin-off development, enhance real estate values, increase the tax base and keep money in the local area. They are started and operated by local food advocates, have a high degree of sustainability and address local food security issues including affordability, hunger prevention, cultural responsiveness, social integration and access to fresh products.

Traditional economic impact analysis does not account for the expanded consumption, tourism, quality of life, social interaction and cohesion, and entrepreneurship that are so often part of the living fabric of farmers' markets.

One recent study showed that 95% of food consumed in Portland is imported from outside of Oregon. Nearly three-quarters of the direct impact of grocery stores leaks outside the region. Thus, while spending at farmers' markets in Portland is estimated at \$11.2 million, equivalent spending at grocery stores has only \$3.4 million in local economic impact (Bonnie Gee Yosick, 2008).

The three components of economic activity of the 14 Portland farmers' markets – the sale of fresh product at the markets, the sale of prepared food for consumption at the markets, and the management fees and operations – yields an estimated total economic impact of over \$17 million in output, more than 150 jobs, and nearly \$3.2 million in employee compensation.

Farmers' Markets Overview:

In 2000 there were 19,000 farmers in farmers' markets across the country. Four-fifths (79%) of farmers have sales under \$10,000 per year and 31% exclusively use farmers' markets (2006). Why do they choose this outlet? They can make more money, have more control over price, test the market for new varieties, sell less perfectly shaped fruit and vegetables, and build relationships with customers as they get cash for their products.

Farmers' markets are rated less convenient by shoppers than grocery stores, based on distance, parking, hours and selection. However, customers favor the markets because of fresher products, less bland taste and safer food, the pleasant atmosphere, knowing the producer personally, learning about agriculture and nutrition, and supporting the local economy.

Comparing quick customer intercept research done in various markets (Corum, Neighborhood Farmers Market Alliance), customers indicate that the farmers' market is the primary motivation for coming downtown in Montpelier, VT (66%), Kirkland (57%), Columbia City (75%), and West Seattle (76%).

Many studies show 30-50% of customers combine their market visit with shopping in other stores. A Study of the Local Effects of Farmers Markets on Local Economies in Wisconsin confirms that local farmers' markets provide a substantial direct economic benefit in real dollars to their surrounding downtown areas:

<http://www.waukesha.uwc.edu/ant/kbubinas/market.pdf>

San Juan Farmers' Market:

Currently, the San Juan Farmers' Market takes place every Saturday, April through October, in the Courthouse parking lot. However, this current location is not ideal as it is only available on a year-to-year basis and it is only available on Saturdays. Most importantly, the Courthouse parking lot has no protection from the elements. Attendance is poor and sales are down in rainy weather. The winter farmers market does not have a secure location (it was held at two different sites in 2007-2008), with some sites accommodating only a limited number of vendors and customers.

The San Juan Farmers Market Association (SJFMA) is committed to local farmers, and 28 of their current member/vendors are San Juan County farms (which includes seafood producers). Since 2002 the number of farm/vendors has increased from 19 to 28. The SJFMA currently has a total of 36 member/vendors,

including eight food processor vendors who are required to use “a significant percentage of locally grown or gathered products”. The development of the Market Facility will provide a venue for arts & crafts markets and/or the opportunity for expanded inclusion of artisans at the farmers’ market. The reported gross annual sales of the San Juan Farmers’ Market has increased over 80% in four years from \$156,653 in 2006 to \$283,489 in 2009.

In July, 2004, a study team conducted a Rapid Market Assessment at the Market. They estimated a customer count of 700 adults. Through an intercept process using colored dots, they found that 40% of the Market’s customers were tourists. A customer survey in July 2007 showed 44% of market attendees were tourists, and similar research in mid-May, 2008, showed 28% of customers were from off the island, a robust percentage for early season.

Strong customer support exists for a year-round covered facility for the San Juan Farmers’ Market. Two-thirds of customers responding to the 2004 Rapid Market Assessment said that they saw a permanent structure as desirable. By 2008 over 87% of survey respondents supported a permanent structure, and less than 4% supported an open-air market as currently exists.

Finding a location for the Permanent Farmers’ Market facility on San Juan Island will encourage the San Juan Farmers’ Market’s stability, growth, and success. Successful farmers’ markets have the potential to positively affect the number of economically viable farms in a region. Successful farmers’ markets encourage the start-up of new farms and related businesses including bakeries, restaurants, and other value-added food businesses. Successful farmers’ markets can significantly strengthen the development of a comprehensive food system which is essential to fostering sustainable agriculture.

Permanent Farmers’ Market Feasibility Conclusions:

The feasibility study included 21 case studies which illustrate common themes for those farmers’ markets that are successful in building permanent structures and/or facilities. The most common theme of success is the existence of an established farmers’ market with a successful track record and strong customer base. The San Juan Farmers’ Market is a well established and thriving farmers’ market with a strong and loyal customer base, and has demonstrated strong growth both in numbers of vendors and growth in sales. With a permanent, year-round facility, the San Juan Farmers’ Market will be poised to grow in positive directions.

Other common themes in the case studies are that many farmers’ markets that have successfully transitioned into permanent facilities have included extensive participation in selecting a site and designing the facility along with vendor participation in the capital development of the facility. The site selection process included extensive participation from the San Juan Farmers Market Association members. In addition, the membership has reaffirmed their approval of the Nichols Street site several times since the site selection process was conducted.

The design process has also included in-input from the San Juan Farmers Market Association members, particularly with regard to vehicle access and traffic flow for market set-up and break-down. Every member of the San Juan Farmers' Market Association has contributed financially to the project. Most members have also contributed food products and/or labor to various fundraising events, and the membership is eager to volunteer at work parties during the development of the facility.

Brickworks and Economic Development:

Permanent farmers' market facilities have had an impressive impact on the number of farmers and total sales of markets. For example, in Washington State, the Bellingham Farmers' Market's vendor numbers rose 38% from 63 per day in 2004 to 87 per day in 2007, and vendor sales have tripled from \$.5 Million to \$1.5 Million annually. The Olympia Farmers' Market, with the move into their permanent facility, has grown to \$4 million in annual sales with a nine-month market Thursday through Sunday. Here in Friday Harbor, Brickworks will positively impact the farmers' market, islands' farmers and food producers, and the local residents and tourists.

It is anticipated that the Permanent Farmers' Market will encourage existing farms, which may not currently use direct marketing, to sell at the Permanent Farmers' Market, thus providing additional farm revenue and further economic stability. It is also anticipated that the marketing opportunities of the Permanent Farmers' Market will also encourage the development of new farms, which will further preserve farmland in San Juan County.

An informal survey was conducted by the San Juan Farmers' Market Association. Of the 16 member/vendors who responded, current employment numbers are 29.75 FTEs (Full Time Equivalents). With the development of the Permanent Farmers' Market, these businesses estimate that their employment numbers will increase by 12 FTEs for a total of 41.75 FTEs.

The San Juan Farmers' Market is already a proven business incubator. The low cost of a market stall (\$10 for farmers and \$20 for food processors and crafters per week plus the \$15 annual dues) with exposure to numerous customers provide the ideal environment for getting a new business off the ground and/or test marketing a new product line. Several farms started out selling produce at the San Juan Farmers' Market before expanding their business to include additional crops and/or value-added products. Other businesses started out at the San Juan Farmers' Market before opening their own store front.

For example: The Market Chef started out as a food processor vendor at the San Juan Farmers' Market in 1999. In 2002 The Market Chef opened on A Street in downtown Friday Harbor. For the three years at the San Juan Farmers' Market, The Market Chef had .75 FTE. The Market Chef now has 8 FTEs in peak season (summer) and 6 FTEs in the off-season (fall/winter/spring). In addition, The



Market Chef purchases between \$2,000 and \$5,000 of local produce, meat, and seafood each month (amount varies due to seasonal availability). Owners Laurie Paul and Tom Barrette anticipate that their purchases of local farm and seafood products will increase with the development of the Permanent Farmers' Market facility due to mid-week availability of products as well as the planned distribution facility.

Also: Café Demeter got its start at the San Juan Farmers' Market as a food processor vendor in 2007 with .5 FTE. In 2008, Café Demeter opened on Nichols Street currently with 4 FTEs. Purchases of local farm products average \$600 per month. Additional examples of local businesses that got their start at the San Juan Farmers' market include Bakery San Juan and Pablito's Taqueria.

Due to the requirement that San Juan Farmers' Market Association vendors' processed food products include a significant percentage of locally grown or gathered ingredients and the subsequent positive response from farmers' market customers, these food processor vendors have gone on to establish restaurants and bakeries that feature locally grown ingredients, thus further increasing farm sales and consumer access to local foods.

Brickworks as an Event Center and Tourism-Related Facility:

In addition to providing a permanent home for the San Juan Farmers' Market, Friday Harbor Brickworks will further enhance the tourist experience on San Juan Island. This multi-use facility will provide tourism amenities, available daily and year-round regardless of event schedules. These amenities will include heritage and agtourism signage and information, a greenspace with an outdoor stage, and park benches and/or picnic tables, all conveniently located near Friday Harbor's public restrooms.

As one of Friday Harbor's most important historic sites, the restored and preserved Friday Harbor Brick & Tile Company building will be a predominant feature of this tourism-related facility. The historic preservation and heritage tourism features of Friday Harbor Brickworks will be promoted through the Town's preservation website: www.historicfridayharbor.org. This site was launched in early 2008 to promote Friday Harbor's designation as one of 12 Distinctive Destinations for that year by the National Trust for Historic Preservation. The site receives over 20,000 Internet visitors every year, predominantly those who are planning trips to the islands and others looking for historical information about the San Juans. The Friday Harbor Brickworks site link, information and calendar will be integrated into the Town's site for stronger cross-promotion. Additionally, the Town puts on events throughout the year on local history and preservation-related themes. The Town looks forward to holding some of these events at the Friday Harbor Brickworks facility as well as creating new programming that features the rich history of the site itself. The Town of Friday Harbor is keenly interested in developing heritage tourism as a stronger component of the economic development strategy for the local economy. To this end, existing partnerships with the San Juan Islands Visitors Bureau, the new San Juan Islands Scenic Byways program, and the new Friday Harbor Brickworks, together, will play a big role in helping to promote an even more effective heritage tourism program on San Juan Island.

Several local groups have also expressed interest in utilizing the Friday Harbor Brickworks facility. The San Juan Islands Scenic Byway program has expressed interest in the possibility of including displays and information at the facility. Skagit Valley College has expressed interest in utilizing Brickworks as an event location at least two to three times annually for their Road Scholar (formerly called Elderhostel) lifelong learning educational programs. Artstock (a fall weekend festival celebrating the arts on San Juan Island through studio arts tours) has expressed interest in using Brickworks as a reception hall to showcase the samples of the various works of art available over the weekend, or as a place to house a mini arts fair for those artists who do not have a studio on the tour. Other local groups who have expressed interest in using the facility include Island Rec (San Juan Island's parks and recreation junior taxing district) and the Performing Arts Community Center.

4. Ownership & Management

The San Juan Islands Agricultural Guild will own the 150 Nichols Street property. The Ag Guild is a registered 501(C)3 nonprofit corporation. The EIN number is 26-2167336, and the Washington State charitable solicitations registration number is 24977.

The Ag Guild is working with the San Juan Island Community Foundation to identify a transition strategy if for any reason the Ag Guild as an organization should cease to exist. This would include a successorship clause in the Ag Guild's bylaws, and possibly a reverter clause included in the 150 Nichols Street property deed.

The Ag Guild has been awarded \$375,000 in State capital funding. These funds are for the purchase of the 150 Nichols Street property which includes the historic Friday Harbor Brick & Tile Co. building, and the funding is specifically for the use of the property as a farmers' market facility. The State requires a lien on the deed of trust for a ten year period to ensure that the funds are used for their intended purpose.

The Ag Guild is in the process of negotiating a long-term secure lease with the San Juan Farmers Market Association for the use of the facility for farmers' markets on Saturdays and Wednesdays. The Ag Guild will manage the property through the Ag Guild's Brickworks Committee, which will be comprised of members of the Ag Guild Board of Directors who also represent the various facility user groups, with at least one member representative of the San Juan Farmers' Market Association.

The Brickworks Committee will facilitate the hiring process for a facility manager. The qualifications for the Brickworks Manager will include experience in facility and events management, with emphasis placed on organizational, marketing, and communication skills. The Brickworks Manager will have responsibilities for both facility and events management. The Brickworks Manager will oversee the facility maintenance, oversee the use of all facility components (cold and cool storage, commercial kitchen, distribution space, etc.), and all facility bookings. The Brickworks Manager will be on site for all markets, including an hour each for set-up and break-down. During markets, the Brickworks Manager will be in charge of merchandise sales, which are a component of the facility's operating revenue.

To further the mission of the Ag Guild to support and enhance sustainable agriculture in San Juan County, all markets held at Brickworks will comply with the following requirements (note that these requirements for markets held at Brickworks do not necessarily apply to event rentals):

1. All produce, fruit, meat, dairy, flowers, and etc. must be grown in San Juan County
2. All seafood must be harvested or boats registered in San Juan County

3. All arts & crafts must be hand-made in San Juan County
4. All processed food vendors must include San Juan County grown/harvested ingredients in their processed food products
5. San Juan County grown produce/products may be added-value-processed out of county
6. Second hand items may not be sold; however locally produced arts & crafts can be made from recycled materials
7. No franchises
8. Re-sales are not allowed, including imported items
9. Branded merchandise sales are not allowed (i.e. farm logos on t-shirts, mugs, tote bags, etc.)
10. Recognition that certain items currently included in the farmers' market that are processed in San Juan County but not grown in San Juan County can be sold (i.e. coffee and certain baked goods)
11. All market vendors must park their vehicles during the market in appropriate long-term parking spaces and not in residential neighborhoods
12. Only music/musicians approved by market management is allowed (vendor playing of CDs/music must be pre-approved and all buskers/musicians must be pre-approved by market management)
13. Exemptions, when issued, will be for a specified duration

Further, the Ag Guild Brickworks Committee will ensure that jurying of all arts & crafts and food processor vendors takes place. Food processor vendors must include locally produced ingredients in at least some of their sale products, with this being part of the selection/jurying criteria. Jurying will be conducted periodically for all vendors with no lifetime inclusions. Jurying and assessments of food vendors' use of local ingredients will be based on vendor's menus with ingredients listed. The selection/jurying criteria will prioritize usage of local ingredients, but also encourage a diverse mix of foodstuffs available at the Brickworks markets.

5. Capitalization & Finance

To date, the Ag Guild has raised a total of \$1,004,421 including \$93,896 from 307 donors plus \$87,305 in in-kind donations for a grand total of \$1,091,726.

Committed Planning and Design Funds (including Ag Guild overhead costs):

- **\$36,167** in cash donations
- **\$30,000** Washington State Rural Opportunity Fund grant from the Department of Community, Trade and Economic Development via the San Juan County Economic Development Council for the Feasibility Study
- **\$10,000** from the USDA Farmers' Market Promotion Program for facility planning and design

Committed Capital Funds:

- **\$400,000** from the Land Bank for the purchase of an historic preservation and conservation easement
- **\$375,000** in State capital funds (with a net grant amount of **\$365,625**)
- **\$99,900** USDA Rural Business Enterprise Grant
- **\$30,729** "Brick & Mortar" cash donations (raised at the 2008 and 2009 Harvest Dinner & Auction events)
- **\$26,000** Capital Campaign donations to date
- **\$6,000** from individual donors through the San Juan Island Community Foundation

In-kind Donations:

- Northwest Agriculture Business Center: Technical assistance for planning, design, fundraising, feasibility study, and a business plan (valued at **\$34,000**)
- In-kind donations from supporters (valued at **\$25,928**)
- San Juan County Economic Development Council: Office space, phone, and equipment (valued at **\$23,500**)
- Star Surveying: Site surveying provided pro bono (valued at **\$3,397**)
- San Juan Farmers' Market Association: Booth space for outreach, surveys, and fundraising (valued at **\$480**)
- San Juan County /Town of Friday Harbor Department of Emergency Management: Technical assistance for design of the cool and cold storage component to increase San Juan County's self-sufficiency and emergency preparedness
- San Juan Islands Conservation District and WSU Extension San Juan County: Planning and design of the educational component

Brickworks Capital Funds:

Committed funding for Brickworks capital costs includes the San Juan County Land Bank's purchase of an historic preservation and conservation easement valued at \$400,000. On May 4th, 2010, Governor Christine Gregoire signed the State capital budget (ESHB 2836) which included 45 state-wide Local Community

Projects to be funded through the Department of Commerce, including \$375,000, requested by State Senator Kevin Ranker, for the purchase of the historic building on Nichols Street for a farmers' market facility.

In addition to the Land Bank and State funding, the Ag Guild has received a USDA Rural Business Enterprise Grant in the amount \$99,900 in acquisition funds. To date, the Ag Guild has secured \$928,254 for Brickworks capital costs. The Ag Guild is committed to securing additional grant funds and conducting local fundraising for the balance of the \$1.3 million needed to purchase, renovate, and develop the property, and establish Brickworks.

The Ag Guild was invited to submit and has submitted an application in the amount of \$5,000 to The National Society of The Colonial Dames of America in The State of Washington. Additional grant funding is also being pursued. The Ag Guild Board of Directors has initiated a capital campaign with the goal to raise \$400,000 through local philanthropy to complete the phase one renovation and development, and the start-up capital needed to establish Brickworks. A capital campaign brochure has been prepared by graphic designer Anne Sheridan, as well as small folded business card hand-outs to be used for wide distribution. The Ag Guild has a booth each Saturday at the San Juan Farmers' Market in order to provide outreach and information about the project and the capital campaign. Market tote bags with the Brickworks logo will be given to all donors of \$100 or more. Former Board member and artist Suzy Pingree has generously donated an endless supply of historic barn cards, which are provided as a 'thank you' for donations of \$20.

A total of \$26,000 in capital campaign funds have been raised to date. The Ag Guild's Capital Campaign Fundraising Committee members will meet with potential major donors individually and continue to have small and large fundraising events – always featuring great local food!

Given the \$928,254 that the Ag Guild has secured for Brickworks capital costs, the additional funds needed (including the projected revenue shortfall for the first four years of operations) total \$340,666. The Ag Guild board is confident that these funds can be secured through local donations and grant funds or a combination of donations, grants, and loan funds.

If the Ag Guild Board decides to proceed with the phase one development of Brickworks prior to completion of the capital campaign, a bridge loan will need to be secured. This debt financing would be repaid with a single balloon payment, including all interest due. If a bridge loan is secured, the capital campaign will need to raise additional funds to cover the interest costs.

Brickworks Capital Budget:

Brickworks will be developed in phases, with phase one including the basic building and site components needed for facility operations. The phase one

development of the facility will re-establish the open space of the original 40'x60' building, removing the more modern interior partition walls, staircase, and upstairs apartment. The restored, open design will facilitate a variety of uses and allow markets, event organizers, and community groups to experiment with the use of the space. The only phase one fixture in the original portion of the building will be a propane stove or fireplace, as a heat source and also for aesthetic purposes. While phase one does not include the commercial/catering kitchen, it does include the commercial freezer and refrigeration units which will be located in the "shed addition" portion of the building.

A future development phase will include a Chef's demonstration counter that can also be used as a vendor stall(s) during markets and as a bar during events. The cooking equipment in the Chef's demonstration counter will compliment the small commercial/catering kitchen that will be included in the "shed addition" portion of the building. This area will also include an ADA accessible restroom, the freezer and refrigeration units, and table and chair storage. A small, separate retail space is included on the south end of the "shed addition," facing Nichols Street. This retail space will be rented (with access to the restroom) independently of the Brickworks facility, and will provide a small and affordable retail start-up location.

The Market Plaza will be developed in phase one as an open outdoor vendor and event space. Future development phases will include the construction of a roof-only structure(s) or vendor awning system to provide protection from the elements for the spring, summer, and fall. On-site parking will include those spaces as will be required by code once a roof only structure(s) is constructed. The greenspace will be established with lawn, with subsequent development stages creating an outdoor stage, heritage tourism and agtourism signage, benches, and other park-like amenities.

The Brickworks capital budget (included at the end of this section) includes cost estimates provided by project architect David Waldron. Community member concerns were raised about the cost estimates for the historic building renovation, and so the contingency for those costs were raised to 30% (with a 10% contingency for the remaining costs).

The Ag Guild has worked with the Town of Friday Harbor to identify the requirements associated with permitting and occupancy. All extenuating development requirements such as the Nichols Street curb, gutter, and sidewalk improvements have been included in the budget for capital costs.

**San Juan Islands Agricultural Guild
BRICKWORKS ~ 150 Nichols Street
Phase One Capital Costs Budget**

Note: Phase one capital costs do not include feasibility study related architectural design and structural engineering analysis costs, or the project planning and design project director costs. Phase one capital costs do not include the cost of the development of an upstairs office suite, estimated at \$110,000 (if upstairs is developed for residential purposes (either vacation rental or apartment) additional costs for a sprinkler system and other code requirements are estimated at \$20,000); a commercial kitchen, estimated at a minimum of \$31,000 (however a commercial refrigerator and a freezer are included in phase one); or a roof only structure(s) in the Market Plaza, estimated at \$120,000 - \$200,000 for a permanent roof only structure or \$34,500 for a canvas vendor awning system.

Estimated Phase One Capital Costs:

Property Purchase Price	\$775,000
Property Purchase Costs (lease fees, legal fees, closing costs)	\$74,316
Professional Services, Insurance, Fees (Architect, Engineers, Construction Manager, Bookkeeper)	\$62,610
Site Surveying provided pro bono by Star Surveying, Inc. valued at \$3,397	\$0
Property Improvement Costs (sitework, signage, landscape features)	\$51,000
Furniture, Fixtures, and Equipment Costs (market and event tables, chairs, storage carts; WIFI; website)	\$38,483
Contingency at 10% (Professional Services, Insurance, Fees; Property Improvements; Furniture, Fixtures, and Equipment)	\$15,209
Building Renovation Costs	\$149,000
Building Renovation Contingency at 30%	\$44,700
Sales Tax (7.80% - Property Improvements; Furniture, Fixtures, and Equipment; Building Renovation)	\$18,602
Total Estimated Phase One Capital Costs	\$1,228,920

Estimated facility operating revenue shortfall in first four years of operation (assuming no loan costs)	\$40,000
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TOTAL FUNDING NEEDED **\$1,268,920**

Funding Sources: Committed

Ag Guild "Brick & Morter Fund"	\$30,729
Ag Guild Capital Campaign - donations to date	\$26,000
SJC Land Bank Purchase of Historic Preservation and Conservation Easement	\$400,000
Donations from individuals through the San Juan Island Community Foundation	\$6,000
Washington State Capital Funds (ESHB 2836) (net grant amount)	\$365,625
USDA Rural Business Enterprise Grant	\$99,900
Total Funding Committed	\$928,254

BALANCE NEEDED **\$340,666**

Funding Sources: Uncommitted

Ag Guild Capital Campaign goal remaining	\$374,000
The Colonial Dames in the State of WA grant - application submitted 3/11/2010	\$5,000
Total Funding Not Committed	\$379,000

6. Marketing & Operations

The Friday Harbor Brickworks website will be a primary marketing tool for the facility. Regularly scheduled markets will be included on the website with information for market shoppers along with information for current and new vendors. While marketing for events held at Brickworks will be the responsibility of the event organizer(s), the Brickworks website will also list community and tourism-related event information. Facility rental and scheduling information will also be included on the Brickworks website. The sale of Brickworks merchandise will provide operating revenue in addition to the facility rental fees from markets and events. The Brickworks website will also market Brickworks merchandise.

The San Juan Islands Visitors Bureau's marketing programs will be utilized for the marketing of regularly scheduled markets, special events at the markets, and tourism-related events at Brickworks. In addition, press releases for the markets and special events at the markets will be sent, for example, to Washington State Tourism, the Seattle Times on-line events calendar, and the Bellingham Herald on-line events calendar.

In the current draft operating budget, Brickworks is conservatively estimated to be used in year one for a total of 47 market days and 12 event days, in year three for a total of 61 market days and 18 event days, and in year five for a total of 79 market days and 24 event days.

The budgeted facility rental fees are set conservatively (and at a par with the lowest facility rental cost in Friday Harbor) at \$150 per event use. The market fees are set by the stall fee with farmers and food processors paying \$10 per vendor stall per market and arts & crafts vendors paying \$20 per vendor stall per market. Additional operating revenue will be generated from merchandise sales at the markets.

San Juan Farmers' Market vendors currently come from San Juan and Waldron Islands. Farmers and food processors on Lopez Island and Orcas Island have expressed an interest in participating in markets at Brickworks, particularly in the winter and mid-week when there aren't markets taking place on their home islands. Farmers from Waldron Island, which is not a ferry-served island, are particularly challenged in bringing their products to market. Waldron produce, crafts, and processed foods must be transported from the farm to the Waldron dock, to private boat, to Friday Harbor, and to yet another vehicle before finally reaching the market. The refrigeration and freezer storage at Brickworks will make it an option for vendors to store their products on site prior to the market. Frozen products could be stored on-site long term, and fresh produce could be delivered the night before a market.

The majority of market customers are year-round and part-time residents. To document the numbers of tourists at the San Juan Farmers' Market, three surveys have been conducted, with the percentage of tourist customers ranging from 28% - 44% (40% in July 2004, 44% in June 2007, and 28% in May 2008).

Every day, including those days that Brickworks is not in use by a market or other community or tourism-related event, the facility will provide a greenspace and pedestrian access. With subsequent development phases Brickworks will also provide interpretive heritage and agtourism signage and other park-like amenities in the downtown core.

**San Juan Islands Agricultural Guild
BRICKWORKS ~ 150 Nichols Street
Five Year Operating Budget**

Note: The goal is for the operating budget to be sustainable without on-going philanthropy once the capital campaign is completed and all capital costs have been paid. In this budget that does not occur until year 4. Management costs include all market hours plus 1 hr each set-up and break-down (which include the merchandise and veggie valet booth duties), 2 hrs per additional rental, and an additional 2 hours per week; stall fees per market of \$10 per stall for farmers and food processors and \$20 per stall for crafters; and a maintenance reserve fund for long-term facility maintenance (3% of annual revenues in years 1-4 and 5% in yr 5 and thereafter). The retail rental space is budgeted at \$250/month or approximately \$1.75/sq. ft.. This budget also includes most conservative revenue and expense estimates, with expense estimates increasing from year 1 estimates by 6% in year 3, and 15% in year 5, and no rental fee revenue increases (only increases in numbers of markets and numbers of market vendors). This draft does not include potential operating income such as storage (cold/cool) rental fees, kitchen rental fees, or ATM fees.

Market Occupancy and Expansion Assumptions: Farmers' Markets (assumes 3 arts & crafts stalls per market): yr 1 = 24 stalls avg. for 35 markets (2009 actual number of Saturday market days = 35), yr 3 = 35 stalls avg. for 45 markets, yr 5 = 39 stalls avg. for 55 markets. Arts & Crafts Markets (assumes 90% crafter, 10% farmer/food processor): yr 1 = 18 stalls avg. for 12 markets, yr 3 = 30 stalls avg. for 16 markets; yr 5 = 39 stalls avg. for 24 markets. Event Rental Assumptions: \$150 per rental - yr 1 = 12/yr; yr 3 = 18/yr; yr 5 = 24/yr.

Estimated Annual Operating Income:	Year One	Year Three	Year Five
Farmers' Market Rentals	\$9,450.00	\$17,100.00	\$23,100.00
Arts & Crafts Market Rentals	\$4,080.00	\$9,120.00	\$17,760.00
Event Rentals	\$1,800.00	\$2,862.00	\$4,140.00
Merchandise Sales	\$3,750.00	\$7,500.00	\$15,000.00
Retail Rental Space	\$3,000.00	\$3,000.00	\$3,000.00
Total Estimated Operating Income:	\$22,080.00	\$39,582.00	\$63,000.00

Maintenance Reserve Fund Total (assuming no expenditures in years 1-5) \$662.40 \$2,512.26 \$6,849.72
(Long-term facility maintenance reserve from a percentage of the operating revenue (3% in years 1 - 4 and 5% in year 5 and thereafter))

Estimated Annual Operating Expenses:			
Advertising	\$1,800.00	\$1,908.00	\$2,070.00
Bank Charges	\$120.00	\$127.20	\$138.00
Custodial	\$2,360.00	\$3,773.60	\$4,738.00
Equipment Maintenance	\$250.00	\$265.00	\$287.50
Insurance	\$967.00	\$1,025.02	\$1,112.05
Landscape Maintenance	\$1,750.00	\$1,855.00	\$2,012.50
Maintenance Reserve Fund	\$662.40	\$1,187.46	\$3,150.00
Property Manager TOTAL	\$11,050.00	\$13,568.00	\$17,192.50
Office Expenses and Postage	\$600.00	\$636.00	\$690.00
Permits and Licenses	\$100.00	\$106.00	\$115.00
Professional Fees	\$1,500.00	\$1,590.00	\$1,725.00
Property Taxes (current cost)	\$4,114.00	\$4,114.00	\$4,114.00
Repairs - Annual	\$1,500.00	\$1,590.00	\$1,725.00
Utilities Total	\$12,620.00	\$13,377.20	\$14,513.00
Total Estimated Annual Operating Expenses:	\$40,360.40	\$46,147.50	\$54,694.60

Projected Annual Cash Flow with No Capital Costs Repayment and No Philanthropy:			
Income	\$22,080.00	\$39,582.00	\$63,000.00
Expenses	\$40,360.40	\$46,147.50	\$54,694.60
Total Estimated Net Cash Flow:	-\$18,280.40	-\$6,565.50	\$8,305.40

7. Risks & Contingencies

Risks to Project Success

Risks to securing the necessary capital and start-up funding:

The Capitalization & Finance section addresses the Ag Guild's ability to raise the capital funds and the start-up funding to address the initial operating revenue shortfall in the first four years of operations.

Limited on-site parking:

The 150 Nichols Street property currently provides long-term parking, and the development of Brickworks will displace these tenants. However, any development of this property would likely result in the loss of this long-term parking due to the economics of commercial development.

The Ag Guild requested that the San Juan Farmers Market Association revisit the farmers' market downtown core location criteria, given the potential limitations of on-site parking. The San Juan Farmers' Market Association overwhelmingly confirmed that a downtown core location was preferred even if that downtown location included limited on-site parking. San Juan Island residents frequent the Town of Friday Harbor for shopping, the Post Office, schools, community functions, etc. and most farmers' market customers coordinate their trips to the market with other errands in town. Farmers' market customer surveys have consistently demonstrated that a significant percentage of customers are tourists. Most tourists who come to the farmers' market are staying at accommodations in town or on their boats moored at the Port of Friday Harbor, and/or are in town for shopping or other tourist-related activities.

As discussed in detail in the Feasibility Study, lack of sufficient parking can be a limiting factor for farmers' market growth. Unlike grocery stores, farmers' markets depend on a heavy turnover of customers in a rather short timeframe. Several of the farmers' markets included in the Feasibility Study case studies (including Santa Monica, Madison, Beaverton, Portland, Ithaca, Bellingham, and Olympia) have limited parking that restricts customer access, yet these markets are successful none-the-less.

The Ag Guild has always recognized that the primary disadvantage of the Nichols Street property is the limited amount of on-site parking. Plans are in process for a "veggie valet" (curb-side purchase drop-off/pick-up booth) and/or a shuttle bus to address this. A request has been made to Washington State Ferries for the use of overflow ferry lane parking lots B and/or C located one and two blocks from the 150 Nichols Street property. All market vendors will be required to park outside the downtown core in other than short-term street parking or residential neighborhoods.

Concerns have been raised by neighboring business and property owners regarding the potential for Brickworks' market customers and event participants to

park in their off-street lots. The Ag Guild has offered to pay for “No Brickworks Parking” signage and to provide appropriate parking information on the Brickworks website and other outreach venues.

A 2005 parking study conducted for the Town of Friday Harbor identified 470 street parking spaces in the "core" area of Town. Street parking is posted with time limits ranging from thirty minutes to eight hours, with the majority of spaces limited to two hour parking. The study, conducted March through September, further documented that 30% (on average) of the street parking was available during the survey times.

The Courthouse parking lot (where the farmers’ market is currently located in the summer) is located 3 blocks from 150 Nichols Street and includes 98 parking spaces. The Courthouse parking lot is primarily used by county workers during the week. This parking lot is open to the public and there is no time limit on parking.

The Ag Guild will comply with Town code in the development of the Nichols Street property, including on-site parking requirements. The Ag Guild is interested in assisting with efforts to address the parking needs of the downtown core in general. The development of the Market Facility will provide downtown development in the Traditional Neighborhood Development model, with the creation of increased pedestrian access. In 2008, San Juan Farmers’ Market customers were asked how far they would be willing to park from the market location. Only 3.5% answered that they would want to park on site, 4% answered that they would be willing to park one block from the market, and over 68% answered that they would be willing to park three blocks or more from the market.

As the community dialogue about parking progressed, the majority came to understand that the Ag Guild would develop the 150 Nichols Street property with the number of on-site parking spaces as required by code just as every other property development project is required to do, and that the lack of downtown parking would need to be addressed comprehensively by the Town. The Ag Guild maintains that it is interested in working with the Town to identify options for additional parking that would address the general parking needs in the downtown core.

Opposition to the Project

The following issues don’t have a bearing on the success of Brickworks, but are issues that have been raised by members of the community and are being addressed here.

Opposition to the project has focused primarily on four issues: 1) Limited on-site parking (see above), 2) Preference for the market to be located at the Courthouse parking lot (current summer market location) or the Fairgrounds, 3) Perceived

potential negative economic impacts on local storefront businesses, and 4) Disapproval of the use of public funds in support of the project.

In September 2009, the Town Council held a public forum to give citizens an opportunity to comment on the project. There were 16 who spoke in support of the project, 8 who spoke in opposition to the project, and 4 who were neutral.

The Ag Guild has conducted outreach in response to the opposition, including presentations at the Town Council forum and at a meeting of the San Juan Island Chamber of Commerce, a Q&A that is posted on the Ag Guild website and widely distributed, and meetings and email communications with all interested parties.

Preference for the farmers' market facility to be located at an existing publically owned facility:

Some members of the community have expressed their preference for the San Juan Farmers' Market to remain at the Courthouse parking lot or for a market facility to be developed at the San Juan County Fairgrounds.

While the current Courthouse parking lot does provide sufficient on-site parking and offers a lovely view of Friday Harbor, it does not provide a year-round or permanent location, as it is only available on a year-to-year basis and it is only available on Saturdays in the spring, summer, and fall. Most importantly, the Courthouse parking lot has no protection from the elements. Attendance is poor and sales are down in rainy weather. A year-round covered farmers' market facility is needed to develop, promote, and expand the direct marketing of local farm products, and increase direct marketing revenue, which is essential to the sustainability of small farms.

The County Fairgrounds was identified as the number three most feasible location in the Feasibility Study. However, successful farmers' markets are located in the center of commerce and the San Juan Farmers Market Association's preferred location is in the downtown core which are two reasons why the Nichols Street property was identified as the number one ranked location in the Feasibility Study. Local artists and a local arts and crafts market organizer also strongly prefer the downtown core location. The downtown location is preferable primarily due to the existing customer base and close proximity to the Port of Friday Harbor and the Washington State Ferries Friday Harbor ferry landing. While the cost of development would be significantly less at the fairgrounds (given the fact that the property and existing infrastructure is already publically owned), the operating budget would not be sustainable given the facility's current rental fees and the current vendor stall fees. While it will be a challenge to raise the necessary capital funds for the Market Facility at 150 Nichols Street, it is more sustainable to raise one-time capital costs then to have on-going operating fundraising needs.

Perceived potential negative economic impact on local storefront businesses:
Market vendors will sell their own locally produced products: San Juan County farm raised vegetables, fruits, meats, and dairy products; seafood locally harvested and/or harvested by boats registered in San Juan County; locally prepared foods; and local, handmade arts and crafts. Markets held at Brickworks will not provide for re-sales or the sale of imports, and so will not compete with the Friday Harbor business owners who do.

The Ag Guild utilized several studies that demonstrate that farmers' markets actually benefit surrounding businesses. Dr. Kathleen Bubinas' 2009 study "Feeding the Downtown: A Study of the Local Effects of Farmers Markets on Local Economies in Wisconsin" confirms that local farmers' markets provide a substantial direct economic benefit in real dollars to their surrounding downtown areas: <http://www.waukesha.uwc.edu/ant/kbubinas/market.pdf>

A 2009 study on farmers' markets in the Canadian province of Ontario shows that an overwhelming majority of farmers' market customers also patronize at least one other nearby store on their way to or from the market, with many visiting two or more stores in the same trip:

<http://www.farmersmarketsontario.com/Documents/FMO%20Impact%20Study%20-%20Overview%20and%20Highlights.pdf>

A 2002 [Project for Public Spaces study](#) identified the six most prominent impacts markets have on their communities: provide economic opportunity, link urban and rural economies, promote public health, renew downtowns and neighborhoods, create active public space, and bring together diverse people.

Links to additional studies:

<http://ageconsearch.umn.edu/bitstream/45523/2/jaae-40-01-253.pdf>

http://www.leopold.iastate.edu/news/newsreleases/2005/markets_051005.htm

http://www.marketumbrella.org/seed/seed_whatwhy.php

Disapproval of the use of public funds in support of the project:

Some community members are opposed to the use of public funding for the development of Brickworks. In some cases there is opposition to the use of public funding per se, and in other cases there is opposition to this project receiving public funding as compared to other community projects and/or priorities.

The State, Federal and local public funding that has been secured for the purchase of the 150 Nichols Street property is the only means with which the historic building will be preserved and remodeled and the increased pedestrian access and greenspace will be created in Friday Harbor's downtown core. Private commercial development at today's real estate prices does not allow for development that includes these public benefits.

Private businesses will benefit from the development of Brickworks at 150 Nichols Street (see above). Brickworks will be a business incubator and will provide expanded product development and marketing opportunities to local farmers, seafood harvesters, artists, and food purveyors. Brickworks will provide economic benefits that are greater than any individual private business gains. The benefits to private businesses will translate into public benefits such as increased sales tax, the retention and expansion of jobs, and economic development for the surrounding merchants. Brickworks will be a festive town center where residents and visitors alike can partake in social and economic activity.

In conclusion, the opposition articulated by some members of the community has actually made this project stronger. By engaging in community dialogue and answering the questions and concerns raised, the project has become more clearly defined and more people are now engaged in the project. The opposition led to outreach for support from diverse community members as well as State and Federal agencies. While there will never be 100% support for the project, the outcome of the public debate has been greater public awareness and support.

Support for the Project

Support for the project has been demonstrated by letters of support, successful fundraising events, and the 307 donors to date.

The largest show of support for the project has been a signature ad published in the July 14, 2010 issue of *The Journal of the San Juan Islands*. Community supporters (who are not on the Ag Guild Board of Directors or members of the San Juan Farmers' Market Association) collected approximately 375 signatures in just over a week. The text of the ad reads:

We Support a Public Market and Greenspace in the Downtown Core of Friday Harbor.

We, the undersigned, support the Brickworks project—the future home of the San Juan Farmer's Market and a thriving downtown events facility!

We value the preservation of the historic Friday Harbor Brick and Tile building and the creation of a new public greenspace.

We wish to express our thanks and appreciation for the Land Bank's purchase of an historic preservation and conservation easement, the State capital funding, the USDA grants, individual donors through the SJI Community Foundation, San Juan Islands Agricultural Guild, the many project donors and supporters—all are making this project possible.

8. Summary & Conclusion

The Ag Guild website: <http://www.sjiagguild.com/> has updated project information as well as the January 2009 Feasibility Study which has more information on the feasibility of a permanent farmers' market facility on San Juan Island per se and the feasibility of the 150 Nichols Street property location.

Town of Friday Harbor Mayor Carrie Lacher sums up the importance of Brickworks: "I am convinced this project will be a key factor in a needed revitalization of that area of our Town. In addition, the preservation of the historic Friday Harbor Brick & Tile building and creation of a permanent greenspace will be amenities the Town will look to with pride for years to come. Farmers' markets have proven themselves to be economic drivers nationwide. Studies have shown that farmers' markets draw visitors to spend money not only at the market but at perimeter businesses as well. To change that area of town to an attractive respite and unique business hub will only serve to support our community's economic well being. This is thinking outside of the box in ways that will serve the Town well now and far into the future."

Friday Harbor Brickworks will create a multi-use tourism-related and community event space and greenspace, and restore and preserve the only historical industrial building remaining in the downtown core. As a permanent home for the San Juan Farmers' Market, Brickworks will encourage the development, promotion, and expansion of the direct marketing of agricultural commodities from farmers and food processors to consumers and tourists, and increase direct marketing revenue. Brickworks will provide expanded product development and marketing opportunities that will increase consumer demand for local foods and encourage the creation of new farms and new value-added products, thus creating more jobs. Residents and visitors will come to Brickworks to purchase local products and to mingle and celebrate the bounty of San Juan County.

San Juan Islands Agricultural Guild
BRICKWORKS Project Q&A

Q: Does the current and future production of agricultural products in San Juan County, as well as the demand of resident and visitor shoppers, warrant the development of this market facility?

A: Yes. Agricultural production is increasing in San Juan County. The United States Department of Agriculture's National Agricultural Statistics Service conducts a census every five years. In the most recent 2007 agricultural census, San Juan County's total farm acreage increased 25% as compared to an approximate 2% decrease in both the State and the Nation. The number of farms in SJC increased almost 30% from 225 farms in 2002 to 291 farms in 2007 as compared with Washington State's 9% increase and the nation's 4% decrease.

The market value of San Juan County's agricultural products sold in 2007 totaled over \$3.6 million. Crops sales alone increased 47% from \$1,146,000 in 2002 to \$1,688,000 in 2007. Direct marketing sales (sold directly to individuals for human consumption – such as Farmers' Market sales) were first recorded in 1997. San Juan County's direct marketing sales increased 140% from \$174,000 in 1997 to \$418,000 in 2002, and increased again by 77% to \$739,000 in 2007.

Both residents and visitors are becoming more aware of the value of San Juan County's pastoral landscape and the value of local food production to community food security, environmental stewardship, and quality of life and health issues. Demand for the freshest and most nutritious local foods is increasing.

Q: Why does the Farmers' Market need to move from the Courthouse parking lot?

A: Currently, the San Juan Farmers' Market takes place every Saturday, April through October, at the Courthouse parking lot. However, this location is not ideal because it is only available on a year-to-year basis and is only available on Saturdays. Most importantly, the Courthouse parking lot has no protection from the elements. Attendance is poor and sales are down in rainy weather. The winter farmers' market does not have a secure location. Therefore, a year-round covered farmers' market facility is needed to develop, promote, and expand the direct marketing of local farm products, and increase direct marketing revenue, which is essential to the sustainability of small farms.

The San Juan Farmers' Market Association and supportive citizens have been actively working to create a permanent farmers' market facility since 2004. Earlier efforts have included the Port of Friday Harbor, the Town of Friday Harbor, and the San Juan Island Grange. However, these earlier efforts did not result in successfully securing an appropriate location.

Q: Why not locate the Farmers' Market at the Fairgrounds?

A: Successful farmers' markets are located in the center of commerce. While the Fairgrounds location was identified as the third most feasible location in the Feasibility Study, it was determined that it was not ideal due to location and the lack of dedicated facilities for markets on specific days of each week.

Furthermore, while the cost of development would be significantly less (given the fact that the property and existing infrastructure is already publically owned), the operating budget would not be sustainable given the fairground's current rental fees as compared to the market's current vendor stall fees or the vendor stall fees included in the Brickworks operating budget. While it will be a challenge to raise the necessary capital and start-up funds for the development of Brickworks on Nichols Street, it is more sustainable to raise one-time capital costs than to have on-going operating fundraising needs.

Q: Can the State capital funding be allocated to the Fairgrounds?

A: No. The Legislative intent of the State capital funding clearly requires that the funding be used to purchase the historic building for a farmers' market facility.

Q: Is the historic building worth remodeling and what will that cost?

A: A structural engineering analysis determined that the concrete block structure is essentially sound and further recommended several structural reinforcement and remodeling requirements to bring the building up to code. The project architect has estimated the cost of the phase one building remodel at \$149,000. The Ag Guild's current capital costs budget includes an additional 30% contingency for the building remodel costs (and a 10% contingency on all other capital costs). However, these costs do not include any savings that will be realized with volunteers. The Ag Guild will reduce construction costs through work parties on the building remodel as well as the outdoor site work.

Q: How will the development of 150 Nichols Street affect parking in the downtown core?

A: Limited on-site parking has always been identified as a primary disadvantage of the 150 Nichols Street location. Plans are in process for a "veggie valet" (curb-side purchase drop-off/pick-up booth) and/or a shuttle bus to address this. All market vendors will be required to park outside the downtown core in appropriate long-term parking spaces and not in residential neighborhoods.

The Ag Guild will comply with Town code requirements in the development of the Nichols Street property, including on-site parking requirements. The Ag Guild is interested in assisting with efforts to address the parking needs of the downtown core in general. The development of Brickworks will provide Traditional Town Development with the creation of increased pedestrian access. In 2008, San Juan Farmers' Market customers were asked how far they would be willing to park from the market location. Only 3.5% answered that they would want to park on site, 4% answered that they would be willing to park one block from the market, and over 68% answered that they would be willing to park three blocks or more from the market.

The 150 Nichols Street property currently provides long-term parking, and the development of Brickworks will displace these tenants. However, any development of this property would likely result in the loss of this long-term parking due to the economics of commercial development.

Q: Is it appropriate for public funds to benefit private businesses through the purchase of property for the development of this market facility and community and tourism-related event center?

A: Yes. The public funding for the purchase of the 150 Nichols Street property and the purchase of the historic preservation and conservation easement is the only means by which the historic building will be preserved and remodeled and the greenspace and increased pedestrian access will be created in Friday Harbor's downtown core. *Private* commercial development at today's real estate and development costs does not allow for development that includes these *public* benefits.

Private businesses will benefit from the development of Brickworks at 150 Nichols Street. Brickworks will be a business incubator and will provide expanded product development and marketing opportunities to local farmers, seafood harvesters, artists, and food purveyors. Brickworks will provide economic benefits that are greater than any individual private business gains. In addition to the development's historic preservation and creation of public greenspace, the benefits to private businesses will translate into public benefits such as increased sales tax, the retention and expansion of jobs, and economic development for the surrounding merchants. Brickworks will be a festive town center where residents and visitors alike can partake in economic and social activity.

Q: Will property taxes continue to be paid on the 150 Nichols Street property?

A: The Ag Guild's ownership of the 150 Nichols Street property will not take the property off the tax rolls. The Ag Guild intends to pay property taxes.

Q: Will Brickworks generate sales tax?

A: Washington State law exempts most grocery type food from retail sales tax. However, the law does not exempt all prepared foods. Sales tax will be generated at Brickworks from the sale of taxable prepared foods, non-food farm products, and arts and crafts.

Q: How often will markets or community events or tourism-related events take place at Brickworks?

A: In the Ag Guild's current draft operating budget, Brickworks is conservatively estimated to be used in year one for a total of 47 market days and 12 event days, in year three for a total of 61 market days and 18 event days, and in year five for a total of 79 market days and 24 event days.

Every day, including those days that Brickworks is not in use as a market or by other community or tourism-related events, the facility will provide a greenspace, pedestrian access, heritage tourism and agtourism signage, benches, and other amenities in the downtown core.

Q: Will Brickworks provide more opportunities for arts & crafts vendors to participate in markets?

A: Yes. While the development of a year-round farmers' market facility has been a driving force in this project, this project also responds to community goals and needs for an arts & crafts market facility and a multi-purpose community and tourism-related events facility.

The Ag Guild will lease the Brickworks facility to the San Juan Farmers' Market Association (SJFMA) for weekly Wednesday and Saturday farmers' markets. The SJFMA has their own bylaws which also comply with the requirements for membership in the Washington State Farmers' Market Association. The SJFMA bylaws identify limits to the number of arts & crafts vendors that can participate in each market, as compared with farm vendors and prepared food vendors. There are currently more artisans interested in participating than spaces available at the San Juan Farmers' Market. Consequently, arts & crafts vendors must participate on a rotating basis. The Ag Guild has talked with local artisans and with arts & crafts market organizers (who have also provided input on the facility design process) and has identified interest in a regularly scheduled arts & crafts market at Brickworks.

The Ag Guild also has its own requirements for markets held at Brickworks. These include the requirements that the farm products sold are locally produced, that prepared foods include locally produced ingredients, and that arts & crafts are locally made. The Brickworks website will provide potential vendors with information about the various markets held at Brickworks, vendor application forms, and contact information for market managers.

Q: Do tourists currently shop at the San Juan Farmers' Market?

A: Yes. Surveys have demonstrated that tourists do shop at the San Juan Farmers' Market (July 2004 survey results include 40% tourists, June 2007 survey results include 44% tourists, and May 2008 survey results include 28% tourists).

While no specific documentation currently exists, vendors report anecdotally that boaters and vacation home renters are frequent tourist customers. The Port of Friday Harbor (in addition to the 45 live-aboard slips) had 14,324 guest boat-nights in 2008. Visiting boaters and vacation home renters enjoy shopping for farm fresh foods in addition to the prepared foods and arts and crafts available at the market.

Q: Will more tourists come to Friday Harbor to shop at Brickworks?

A: San Juan County is one of the most desirable tourist destinations in the country, and agtourism and culinary tourism are increasingly a tourism destination criterion for those tourists San Juan County values most -- tourists who "leave only footprints," tourists who come to experience and appreciate San Juan County.

Agtourism and culinary tourism are important tourism trends because visitors want an authentic experience in the Islands, which includes seeing how and where local products are grown—whether it be at a farm or farmers' market—and tasting them via these venues or in local restaurants. Most of our Islands' fine restaurants feature local foods on their menus because that is what their customers (both residents and tourists) demand.

Q: How will Brickworks be a tourism-related facility?

A: The Municipal Research and Services Center of Washington’s website states, “Farmers’ markets are an integral part in the urban/farm linkage. They are businesses that contribute to local economic development and offer a tourism attraction.”

The Town of Friday Harbor contracts with the San Juan Islands Visitors Bureau as its destination marketing organization. Agtourism and culinary tourism are two of the niches that the Visitors Bureau actively promotes. The Visitors Bureau’s October “Savor the San Juans – A Medley of Food, Art and Culture” will provide a perfect venue to showcase Brickworks and all its regularly scheduled and special events during the harvest season.

Brickworks will attract tourists year-round for a variety of special events as well as the regularly scheduled farmers’ markets and arts & crafts markets. Visitors are attracted to unique local products that they can bring home as mementoes or as gifts for friends and family. Brickworks will showcase the bounty of local agriculture and the culinary and artistic talent that this community has to offer.

Q: Does it make sense to develop a market facility and event center in the current economy?

A: In this economy, regional food systems have gained increased importance given their ability to successfully address economic development and community food security. [The Local Food Economy Study](#) demonstrates the significance of economic development in the local food economy through the benefits of local money circulation and the economic linkages that create a more diverse, resilient, and sustainable local economy. The study finds that for every \$100 spent at a conventional grocery store, only \$25 goes back into the local economy, while for every \$100 spent at a farmers’ market, \$62 goes back into the local economy, and \$99 of that \$100 stays in the state. Local food systems can even address global warming by reducing consumers’ carbon footprints.

Q: Will Brickworks create unfair competition for Friday Harbor business owners who own or rent shops in Town?

A: No. Farmers’ market vendors will sell their own locally produced products: San Juan County farm raised vegetables, fruits, flowers, meats, and dairy products; seafood locally harvested and/or harvested by boats registered in San Juan County; locally prepared foods; and local, handmade arts and crafts. Markets held at Brickworks will not provide for re-sales or the sale of imports, and so will not compete with the Friday Harbor business owners who do.

Farmers’ markets actually benefit neighboring businesses. Dr. Kathleen Bubinas’ [2009 study](#) “Feeding the Downtown: A Study of the Local Effects of Farmers’ Markets on Local Economies in Wisconsin” confirms that local farmers’ markets provide a substantial direct economic benefit in real dollars to their surrounding downtown areas. (A [summary](#) of this study is included in the article “Study shows how farmers markets help boost business” by Laura Walker of the Journal Sentinel, August 21, 2009.)

A 2009 study on farmers' markets in the Canadian province of Ontario shows that an overwhelming majority of farmers' market customers also patronize at least one other nearby store on their way to or from the market, with many visiting two or more stores in the same trip.

Links to additional studies include Evaluating the Economic Impact of Farmers' Markets Using an Opportunity Cost Framework, Iowa Farmers' Markets Economic Impact Study, Sticky Economy Evaluation Device: An Economic Measurement Tool for Public Markets, and Measuring the Impact of Public Markets and Farmers' Markets on Local Economies.

San Juan Islands Agricultural Guild Board of Directors:

[Elaine Kendall](#), Co-Chair, representing the San Juan Farmers Market Association. Elaine is a co-owner of Sweet Earth Farm with her husband Ron Zee.

[Mark Madsen](#), Co-Chair, member at large. Mark Madsen has a diverse background, split between academic research, environmental compliance, and entrepreneurship in the software and telecommunications industries. He is trained as an anthropologist and evolutionary biologist, with a focus on the economies, ecological strategies, and fates of prehistoric societies. His business experience includes founding several software companies, including [Allrecipes.com](#), which was founded in 1995 and operated until sale to Reader's Digest recently. Allrecipes was and is the leading community-generated food and recipe source on the internet. Mark is also a Trustee on the San Juan Island Library Board.

[Candace Jagel](#), Secretary, representing Washington State University Extension, San Juan County. As the WSU Extension Agriculture Program Coordinator, Candace organizes ag-related seminars, keeps local farmers updated on events and developments in ag, and works on a number of projects, such as ag plastics recycling, goat-powered weed control, and farm-to-school initiatives. Candace and her family have a small farm and raise goats for meat, milk, and fiber. Candace is also an author and editor.

[Richard Anderson](#), Treasurer, member at large. Richard has a 30-year background in financial analysis and information technology. Retired, he owns and operates Westcott Bay Cider and as a volunteer supports the San Juan County Agricultural Resources Committee as a member on the Farmers Enrichment subcommittee.

[David Bauermeister](#), representing the Northwest Agriculture Business Center. David was raised on a dryland wheat farm in Eastern Washington. He attended Washington State University and graduated with a BS in Agronomy, Business Management option and has 25 years agricultural experience working in private sector. David is Executive Director of the Northwest Agriculture Business Center (NABC), which provides Northwest Washington farmers with the skills and the resources required to profitably and efficiently supply their products to consumers, retailers, wholesalers, foodservice operators and food manufacturers. Through these efforts NABC contributes to a sustainable, environmentally and economically sound agricultural industry thereby preserving our region's farming heritage for future generations. NABC's work is made possible by support from government, the agricultural industry, the community, and from consumers who share NABC's values and vision.

[Jane Burton Bell](#), representing the Agricultural Resources Committee. Jane is a passionate advocate for and consumer of local food, intensified by seven years as Market Manager of the San Juan Farmers' Market (2000-2007).

[Bruce Gregory](#), representing the San Juan Islands Conservation District. Bruce and his wife, Colleen Howe-Gregory, have owned and operated Mitchell Bay Farm & Nursery for eighteen years. Bruce is a member of the San Juan County Noxious Weed Board, a member of both the Agricultural Resources Committee of San Juan County and the San Juan County Economic Development Council. In addition, he is a board member of the Island Grown Farmer's Cooperative and of the Northwest Agricultural Business Center.

[Rick Hughes](#), representing the Orcas Farmers' Market. Rick is President of Ray's Pharmacy in Eastsound, and was a board member of Outward Bound Wilderness and the National Outdoor Leadership School. Prior to moving to Orcas Island, Rick was the Northwest Director of Advertising Sales for ESPN.com.

[Madden Surbaugh](#), representing San Juan County food service establishments. Madden grew up in Olympia, graduated from the New England Culinary Academy, and is the Chef/Owner of the Quilted Pig at Rosario Resort on Orcas Island. Madden was previously the Chef/Owner of Steps Wine Bar in Friday Harbor. He was voted one of the "Northwest's Best Chefs" by KCTS Channel 9 Public Television in 2008, recently awarded the Wine Enthusiasts Award of Unique Distinction and was featured on the television show *Rachel Rays Vacations*. Chef Madden enjoys putting fun twists on classic dishes as well as creating innovative new cuisine ideas using locally grown, seasonal foods. "Working closely with local farmers is paramount to my business. It insures that we are using goods produced organically, sustainably, safely and humanly. The products raised and grown in San Juan County are world class in quality and we are lucky to have them available right next door."

[Rob Waldron](#), representing the Island Grown Farmers Cooperative. Rob attended Cornell University studying agriculture, then joined the Peace Corp and served in Chile for six years. He moved to San Juan Island in 1972 and has managed various agricultural operations since. Currently Rob is managing Talking Horse Ranch which includes a sheep flock and cattle herd, a produce garden, pasture raised eggs, firewood and compost. Rob is a familiar face at the San Juan Farmers' Market, selling locally raised, organic, grass fed lamb and beef plus garden produce. Sons Ben and Noah work as EMTs on San Juan Island and help with the 40 acre home ranch which includes sheep and cattle.

[Susie Wampler](#), member at large. Susie has lived on San Juan Island since the early seventies. She has a BS degree in Organizational and Mass Communications from Eastern Washington University and holds a degree in Residential Design from the Art Institute of Seattle. Susie is very active as a wife, mother of two daughters, a private chef, event coordinator, and interior designer. For 19 growing seasons Susie has sold her gorgeous flower bouquets at the San Juan Farmers' Market, Kings Market, and Roche Harbor Resort.

[Peggy Karp Weir](#) represents the San Juan Farmers' Market Association. She is the owner/operator of Wonders of Nature, a small producer of farm products. Prior to moving to San Juan Island 12 years ago, she was involved with the design and development of internet-based systems and products, since its inception in the early 70s. She holds a BS in mathematics from Marywood College, MS in Information Science from the University of Chicago and did advanced degree studies and research at Stanford University.

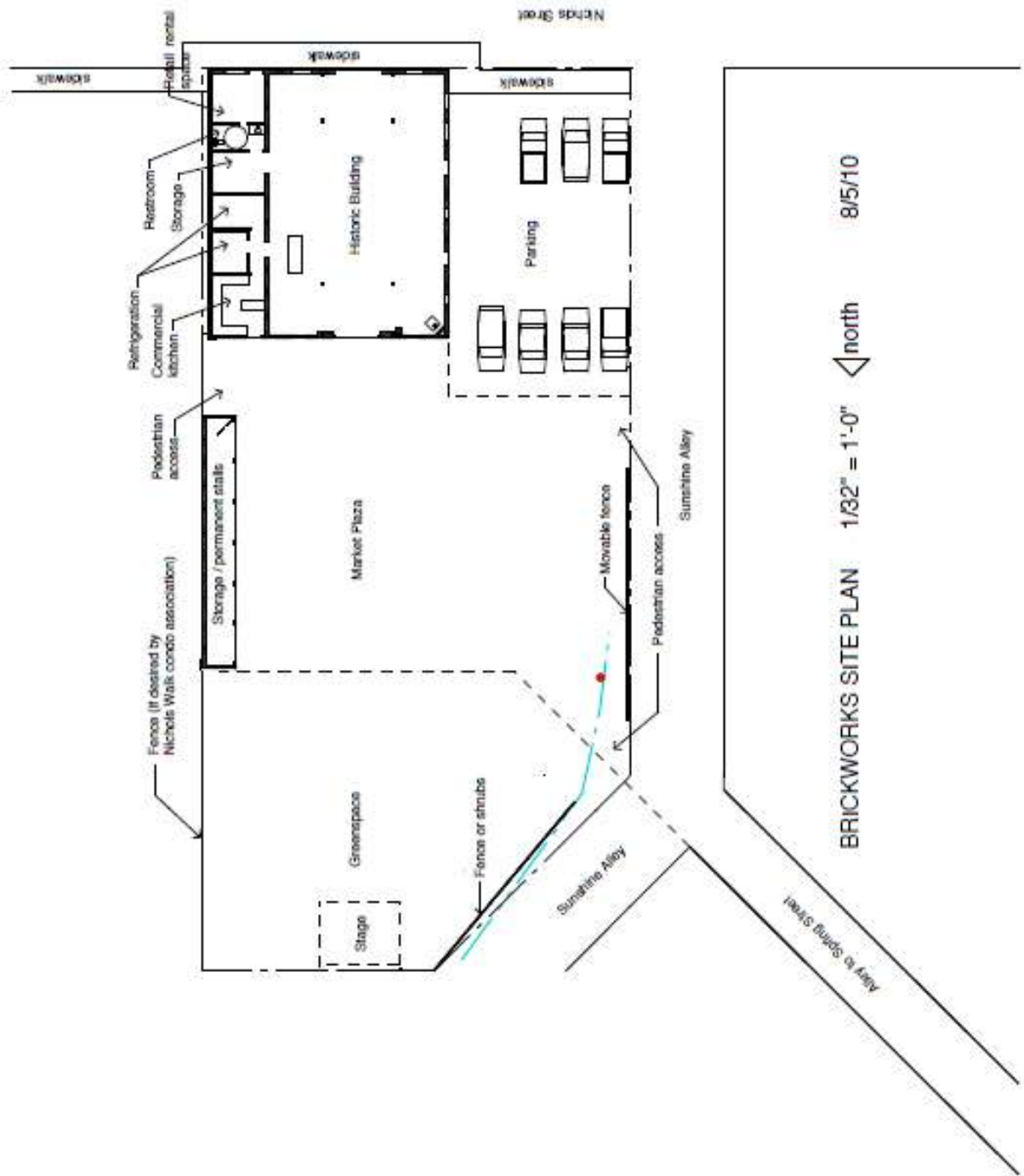
Former Project Director and Current Volunteer:

Lovel Pratt moved to San Juan Island with her family in 1991. Previously Lovel was the Executive Director of the San Juan Community Home Trust and the WSU Extension Food Systems Education Coordinator hired through a grant from the USDA's Food Security Program where she participated in the creation of the first in the nation USDA inspected mobile meat processing unit; and developed and implemented programs, conferences, exhibits, brochures, surveys, newsletters, and articles to educate both consumers and producers in San Juan County about locally produced foods. Lovel was elected to the San Juan County Council in November, 2008, and also volunteers in the schools, with the San Juan Public Schools Foundation, and on San Juan Island Community Foundation Critical Needs Task Forces.

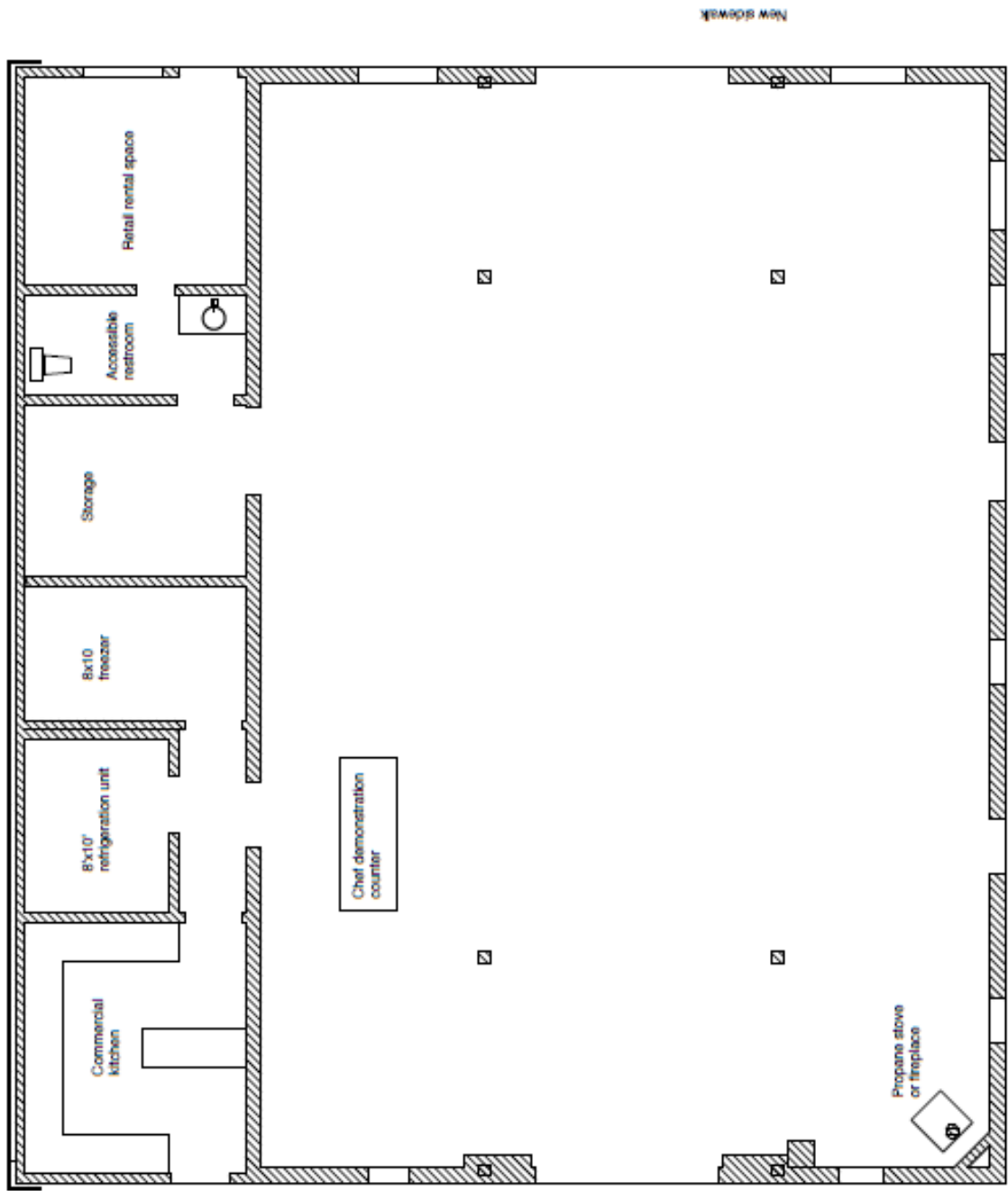
Project Architect:

David Waldron received his architectural license in 1980 and moved to San Juan Island in 1982. Before moving to San Juan Island, David worked on the architectural teams that designed the Seattle Aquarium and the Woodland Park Zoo. David has designed numerous island residences and commercial buildings. David has been a member of the Town of Friday Harbor Historic Preservation Review Board since its inception, is on the Board of the Spring Street International School, and is the Leader of Cub Scout Pack 90.

Project Supporters (please also see the in-kind donations listed on Page 18) include 307 donors to date! In addition, Richard Hobbs, AIA, has led the project design charettes; Pete Kilpatrick, Ravenhill Construction, has provided construction technical assistance; the Northwest Agriculture Business Center (NABC) has provided technical assistance for planning, design, fundraising, the feasibility study and the business plan; and David and Nancy Jones and Steve Hushebeck have provided invaluable assistance on the Brickworks Business Plan.



BRICKWORKS SITE PLAN 1/32" = 1'-0" 8/5/10



8/5/10

BRICKWORKS BUILDING PLAN 1/8" = 1' - 0" < north