

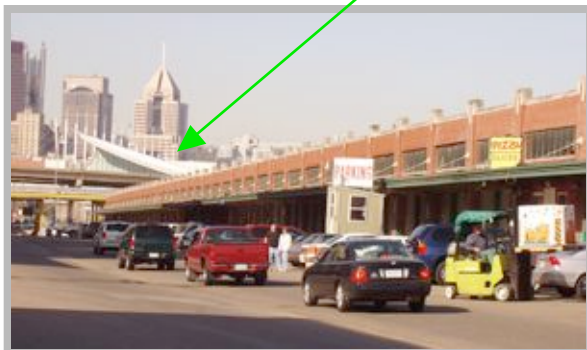
Strip Marketplace Proposal Summary

Once upon a time for more than a century, there was a rough and tumble wholesale warehouse district in Pittsburgh, called the Strip District.

Today, it has evolved into a multi-faceted market place that includes 33% retail and 17% wholesale businesses. While it still retains some of its historic raw quality, the Strip District has an underlying energy and sophistication that makes it a destination for young and old alike, from near and far.

The Strip exhibits both daytime and nighttime personalities, both of which draw consumers from the region and even the nation. One is supported by dozens of food specialty stores, retail shops and street vendors; the other by dozens of unique restaurants and nightclubs. With nearly 370 businesses, the Strip employs more than 15,000 people.

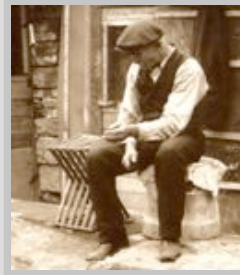
The Strip adjoins the Central Business District of Pittsburgh and at that juncture rises the new David Lawrence Convention Center.



Terminal Building, proposed site of the Strip Marketplace

In the heart of the Strip District is a unique and historic structure, the **Terminal Building**. Built in 1926, it was originally called the Pennsylvania Railroad Freight Station and Fruit Auction Building and could house up to 196 railroad cars of produce. In good condition today, it stretches for 5 blocks or 1,200 feet and contains 150,000 square feet of space.

Looking to the future key stakeholders in the district are exploring the transformation of this building into the **Strip Marketplace**, a public market that would enhance the area's characteristics and house local retail and wholesale vendors. It would also act as a retail incubator, an anchor to compliment nearby businesses and a stimulus for nearby development.



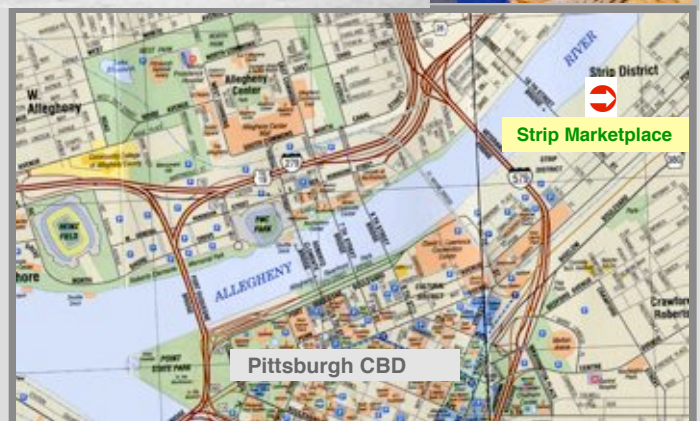
1930's Strip shantytown courtesy PhotoAntiquities

2001 Brean Associates Study

"The Strip District is both a regional asset and a neighborhood marketplace... The overarching goal should be to preserve and enhance the elements that make the Strip District a special place... Maintaining and enhancing the district's usual blend of activities requires both vision and attention to detail."



1950's photos of Terminal Building courtesy Carnegie Museum of Art



As few as 20 years ago there were approximately 100 public markets in operation in the United States, compared to 2,800 in existence today.

Imagine this building converted to a dynamic public market, like Pike Place in Seattle or Reading Terminal market in Philadelphia.

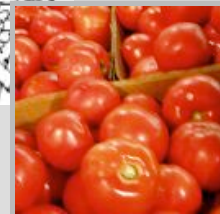


artist's rendering of the Strip Marketplace interior

**Pitt GSPA
2003 Study**

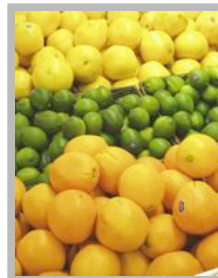
"Predicting the future of the Strip District is not an easy task, but this area has the potential to truly become one of Pittsburgh's most prosperous and viable communities."

Resembling the highly successful Reading Terminal Market, as well as the West End Market in Cleveland, The Strip Marketplace will house local retail and wholesale vendors of food, produce, flowers, arts, crafts and unique products. The Terminal Building will be transformed into a shopping and gathering place for City residents and a destination for visitors.



The Strip Marketplace is designed to:

- Be profitable and self-sustaining
- Accentuate the existing nature of the Strip
- Incubate small retail businesses
- Provide basic retail services to nearby residents
- Serve tourists, visitors and nearby employees
- Promote the ethnic diversity of the City
- Serve as a true "public space" to gather and mix



One day the interior of the Terminal Building could resemble that of Reading Terminal Market in Philadelphia (below)

The scale of the Marketplace project includes:

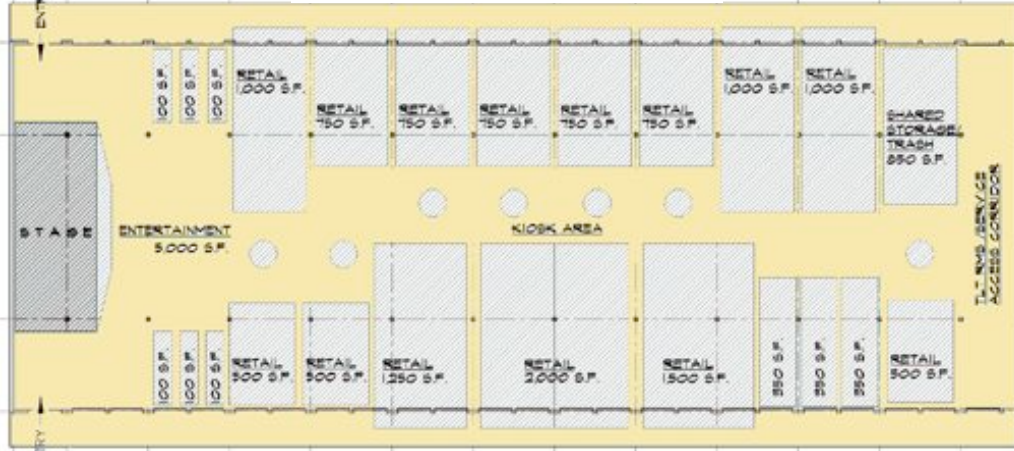
- 30,000 sq. ft. to be renovated and brought up to Life Safety code
- 30,000 sq. ft. to become Phase 1 of the Marketplace,
- 40-50 local vendors will fill Phase 1
- Vendor spaces will range from 100 sq. ft. and up
- It will take 18 months to bring the Market to operation once funding has been approved

The Strip Marketplace will have advantages over the competition:

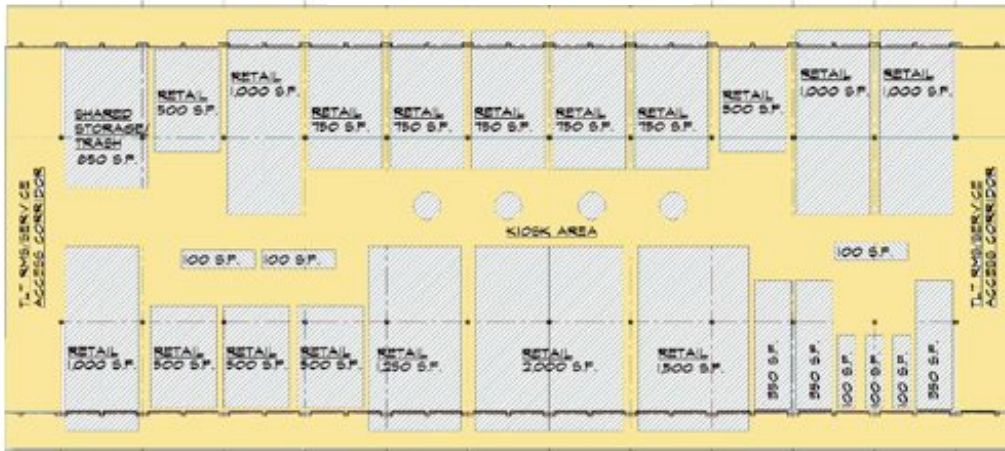
- The unique historic structure is highly visible and accessible
- It will piggyback on the existing draw of the Strip and its amenities
- It will be the only year round public market in the region
- Vendors will have minimal startup costs & risk, plus access to financial and marketing support services



concept plan for Phase 1 with stage



concept plan for Phases 2 & 3



VENDOR BENEFITS

- Access to strong markets
- Little start up capital & risk
- Business incubator environment
- Co-op advertising & marketing
- Research* says vendors like markets for:
 - 59% the people
 - 31% the place/milieu
 - 24% the economics
 - 11% the products
 - 8% the tradition

CONSUMER BENEFITS

- Access to fresh produce, unique crafts and lower prices
- Unique community gathering place
- Research* says consumers come to markets for:
 - 68% the products
 - 37% the milieu
 - 27% the people
 - 25% the prices

COMMUNITY BENEFITS

- \$4.3 million investment in a community facility & asset
- Attraction & support of 40+ vendors
- Future expansion of 'graduate' vendors to Mainstreet districts
- Creation of new jobs
- Expansion of tax base
- Stimulation of nearby development

Construction Cost: \$4,268,000

This includes major infrastructure improvements for 30,000 sq. ft., including HVAC, plumbing, electric and fire protection for the 5 module total infrastructure.

* based on Ford Foundation research

Site Control

The Terminal Building is owned and will continue to be owned by the Urban Redevelopment Authority of Pittsburgh. A Memorandum of Understanding has been developed between Neighbors in the Strip and the Authority.

Management of the Marketplace

Neighbors in the Strip, a 501(c)(3), will establish the Marketplace Council LLC to enter into a master lease with the Urban Redevelopment Authority to renovate and operate the Marketplace. A 2005 grant of \$150,000 from the Pennsylvania Department of Community & Economic Development launched the development and staffing of the project.

neighbors in the strip



Neighbors in the Strip board

VENDOR MARKET INCOME*
As % of total annual income

up to 10% of HH income	38%
11-24% of HH income	22%
25-50% of HH income	20%
51-75% of HH income	4%
76-100% of HH income	16%

VENDOR HOUSEHOLD INCOME PROFILE* (annual)

< \$10,000	24%
\$10,001-20,000	14%
\$30,001-40,000	17%
\$40,000-50,000	9%
> \$50,000	19%

Operating Costs

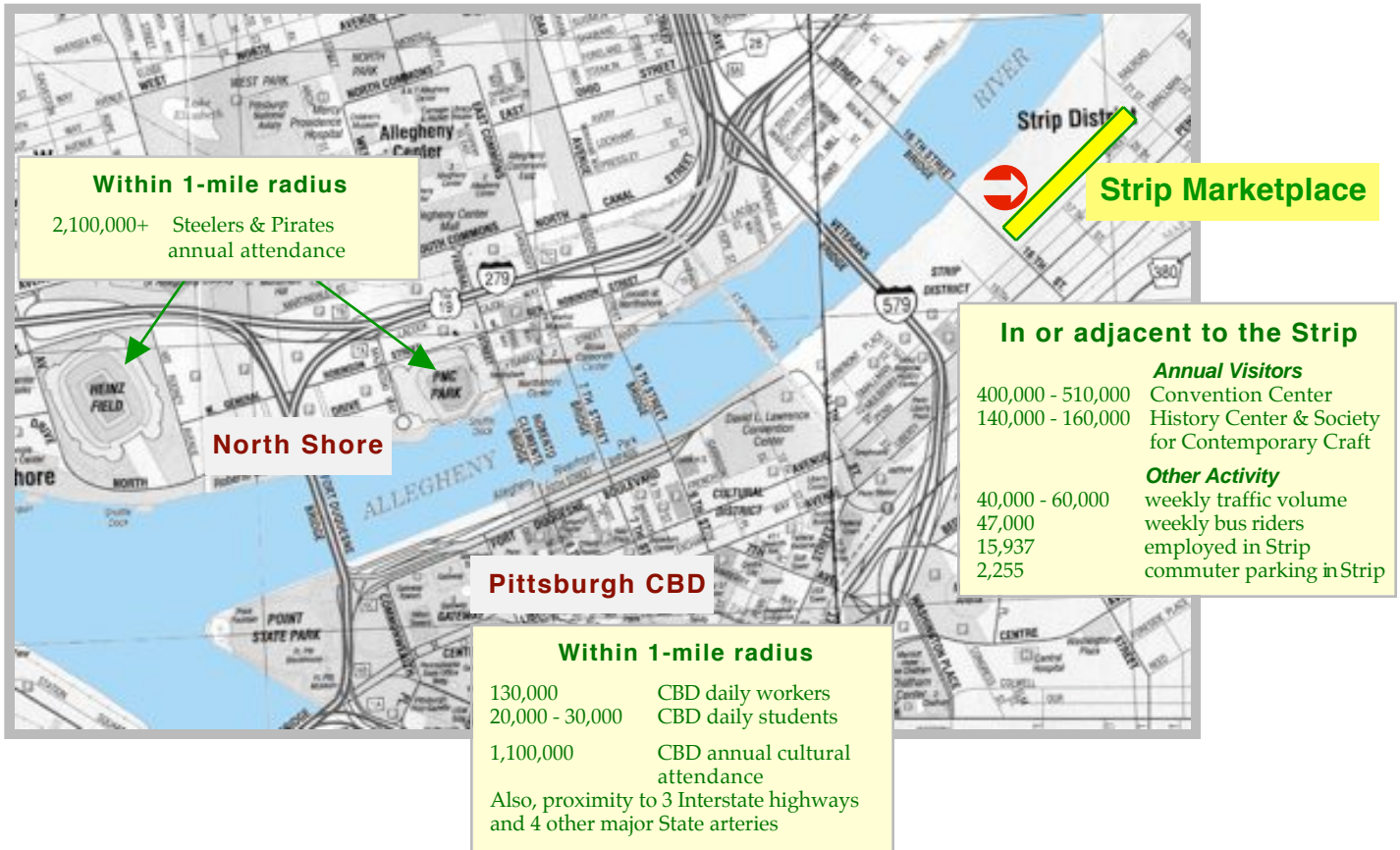
Projections estimate annual operating costs at \$666,593. These costs were researched and compared to those of Philadelphia's Reading Terminal Market, Cleveland's West Side Market and Cincinnati's Findlay Market.

2002 CMU Urban Lab Study

"Pittsburgh is in a unique position to hone in on its very own breeding ground of foreign-born talent... What better place to draw a diverse foreign-born population than the Strip District, with its historical significance to immigrants.... The key to the Strip District is its diversity, in both people and activities... (it is) a unique destination in the city for creativity and entertainment... planning for this area is essential because it contains the produce wholesalers that have historically located in this area and are part of the DNA of the Strip."

NEARBY ATTRACTIONS & ACTIVITY

Consumer, commuter & tourist traffic near & through the Strip District is optimized by many assets and attractions.



A prime location

document prepared by
Randy Strothman & Associates

PRIMARY TRADE AREA: Allegheny County and the Urban Core

Strip District's Primary Trade Area Category	Allegheny County 2000	5-mile URBAN CORE 2001
Population	1,281,666	480,333
Households	537,405	211,826
HH size: average	2.38	2.26
HH income < \$20K	32%	30%
HH income > \$55K	35%	29%
HH income: median	\$38,329	\$28,861
Per capita income	\$22,491	\$18,134
White	89%	75%
Black	8%	21%
Asian	1%	3%
2004 retail sales (billion)	\$18	\$5

