

INTERNATIONAL PUBLIC MARKET
FEASIBILITY STUDY
FINAL REPORT BRIEFING



King County

Exploring an International Public Market's Potential in South King County

The Port of Seattle and King County partnered to conduct a feasibility study to explore the concept of developing of an International Public Market facility in South King County.

The goals of the International Public Market concept would be to:

- 1) Attract tourists and visitors near SEA Airport,
- 2) Provide a gathering space,
- 3) Showcase local cultural attributes, and
- 4) Support economic development and entrepreneurship for small businesses



Example Image - *Image credit: "[St. Lawrence Market](#)" by [Open Grid Scheduler / Grid Engine](#) is marked with [CCO 1.0](#).

PROJECT PHASES AND TIMELINES

March 2023 – September 2023

October 2023 – March 2024

PHASE 1

- **Scope:** Conducted a market analysis to understand market demand and examined various market attributes and sites.
- **Research:** Included in-person community engagement, surveys, focus groups, and evaluating current market conditions in South King County.

PHASE 2

- **Scope:**
 - Defined market attributes and performed a site analysis
 - Developed concept models, operational models, and evaluated financial models
- **Results:** Produced four concept models, developed proforma operating projections (Profit and Loss/Revenues), develop implementation schedule, and produced a final report.



Is the proposed concept of an International Public Market viable for our study region?

PHASE 1: Community Engagement and Market Analysis

(FOCUSED APPROACH INFORMED BY REGIONAL DEMOGRAPHICS)

Survey

- **928 responses**
 - Survey available in English, Spanish and Somali

Interviews

- **19 complete** - 15 Virtual, 4 in-person

In-Person Engagement

- **2 tabling events**
 - ~250 people
 - **10 site visits**
- **3 guided tours**

Facilitated Discussions

- **Partner: Living Well Kent**
 - 16 attendees
 - 4 languages represented
- **Partner: Saadia Hamid; business development coach**
 - 6 attendees
 - 4 languages represented

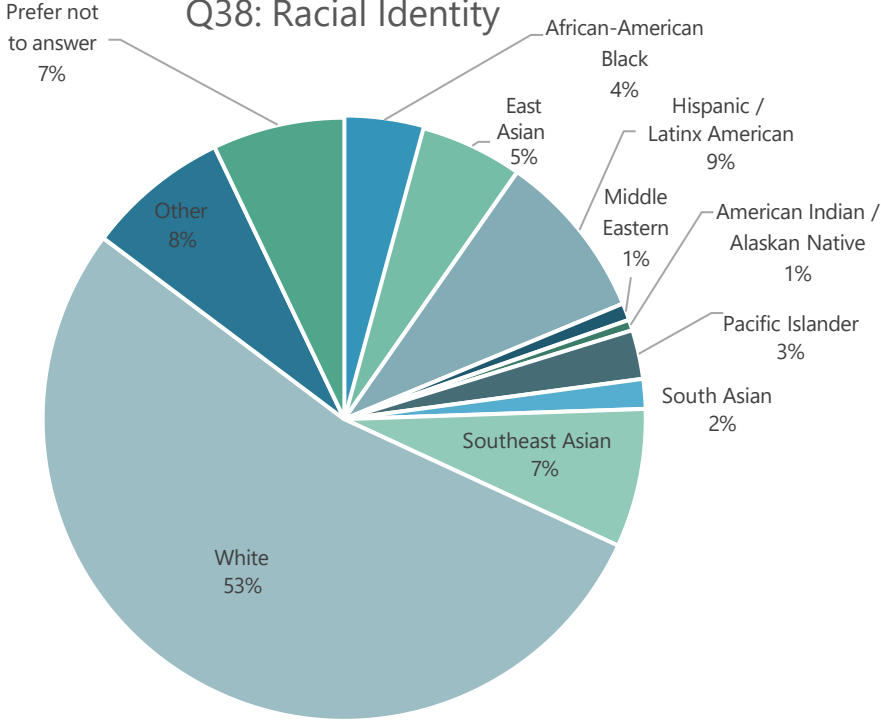
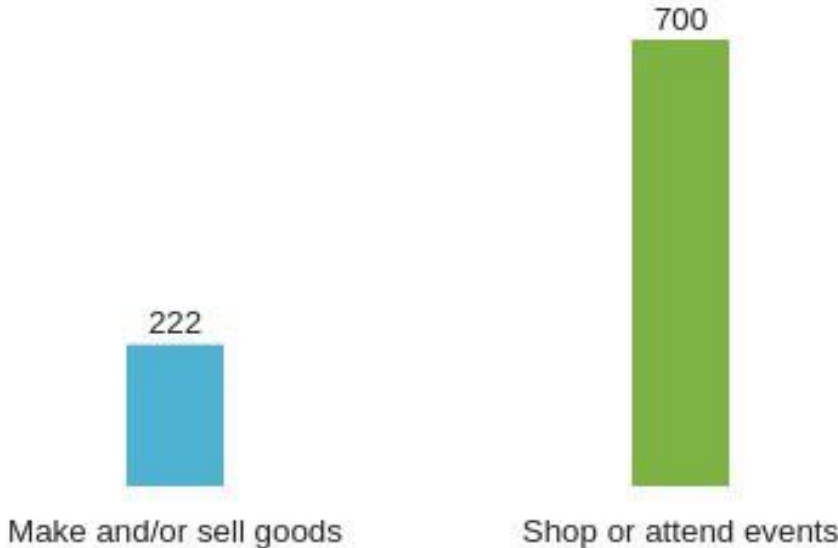


> 80%

Respondents believe that SeaTac or Tukwila would likely benefit from a new International Public Market

SURVEY RESPONDENTS

- Most respondents identified as **shoppers** over vendors.
- 60% identified as **female**
- 75% are **employed** full time
- **The racial identity of respondents aligned with regional census data, resulting in a statistically significant survey**



PREFERRED LOCATIONS AND FEATURES

CONSUMER INPUT

Respondents were asked to **write in** ideal site locations and features:

- In surveys, **Tukwila** was the most cited location
- In interviews and in-person engagement - **SeaTac** was most cited due to its proximity to the airport, hotels, and limited current retail offerings.
- **Burien** received the highest number of write-in votes as IPM location
- Other **important site features:**
 - **Parking**, Safety, Public Transit Access
- While proximity to public transit was a notable attraction for the market, **60% cited that they would use a personal vehicle to get to the market, and only 20% cited public transit.**

Write-In City	#
Suggestions	
Tukwila	145
Burien	71
SeaTac	64
Renton	55
Rainier Beach	24
Des Moines	20
Kent	15

INTERNATIONAL PUBLIC MARKET BENEFITS

For Vendors

Access to customers

Need for retail and production space

Staffing support

For Businesses

Business Supports

Varied Retail Spaces

Economic Growth

For Community

Community Space

Human Services

Cultural Representation

Many organizations interviewed suggested an IPM should offer business development resources to help businesses grow or scale

PHASE 2:

SITE EVALUATIONS

CONCEPT MODELS & DESIGNS

FINANCIAL MODELS/OPERATIONAL MODELS



PHASE 2 – SITE EVALUATIONS

BEST POSSIBLE SCORE (25)

LOWEST POSSIBLE SCORE (75)

SCORING MATRIX FOR SITES

Criteria Examined –
Access, utilities,
zoning,
transportation,
neighborhood, site
details,
human/cultural
considerations, etc.

SITE	CITY	DESCRIPTION	SCORE	% COMPATIBILITY	OVERALL RANKING
T5	Tukwila	Bartell Retail Center building/lot	30	83%	1
T1	Tukwila	Healthpoint Development Lot	31	81%	2
S2	SeaTac	Angle Lake parking lot	32	78%	3
B1	Burien	Downtown Grocery/Bank Lot	37	68%	4
B3	Burien	City Parking Lot*	39	64%	5
T4	Tukwila	TIB Development Lot	40	63%	6
S1	SeaTac	Car Sales Lot (vacant)	42	59%	7 (tie)
S3a	SeaTac	Park N Fly Lot A	42	59%	7 (tie)
S3c	SeaTac	Wally Park Lot C	42	59%	7 (tie)
T2	Tukwila	SRO Development Lot	42	59%	7 (tie)
T3	Tukwila	Newporter Development Lot	42	59%	7 (tie)
S4a	SeaTac	Park N Fly Lot B	43	58%	8 (tie)
B4	Burien	Vacant Lot (HK market adjacent)	43	58%	8 (tie)

*Sizing is tight and may be limited to small model sizing.

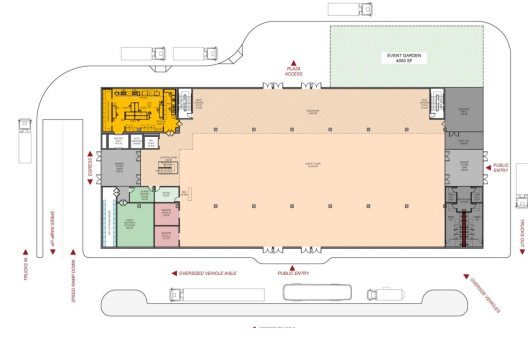
Concept Models Explored



Model A: Solo



Model B: Partner



Model C: Shed



Model D: Existing

Model A: Solo

SIZE	114K sq ft
LAND PURCHASE	\$3.8 MM
CONSTRUCTION COST	\$29 MM
SALES TAX	\$3.7 MM
PRE-DEV SOFT COSTS	\$16.9 MM
FF&E	\$2 MM
OPER RESERVES	\$1.7 MM
TOTAL DEVELOPMENT COST	\$53.7 MM

- Kitchen Spaces/Stations
- Retail Stalls, Anchor Stores, Pop-Up or Temporary Stalls (including outdoor)
- Event Spaces (Classroom, Conference, Public/Large Event, and Outdoor)
- Storage Space (Dry, Cold, Frozen)
- Office Spaces (Private, Shared, Co-Work)

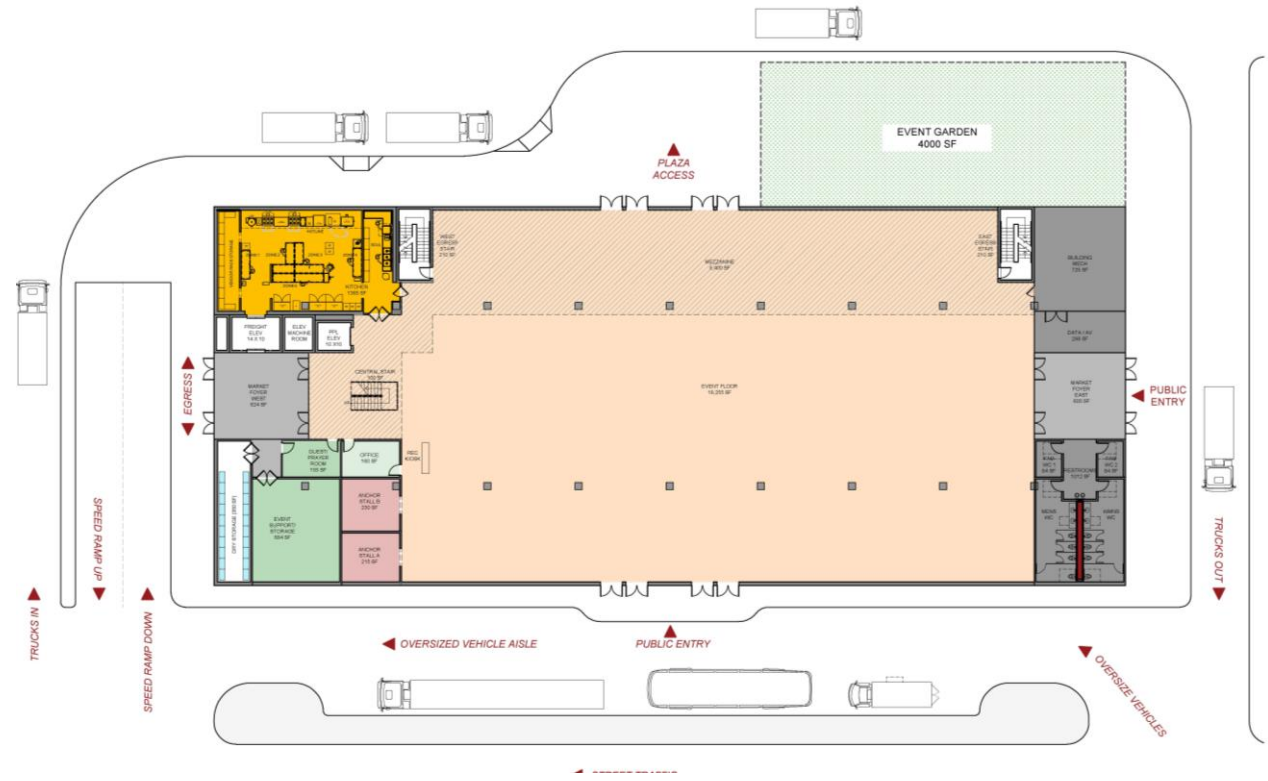


Model C: Shed

SIZE*	78K sq ft
LAND PURCHASE	\$3.8 MM
CONSTRUCTION COST	\$22.2 MM
SALES TAX	\$2.8 MM
PRE-DEV SOFT COSTS	\$12.9 MM
FF&E	\$939K
OPER RESERVES	\$4.5 MM
TOTAL DEVELOPMENT COST	\$44 MM

- Kitchen Spaces/Stations
- Retail Spaces (Anchor Stores x 2, Movable Stalls – Indoor/Outdoor)
- Event Spaces (Single Large Event Space)
- Storage Space (Dry, Cold, Frozen)

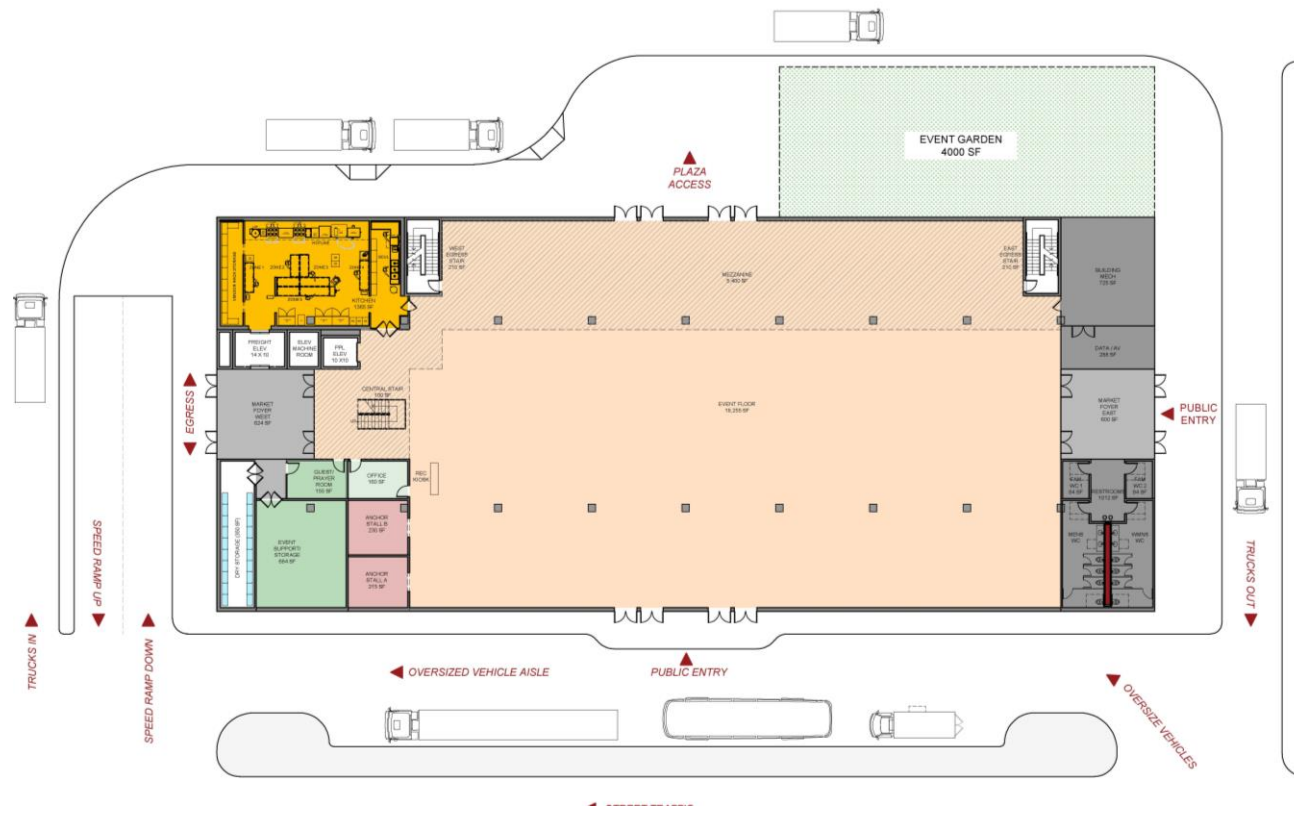
**Simplified spaces lower the build budget for Model C.



Model D: Existing

SIZE	37K sq ft
BLDNG PURCHASE*	\$10.3 MM
CONSTRUCTION COST*	\$10.8 MM
SALES TAX	\$1.4 MM
PRE-DEV SOFT COSTS	\$6.4 MM
FF&E	\$939K
OPER RESERVES	\$176K
TOTAL DEVELOPMENT COST	\$28.5 MM

- Kitchen Spaces/Stations
- Retail Spaces (Anchor Stores x 2, Movable Stalls – Indoor/Outdoor)
- Event Spaces (Single Large Event Space)
- Storage Space (Dry, Cold, Frozen)



P&L/BREAK EVEN BUDGETS ACROSS MODELS



Model A: Solo

TOTAL REVENUE	\$2.2-3.7 MM
TOTAL OP COSTS	\$2.8-3.1 MM
UTILIZATION	37% to 63%
BREAKS EVEN?	YEAR 4
PROFIT POSSIBLE?	YEARS 4-5
OPER RESERVES	\$1.7 MM

**Even with conservative utilization, this model can sustain itself over time and offers an opportunity for profit in year 4.*

Model B: Partner

TOTAL REVENUE	\$3.6 - 6 MM
TOTAL OP COSTS	\$3.5 – 3.8 MM
UTILIZATION	35% to 58%
BREAKS EVEN?	ALL YEARS
PROFIT POSSIBLE?	ALL YEARS
OPER RESERVES	\$254K

**Model B is a very stable financial model BUT depends on partners to utilize the additional spaces built into the design – these will be essential to this positive financial outlook.*

Model C: Shed

TOTAL REVENUE	\$867K – 1.4 MM
TOTAL OP COSTS	\$1.8 – 2 MM
UTILIZATION	38% to 63%
BREAKS EVEN?	NO
PROFIT POSSIBLE?	<i>Not without higher utilization</i>
OPER RESERVES	\$4.5 MM

**Model C/D are dependent on higher utilization (>65-70%) to achieve any baseline for financial stability. Reduced space comes with the need for overlapping functions and makes the model riskier.*

Model D: Existing

TOTAL REVENUE	\$867K – 1.4 MM
TOTAL OP COSTS	\$1.8 – 2 MM
UTILIZATION	38% to 63%
BREAKS EVEN?	NO
PROFIT POSSIBLE?	<i>Not without higher utilization</i>
OPER RESERVES	\$4.5 MM

**Structured on Model C – will require high utilization to stabilize.*

Management Models

Public (Gov)
Ownership



Public-Private
Partnership

Non-Profit or
Private
Ownership

Community
Ownership



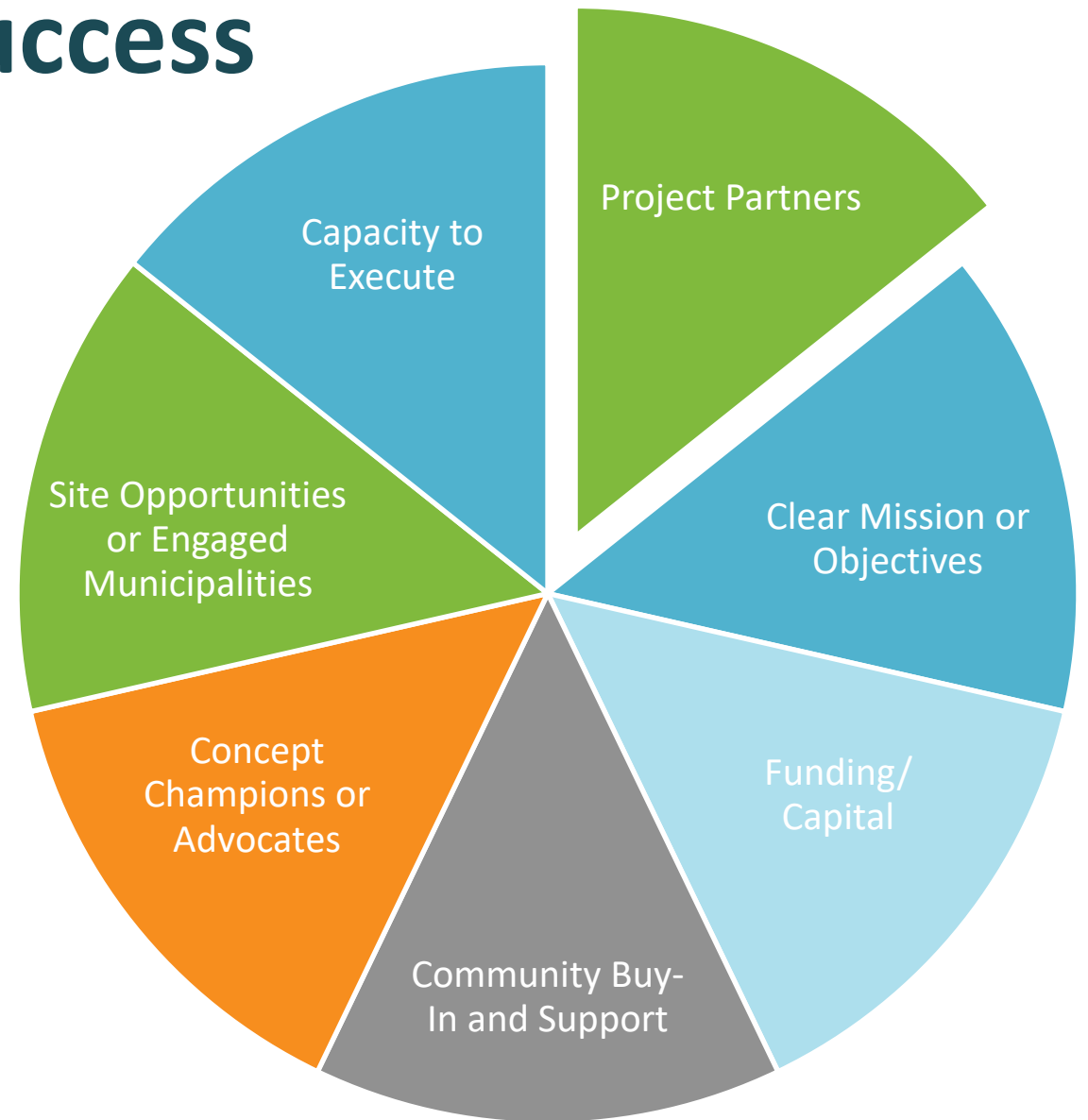
*Models most compatible with Port,
County, and City as development partners.*

Elements Needed for Success

A project of this complexity requires **multiple collaborative elements**.

A significant percentage of these studies end in pre-development (about 30-35%).

It is essential that key partners, supporters, funding, and capacity exist to carry a project forward.



Key Considerations Shared with Advisory Committee



Given the number of sites and building options identified in the feasibility study, **it will take the Port, County, and stakeholders several months to determine which site and market option is most feasible**



The cost of **developing the international market is beyond the capacity of any individual sponsor** (ex. Port/King County) or participating city. It will take funding from a variety of sources to develop a successful market

Securing the initial funding to start marketplace design work is challenging.



The Port may help fund the project BUT in most cases **Port funding would need to support a marketplace that supports and drives tourism (per state statute)**

The County has flexibility to fund many types of projects that demonstrate public benefit, but the most flexible funding sources are currently constrained



A City that hosts the marketplace must be able to offer some type of financing support for the overall project

Next Steps

- 1. Brief Burien, SeaTac and Tukwila City Councils on study findings and recommendations**
 - Ask cities to determine which site and market model works best for them (if any)
- 2. Interested cities explore specific market options**
 - Port and County discuss options with interested cities once site and potential market options have been identified

Questions?