

Southern Market: Historic site revived as soon-to-open gathering place

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tion products and services.
When some key tenants backed out, however, that plan was withdrawn in March 2018 and it was back to square one.

"When that fell apart and we went back out with a solicitation and request for proposals for what this could be, it was really important for us to have it return to its market roots, and have the food connection there," said Sorace, who was elected Lancaster city mayor in January 2018.

After four bids were submitted in a second formal request for proposals, the city ultimately accepted a \$300,000 bid for the property from Lancaster Equity, which planned to create a food hall and agreed to pay an additional \$500,000 for the property down the road.

"We really wanted to do something that was going to connect the opportunity from the downtown to the people that desperately need an opportunity in the South Side," said Jurman, who was president of Lancaster Equity at the time. "To the city's credit, they approved our bid, even though it had a lot of question marks."

Lancaster Equity is a community development corporation whose all-volunteer board consists of the leaders of local community and housing nonprofits. Jurman, who spearheaded the creation of Lancaster Equity, previously was executive director of Community Action Partnership of Lancaster County. He is now executive director of the state Office of Advocacy and Reform.

Jurman said the Southern Market project was an ambitious one for Lancaster Equity, which was brimming with ambition, but low on cash and in need of an investment partner.

"You start with what you've got, and you pull it together," said Jurman, who marvels at how quickly the renovation of the large, aging building got done after Willow Valley Communities joined as a partner. "We saw those issues taking 10 years, and now they've been finished in two."

Expanding on an urban campus

Located 5 miles south of Penn Square, Willow Valley Communities has 2,500 residents, the most of any 55-plus age group campus in the county.

John Swanson, CEO of Willow Valley Development Corp., said Willow Valley had identified the former LNP production building at the northwest corner of South Queen and West Vine streets as an ideal site for an urban campus. After Lancaster Equity got the city's blessing for a food hall at Southern Market, Swanson approached them about becoming a partner in that project.

"This was really very much an opportunity for us to not only be developers coming in and developing within the city but taking the opportunity to create something for the city that would be an amenity for all the residents of the city," Swanson said. While Southern Market's



SUZETTE WENGER | STAFF PHOTOGRAPHER

Butter and Bean, a coffee shop at Southern Market, will feature several sweets, including dark chocolate pecan cookies, lemon blueberry muffins, scones and cinnamon rolls, all prepared by chef Jessie Tuno, shown here Tuesday. Southern Market's doors are set to open Thursday. The newly renovated venue will feature a bar in the center of the first floor, surrounded by 250 seats where diners can meet with family and friends after ordering the food of their choice.

proximity to its planned high-rise sparked Willow Valley's interest, Swanson said Willow Valley took some time to think through its involvement.

"Running a food hall is not our core business, but we do have significant experience in food service," Swanson said. "As I began to understand the incubator model, I began to get more and more excited about executing the vision."

For Jurman, Willow Valley Communities was the ideal partner, bringing the experience and help to get the project done in a timeline that he could never have imagined.

"It was like a gift," Jurman said. "Here's this potential partner who is also a non-profit, who gets the mission and has a stake in what happens in the block."

Lancaster Equity owns Southern Market, but Willow Valley has a master lease on the entire property, which extends until 2048. Willow Valley paid the entire \$800,000 for its lease up front, money Lancaster Equity used to buy the property in November 2019.

"As the owner, it gives us the ability to ensure that the use of the space long term meets the objectives that are consistent with our mission and vision," said Mike McKenna, whose term as president of Lancaster Equity ended in December.

Renovations, which began in November 2020, gutted the interior and then rebuilt it as a restaurant with a central bar below a second-floor mezzanine with 19 rentable offices and a snack lounge.

New mechanical systems were installed, and all the brickwork outside was re-pointed. New doors and windows were put in along West Vine Street, additions that required city approval because the deed for the property includes three pages of restrictions.

Creating viable business models

Southern Market offers startup food businesses a viable way to grow by exposing them to a lot of customers,



LNP MEDIA GROUP ARCHIVES

The head house of Southern Market, similar to York's Central Market House, has strong symmetry featuring two towers with pyramidal roofs flanking the gabled main entrance. The head house fronting the market on Queen Street is shown here in an undated photo and, below, in 2016. The eagle statue on the central pediment seen above was removed in 1957 due to damage after inclement weather.



BLAINE SHAHAN | FILE PHOTO

offering business support, and making it inexpensive for them to launch.

Willow Valley sees Southern Market's food hall as a business incubator where up-and-coming chefs can get the support, training and experience that can prepare them to open their own restaurant or catering business. Assets, which is a member of Lancaster Equity and has its offices at Southern Market, will offer

startup support and provide industry-specific training.

In addition to their own vendor space that comes with a point-of-sale system, each vendor gets their own area in the commissary kitchen that comes with some standard kitchen equipment.

Rather than a monthly rent, vendors pay a fee that is an undisclosed percentage of their monthly sales. There's also income

for Willow Valley from the 19 offices that ring the second-floor mezzanine as well as the meeting rooms that are available to the public for rent.



SOUTHERN MARKET FOOD HALL, AT A GLANCE

The market includes a bar, a coffee shop and a pizza shop. Here are the vendors that will be cooking up fare when Southern Market opens this week.

● **4 E's Latin Cuisine:** Flavors of the Dominican Republic.

● **Flavors of Morocco:** Moroccan and Indian fusion.

● **Layali el Sham:** Middle Eastern classics including hummus, tabbouleh, falafel, kibbeh and shawarma.

● **Made by Lolo:** Tapas-style small bites, with gluten-free options.

● **Pho Life:** Vietnamese pho, banh mi sandwiches and salads.

● **Savoy Truffle Cakes:** Creatively decorated cupcakes and whole cakes, also available by the slice, plus pie and macarons.

● **"X" Marks the Spot:** A modern take on soul food classics that includes collard greens, Friday fish fry, herb-roasted chicken, potato salad, collard greens, fried chicken and southern gumbo.

● **Bar 1888:** Cocktails, beer and wine on tap, with mixologist Steve Wood at the helm.

● **Butter and Bean:** Coffee, tea and house-made baked goods. Coffee beans from Maquina, an indie roaster in Coatesville.

● **Pizzeria 211:** Stromboli and pizza by the slice as well as Detroit-style pan pizza. Will be open as a pop-up in the main food hall while its Queen Street-facing space remains under construction.

While Willow Valley gets some income from food vendors, subtenants and short-term users, its main source of revenue comes from the bar, which it operates with a \$50,000 economic development liquor license — it is the only such license issued in Lancaster County. In contrast, a restaurant liquor license bought on the open market in Lancaster County can cost around \$350,000.

To get the economic development liquor license, Willow Valley had to get official support from Lancaster City Council and show that it made extensive efforts to buy a liquor license on the open market, which included reaching out to at least 100 liquor license holders in Lancaster County.

Jurman said Lancaster Equity's original proposal for Southern Market also included getting an economic development liquor license since the business of offering high-quality opportunities with a low cost of entry would be hard to make work otherwise.

"It would have had a huge impact on the sustainability of the project if they hadn't been able to get the liquor license," Jurman said.