

# Madison Public Market

# QUARTERLY UPDATE

Update #1: Q1 2017



March 2017

## This is a quarterly progress report on the Madison Public Market

(Requested by the Madison Common Council as part of the 2017 Capital Budget authorization for the project)

### INSIDE:

- Updates on 5 Work Elements of the Project Implementation Strategy
- Summary of Equity Recommendations
- *Looking Back:* Project History
- *Looking Ahead:* Goals for 2017
- Estimated Project Timeline from now until Opening Day

## Updates on 5 Work Elements

2016 was a productive year for the Madison Public Market. After a three-year effort that engaged thousands of community members, the City and the Public Market Development Committee (formerly known as the Local Food Committee) finalized the Public Market Business Plan and it was approved by the Madison Common Council. As directed by the Council, City staff and the Public Market Development Committee (PMDC) then developed a detailed "Implementation Strategy" describing how the Business Plan will be put into action. **The Implementation Strategy lays out five "Work Elements" which are now guiding the City's efforts on the project.**

### WORK ELEMENT I:

#### Governance

The first work element is focused on building the organizational capacity needed for the project to succeed. Based on the Business Plan, the intent is that the Public Market will be operated by an independent non-profit corporation. That non-profit will have its own staff and board of directors. The City will likely have an operating agreement with this non-profit. During 2016, City staff and the PMDC laid plans for the structure of this non-profit, the timing for its creation, and potential leadership. The Committee developed a set of criteria for identifying potential board members and started conversations with community leaders about getting involved. In addition, the City Staff began developing an initial draft of an operating agreement that would establish the relationship between the operating non-profit and the City. Next steps include formally creating the non-profit, establishing the operating agreement, and gradually transitioning responsibilities over the project to this group.

### WORK ELEMENT II:

#### Funding

The second work element is focused on the multi-pronged capital funding strategy for the Public Market. This strategy starts with the City of Madison as the project's champion. In addition, the City is monitoring potential state and federal grant



programs and working closely with the Madison Region Economic Partnership (MadREP) to position the project for federal funding through the region's IMCP designation. Further, the City is pursuing New Markets Tax Credits for the project and initial conversations with tax credit investors have been positive. Finally, the project will include a private fundraising campaign and the City is creating a feasibility analysis to better understand fundraising potential. Initial findings suggest strong support for the project, but several key things that need to be done to kick-off a successful fundraising campaign.

### WORK ELEMENT III:

#### Design

In 2016, the design discussion expanded to embrace new opportunities. The most recent draft plans call for building the Public Market on the site of the Washington Plaza Shopping Center (formerly called the "Fiore Center"). The Public Market would be the central feature of a broader mixed-use project that would redevelop the entire 4-acre shopping center site. The City's Fleet Services property creates the potential for a second phase project once operations are relocated from that building. The City has engaged Graham Babba Architecture to develop a site design for the Public Market project and surrounding redevelopment. This site plan will be followed by a detailed architectural plan for the Public Market building itself. This design work kicked-off with a community workshop on November 3. Approximately 80 people attended this event to share ideas on the site design. The Graham Babba team took the input from the workshop and has been working with the City staff, the shopping center property owners, and the PMDC to refine ideas and work toward a final site plan. Once the site plan is complete, the focus will shift from the site plan to the details of the Public Market Building. There will

be additional opportunities for public input as it moves forward (see draft site plan on last page).

### WORK ELEMENT IV:

#### Vendor Development

The fourth Work Element is focused on cultivating the small businesses who will occupy the Public Market as vendors. To support this effort, the city is creating "MarketReady Program." This will be a training, technical assistance, and micro-grant program focused on helping a diverse cohort of prospective public market entrepreneurs prepare their businesses to operate within the Public Market. The concept for the MarketReady Program emerged from analyzing the Public Market using the City's Racial Equity and Social Justice Initiative (RESJI) tool, which found that the Public Market can have a positive impact by creating entrepreneurship opportunities for populations that historically face barriers to starting a business. City Staff and PMDC developed a framework for the MarketReady program and released an RFP to engage a community partner to assist in administering it. The City is working with a team of organizations including FEED Kitchens, Dane County UW Extension, and WWBIC to launch the program. The goal is to recruit fifteen entrepreneurs with an interest in starting a business in the Public Market, take them through a customized training program, and provide funding to cover certain startup costs.

### WORK ELEMENT V:

#### Outreach and Momentum Building

The final Work Element from the Implementation Strategy is outreach and momentum building. The development of the business plan (2013-2015) included a robust public outreach effort with numerous community meetings, public workshops, surveys, and focus groups. As the project continues to move forward, the City and PMDC intend to provide opportunities for community members to engage in this effort. As the non-profit



organization ramps up, that group will gradually take-on outreach responsibilities. In addition, there is a newly-formed citizen group called “Friends of the Public Market” that has taken some initial steps to be an outside voice for the project.

## Public Market Equity Analysis

As part of the business planning process, the City used an analysis tool developed by the City’s Racial Equity and Social Justice Initiative (RESJI) team to evaluate how the Public Market project could create economic opportunities for low income populations and communities of color in Madison. The equity analysis included ten recommendations that are being incorporated into the process of implementation, which are summarized below.

- **Recommendation #1:** Focus on making the Public Market successful as a place for small startup businesses and create a training and grant program for diverse entrepreneurs interested in becoming vendors.
- **Recommendation #2:** Be culturally aware, get diverse input, and look globally for inspiration
- **Recommendation #3:** Incorporate Story Telling and Madison History through Interpretive displays highlighting the City’s cultural diversity, today and in its past
- **Recommendation #4:** Conduct a thorough and highly-personal vendor outreach during the pre-opening stage that focuses on not only recruiting entrepreneurs but providing resources and program to prepare them
- **Recommendation #5:** Incorporate programming and outreach after opening to support vendors
- **Recommendation #6:** Hire outreach program coordinator early in the process
- **Recommendation #7:** Build partnerships with other organizations
- **Recommendation #8:** Connect with other assets around the City and maintain a focus on the Market as a center point to create a stronger city-wide food system
- **Recommendation #9:** Expand focus to other parts of the City’s for related food system projects including potentially additional locations for future public markets
- **Recommendation #10:** Codify these recommendations into any future plans, project charter, incorporation papers, operating agreements, etc. to make sure they continue to be a focus as the project moves forward.



## MADISON PUBLIC MARKET

### History and Milestones

The idea of a Madison Public Market is not new. The city has been exploring the concept for over a decade. Led by the Public Market Development Committee and with engagement of thousands of community members, the City has spent the last five years engaged in a thoughtful, highly-detailed, and step-by-step process to create a vision for a successful Madison Public Market and to bring that vision to reality. As background for people who are new to the project, the following is a chronology of key milestones that have been achieved over the last several years.

#### PRE 2012

For many years, Madison conducted studies exploring ideas, options, and sites for a market

#### MAY 2012

The Local Food Committee is created to lead the Public Market project. Anne Reynolds is elected Chair.

#### MAY 2012 - MAY 2013

The Committee spends first year talking with stakeholders, researching models, and studying how a Public Market could contribute Madison's food system.

#### MAY - SEPTEMBER 2013

Common Council authorizes engaging a consultant to develop a Business Plan for the Public Market, the City develops a scope of work, releases an RFP, and selects Project for Public Spaces (PPS) to assist.

#### OCTOBER 29, 2013

The business plan kicks off with interviews with key stakeholders and a public open house attended by 85 community members.

#### JANUARY - MARCH 2014

City conducts a vendor survey of 100 prospective public market businesses (82% "interested" or "very interested"), and a community survey completed by 2,211 residents (94% indicate support for the public market)

#### MAY 6, 2014

PPS releases a Phase 1 report with a recommendation to move forward. Common Council approves the report and directs City Staff and the Committee to move forward

#### MAY - AUGUST 2014

Four "Community Conversations" held across the City to gather input on the public market's location (attended by about 120 community members).

#### OCTOBER 7, 2014

PPS releases site recommendation for East Washington Ave at First Street. The Common Council adopts a resolution affirming the recommendation and directs moving forward with the business plan.

#### OCTOBER 28 2014

The City hosts a placemaking workshop attended by 75 people

#### MARCH 2015

City and PPS release a first draft of the final completed Business Plan.

#### MAY 2015

City's Racial Equity and Social Justice Initiative (RESJI) team evaluates the Public Market project using the Equity Tool. This includes a workshop, interviews, and data analysis. It results in 10 recommendations.



**MAY 21, 2015**

City staff provides a Public Market briefing to the Common Council on the results of the business plan and RESJI analysis.

**MAY, 2015**

City hosts two community meetings: one with neighbors and one with prospective vendors to present the business plan

**JUNE 2015 - AUGUST 2015**

Meetings and presentations with various organizations including; Dane Buy Local, 100State, Latino Chamber of Commerce, East Side Planning Council, South Metropolitan Planning Council, and the Greater Madison Convention and Visitors Bureau.

**JULY 2015 - SEPTEMBER 2015**

The Public Market Business Plan is discussed at several City Committees including the Local Food Committee, Food Policy Council, the Board of Estimates, the Economic Development Committee, and Board of Public Works.

**OCTOBER 6, 2015**

The Madison Common Council adopts the Final Public Market Business Plan and directs City Staff and the Local Food Committee to move forward with an implementation strategy.

**NOVEMBER 2016 TO MARCH 2016**

Staff and Committee prepare the "Public Market Implementation Strategy" (approved by Common Council on March 15, 2016) with Five "Work Elements" to move the project forward.

**MAY 2016**

The Common Council passing a resolution to engage the owners of the Shopping Center at First Street and East Washington Avenue to explore the Public Market potentially being located on that property.

**MARCH – JUNE 2016**

Staff and Committee develop a concept for the "MarketReady Program" (training and micro-grant program for public market entrepreneurs). Council Authorizes an RFP to move forward with this program.

**SEPTEMBER 2016**

Graham Babba Architects selected to develop design and approved by Council

**NOVEMBER 3, 2016**

Public workshop to gather input on the site design for the Public Market.

**NOVEMBER 14, 2016**

The City's adopted capital budget authorizes funding for the Madison Public Market

**JANUARY 1, 2017**

By Council Resolution, the Local Food Committee's name is changed to the Public Market Development Committee



## Project Goals for 2017

The main objective is for the Public Market to be “shovel-ready” by the end of 2017 and under construction in early 2018. To accomplish that, the following goals will be pursued:

- Support the creation of the non-profit entity that will begin leading the fundraising effort and progressively take on operational responsibilities over the project
- Develop an operating agreement to create the partnership between the non-profit entity and the City
- Continue working with potential New Markets Tax Credits investors and position the project to receive a tax credit allocation in late 2017 or early 2018
- Continue to monitor potential state and federal grants and approach the state to discuss potential resources for the project
- Support the launch of a private fundraising campaign to raise funds for the project
- Finalize a site design for the public market site and architecture for the Public Market building
- Establish a development agreement with the owners of the Washington Plaza Shopping center establishing the terms of a partnership with them to develop a multi-use public/private project.
- Launch the MarketReady program - recruit a diverse pool of vendors to participate in the program, deliver a robust training and technical assistance program, and provide grant funding to a select group of diverse entrepreneurs to help them launch their businesses
- Update and finalize an operating plan for the Public Market including financial projections for its revenues and costs
- Establish pre-leases or letters of intent with prospective vendors
- Continue to engage prospective public market vendors, key stakeholders, and the community in discussions about the project through events, workshops, presentations, etc.





## General Project Timeline

### 2017

#### Q1

- Finalize site plan
- Recruit board for non-profit
- Finalize fundraising feasibility analysis
- Launch MarketReady Program
- Host public meeting to get additional input on architecture

#### Q2

- Finalize schematic architecture of Public Market building
- Create non-profit entity to take over fundraising responsibilities
- Recruit MarketReady program participants and begin training program
- Create and codify development agreement with owners of shopping center to define terms and responsibilities
- Refine operating plan for the project based on architecture

#### Q3

- Create construction documents for the Public Market building
- Begin land use entitlement process for the project
- Launch fundraising campaign
- Host 'visibility events' with information tables at farmers markets, festivals etc.
- Finalize planned layout of public market space

#### Q4

- Finalize details of operating plan (hours of operation, rent structure, staffing, etc.)
- Complete land use entitlement process

- Get signed Letters of Intent and/or pre-leases with public market vendors
- Follow up with New Markets Tax Credits investors after fall allocation announcement

### 2018

#### Q1

- Finalize land use approvals
- Finalize project construction budget
- Secure and package all sources of funding
- Close New Markets Tax Credits transaction

#### Q2

- Release Bid documents for construction
- Engage contractors
- Begin construction

#### Q3

- Sign leases with tenants
- Complete staffing
- Monitor construction

#### Q4

- Monitor construction
- Continue final leasing and operations planning

### 2019

#### Q1

- Complete shell construction
- Work on interior finish work
- Vendor fit out of individual spaces
- Plan Grand Opening

#### Q2

- Opening Day

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