



Quarterly progress report on the Madison Public Market

(Requested by the Madison Common Council in the 2017 Capital Budget authorization)

INSIDE:

- Update on Site Design & Development Plan
- MSR Design Team Recommended
- Public Market Foundation Progress
- 2018 Summary of the MarketReady Program
- New Markets Tax Credits and Opportunity Zones

Update on Site Design & Development Plan

Late 2018 saw a shift in the physical plan for the Public Market. The project will continue to move forward at the same overall location that was recommended and ultimately selected by the Common Council in 2014 ([Resolution File #35045](#)). However, the Market building location will shift from the East Washington side of the site to the City-owned Fleet Services property at the corner of First Street and East Johnson St. This plan is consistent with the Common Council's decision on the location, and aligns with the Public Market Business Plan that was completed and approved in 2015 ([Resolution File #38885](#)).

Previously, the City had been engaged in conversations with the owners of the Washington Plaza Shopping Center to locate the Market within

a private redevelopment of that portion of the site. However, building the Public Market at that location would have required the City to use a significant portion of the project's budget to purchase the property, and would have limited the ability of the developer to undertake a financially viable project on the remainder of the site. After careful consideration, city Staff, the Mayor and the Public Market Development Committee concluded that the soon-to-be vacated Fleet Services building is a much stronger fit for achieving the community's vision for the Public Market. Some of the advantages of this change include:

- **Same overall location:** Consistent with the Business Plan and the Common Council's direction.
- **Larger space:** The Fleet Services building is 45,000 square feet, compared to 28,000 square feet in the previous Shopping Center



redevelopment.

- **More outdoor/green space:** Fleet Services is on 3.4 acres, offering much more space for outdoor activities at the market.
- **Sound/unique building:** The building is well suited to conversion to a public market that is functional and architecturally interesting.
- **Added car and bike parking:** The site provides ample space for parking.
- **More accessible for large delivery trucks and traffic flow:** The site and building are better designed to accommodate large trucks and traffic flow.
- **Sustainability:** Reusing an existing building is more sustainable than building new.

The budget for the Market at Fleet Services will remain consistent with the City's approved \$13 million allocation that the Council reauthorized in the 2019 capital budget.

MSR Design Team Recommended

A City staff team completed an RFP process and recommended Minneapolis-based architect MSR along with local firms Ken Saiki Design and Vierbicher to be the project's design team ([Resolution File #54211](#)). The City received eleven responses to the RFP and a staff review team scored the proposals and selected five teams to interview. The reviewers scored each team's responses to interview questions and MSR was given the highest overall average score. The City then asked for follow up information from the five teams related to their specific experience with complex adaptive reuse projects, and again MSR received the highest score. If the Common Council approves this staff recommendation, the City will execute a contract with MSR to move forward with a detailed design process beginning in March.

Public Market Foundation Progress

The Madison Public Market Foundation made significant progress in 2018. The City selected the Foundation to implement two key roles: 1) Lead the fundraising campaign to raise private donations for the Public Market, and 2) Take on the role of becoming the non-profit operator of the Public Market once it opens. The Foundation has made progress on both of these fronts. Specific milestones in 2018 includes the following:

- Raised nearly \$1,000,000 in private support, including a \$250,000 gift from Boardman Clark Law and significant support from the Dairy Farmers of Wisconsin.
- Recruited a Board of Directors with 10 current members
- Created an Advisory Council of 15 diverse community leaders
- Held four public *Taste of the Madison Public Market* events to help the community envision the Market. Over 2,000 people attended these events
- Grew social media activity through Facebook and Instagram, increasing Facebook likes from 400 to 2,000
- Established a Wisconsin non-profit corporation, adopted governing Articles and Bylaws, opened a checking account, and applied for permanent 501(c)3 status to the IRS
- Established a vendor selection work group comprised of MPMF, community members, and MarketReady members to begin outlining the system for choosing the final vendors
- Completed the City's detailed RFQ process and was selected to move forward with the City of Madison to negotiate an operating agreement



- Worked with the City to develop the terms of a Collaboration Agreement
- Created partnerships with Boardman Clark Law and Heartland Credit Union to provide pro bono legal and financing advice to MarketReady vendors

The key next step in the partnership between the City of Madison and the Madison Public Market Foundation is the execution of a “Collaboration Agreement” ([Resolution File #54228](#)). In 2018, as directed by the Common Council ([Resolution File #51091](#)), the Foundation Board worked with City Staff (City Attorney’s Office and several PCED Divisions) to develop the language in this Collaboration Agreement. This document will solidify the partnership between the City of Madison as the developer/owner of the Public Market, and the Madison Public Market Foundation as the fundraiser and future operator. In addition, the Agreement includes the City providing the Foundation with startup funds of \$250,000. As was anticipated in the approved Public Market Business Plan and Implementation Strategy, the Foundation will use these funds for costs associated with completing the Fundraising Campaign and laying the groundwork for the successful operation of the Public Market. It should be noted that, thus far, the Foundation has self-funded all of the aforementioned progress through volunteer efforts and donations.

2018 Summary of the MarketReady Program

The City launched the MarketReady Program in October 2017 to prepare a diverse cohort of entrepreneurs for success in the Madison Public Market. The concept of the MarketReady Program came out of the [Racial Equity Impact Analysis](#) for the project, which the City’s RESJI team completed in 2015. The MarketReady program includes business training, mentorship, and startup capital grants. The 30 MarketReady participants are

continuing to work on preparing their businesses in anticipation for the opening of the Public Market.

Summary of MarketReady progress in 2018

Participants:

- MarketReady received 83 applications to fill 30 spots
- Applications were recruited through events, personal contacts, and direct one-on-one outreach to potential Public Market entrepreneurs
- Participant demographics:
 - 33% First generation immigrants
 - 63% Women
 - 33% Black
 - 27% Asian
 - 33% Latinx

Program Delivery:

- 1,046 hours of educational events and workshops
- 585 hours of one-on-one business coaching from mentors
- 339 hours of direct business consultation with MarketReady and City staff
- \$37,500 grants awarded
- 2,000+ people reached through events and activities
- 3 Taste of the Public Market events featuring rotating MarketReady Vendors
- 25 peer-to-peer support meetings
- 19 new employees hired in MarketReady businesses
- Field trip to visit 3 public markets in Twin Cities
- Hosted a series of MarketReady community cooking classes at the Meadowood Community Center
- \$71,425 funding from outside (non-city) sources
- 40% plan to hire additional employees in the next 6 months



- 80% of vendors have completed or are working on a business plan
- 44% made a large purchase for their business in the last 6 months
- Vendors have built relationships of trust, and learned from one another

Upcoming

- Boardman Clark has generously offered to lead a series of legal workshops and personalized counseling for MarketReady Participants. Topics will include licensing, trademarks, employment law, and others.
- The MarketReady Program will take its second field trip on March 16. The trip will be to Milwaukee and will include tours of the Milwaukee Public Market, the Fondy Market, and the Sherman Phoenix project.

A Few MarketReady Stories:

- **Reyna Gonzalex of Tameria el Poblano** is in the process of securing local sources of corn for her handmade tamales. She currently produces 10,000 tamales a week using 2,000 pounds of corn per month. Her brother, Juan, grows all her vegetables and herbs at the Farley Center in Verona. Using grant funding secured from the MarketReady Program, Reyna purchased a Molino (corn mill). The MarketReady Team is working with her to connect with a local farmer to use locally grown varieties of corn in her process.
- **Namgyal Ponsar and her family of dZi Little Tibet** plan to open a Restaurant on East Johnson Street. MarketReady staff and her business coach supported her in determining that this was the best next step for the business. She was also able to use grant support from the MarketReady Program to purchase a dumpling machine

and a large freezer to increase her production capacity.

- **Laura Riggs of Savvy Pet Foods** is preparing to sell her first batch of dog treats. She will use the freeze dryer she bought with a MarketReady Grant. The MarketReady team is working with her on her business plan and application materials to secure financing to expand her business
- **Luis Dompablo of Caracas Empanada** used MarketReady funds to purchase an Empanada press that allowed the business to increase production
- **Laurel Burleson of Ugly Apple Café** has purchased a food dehydrator to launch a new line of fruit leather, providing a healthy snack using produce that would otherwise go to waste. Through her connections with the MarketReady Program, Laurel also secured support from the Doyenne Group and recently launched a Kiva loan campaign.
- **Off the Block Enterprises** is a participant in the MarketReady program. They used grant funding to purchase a countertop pizza oven to sell pizza at pop up events. The MarketReady program also helped Off the Block secure needed food licenses for their expanding operations.

These are just a few examples of how the City's investment in the MarketReady Program is helping a motivated, skilled, and diverse cadre of entrepreneurs prepare their businesses.

New Markets Tax Credits and Opportunity Zones

The Madison Public Market project remains positioned to secure New Markets Tax Credits. The project is included in applications for multiple Community Development Entities that have secured a tax credit allocation. Once the project's design is complete and all sources of funding are in place,



the City will work with the New Market Tax Credits investors to close the transaction. The City is working with Hope Community Capital to secure the Tax Credits for the project. [Resolution File #54222](#) would authorize renewing the City's contract to continue Hope Community Capital's work.

In addition, the Madison Public Market is located in a Census Tract that has been designated as a federal "Opportunity Zone." The City's Economic Development Division staff are monitoring this newly created program and strategizing how it can be leveraged to achieve benefits for the community. As the details take shape, the Opportunity Zone program could be a benefit to the Public Market as a source of capital for the project and/or for individual businesses within the Market. For more information about Opportunity Zones, the City has created and posted a draft ["Opportunity Zone Investment Prospectus"](#)

If you have questions, feedback, or ideas related to the Madison Public Market, contact:

Dan Kennelly, 608-267-1968
dkennelly@cityofmadison.com

