



Department of Planning & Community & Economic Development

## Economic Development Division

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**To:** Mayor Soglin & Members of the Common Council

**From:** Verona/Allied Drive Food Retail & Economic Redevelopment Staff Team

**Date:** December 15, 2014

**Subject:** Recommendations to secure a full-service affordable grocery store in the Allied Drive neighborhood.

In August of this year we were asked to study and make recommendations to address food access issues and economic redevelopment priorities for the Verona Road/Allied Drive neighborhood. Our staff team established three priority areas as approved by the Madison Common Council November 18, 2014:

**Priority Area 1)** Secure a full-service affordable grocery store to replace the existing retailer at the same location or at an immediate location in an aggressive timeframe to limit the impact on the neighborhood.

**Priority Area 2)** Explore the feasibility of a neighborhood or community center or additional services, either within the residential or commercial area to complement the existence of the food retailer and help provide and complement key services and programming.

**Priority Area 3)** Develop an economic development plan that includes Transit-Oriented Development for the Verona Road/Beltline corridor that capitalizes on the road reconstruction and looks at ways in which the commercial areas can attract multi-use transit-oriented development in the future, building on short-term efforts, including a specific focus on affordability and avoiding displacement of current residents.

We were asked to make recommendations on "Priority Area 1" to the Mayor and Common Council by December 15, 2014. Below are our recommendations as requested.

The following points are important in framing these recommendations:

- We believe our role is to support the efforts and needs of the neighborhood.
- The Allied Drive Neighborhood is an important part of the City of Madison because it serves as a home for many Madisonians with working and lower incomes. The City invested heavily in the creation of affordable housing options for individuals and families in this neighborhood. We recognize the importance of having affordable housing options in a City that is experiencing rapid economic growth and very low vacancy rates.
- Short term and long term solutions should reflect the wants of the neighborhood while recognizing this is an important commercial intersection for the entire region.

- This is a pivotal moment for the commercial district of the area because of the large Verona Road reconstruction project and the closing of the Walgreens.
- Through conversations with neighborhood residents and neighborhood service organizations, we know that Walgreens served as a major source of groceries for the area. Being aggressive and proactive in facilitating an affordable full service grocery is strongly desired by the neighborhood.
- We recognize the City and stakeholders have tried other interventions to improve food access in this geographic area with limited success; we looked at past projects to learn and create solutions.
- Any large financial investment from the City needs to support solutions that have the ability to become long-term city or community assets.
- We recognize that food access and food insecurity are two different, and extremely complicated, issues. Efforts to improve food access will not solve all of the area's food insecurity issues, but is an important step in the right direction. These issues have been studied and surveyed throughout the years and we need new ideas and interventions to address these issues. When researching the current needs of the neighborhood we looked at past programs, past food retailers experiences, suggested solutions from food industry leaders, neighborhood activists and residents.

***We believe working aggressively to secure a long-term solution to food access issues in the area is the best way to create a stronger community from which the neighborhood can build to create other opportunities for economic growth.***

**Recommendations:**

- 1) **Financial assistance in securing a full-service, affordable, grocery store.**  
Allocate funds, not to exceed \$300,000 for financial assistance in the form of a low interest or forgivable loan for either the acquisition of property or working capital in the Allied Drive neighborhood to incentivize the establishment of a full service affordable grocery store.

The City's allocation of funds will require a budget amendment. In addition, a process will be established for the issuance of funds. This process should be established with guidance from the Food Policy Council and the Economic Development Committee.

- 2) **Encouragement and financial support of the Allied Cooperative.**  
The Allied Cooperative is a leader in the discussion surrounding the closing of Walgreens in the Verona Road-Allied Drive neighborhood. They are exploring ways to address food insecurity in their neighborhood. This work looks beyond just food access and explores ways to create a cooperative business model that could establish a small, corner store that would provide limited food access to residents in the area and/or worker owned businesses that could provide employment and economic advancement for neighborhood residents possibly in small scale food production or other light manufacturing.

We believe strongly that these efforts do not compete with the efforts in Recommendation #1.

The City's Business Development Specialist will continue to work with the Allied Cooperative and their mentors at Willy Street Cooperative (as directed and desired by the Allied Cooperative) to help their business planning process and encourage them to explore potential City funding opportunities like the Emerging Opportunity Grants Program or the Madison Food Policy

Council's Healthy Food Retail fund.

We also recognize that their efforts may work well as a project the Cooperative Enterprise Development Program. Funding for the Cooperative Enterprise Development Program is set to begin in 2016 (see attached information sheet). The current direction of the efforts of the Allied Coop is a great example of "creative community problem solving" through worker owned businesses:

*Funding and technical support for **creative community problem solving** through small business creation. This could include assisting the creation of small or corner food businesses in neighborhoods with food insecurity, cooperatives that help create gathering spaces or neighborhood amenity businesses and working with the **trade unions** to set up union cooperatives.*

3) **Short term and "emergency" funds need to be available in this transition period.**

We are concerned that some of the most vulnerable residents of the Allied neighborhood will be deeply affected by the closing of Walgreens. We would like to recommend funding not to exceed \$15,000 to be used for the offset of public transportation and other transportation services for those identified as most vulnerable. Community partners, such as Joining Forces for Families, local WIC Offices (Public Health Madison and Dane County) and Allied Cooperative, will assist in determining the guidelines for such a program. Staff's recommendation is that one of the community partners administers the emergency funds, not the City. Staff recognizes this is an extremely short term, temporary solution that will not extend past the dollar amount agreed upon by Council.

The Walgreen's is planned to close at the end of December. We believe these recommendations address both the short and long term issues facing our friends and neighbors in the Allied Neighborhood.

Respectfully Submitted,

**Verona/Allied Drive Food Retail & Economic Redevelopment Staff Team**

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