



Department of Planning & Community & Economic Development

Economic Development Division

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TO: Board of Estimates and Common Council

FROM: Economic Development Division Staff

SUBJECT: Madison Public Market Business Plan RFP Memo (Legistar #28828)

DATE: January 24, 2013

Madison Public Market Vision

The Madison Local Food Committee ("Committee") currently envisions the Madison Public Market ("Market") to have the following characteristics:

- Be a fresh food type of Market offering a combination of produce, processed foods, and prepared foods
- May have an anchor tenant (restaurant or institution)
- Be accessible and affordable for people in a wide range of income levels
- Include items that would be mostly locally produced
- Appeal to local and regional food shoppers; however, it may also be a tourist attraction
- Operate indoors
- Operate year round
- Be open six or seven days a week
- Would not be located Downtown
- Would be located on a major transportation corridor within approximately five miles of Downtown
- Would have off street parking for vendors and shoppers
- Would provide bicycle parking
- Would be on or near a bus stop/route

The Committee has identified the following three examples of the type of Market that is currently envisioned:

- West Side Market (Cleveland) – <http://www.westsidemarket.org>
- Findlay Market (Cincinnati) – <http://www.findlaymarket.org>
- Detroit Eastern Market (Detroit) – <http://www.detroiteasternmarket.com>

Madison Public Market Business Plan Request for Proposals (RFP)

The Committee has identified the need for the preparation of a Madison Public Market Business Plan (“Business Plan”). This Request for Proposals (“RFP”) will result in the formation of an interdisciplinary private-sector work team to complete the eight work products outlined below. This team could include a single consulting firm or a group of consulting firms working collaboratively. These work products will form a Business Plan that will guide a data-driven decision on the feasibility and future of a Market. The City has already completed several studies and prepared several reports for a Madison Public Market. These studies and reports will be identified within the RFP and will be made available on the City’s website to consultant teams interested in submitting a proposal. The selected team will be encouraged to use, if still relevant and accurate, information that can be obtained through these previous studies and reports wherever possible.

The following eight work products form the proposed Scope of Services for this RFP. The Committee reviewed and approved these work products at their meeting on January 10, 2013. The final Scope of Services will be inserted within the City’s standard Request for Proposals template before being issued.

Work Product # 1: Vendor Outreach and Cultivation

The Market will have a strong emphasis on local foods, and it is important to understand the interest and needs of local food vendors. Using the results of the recent Madison Public Market Vendor Survey as a foundation, identify, analyze, and document vendor interest in a Market.

Tasks

Meet with individual prospective vendors or groups of vendors to gain a thorough understanding of the following:

- a) Type and size of space desired
- b) Desired operational structure (hours of operation, etc.)
- c) Financial considerations (lease rates, etc.)
- d) Market programming desired (such as business assistance for vendors)
- e) Level of interest and commitment to the project
- f) Other useful information recommended by selected consultant team

Deliverables

Through a clear narrative, the City should have a thorough understanding of who prospective vendors are and what would be necessary to attract them to the Market. This information should be used to inform the other Business Plan Work Products.

Work Product # 2: Customer and Community Outreach

Identify whether or not a Market would attract customers, and what the characteristics of those customers might be.

Tasks

Under the guidance of the Madison Local Food Committee, use public meetings, focus groups, surveying, and demographic/data analysis to answer the following questions:

- a) What type (size, location, etc.) of Market can be supported by current market demand?
- b) What type of customer (i.e. age, race, income, etc.) would likely shop at the Market, and what amenities would be required for that customer to utilize the Market (i.e. car and/or bike parking, etc.)?
- c) What type of community amenities may be desired within a Market facility (i.e. a commercial kitchen, etc.)?
- d) Other useful information recommended by selected consultant team

Deliverables

Through a clear narrative, the City should have a thorough understanding of who prospective customers are and what would be necessary to attract them to the Market. This information should be used to inform the other Business Plan Work Products.

Work Product # 3: Building Program and Design

Recognizing that a specific site has not yet been selected, use the information in Work Products # 1 and 2 to prepare schematic building programs and designs for a possible Market. Estimate the cost of construction for such a facility, and the annual cost to maintain and operate the facility. Some basic parameters that can guide this Work Product include the fact that the Market will not be located downtown, but will be located on a major transportation corridor that includes transit service. Both new construction and adaptive reuse scenarios should be considered.

Tasks

- a) Identify the size, design, materials, and systems needed to support a Market that will be utilized by vendors and desirable to customers as identified in Work Products # 1 and 2
- b) Explore ways, if appropriate, in which a Market building could incorporate elements of other food-related initiatives already underway, such as the Northside FEED Kitchen Incubator or Southern Wisconsin Food Hub
- c) Identify “green” and “sustainable” building materials and technologies that could and should be incorporated into the facility
- d) Prepare conceptual floor plans, site plans, massing studies, etc. of a Market facility
- e) Prepare an estimate of construction cost for the facility
- f) Prepare an estimate of the annual costs to maintain and operate the facility
- g) For all Work Product # 3 tasks, identify items/elements of the building program and design that are needs/requirements of a facility; and, those items/elements of the building program and design that are optional, but “nice to have”
- h) For all Work Product # 3 tasks, consider both adaptive reuse of an existing structure and new construction
- i) Other useful information recommended by selected consultant team

Deliverables

Through narrative and graphic information, the City should have a thorough understanding of building needed to support a Market and what it will cost to construct and operate. This information should be used to inform the other Business Plan Work Products.

Work Product # 4: Operating Structure

Provide the City with possible operating models for the Market and provide annual operating budgets for each model. Provide a recommendation on the model most suitable for this Market.

Tasks

- a) Summarize operating structures used to support other public market facilities, and present the reasons why such an operating structure may or may not be appropriate in Madison
- b) Prepare a staffing and programming plan, to include any desired support programming for market entrepreneurs; identify annual operating costs associated with this plan
- c) Prepare a tenant leasing plan
- d) Summarize operating revenue options for the Market, including likely rental income from vendors based on the tenant leasing plan
- e) Including facility operating and maintenance expenses identified in Work Product # 3, along with all of the items identified in Work Product # 4, prepare several annual operating budget options for the Market
- f) Other useful information recommended by selected consultant team

Deliverables

Through narrative and tabular information, the City should have a thorough understanding of the operating structure needed to support a Market and what it will cost to run a Market on an annual basis. This information should be used to inform the other Business Plan Work Products.

Work Product # 5: Financial Plan and Funding

Provide the City with a recommended financial plan for the capital and operating expenses of a Market; including the identification of likely funders.

Tasks

- a) Using information from the aforementioned work products, preparation of a financial plan for the Market, including sources and uses of funds for construction and sources and uses of funds of operations
- b) Identification of foundation, corporate, and private investment funding opportunities, and outreach to organizations to gauge initial level of interest in funding portions of the Market
- c) Other useful information recommended by selected consultant team

Deliverables

Through the narrative and tabular information, the City should have a thorough understanding of the financial structure needed to support a Market. This information should be used to inform the other Business Plan Work Products.

Work Product # 6: Site Selection Assistance

The City intends to utilize City staff to lead the site selection process; however, the selected consultant team will provide guidance to the City through its site selection process and amend other Work Products, if necessary, should a specific site be identified. Some basic parameters that can guide this Work Product include the fact that the Market will not be located downtown, but will be located on a major transportation corridor that includes transit service. Both new construction and adaptive reuse scenarios should be considered.

Tasks

- a) Provide the City with a list of site criteria for a Market
- b) Provide the City with a list of building criteria needed for a suitable adaptive reuse of an existing structure
- c) Provide the City with information related to the other Work Products that would help the City make a determination about whether or not a specific site or building is appropriate for the Market
- d) Should the City have several sites or buildings under consideration as potential locations for the Market, provide guidance on which site or building is most suitable and why
- e) If the City identifies a specific site or building as the location for the Market during the course of this Business Plan preparation, amend the other Work Products as appropriate to recognize the selection of this location

Deliverables

Through narrative information, likely in a memo format, identification of why a site is or is not a suitable location for a Market based on information learned through the other Work Products. If a specific site is identified during the course of preparing the Business Plan, amend and add additional detail to all of the Work Products as deemed mutually appropriate by the City and consultant team.

Work Product # 7: Economic Development Considerations

In addition to the specific Public Market building, the Market will have impacts on the broader Madison community, and these impacts should be explored.

Tasks

- a) Explore potential relationships between the Market and other food related initiatives currently underway, such the Northside FEED Kitchen Incubator and Southern Wisconsin Food Hub
- b) Identify what businesses would be competitors to a Market, and what impact the Market will have on this competition
- c) Identify what businesses could be further supported by a Market and what benefits might a Market bring to these businesses
- d) Identify, on an annual basis, what the economic impact of a Market might be; including through property tax and sales tax
- e) Describe the impact that a Market could have on surrounding property values and the opportunity for additional private investment
- f) Other useful information recommended by selected consultant team

Deliverables

Through narrative information, the City should have a thorough understanding of the economic impact that a Market will have on the community.

Work Product # 8: Consultant Team Management

Manage the interdisciplinary team hired by the City through this RFP, and provide the City with a professional, comprehensive Madison Public Market Business Plan document.

Tasks

- a) Guide and manage the seven aforementioned work products toward a useful data-driven decision on the viability of a Market; including providing guidance to the City on the resolution of conflicting development scenarios that may become apparent throughout this work
- b) Preparation of a Business Plan development schedule, including a delineation of decisions that will need to be made by the City throughout the process, and when those decisions will need to be made
- c) Preparation of a professional, comprehensive Madison Public Market Business Plan document that can be used to inform policy-makers and/or developers interested in building and operating the Market
- d) Presentations to the Madison Local Food Committee, Madison Food Policy Council, Common Council, and other appropriate City committees for the purpose of seeking feedback during the preparation of the Market Business Plan; and, to present the final version of the Market Business Plan at the conclusion of the contract
- e) Preparation of interim draft materials suitable for posting on the City's website, along with an executive summary document suitable for printing and posting

Deliverables

Fifty (50) paper copies of a professional, comprehensive Madison Public Market Business Plan document, along with a digital version suitable for posting on the City's website. At least one dozen (12) presentations of draft work products to the Madison Local Food Committee, Madison Food Policy Council, and other appropriate City committees and community organizations, and at least one dozen (12) presentations of the final Business Plan to the Madison Local Food Committee, Madison Food Policy Council, Common Council, and other appropriate City committees and community organizations. Interim website-appropriate information to post on the City's website throughout the project. An executive summary of the final Business Plan suitable for posting on the City's website and printing by the City as needed.

Business Plan Preparation Timeline

January 22nd – Introduce resolution to issue RFP and hire consultant team at Common Council
January 28th – BOE reviews resolution
February 5th – Common Council acts on resolution
February 11th – RFP released
March 11th – Proposals due
April 1st – Consultant team hired
September 30th – Business Plan contract completed (or, contract extended if desired by City)
November – City Budget process completed for 2014