From: Strasser, John

Sent: Tuesday, September 16, 2014 11:09 AM

To: Yessa, Peggy

Subject: Public Market Report referred to EDC

Peggy

Could you forward this to the members of EDC and add it to the record.

Thanks

John

## Members of the EDC:

I have had the report on the public market district referred to the EDC for further recommendations. The following is a brief summary of my concerns associated with economic development and my recommendations for action by this committee. I look forward to a more detailed discussion soon.

## Background

I believe we are about to miss an opportunity to realize a grand vision, a vision that was the impetus of this market idea. For years, leaders in the local food initiatives have advocated for a system to make locally produced food more readily available throughout the city. The vehicle for this vision was a public market district. Two years ago a local food committee was formed to investigate this idea and guide the process for its creation. Last winter a company was hired as a consultant on this project, Project for Public Spaces (PPS). They spent a number of months gathering information and presented a report to the committee that has 3 action steps for the council to approve. 1- Accepting the recommended location for the market at East Washington, 2-Permitting the city to begin putting a real estate package together for both East Washington and S Park, 3 -permitting PPS to proceed to the next phase of their contract which is developing a business plan for the market. This is what is before you today.

## Here are my concerns:

The data used to arrive at the recommended site is flawed. It is based on a grocery store feasibility model. By that I mean they are using local neighborhood demographics to find a location that has the best retail potential. They use an existing snapshot of a segment of the city to compare to another without consideration of the changes that the market can bring, the future development plans for adjacent properties, and the existing infrastructure that can assist in a market creation. Further, they give no consideration to presenting the city with options that could change the calculation for a site to fully optimize the location.

The underlying assumptions that go into these calculations are flawed. First, the calculations are for the highest retail potential for a segment of the city, this assumes that the market can be supported by that segment. The truth is there is no where in Madison where there is enough residential density to support a retail market by the parameters proposed. Second, they use interviews with vendors as the principle metric in deciding what the

market should be and thus where it should be. These vendor interviews assume that food producers are public market experts and they have sufficient knowledge of the city, the economy and the various potential developments that are under consideration to make a better decision on market offering and location than professional market consultants and business leaders in this community and this committee.

Finally, the process leading up to this recommendation has not been efficient. Prior to hiring PPS, the discussion around the committee and with staff and others has always been to create a network by which locally produced food can be made more readily available to the entire city by bringing local producers together and opening a distribution network for their products. This was the core idea in every discussion I was a party to. There are many other potential benefits to a public market that have been identified including employment and job training opportunities for warehousing, shipping/receiving, food processing, and retail. In short, there was a grand vision of opportunities surrounding the public market. When engaging the public for feedback, PPS, in my opinion, essentially started with a blank slate and the term 'public market'. This became a self fulfilling prophecy as the term 'public market' was used far more pervasively than any reference to a market district or network. The term itself brings up connotations of a retail store. So when vendors and customers are asked what they want of course they say a retail market. Then PPS comes to us and says the people want a retail market first.

## Here is what I would have liked to have seen:

A recognition that this will be a city wide market and will become an activity destination for the entire city. Further, the calculation on retail feasibility is only met when the market is considered as drawing customers city wide. This idea is not new? For example Woodman's markets and the weekend farmers market. Once this concept is acknowledged then the discussion on location becomes much easier. You locate the market where you have the greatest access to the the most people to get in and out easily.

The committee should have communicated to PPS what their biggest, grandest vision of a market was and that should have been the starting point. To this end, PPS should not just look at the architecture of the city as a snapshot of today, but also look at what changes or investments in infrastructure the city could make that would change the calculation to more closely arrive at our vision of what we would like in a market.

PPS should have met with other consultants working on infrastructure projects in the city to see what synergies there might be. What cost savings might come from partnering with another project to share in the infrastructure costs. At the very least they should have met with the Alders and the Supervisors of the areas under consideration to better understand the intangibles and the potentials that may not be apparent. I tried to meet with PPS for months privately and could not.

The current action steps before the council should be broken up. By their own admission the business model for Park St is different from E Wash. Until we have a real estate package we have no idea on the business plan. We also do not have a recommended site until we can factor in the costs to get control of the real estate. My reason for voting to recommend this resolution to the council on the local foods committee was not because I thought E Wash was a good location, I do not. PPS needed to start work on the next phase so Supervisor Richmond proposed an amendment that was accepted by the committee giving the city authority to work on a real estate package for both Park st and Washington Ave. The understanding was that the real estate package would inform the final decision on choosing between Park and Washington. I wish this point has been made more clear as the conversation around town and in the media is all about location without the understanding that the city needs to get the land under control and the final real estate package will determine the location.

Here is what I am asking the EDC to do:

I would like to see the following recommendations added to the resolution.

- 1. The EDC views this project as a city wide investment and will become an activity destination. As such, EDC recommends that the resolution be sent back to local food committee and PPS to rework their calculations to reflect these principles and alter their site recommendations accordingly.
- 2. The EDC recommends that the resolution be sent back to The local Food Committee and PPS so alternatives to 'retail first' can be included for the common council to consider. A staff report would accompany these other recommendations outlining the investment needed in infrastructure.
- 3. The EDC recommends that PPS along with any interested Local Foods Committee members meet with consultants and/or staff working on other investments in the city that might have opportunities for synergy, cost savings and would make for a more successful market district such as but not limited to The Hamas Group working on AEC, Vanderwalle working on John Nolen Ave, Madison in Motion working on a transportation master plan.
- 4. The EDC recommends that all references to a 'public market' going forward become 'public market district'
- 5. The EDC recommends separating the action steps currently before the council. When this resolution returns to council it should be drafted in such a way to allow each point to be considered and acted upon independently. It is unclear going forward that there should be any recommendation before the council other than locations under consideration and asking the city to investigate the costs to get the required real estate packages under control for each location under serious consideration.

I hope this outline can help identify the items in the report that I feel need further review. Please do not consider these points to be fully argued here. My hope is our discussion on these topics will further illuminate the problems with the report and our recommendations will be helpful in ensuring the best project possible for this civic investment.

Thank you

John Strasser

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