



## Office of the Mayor

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December 17, 2015

To: Healthy Retail Work Group (Madison Food Policy Council)

From: Mark Woulf, Food Policy Director; Ruth Rohlich, Business Development Specialist

Re: Staff Recommendation on Latino Chamber of Commerce (LCC) of Dane County Application to the Healthy Retail Access Program

The LCC application proposes the establishment of a buying club through the Mercado Marimar, a small grocery on South Park Street, the Latino Chamber of Commerce, and Badger Rock Neighborhood Center, and includes a produce production and employment component through the South Madison Farmers' Market. Staff reviewed the original application and sent several additional questions to the LCC and partners to clarify. Staff received the responses to the questions and has reviewed the total package.

The LCC application is the first formal application received by the City to the Healthy Retail Access Program (HRAP). It is important for the Healthy Retail Work Group and the Madison Food Policy Council to set precedent that establishes a general process for review and recommendation. It is critical that any proposal funded through the Healthy Retail Access Program adheres to the goals of increased access to healthy and affordable food.

One of the important aspects of HRAP is to provide funding for projects that provide permanent improvement in food accessibility. The idea is that each area of focus that receives funding should gradually improve food access over time. The HRAP will not solve all issues related to underserved areas; however, HRAP funds are intended to stay in the area long after the initial investment. The work group and the MFPC made it a clear goal to limit the amount of program funds that would be spent on ongoing staffing. The aspect of staffing that was to be entertained by the program is services that directly relate to the execution of the project, such as business planning, marketing, etc.

The amount of labor costs that are devoted to community outreach in order to secure members for the buying club seems critical to the execution of the buying club. It is also very positive to see a strong in-kind commitment from the Latino Chamber of over \$38,000.

The Healthy Retail Work Group will have to weigh the size of the request. The request is for \$70,000 of City funding; the MFPC set a limit of \$35,000 per proposal. The proposal does state that this is intended to be two separate proposals that are reliant on one another. Staff has concerns about the heavy reliance on city funding in general, and specifically pertaining to the crop labor through the South Madison Farmers' Market (SMFM).

Staff does understand the connection and truly appreciates the partnership created to provide a production system of fruits and vegetables to supplement the current procurement of Mercado Marimar. We believe that city funds devoted to the overall buying club project could leverage other funding to support the SMFM production proposal. At this time staff does not recommend funding the farm production aspect of this proposal due to its heavy reliance on funds to support labor and the limited connection it has to the goals of HRAP in 2016. Perhaps this aspect could be phased in the future, but HRAP funds may not be appropriate or may only be a piece of the future project.

Overall, staff is excited by the proposal and the partnerships established to execute the project. Staff believes that the strong connection with Mercado Marimar and the establishment of the buying club meets the goals of improving access to healthy retail in South Madison. The involvement of Badger Rock Neighborhood Center for outreach and the Latino Chamber of Commerce for outreach and business services are critical components.

HRAP is intended to be a “guided” application process, where the relationship with the City is not limited to funding alone. We want to ensure that this project is successful and is established in the most sustainable way possible. Based on the willingness of the LCC and partners to move in sequence, staff recommends funding the LCC proposal based on the following criteria and timeline:

- January 2016: Funding up to \$8,000 (exact amount to be determined) for outreach and materials to determine feasibility of buying club by beginning community involvement. Work also should be done with the partners to get an exact cost estimate on an internet buying system and a part of the outreach should be to identify the preferred method of ordering and delivery of potential buying club members.
- April 2016: Staff will meet with the LCC and partners to review the results of the outreach as it relates to program feasibility and determine if membership goals are realistic. Staff will recommend to Healthy Retail Work Group and MFPC a “go or no-go” on the next phase of the project. If MFPC approves moving forward, funds to establish an ordering system and additional administration and marketing materials will be made available up to \$4,000.
- May 2016: Once ordering system is in place (or close), and membership is secured, funding should be made available for the additional refrigeration unit. The total cost will be revisited at this time.
- Staff will work closely with LCC and partners during this time period. Funding amounts and timing are subject to change, with the work group and MFPC receiving consistent updates. Staff is also willing to assist in looking at other funding opportunities that will supplement city funds and potentially assist the production aspect of the proposal.