



## Office of the Mayor

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January 6, 2016

**To:** Madison Food Policy Council

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

**Re:** Latino Chamber of Commerce Application to the Healthy Retail Access Program titled "Rimrock Road Corridor Food Buying Club Proposal" – Healthy Retail Work Group Recommendations with staff comments

The Common Council, upon the recommendation of the Madison Food Policy Council, created the Healthy Retail Access Program in June 2015. The Madison Food Policy Council is charged with reviewing proposals and determining appropriate funding for all applications to the program. The Healthy Retail Work Group of the MFPC is the conduit for the detailed review of proposals.

In October 2015, the Latino Chamber of Commerce (LCC) submitted an application to the Healthy Retail Access Program (HRAP). The LCC application proposes the establishment of a buying club and delivery service 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 and the Nehemiah Center for Urban Leadership Development.

City staff conducted an initial review of the application and provided a list of questions to the applicants for clarification and further details. Based on the responses to those questions and the initial application, staff issued recommendations to the Healthy Retail Work Group. The work group met with the applicants on December 17, 2015, to consider the proposal and staff recommendations.

The work group issued the following recommendations to the Madison Food Policy Council:

1. Approve initial funding of the Latino Chamber of Commerce proposal in the following areas:
  - a. Up to \$8,000 to the Latino Chamber of Commerce and Badger Rock Neighborhood Center for outreach and materials for initial phases of establishing the buying club.
  - b. Up to \$25,000 for approximately half of a new refrigeration unit at Mercado Marimar (quote attached).

- c. An amount to be determined for establishing an internet ordering system for groceries at Mercado Marimar. LCC and partners will provide the City with details of the cost of the system prior to the January 6<sup>th</sup> Madison Food Policy Council meeting (if no specific estimate is provided, this item should be referred to the February FPC meeting).

Additional comments and recommendations from the work group:

2. The work group requested additional information on the farming/production portion of the application. The work group and the City agreed to provide the specific additional questions to the partners by January 6<sup>th</sup>. The work group will meet again on Wednesday, January 27<sup>th</sup> at 5pm to consider the additional information and offer a potential recommendation. The partners will submit responses to those questions by January 25<sup>th</sup>.
3. Staff requested to meet with the project partners after the outreach to work on next steps for buying club implementation. That meeting will be scheduled at a later date.

### **Staff Comments**

After meeting with the applicants at the December 17 meeting of the Healthy Retail Work Group staff has a much better understanding of the relationship between project partners and steps required to establish the buying club. The initial phase of the establishment of the buying club is community outreach to determine the potential membership in the first year of the program. Staff believe that this is critical to the success of the buying club and supports funding of the outreach. Staff is excited to work with the project partners as the outreach is being conducted to assist in moving to the next phase of buying club implementation.

Another aspect of the proposal that was clear from the work group meeting is the current needs of Mercado Marimar. While the buying club would put additional strain on Mercado Marimar's resources, there is already a need for additional refrigeration space and delivery service. In other words, an investment in Mercado Marimar is worthwhile unto itself even if the buying club is slow in development. Mercado Marimar has considered purchasing an additional refrigeration unit for some time and will be matching the city investment in the purchase. Staff agree with the work group's assessment that an investment in the refrigeration unit is appropriate and advantageous at this time.

The internet ordering system will also be an important piece to logistics of the buying club and will take time to set up. The work group recommended funding the ordering system, but there was some question as to whether the cost estimate of \$1,500 in the application was adequate. Staff agrees that city investment in the ordering system is appropriate, depending on cost estimates.

Lastly, the work group spent much time considering the production/distribution aspect of the proposal. There are many details that are in need of additional discussion. Staff is assisting the work group in those discussions and an additional report will come back to the full FPC at the February meeting.