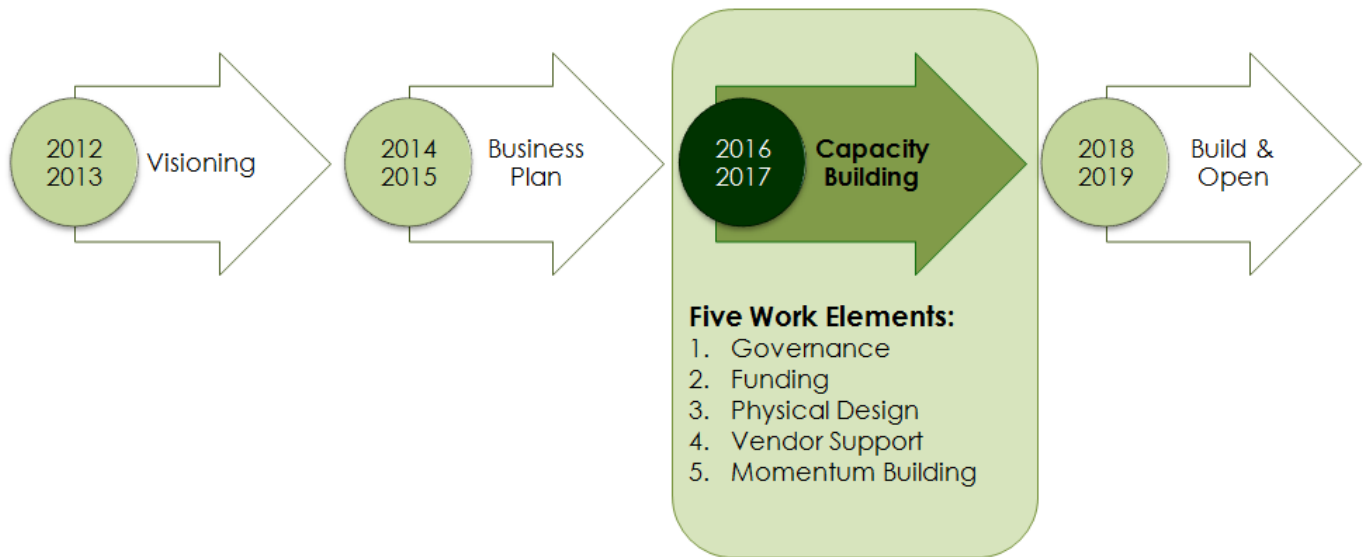




MADISON PUBLIC MARKET

2016-2017 Project Implementation Strategy



Prepared by City of Madison
Economic Development Division & Local Food Committee
COMMON COUNCIL INTRODUCTION ON FEBRUARY 23, 2016

Background:

The Business Plan for the Madison Public Market is complete and was approved by the Common Council on October 6, 2015 with a recommendation to move forward. The business plan provides a foundation for the project and a guide to next steps. Now, the Public Market project is shifting from the business planning phase to implementation phase.

The Common Council Resolution to accept the Public Market Business Plan (Resolution) directs the City Staff and the Local Food Committee to develop a project Implementation Strategy, and to report back to Council with that strategy by March 31, 2016.

This implementation strategy document covers five Work Elements. This Work Elements address key issues that need to be addressed as the City moves forward with the Public Market Project:

Work Elements

1. Governance and Organizational Structure for the Public Market Operations
2. Capital Funding Strategy
3. Physical Design of the Market
4. Continued Vendor Cultivation and Vendor Support
5. Momentum Building Activities

The total available funding for these Work Elements is \$750,000. Toward the end of this document, there is a Pre-Construction work budget detailing the costs of moving forward on each of these five Work Elements. At this point, these budgets for each Work Elements are guidelines and may be subject to re-allocation so long as the total remains \$750,000 or less. The final page of this document is a project schedule detailing tasks and timeframes for each of the Work Elements.

Equity Analysis and Recommendations:

As part of the business planning process, the City completed a detailed Equity Analysis to evaluate how the Public Market project could create economic opportunities for low income populations and communities of color in Madison. The equity analysis included ten detailed recommendations. These recommendations will be incorporated into the process of implementation. The Work Elements below reference specific relevant equity recommendations.

The completed Equity Analysis is available at www.cityofmadison.com/publicmarket and it includes detailed analysis and detailed descriptions of the ten recommendations. The ten recommendations are:

1. **Recommendation #1:** Focus on making the Public Market successful as a place for small startup businesses
2. **Recommendation #2:** Be culturally aware, get diverse input, and look globally for inspiration
3. **Recommendation #3:** Incorporate Story Telling and Madison History through Interpretive displays

4. **Recommendation #4:** Conduct a thorough and highly-personal vendor outreach during the pre-opening stage
5. **Recommendation #5:** Incorporate programming and outreach after opening to support vendors
6. **Recommendation #6:** Hire outreach program coordinator early in the process
7. **Recommendation #7:** Build partnerships with other organizations
8. **Recommendation #8:** Connect with other assets around the City and maintain a focus on a Market District and a city-wide food systems strategy
9. **Recommendation #9:** Expand focus to other parts of the City’s for related food system projects including potentially additional locations for future public markets
10. **Recommendation #10:** Codify these recommendations into the project charter, incorporation papers, operating agreements, and/or other more formal documents that will ultimately guide the organization that implements the project and operates the public market

Relationship with Market District Planning:

This implementation strategy is focused on the Public Market facility itself. However, from the time the Local Food Committee first convened in May 2012, the Committee has approached the Public Market as more than a stand-alone facility, but as an opportunity to catalyze a multi-use and multi-partner “Market District” that will strengthen food-based economic development throughout the entire city and the broader region. The LFC recently created a subcommittee to continue exploring opportunities to leverage the significant stimulus provided by the Public Market in planning for a “Market District”. The full LFC and the subcommittee will continue working on a strategy for how to focus on the broader idea of a “Market District” in tandem with this effort to implement the Public Market itself.

This implementation strategy is based on the detailed business plan the City developed with consulting support from Project for Public Spaces. The complete business plan, as well as other background documents including the project’s equity analysis, can be downloaded at: www.cityofmadison.com/publicmarket.

Work Element 1: Governance & Organizational Structure

The Business Plan recommends establishing a non-profit Public Market Operator (PMO) to manage the Madison Public Market. Creating this organization is a critical next step. The PMO will be an independent 501(c)(3) non-profit corporation created for the single purpose of operating and managing the Public Market. The organization will be governed by a Board of Directors representing key Public Market constituencies. The work of operating the Public Market (management, maintenance, marketing, vendor recruitment, leases, programming, etc.) will be handled by the PMO’s executive director and staff with oversight by the Board of Directions (as described in the staffing plan included in the Business Plan). The City will most likely own the Public Market real estate and will have some level of oversight over market operations through a lease and operating agreement with the non-profit.

For the last three and a half years, the Local Food Committee (LFC) has been the official city body responsible for planning the Public Market. The LFC recently established an “Organizational Structure Subcommittee” to work through the details of how the PMO is created and to lay out a transition plan that would gradually shift operational control over the Public Market from the City to the PMO.

The end goal is a Public Market operated by an independent organization that is governed by a board of directors, run by a professional staff, and overseen by the city through operating agreement. Implementation of this arrangement needs to strike balance between giving the PMO sufficient independent authority to make decisions necessary for the Public Market to succeed, while maintaining some level of public oversight to uphold the community mission of the project. Also, the PMO needs to be created in parallel with the ongoing effort to finalize plans and funding for the Public Market.

Process to Create the PMO

- 1) **Complete and Approve Implementation Strategy** – The Common Council Resolution to accept the Public Market Business Plan directed the City Staff and the Local Food Committee to develop a Project Implementation Strategy and deliver that to Council by March 31, 2016. The first step is for the LFC to review, discuss, and finalize this implementation document and present it to Council for approval.
 - 2) **Establish PMO “Founders”** – Incorporating a non-profit corporation will require three “founders” who file the articles of incorporation and bring the PMO into existence. These three founders will be the Founding Board of Directors. The founders should be people who know the Public Market and individuals who can help facilitate a smooth transition from a project controlled by the City to a partnership between the PMO and the City with the PMO becoming the long term operator. Also, the founders should be seen as politically neutral and not representing any particular interest or Public Market constituency. These three people will incorporate the PMO, establish themselves as the Founding Board, and appoint themselves to an initial one-year terms.
 - 3) **Create Board of Directors Appointment Process and Appoint First Board** – As noted, the Founders will be the first Board of Directors (Founding Board). The PMO By-Laws will establish a process for appointment of the remaining Board Members and the Founding Board will implement that process. The Board will have 15 members. The Founders will be the first three. The remaining twelve seats will be filled by Mayoral appointments (with Common Council Approval) and seats identified for specific constituencies and areas of expertise. The Founders will lead in recruiting Board Members and will submit a list of 20 to 30 names to the Mayor for the Mayor’s consideration. The Founders plus the 12 additional initial board members will be the Interim Board. The Founders will approve all initial appointments. The Interim Board will be appointed to three year terms. Since the Interim Board will oversee the project for the first three years and most of that time period will be in the pre-opening phase, the Interim Board’s work will primarily focus getting the Public Market funded, built, and opened. At the end of the Interim Board’s three year term, the Board will self appoint new members in staggered three year terms with a third of the Board elected
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every year. At the end of the first three years, the Public Market will hopefully be up and running. Accordingly, the role of the Board, its decisions, and its needed expertise will shift from a focus on funding and building the Public Market to a focus on operating a Public Market. This should be kept in mind during the appointment process. The needed skill sets to get the Public Market constructed and running may be somewhat different than the skill sets needed for a Board that will oversee operations. As such, the makeup of the Interim Board may be quite different than the makeup of the permanent Board.

- 4) **Draft the PMO Founding Documents** - Once the direction described in this document is approved, the City will move forward with developing drafts of the required “founding documents” for the PMO. The City, LFC and the LFC’s Organizational Structure Subcommittee will create, review, discuss, and edit a series of draft documents necessary to create the PMO and establish it as the operator of the Public Market. The City may engage the services of outside Public Market operational expertise and legal counsel to develop these documents. These Founding Documents include:
 - a) **Articles of Incorporation** – The PMO Articles of Incorporation will establish the PMO as a Wisconsin non-profit corporation. They will include basic information on the PMO, and information on the purpose and structure of the organization. They will be signed and filed by the three “Founders” (described above) who will be the Founding Board of Directors.
 - b) **By-laws** – The By-Laws will describe the structure, rules, and operations of the PMO.
 - c) **Application for 501(c)(3) status** – Once incorporated, the PMO will move forward with an IRS application for tax exempt status. That process generally takes well over a year. In the interim period, the PMO may consider working with another non-profit organization to be a fiscal agent that can accept tax exempt donations on behalf of the Public Market.

- 5) **Structure Agreement between PMO and City** – Once the PMO is created, the Interim Board is appointed, and the founding documents are agreed upon and codified, a key next step will be formalizing the PMO’s relationship with the City. The goal of this is a strong public/private partnership in which the PMO can independently operate the Public Market with support and oversight by the City. This will be established through the following two documents:
 - a) **Operating Agreement with the City of Madison** – The PMO will enter into an Operating Agreement with the City of Madison. This agreement will describe the terms of the relationship between the PMO and the City on how the Public Market is operated. This will include addressing things like reporting requirements to the city, performance expectations, exclusive rights to operate the market, etc.
 - b) **Lease with the City of Madison** – The PMO will enter into a lease with the City. The lease will describe the terms of the real estate relationship between the City and the PMO for the Public Market space. Most likely, the City will continue to own the

Public Market Real Estate, and the PMO will occupy it through a long term lease with an annual payment of \$1. The PMO would then sublease individual spaces within the Public Market to vendors and other tenants as the primary source of revenue for the Public Market. As described in the financial analysis of the business plan, the goal will be for the PMO to be effectively revenue neutral with earnings from the Public Market covering operational costs once the Market is stabilized.

Future Role of the LFC vis-à-vis the PMO and the “Friends of the Market”

As noted, the Local Food Committee has guided the Public Market project for over three years including refining a vision for the market, talking with stakeholders about needs, conducting outreach, and overseeing the creation of the business plan. As this process to create the PMO moves forward, the Local Food Committee’s role will evolve. In the near term, the LFC will continue to lead the project, support the establishment of the PMO, and oversee the implementation process described herein.

As the PMO gets up and running, the LFC’s role will likely shift. Initially, the LFC will continue to oversee the implementation process as well as the construction process. As the future operator of the market, the PMO will gradually take over responsibilities for operational issues like vendor selection, leases, staffing, etc. Over the next 36 months, one option would be for the PMO to gradually take responsibilities for operations while the LFC’s role primarily focused on the physical facility (oversee the final design, bidding, and construction process).

Over a longer time horizon, the LFC’s role may transition away from overseeing the details of the Public Market and toward broader thinking about the Market District, future Public Markets in the City, and other food-based economic development initiatives. That said, it is important to note that the City of Madison currently has a Local Food Committee to oversee the Public Market effort as well as a Food Policy Council with a broader mandate to address a wide range of food issues across the City. For clarity, transparency, and efficiency, it may at some point make sense for the Local Food Committee’s functions to be folded into the ongoing work of the Food Policy Council once the Public Market is operational.

In addition to the LFC and the future PMO, the newly created Friends of the Market can also potentially play key roles in supporting the project as an outside supporter and advocate. The Friend’s roles may include community-based fundraising, momentum building, and volunteer work associated with the Public Market project.

The following table is intended to help illustrate the respective roles of these different key organizations. These roles and responsibilities will evolve over time. The Local Food Committee will continue its central role guiding the Public Market process but additional collaborators will increasingly be involved and the LFC’s role will transition.

NEW FOR DISCUSSION Organizational Roles Over Time

| Era Group | Visioning (2012-2013) | Business Plan (2013-2015) | Pre-Construction Project Implementation efforts (2016-2018) | Construction (2018-2019) | Grand Opening and Operations (2019 – Eternity) |
|--|--|---|---|--|--|
| Local Food Committee | <ul style="list-style-type: none"> • Talk to stakeholders • Outreach • Create new vision for Market | <ul style="list-style-type: none"> • Develop scope of work • Select Consultant • Oversee Process of creating business plan | <ul style="list-style-type: none"> • Coordinate effort to create the PMO • Create Implementation Strategy • Oversee grant writing and fundraising • Oversee “Market-Ready” program • Oversee finalization of design for the market | <ul style="list-style-type: none"> • Oversee bidding and construction process | <ul style="list-style-type: none"> • Focus on broader Market District and ways to strengthen the regional food economy (possibly folded into Food Policy Council) |
| City Staff | <ul style="list-style-type: none"> • Manage process • Staff LFC discussions • Research and analysis | <ul style="list-style-type: none"> • Manage consultant contract • Lead outreach efforts • Ongoing research and analysis | <ul style="list-style-type: none"> • Develop Implementation Strategy • Prepare grant applications • Coordinate partners • Coordinate fundraising effort, design process, Market-Ready Program, and other implementation efforts | <ul style="list-style-type: none"> • Manage construction project | <ul style="list-style-type: none"> • Continue to staff LFC • Monitor and support PMO in operations of the market |
| Public Market Operator (PMO): Board and Staff | | | <ul style="list-style-type: none"> • Get up and running • Create incorporation documents • Create Board • Hire Initial Staff • Ongoing vendor cultivation and outreach | <ul style="list-style-type: none"> • Interface with Construction process through LFC • Make sure final design can work for vendors and operations • Begin signing leases with vendors • Marketing and planning for grand opening | <ul style="list-style-type: none"> • Market Operations (vendor selection, programming, leases, marketing, maintenance, management, finances, etc.) |
| Friends of the Market | | | <ul style="list-style-type: none"> • Coalesce collaborators and stakeholders • community-based fundraising • Momentum building • Volunteering | <ul style="list-style-type: none"> • Advocate and build support for the market • Ongoing vendor engagement | <ul style="list-style-type: none"> • Events, marketing, fundraising, and supporting the market |

Work Element 1: Related Equity Analysis Recommendations:

- **Equity Recommendation #6** – This recommendation is to hire an outreach program coordinator early in the process. The establishment of the PMO and staffing plan for the PMO should consider this recommendation.
- **Equity Recommendation #10** – this recommendation focuses on incorporating the equity recommendations into the founding documents described above. As the work to create the PMO occurs, the City and the PMO leaders should find ways to ensure that equity considerations are codified in the establishment of this organizations

Next Steps and Budget for Work Element 1:

To complete the process and tasks described above, the City Attorney’s Office and Economic Development Division Staff will develop the organizational documents described above, with oversight by the Local Food Committee.

Work Element 1 Budget: The tasks required for Work Element 1 will mostly be completed internally by city staff. There may be some administrative costs.

Work Element 2: Capital Funding

The total capital cost of the project will depend on a variety of factors including the final design, amenities, rents, lease-up timeline, etc. Based on the business plan and information available to date, the City has set and initial capital campaign target of **\$14,000,000**. This includes business planning costs, startup costs, construction costs, and an operational cushion to cover operating losses for the first three to five years. The City will continue to champion the Public Market project and be a lead investor in building the market (the City’s current capital budget includes \$4.25 million for the project). The City, the LFC, and the eventual PMO will work together to identify and raise the remaining funds.

The following Sources and Uses Table identifies potential sources of capital dollars for the project and how those funds will be used. These sources are all projections. The City’s adopted budget includes language stating that the City’s allocation of capital dollars is contingent on other funding being secured. Consequently, attracting additional outside funding is essential to the Public Market project moving forward. The City is confident that the funds noted as potential sources are realistic opportunities and the City is already taking steps to pursue those funds.

| Madison Public Market Sources and Uses Budget - 12/21/15 | | |
|---|---------------------|----------------|
| Sources | Amount | % Total |
| City UDAG reallocation | \$1,000,000 | 7% |
| City Capital Dollars (potentially including TIF support) | \$4,250,000 | 30% |
| State/Federal Grant Support | \$3,000,000 | 21% |
| New Markets Tax Credit Equity | \$3,250,000 | 23% |
| Private Foundation Support | \$2,000,000 | 14% |
| Local Individual Donors | \$500,000 | 4% |
| TOTAL SOURCES | \$14,000,000 | 100% |
| Uses | Amount | % Total |
| Business Plan (completed 2015) | \$250,000 | 2% |
| Startup Costs (detailed in budget at the end of this document) | \$750,000 | 5% |
| First 5 Years Operating Losses | \$300,000 | 2% |
| Construction Costs | \$12,700,000 | 91% |
| <i>Hard Costs</i> | \$9,800,000 | 70% |
| <i>A/E & Contractor Fees</i> | \$1,700,000 | 12% |
| <i>Contingency</i> | \$700,000 | 5% |
| <i>Other Soft Costs (LEED cert., legal, permits, etc.)</i> | \$500,000 | 4% |
| TOTAL USES | \$14,000,000 | 100% |

Strategy for Each Item:

- **City UDAG allocation** – in 2012, the City reallocated some unused UDAG funding to the Public Market. Some of these funds have been used for costs related to developing the business plan (primarily to engage the consulting team). The remaining funds will be used for other pre-construction activities (fundraising, design, vendor cultivation, etc.).
- **City Capital Dollars** – The City’s Capital Improvement Plan identifies \$4.25 million in city expenditure for the Public Market in 2017 and 2018.
- **Federal Grant Support** – Led by the Madison Region Economic Partnership (MadREP), the Madison region was recently designated as a national center for food and agriculture through the federal Investing in Manufacturing Communities Partnership (IMCP) program. The application for this designation featured the Madison Public Market as a key piece of infrastructure. This multi-agency designation puts the Public Market and related food projects in the Madison region in “the front of the line” when it comes to accessing federal grant dollars. The City staff will coordinate with MadREP to identify potential federal grant programs and prepare applications.

- **U.S. Economic Development Administration (EDA)** – The EDA provides capital funding for projects that create jobs and foster local economic development. EDA general provides grants of up to \$3 million with a 1 to 1 match requirement. Grants are typically due in the Spring. The City should get in touch with EDA in early 2016 to discuss the project with EDA officials and discuss how to proceed with an application.
- **U.S. Department of Agriculture (USDA)** – The USDA has several funding programs focused on food-based economic development. Because Madison is not a rural area, the potential for USDA funding may be limited. Nonetheless, as a project that will support the regional food system, there may be opportunities for USDA funding. The USDA’s Community Food Projects Competitiveness fund is one opportunity. This program provides funding of up to \$250,000 for initiatives focused on growing local and regional food economies.
- **U.S. Department of Health and Human Services (HHS)** – HHS has programs focused on improving public health by strengthening local food systems. The Community Economic Development (CED) program is a grant designed to link food and economic development. Only non-profit organizations are eligible for this program so the applicant would need to be the PMO not the City of Madison.
- **State of Wisconsin Support** – As a project to help grow one of Wisconsin’s agriculture, food, and beverage sector – one of Wisconsin’s key economic drivers and differentiators, the State has expressed an interest in supporting the Madison Public Market. Moving forward, the City will continue to coordinate with state officials within the Wisconsin Economic Development Corporation and other agencies to identify potential ways the State could be a financial participant in the project. There may be other state agencies that could provide resources focused on programming elements of the Public Market. For example, the state tourism office could support efforts to position the Public Market as a destination or the state Department of Agriculture Trade and Consumer Protection (DATCP) could support agriculture related components.
- **New Markets Tax Credits Equity** – The proposed Public Market site is within a census tract that is currently eligible for New Markets Tax Credits support. Further, food-based economic development projects are currently a priority for the New Markets program. The City is in discussions with community partners to package a NMTC deal. The first step is for the project to get into the “pipeline” be being included in tax credit applications submitted by registered Community Development Entities (CDEs). That process is underway. Once the CDEs receive their allocations of credits (fall of 2016), the City will coordinate with New Market allocatees to package the financing.
- **Tax Increment Financing** – In 2016, the city intends to amend Tax Increment District #36 (TID #36) to create a funding mechanism that could help support the Public Market project. TID #36 encompasses most of the “Capitol East District” and the intensive level of development activity taking place in this area could create increment to help support the Public Market. In 2016, the City will amend the TID #36 project plan to make this opportunity possible and then monitor development activity to determine if TIF resources generate a revenue stream to help finance the Public Market.

- **Corporate Philanthropy, Local Foundations, Private Donors** –Around the country, other Public Markets have successfully attracted corporate support. In addition, the business planning process highlighted strong community support for the project and the City is hopeful that individuals and local foundations may offer some support for the project. A key next step to pursue these funds will be to develop and implement a professional fundraising campaign.

Two Track Fundraising Efforts:

The Funding Strategy for the Project will be implemented in two tracks. Track one should begin immediately and track two should begin once the PMO is established.

- **Track 1: City Applications for State/Federal Grants** - Track 1 would occur first, would be led by the City, and would focus on packaging a capital stack of state, federal, and local grants, capital dollars, and tax credits. For State and Federal Grant Programs, the City will continue to coordinate with MadREP, state officials, and other partners to identify potential funding sources and pursue grants. The City will develop an initial list of grant targets and begin submitting applications in spring of 2016. The City has established a staff team including Economic Development Division Staff, the City's Grant Writer, Food Policy Director, and the IMCP program coordinator from MadREP. The city is in initial conversations with potential federal funding agencies will continue to monitor and pursue other state/federal funding opportunities. Given the time lines typical for state and federal grant programs, the process of identifying and pursuing funds should start immediately. In addition, the City is working with community partners to position the project for a New Markets Tax Credits allocation. Given the complexity of these programs and of packaging together a multi-source capital funding stack, the City will engage an outside consultant to assist with packaging the financing deal structure of the project.
- **Track 2: Private Fundraising Strategy** – Track 2 would likely occur once the PMO is established and would focus private donations and foundations support. The project will need support and guidance from experienced professional fundraiser. As noted in the budget for this work element, the City intends to issue a request for proposals to engage a professional fundraising consultant to develop and manage a capital campaign for the Public Market. This will include creating a package of marketing and fundraising materials, initiating contacts with potential lead donors, launching a crowd-funding effort, hosting fundraising events, etc. The City and the Local Food Committee will manage the process of releasing an RFP and engaging the fundraising consultant. As the PMO gets established, the PMO may gradually take more control over the private fundraising effort.

Work Element 2: Related Equity Analysis Recommendations:

- **Equity Recommendation #2:** This recommendation focuses on designing the Public Market with cultural awareness and diverse input. The process of refining the capital budget for the project and finalizing the design of the facility should look for ways in which the project can incorporate this recommendation.
- **Equity Recommendation #3:** This recommendation is to incorporate civic story telling into the project. Again, doing this may require additional funding. This could also be an element of the project that could be fundraised for separately or sponsored.

Next Steps and Budget for Work Element 2

In early 2016, the City will continue to track state/federal grant opportunities and will begin pursuing grant opportunities that align with the Public Market project. In addition, the City will issue a Request for Proposals to engage assistance from professional consulting team with experience assembling the financial package that includes New Markets Tax Credits and other state/federal sources of capital. At some point in the future, the City/PMO will also engage a professional fundraiser to develop and implement a message strategy and capital campaign strategy. This will include developing marketing materials (clear logo, website, brochures, etc.) a clear message strategy (why is this worthy of contributing) and a set of targets for outreach and funding development. The anticipated budget for this Work Element will be used to develop and implement the capital campaign.

Work Element 2 Budget: \$190,000

Work Element 3: Physical Design and Construction Process

The Public Market Business Plan identified the general area near the intersection of 1st Street and East Washington Avenue as the preferred location for the Public Market and Market District. The advantages of this area include its size, visibility, potential for sales, vendor support, opportunity to connect to the river, city-owned real estate, and large nearby redevelopment opportunities to create a Market District.

The City's Fleet Services Building, located on the corner of First and Johnson Street, is a key site within this broader area. The Public Market Business Plan used the Fleet Service garage as the focus to create a preliminary floor plan and proposed mix of uses. This analysis showed that retrofitting the Fleet Building is a viable option to create the Public Market. In addition, the City already owns this building, is planning to relocate Fleet Operations to a new facility in 2017, and the building is well-suited to a retrofit project. That said, the design is flexible. The floor plan and mix of uses could be accommodated in another building or a new building that could be constructed. The City's goal at this stage is to keep options open.

This may mean moving forward with retrofitting the Fleet Services garage as the Public Market or partnering with a private land owner in this area to build the Public Market as a new construction project incorporated into a larger redevelopment. There may also be options for phasing and a hybrid approach that would include some market-related uses in newly constructed buildings as well as using the Fleet facility for other market-related uses. Over the next several months, the City will develop a more specific physical plan for the Market. The City should keep options open, stay nimble, and continue moving forward with a vision that includes building a Public Market as well as implementing the broader vision for a Market District.

Work Element 3: Related Equity Analysis Recommendations:

- **Equity Recommendation #2:** This recommendation is to “be culturally aware, get diverse input, and look globally for inspiration.” The physical design of the space should take this into account. As the project moves into a more detailed physical design, things like the way the space is laid out, the building materials that are used, the color schemes, etc. should be culturally aware. As one person said during the project's equity workshop, the “texture” of the place should be welcoming and feel familiar and open to diverse cultures.

Next Steps and Budget for Work Element 3

Create an updated preliminary site plan, architectural vision, and floor plan for the Public Market

Work Element 3 Budget: \$85,000**Work Element 4: Continued Vendor Development and Support**

Through efforts over the last three years, the City has organized a strong pool of farmers and food-based businesses who are interested in becoming part of the Madison Public Market. This pool of prospective vendors includes a mix of small and mid-sized businesses and agriculture producers who see the Madison Public Market as a key opportunity to start or grow their food-based enterprise. Based on the City's surveys and focus groups, about 70% of these enterprises have fewer than four employees. Some of them are well-established enterprises but many of them are start-ups.

The Market-Ready Program - During the interim period between completing the business plan and opening the market, the City and partners will do things to maintain vendor interest and support vendors. Specifically, the City will launch the "Market-Ready" program. This program will package micro-enterprise grants to prospective Public Market vendors to help them prepare business plans, completed food handling permitting requirements, participate in training programs, design their stalls, etc. The goal will be to help early-stage businesses interested in starting in the Public Market get to a point where they are "market-ready" and poised to be successful within the Public Market when it opens. This will be a micro-enterprise grant program to provide small grants of up to \$15,000 to prospective vendors. The City will work with community partners to implement the program. Prospective vendors who apply and are awarded these funds will have the opportunity to use the funding for business plan clinics, training on food handling licensing, permitting fees, marketing plans, etc. The Market Ready Program will emphasize the equity recommendations and focus reaching entrepreneurs representing low income populations, communities of color, displaced workers, etc. This program will be developed in tandem with the City's other recently-launched efforts to support small businesses. The City will work with one or more partners in the community with experience administering micro lending initiatives to implement the market-ready program.

Work Element 4: Related Equity Analysis Recommendations:

- **Equity Recommendation #1:** This recommendation focuses on making the Public Market successful as a place for small startup businesses. The "market ready" program and other related efforts to cultivate a strong base of Public Market vendors should emphasize ways to support vendors who represent communities of color, immigrant populations, and lower income individuals.
- **Equity Recommendation #4:** This recommendation is to conduct a thorough and highly-personal vendor outreach during the pre-opening stage. The implementation of the market-ready program and related efforts should strive to make sure that diverse communities are aware of this opportunity.
- **Equity Recommendation #7:** This focuses on building partnerships with other organizations. The City and the PMO should work with other community-based organizations to implement the "market-ready" program and cultivate and support Public Market vendors.

Next Steps and Budget for Work Element 4

Launch the market-ready program. Create and release a request for proposals to engage a qualified community organization experienced in micro-enterprise to administer the Market-Ready program and fund.

Work Element 4 Budget: \$200,000

Work Element 5: Momentum Building

The Business Planning effort built a lot of support in the community. The project has momentum right now. The challenge is maintaining that momentum during the period between the completion of the business plan and the grand opening of the market. There are numerous things the City and partners can do to help maintain good will for the project, support, and momentum. The city, working with community partners, should undertake efforts to keep the Public Market in the public spot light and continue to build support. This should be done through events and activities, a regular newsletter, contests, social media, “tabling” at summer festivals, and traditional public relations techniques.

This process should be light, fun, and interactive. There should be a focus on fundraising but within the broader goal of simply maintaining interest and support. Much of this work can be done in collaboration with partners who are engaged in the Public Market process (MadCity Bazaar, 100State, Dane County Farmers Market, REAP, etc.). The fledging “Friends of Madison’s Public Market” could potentially play an active role in these activities with the City providing support.

Work Element 5: Related Equity Analysis Recommendations:

- **Equity Recommendation #7:** This focuses on building partnerships with other organizations. The City and the PMO should work with other community-based organizations to implement the “market-ready” program and cultivate and support Public Market vendors.
- **Equity Recommendation #8:** This recommendation is focused on connecting the Public Market with other assets around the city and focusing on the Public Market as part of a city-wide network of assets and places. The momentum building efforts, including events and activities, should emphasize this idea. The energy and momentum of the market should be spread around the city.

Next Steps and Budget for Work Element 5

Create and support market-related events to continue building momentum, testing ideas, and getting Public Market activities happening in advance of the permanent Public Market’s opening.

Work Element 5 Budget: \$20,000

Pre-Construction Implementation Budget

Each of the five Work Elements identified in this plan will require funding. Below is a two year operations budget for the activities described in this Implementation Strategy. This is a pre-construction budget that does not include capital costs for design and construction of the building. These funds would be used for these purposes in 2016 and 2017 drawing from the City’s existing funding allocation for the project. At this point, these are estimated budgets and the allocations among the five Work Elements may change.

| PRELIMINARY 2016-2018 Public Market Pre-Construction Implementation Budget (Not including construction of final architecture/engineering costs) | |
|--|------------------|
| Work Element 1: Organizational Structure | \$5,000 |
| Work Element 2: Capital Funding Campaign | \$190,000 |
| Work Element 3: Physical Design | \$85,000 |
| Work Element 4: Continued Vendor Development and Support | \$200,000 |
| Work Element 5: Momentum Building | \$20,000 |
| Additional preconstruction costs (based on business plan (p.90)) | \$250,000 |
| <i>Staffing (executive director and assistant manager hired 1 year before open)</i> | <i>\$170,000</i> |
| <i>Tenant Coordination</i> | <i>\$30,000</i> |
| <i>Website and Office Set Up</i> | <i>\$25,000</i> |
| <i>Legal & Accounting</i> | <i>\$25,000</i> |
| Total | \$750,000 |

| Madison Public Market | 2016 | | | | 2017 | | | | 2018 | | | | 2019 | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--|------|----|----|----|------|----|----|----|------|----|----|----|------|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|---|---|---|---|---|---|---|---|---|
| | Q1 | | Q2 | | Q3 | | Q4 | | Q1 | | Q2 | | Q3 | | Q4 | | | | | | | | | | | | | | | | | | | | | | | | | |
| | F | M | A | M | J | J | A | S | O | N | D | J | F | M | A | M | | | | | | | | | | | | | | | | | | | | | | | | |
| | 40 | 39 | 38 | 37 | 36 | 35 | 34 | 33 | 32 | 31 | 30 | 29 | 28 | 27 | 26 | 25 | 24 | 23 | 22 | 21 | 20 | 19 | 18 | 17 | 16 | 15 | 14 | 13 | 12 | 11 | 10 | 9 | 8 | 7 | 6 | 5 | 4 | 3 | 2 | 1 |
| Project Implementation Timeline | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <i>Months Until Grand Opening</i> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Work Element 1: Organizational Structure | 2016 | | | | 2017 | | | | 2018 | | | | 2019 | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Chart out founders, by-laws, Board Appointment Process, Staffing Plan | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| File Articles of Incorporation and apply for non-profit status | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Create Board | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Hire Executive Director | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Negotiate and sign Operating Agreement With City | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Work Element 2: Capital Funding | 2016 | | | | 2017 | | | | 2018 | | | | 2019 | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Track and pursue state and federal grants | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Issue RFP and engage financial consultant | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Create Financial Structure | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Issue RFP and engage fundraising consultant | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Create Capital Campaign Plan | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Implement Capital Campaign | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Assemble full financing package | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Work Element 3: Physical Design | 2016 | | | | 2017 | | | | 2018 | | | | 2019 | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Continue conversations with shopping center owners | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Site analysis | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Final decision on build-out plan | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Release schematic design / design development RFP and engage architect | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| create schematic design and design/development | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Work Element 4: Continued Vendor Outreach & Support | 2016 | | | | 2017 | | | | 2018 | | | | 2019 | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Engage a partner to administer "Market Ready" Program | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Implement the Market Ready Program | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Get Letters of Intent from prospective vendors | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| One-on-one outreach to potential vendors from target populations | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Work Element 5: Momentum Building | 2016 | | | | 2017 | | | | 2018 | | | | 2019 | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Work with community partners on events, etc | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Construction | 2016 | | | | 2017 | | | | 2018 | | | | 2019 | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Engage A/E team for construction documents | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| City Approvals | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Bidding | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Construction | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Grand Opening! | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |