

Program Overview

Draft for Local Food Committee Review

3/31/16



Background

The City of Madison recently completed a detailed Business Plan for the Madison Public Market. The vision for the Public Market is to create a regional food focal point with space for small-scale food vending, larger-scale food retail, food processing facilities, a demonstration kitchen, community rooms, and other uses. The Public Market will be the anchor of a larger “Market District” encompassing surrounding properties and including a mix complementary businesses such as restaurants, additional retail, food production facilities, and food aggregation, distribution, and storage operations.

The Public Market Business Plan was adopted by the Madison Common Council in October of 2015. This detailed Business Plan was the culmination of a three-year process that engaged hundreds of prospective public market entrepreneurs and thousands of community members. The City is now moving forward with implementation of the Madison Public Market project with an expected opening in spring of 2019. In March of 2016, the Madison Common Council approved the Madison Public Market Implementation Strategy which identifies five work elements that need to be completed over the next two years for the project to be ready to move forward with construction and opening.

For the public market to succeed, it needs more than a physical facility. It needs a mix of farmers, food entrepreneurs, and other vendors who are ready to move forward with starting or growing their enterprises within the public market. The MARKETREADY Program will focus on developing a cadre of vendors who are prepared to succeed as independent businesses operating within the Madison Public Market starting on opening day.

MARKETREADY Program Summary

The MARKETREADY Program will be a training, technical assistance, and micro-enterprise grant program designed to help prospective Public Market vendors become ready to start their business and operate within the Madison Public Market when it opens. The program will focus on helping vendors prepare business plans, establish any required permits or licenses, develop marketing plans, purchase equipment, participate in training programs, design their stalls, etc. The goal will be to help early-stage businesses interested in the Public Market get to a point where they are poised to be successful within the Public Market when it opens. The MARKETREADY Program will precede the construction of the public market. The goal will be for the first “Cadre” of MARKETREADY participants to complete the program and be ready to start operating their business in the public market on opening day.

MARKETREADY Administrator

The City will engage a community partner to administer the MARKETREADY Program. This Administrator will manage the “MARKETREADY Fund” and package the fund into individual micro-enterprise grants and loans to vendors. The Administrator will also manage the development and



execution of supporting programs and technical assistance for the participants. The MARKETREADY Administrator will be selected by the City through a competitive Request for Proposals (RFP) process. The RFP process will prioritize selecting an administrator with expertise in managing micro-enterprise funding programs, experience with food-based entrepreneurship, and experience providing training and technical assistance to diverse small businesses. The RFP and the MARKETREADY Program will emphasize supporting low income populations, communities of color, and other populations that face historic barriers to starting businesses.

Funding

The MARKETREADY program will be resourced utilizing \$200,000 in City of Madison funds identified for Public Market pre-construction activities. This funding for the MARKETREADY program was identified in the Public Market Implementation Strategy and accompanying Madison Common Council Resolution that was approved in March of 2016. From the \$200,000 in funding for the program, the City will create a \$125,000 pool of funds for MARKETREADY grants. Individual grants to prospective vendors will be for up to \$10,000 and used for activities described in detail below. The City anticipates making 10 to 20 grants of varying amounts up to \$10,000. The City and the selected MARKETREADY Administrator will coordinate to potentially match the City's investment in the program with grants and other outside resources with the hope of growing the program over time. The remaining \$75,000 will be used by the selected MARKETREADY Administrator for programming, services, and administration of the program.

MARKETREADY Budget Summary		
Item	Amount	Use
Micro-Enterprise Grants/Loans	\$125,000	10-20 grants or loans to prospective Public Market vendors. Individual allocations of up to \$10,000 for uses described below.
Program Administration	\$75,000	Costs for programming, services, and administration of the program by the MARKETREADY Administrator selected by the City
Total	\$200,000	Consistent with the adopted Public Market Implementation Strategy

The MARKETREADY “Cadre”

Prospective vendors will apply to participate in the MARKETREADY Program. The program will select 10 to 20 participants who will become the first “MARKETREADY Cadre.” This Cadre will apply for and be eligible to receive funds of up to \$10,000 to be used for activities that help them prepare their business. In addition to the funding component, the Cadre will participate and have access to programs and services provided by the MARKETREADY Administrator. Some participants may choose to forgo applying for the grant component of the program but apply to participate in the programming and training aspects. The MARKETREADY Program will emphasize the Public



Market's equity goals and the projects' focus on creating entrepreneurship among low income populations, communities of color, displaced workers, women, and immigrants.

One goal of the MARKETREADY Program is that the prospective vendors who participate will collaborate and learn from each other. The 10 to 20 participants will be known as the MARKETREADY "Cadre." With a process facilitated by the Administrator, the Cadre will meet regularly, share ideas, and learn from each other's experiences. The Cadre will build relationships, camaraderie, and collaboration that will carry over to when the Public Market is open and they are doing business alongside each other within the permanent Public Market. The MarketReady program will also encourage the Cadre to become leaders and mentors to other Public Market vendors over time.

Cadre and Administrator Communication and Programs

The MARKETREADY Administrator will host monthly Cadre meetings. At each meeting, the Administrator will facilitate a training/discussion focused on a different topic each month, potentially including financing, marketing, testing, food safety training, etc. A representative from the City will also attend these meetings to provide regular updates on the City's progress on the Public Market facility. The final design/construction work for the public market will be happening concurrent with the MARKETREADY Program and the Cadre will have the opportunity to monitor this process and give feedback and ideas to the City on the physical space. At the meetings, each participant will also provide an update on their activities that month.

In addition to monthly meetings, the MARKETREADY Administrator will also have regularly-scheduled one-on-one meetings with each participant to assess progress and review needs. The participants will be required to submit brief summary reports on their progress and have a one-on-one meeting with the Administrator when they reach 25%, 50%, and 75% utilization of their grants.

Midwest Markets Tour

The MARKETREADY Program will include an optional multi-day bus tour of Public Markets in the upper Midwest. This tour will include meetings with vendors and public market management at the visited markets. The Administrator will be expected to coordinate this trip. The tour would most likely focus on visiting public markets in Milwaukee, Chicago, and cities in Michigan and Ohio.

Eligibility Requirements

Individuals or business interested in becoming a tenant of the Madison Public Market may apply to the MARKETREADY program. Potential applicants include existing small businesses, food entrepreneurs interested in developing a new product, food cart operators, agricultural producers interesting in vending at the public market, arts/crafts vendors, etc. The program will be open to existing early-stage businesses as well as individuals interested in starting a public market business but who have not yet formally incorporated. To ensure the focus on supporting early-stage businesses, over 75% of the program participants will be businesses that have fewer than 5 employees and have been operating for less than 5 years.

Equity Priority

As part of the Business Plan process, the City of Madison Racial Equity and Social Justice Initiative (REJI) team and Economic Development Division staff completed a detailed racial equity analysis



of the Public Market project using the City's "Equity Tool." That analysis includes ten detailed recommendations. Several of these recommendations addressed the idea that the Public Market can be a positive force for economic opportunity among low income communities and populations of color in Madison by creating entrepreneurship opportunities for individuals who might not otherwise have the financial resources to start a business. The MarketReady program idea is, in part, and outcome of this equity analysis. As such, the MARKETREADY program will prioritize recruiting and selecting participants who represent communities of color, low income populations, and other groups that face historical barriers to starting businesses.

Selection Process

As stated previously, the City will select the MARKETREADY Administrator through a RFP process. The City will then work with the selected Administrator on the details of the program. This will lead to an application process to recruit and ultimately select the 10-20 participants in the program. Prospective participants will be required to submit applications that will then be vetted and ranked by a selection panel including representatives from the City and the MARKETREADY Administrator.

Grant Payment

In the application process, prospective participants in the MARKETREADY Program will submit a detailed budget outlining how they plan to use the awarded funds for eligible costs. The Administrator will review and approve that proposed budget prior to issuing a commitment letter allocating funds to each participant. The commitment letter will outline additional terms and conditions between the Administrator and the grantee and will serve as the legal commitment of both parties. As grantees incur project costs, they will submit payment requests and receipts to the program administrator who will then issue checks (the City will work with the selected Administrator on the details of this process).

Eligible Costs

The following is a list of eligible costs for which the MARKETREADY participants can use grant funding from the program:

- **Training** – Grantees can use MARKETREADY funds for fees associated with workshops, classes and other training programs that will support the growth and success of a public market business. Examples could include workshops or classes on business planning, financing, marketing, food safety, licensing, value-added processing, or any topic related to starting or growing a successful public market-based business. Grantees would be eligible to use funds to take such classes from a variety of community providers. The MARKETREADY Administrator will assist participants in identifying and enrolling in programs.
- **Marketing/Branding/Website** – Grantees can use MARKETREADY funds for costs associated with marketing and branding. This could include engaging professional services to develop a marketing plan, logo, product labels and supporting graphics. This could also include costs associated with creating a website and social media presence.
- **Licensing/Permits** – MARKETREADY funds can be used for fees associated with any required local state or federal licensing or permits. This includes food handling licenses,



Madison and Dane County Public Health requirements, City of Madison Street Vending permits, or other such fees for licensing or permitting.

- **Incorporation Costs** – MARKETREADY funds can be used for costs associated for establishing a new business enterprise, such as filing to establish a LLC.
- **Trademark Filing** – MARKETREADY funds can be used for legal fees associated with filing for a Trademark.
- **Product Testing** – MARKETREADY funds can be used for nutritional testing or other product testing needed for small scale food processors
- **Supplies/Equipment** – Funds can be used to purchase supplies and equipment, such as product ingredients, packaging materials, or processing equipment.
- **FEED Kitchen Rental** – Funds can be used for prospective vendors to rent time at the FEED Kitchens.
- **Farmers Market and Pop-up Market Stall Rental** – MARKETREADY funds can be used for fees associated with stalls at Farmers Markets, pop-up markets, art fairs, festivals, or other events that charge fees for vendors

Requirements of Participants

There will be several key requirements of the MARKETREADY Cadre:

- **Monthly MARKETREADY Cadre Meetings** – One of the principles of the MARKETREADY program is to create a Cadre of vendors that learn from one another. As such, the grantees will be expected to participate in the monthly meetings to discuss their activities and share updates.
- **Cross Promotion of Madison Public Market** – MARKETREADY Participants will be asked to cross promote the Madison Public Market project and the MARKETREADY Program with their businesses. For example, they may be asked to display the Madison Public Market or MARKETREADY logo on their website or on their tables and stalls if they participate in farmers markets or other events. Participants will also be asked to cross-promote the MARKETREADY Program and the Public Market with their own social media presence and other marketing efforts. In particular, the MARKETREADY Cadre and the Administrator will be encouraged to regularly post photos and videos of their activities as part of the effort to build momentum and awareness of the Public Market project.
- **Reporting and Meetings** – As stated above MARKETREADY participants will be asked to provide brief interim reports and meet with the Administrator when they are 25%, 50%, and 75% completed with their funds. The interim reports can simply consist of a summary of activities the participant has done and an overview of what they have spent funding on.



- **(Optional) Midwest Market's Tour** – As part of the MARKETREADY Program, the MARKETREADY Administrator will schedule and facilitate a multi-day bus tour of Public Markets in the Midwest. The entire MARKETREADY Cadre will be encouraged to participate in this tour. As noted previously, the Administrator will coordinate the trip and schedule meetings with market managers and vendors. In addition to the MARKETREADY Cadre, other partners in the Madison Public Market project may participate in this trip, including representatives from the board of the Public Market non-profit operator, the Friends of the Market, City officials, and the Local Food Committee.

Timeline

The City and Local Food Committee will move forward with issuing the Request for Proposals to engage the MARKETREADY Administrator in the spring of 2016 with selection and contracting in summer of 2016. The City will then work with the selected Administrator on the details of the program and the development of the application and selection process for participants. The application for participating vendors will likely go out in the fall of 2016 with the the MarketReady Cadre vetted and selected by early 2017. It will be a 2-year program that will wrap up in early 2019, corresponding with the expected opening date of the Public Market in spring of 2019.

Potential Growth of the Program in Future Years

Based on the success of the program and the potential to attract grant funding or other resources, the City hopes to continue and expand the program in future years once the Public Market is up and running. The MARKETREADY Program may evolve into an ongoing low or zero interest revolving loan fund that finances businesses to get started in the Public Market on an ongoing basis.

Questions/Contact



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