

Madison Food Terminal Market Project Update

Madison Common Council

January 7, 2019

Intent of Project

- Intent – “Explore the feasibility, impacts, and potential business models of a food-terminal cross docking facility.”
- What comprises a terminal market beyond real estate:



INFORMATION
EXCHANGE - *TRUST*



PRICE DISCOVERY -
TRANSPARENCY



NETWORK
DEVELOPMENT -
COLLABORATION



LIQUIDITY - *CASH*
FLOW



EFFICIENCY - *LOWER*
COST



PRODUCT DIVERSITY -
EXPANDED CHOICE

The Madison Consumer Market Findings

- Characteristics
 - Love organic
 - Desire home delivery
 - On-the-go
 - Environmentally conscious
 - Tech savvy and digitally connected (88% smartphone use)
- Needs
 - Convenience
 - Online shopping
 - New experiences through tech (AR/VR/Kiosks/Apps)
 - Transparency and trust

20%

MORE LIKELY TO BUY ORGANIC FOODS THAN AVERAGE AMERICAN

43%

MORE LIKELY TO GET FAST FOOD DELIVERED HOME THAN AVERAGE AMERICAN

9%

MORE LIKELY TO BUY ON CREDIT THAN TO WAIT

5%

MORE LIKELY TO PAY MORE FOR GREEN PRODUCTS

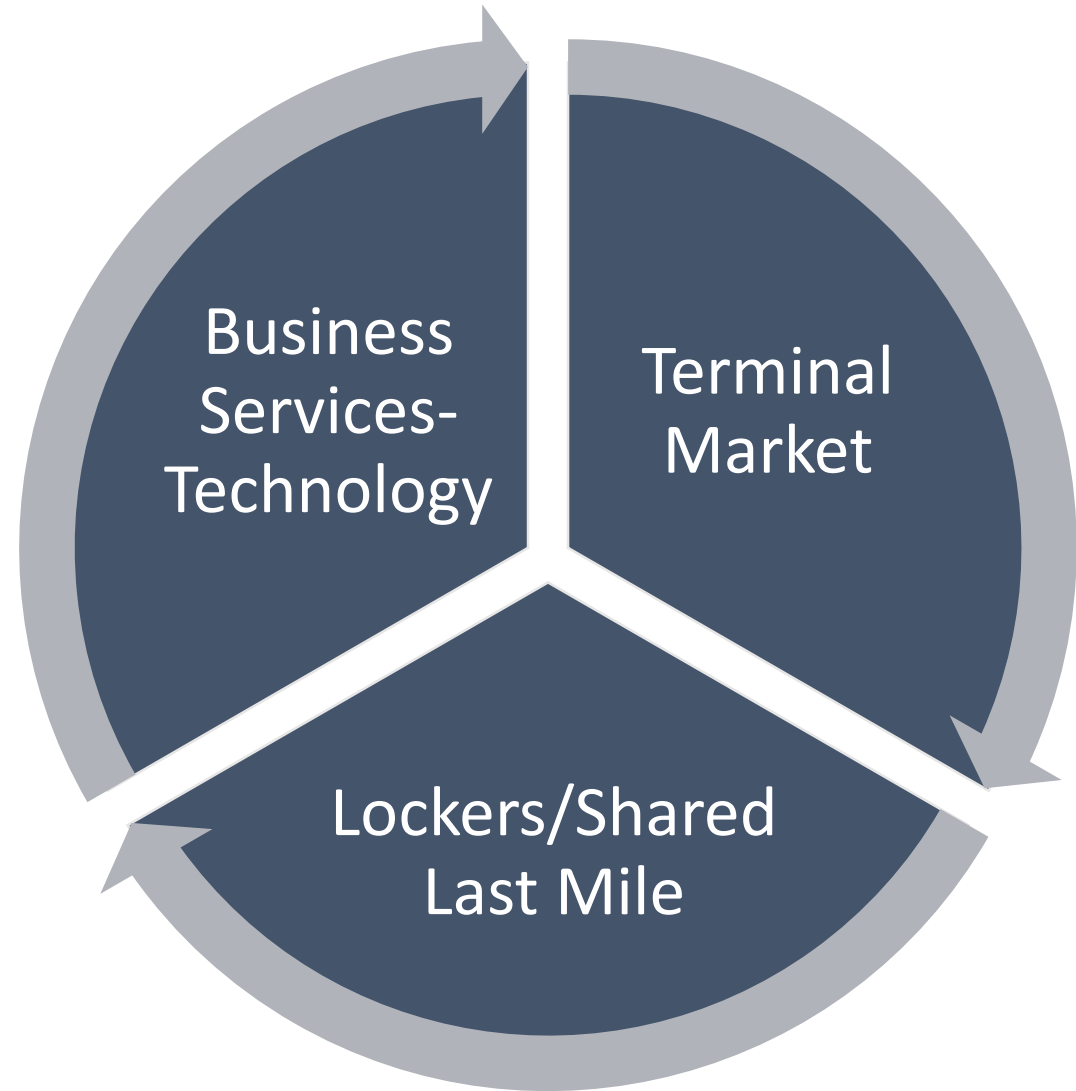
8%

MORE LIKELY TO VALUE GREEN PRODUCTS OVER CONVENIENCE

Other Findings

- The Issues:
 - Regional and local transportation gaps
 - Distributors
 - Small retail
 - Last mile distribution costs
 - Food access concerns
 - Limited refrigerated and freezer warehouse space

Primary
Recommendations



Terminal Market Specs

150,000 square feet of flex use

24-foot clear height

Multi-tenanted

- Shared use processing and culinary arts
- Community food hub and last mile aggregation
- Perishable products distributor
- Grower-shipper
- Regional 3PL of food service products
- Regional 3PL of frozen and specialty

✓ Locker System Specifications

- 3-5 locations, focused on low food access areas
- Modular, indoor and outdoor
- Pickup confirmation
 - Cameras
 - Triggers by sensors
- Safety or security mechanism
 - Cameras
- Food Safety
 - Data logging
 - Temperature sensor
 - Cameras
- Other services
 - Tech and customer support
 - Custom wrapping for branding and ads
 - Return area for reusable packaging





Next Steps

- Local partners
 - FEED
 - UW Extension
- Next steps
 - Community benefit analysis
 - Economic benefit analysis
 - Pro-formas for business concepts
 - Identify prospective tenants
- Deliverables will enable fund raising through grant programs and philanthropies