



Department of Planning & Community & Economic Development
ECONOMIC DEVELOPMENT DIVISION

Matthew B. Mikolajewski, Director
P.O. Box 2983
Madison, WI 53701-2983
Phone: (608) 266-4222 | Fax: (608) 261-6126
cityofmadison.com

Office of Business Resources
Office of Real Estate Services

Memo: Healthy Retail Access Work Group Funding Recommendation – *Luna’s Market, Store Design and Equipment Proposal (1402 S Park St)*

Date: Tuesday, May 11th, 2021

To: Madison Food Policy Council Members

From: George Reistad, Business Development Specialist – Food Systems and Members of the Healthy Retail Access Work Group

Members of the Madison Food Policy Council,

The Healthy Retail Access Work Group on Wednesday, May 5, 2021 to discuss the \$11,000 Luna’s Market design and equipment proposal. This Healthy Retail Access Program application represents 27.5% of the total \$40,000 cost of the professional services to be provided by United Natural Foods, Inc (UNFI). This funding would assist Mariam Maldonado, the store owner, in procuring store design and equipment procurement/layout consultation services from staff within UNFI’s renowned Professional Services division to support her 24,000sf store at 1402 South Park Street.

The City of Madison has placed a high priority on maintaining a full-service grocery store in the South Madison community. With the eminent closure of the current Pick n Save at 1312 S Park Street in mid-2022, Luna’s Market is poised to open on a development timeline that creates no gaps in grocery service to South Madison. It is imperative that development and design work continue at an accelerated pace, and procuring the services of UNFI consultants to assist in that work bodes well for both the timeline and quality of the project. Additionally, linkages with UNFI have other valuable ramifications for the store and the community it will serve, by creating opportunities to tie into UNFI’s food distribution network. Offering high quality food at lower costs, with the savings passed down to consumers.

Members of the Healthy Retail Access Work Group members – in addition to District Alder Tag Evers (D13) and adjacent District Alder Sheri Carter (D14) (*LETTERS ATTACHED*) - recommend that the requested \$11,000 in HRAP funding be awarded to Luna’s Market to assist with the start-up planning and design services related to opening a community grocery store serving the South Madison community.

Sincerely,

A handwritten signature in black ink, appearing to read "GR", with a horizontal line extending to the right.

George Reistad
Business Development Specialist – Food Systems, City of Madison
greistad@cityofmadison.com
608-267-4933



Office of the Common Council Alder Tag Evers, District 13

City-County Building, Room 417
210 Martin Luther King, Jr. Boulevard
Madison, Wisconsin 53703-3345
Phone (608) 266-4071
Fax (608) 267-8669
district13@cityofmadison.com
www.cityofmadison.com/council/district13

April 9, 2021

To Whom It May Concern:

I am writing in strong support of Mariam Maldonado's application for a grant from the Healthy Retail Access Program (HRAP). I understand Ms. Maldonado's request for a relatively small amount of assistance, roughly \$11,000, will be focused on securing planning and design work for the new store to be located at 1401 S. Park Street, the site of the exciting project being led by the development team of Rule Enterprises and Movin' Out.

As you are no doubt aware, this project is of profound importance for South Madison. Since being elected in April 2019, my primary focus has been ensuring we could avoid a grocery gap once Pick 'n Save, the only full-service grocery store on the south side, closes. A competitive RFP process was executed in an expedited manner, with Rule and Movin' Out being selected. Rule and Movin' Out, in turn, selected Luna's Groceries, owned and operated by Ms. Maldonado, to build out the 24,000 square foot full-service grocery store.

The store functions as an essential component of the overall project, which includes 150 units of affordable housing. Ms. Maldonado was selected as a local independent grocer who has demonstrated the necessary business acumen based on her success in establishing the first Luna's in Allied Drive. That store, located in a diverse neighborhood, has been a huge success, and is a success story as well for HRAP. Luna's success in a diverse neighborhood is a solid indicator that the new store will respond favorably to diverse market demand inherent to Madison's south side.

The wisdom in selecting Luna's acknowledges the need for a food retailer capable of integrating diverse community needs with healthy products at accessible and affordable prices. It is my firm belief and personal commitment that we do everything we can as a city to ensure this store is successful to avoid a grocery gap in the long or short term.

To ensure that success, Ms. Maldonado recognizes the importance of securing and working with a high-caliber and well-respected planning and design team like the United Natural Foods Incorporated (UNFI). Considering some of the pushback from those doubting Luna's ability to scale up and meet the challenges of building and running a store of this size, it is crucially important Ms. Maldonado be able to point to the fact she

April 9, 2021

Page 2

is working with a nationally recognized food retail store planning and design team. Moreover, the UFNI team, from my understanding, has solid industry connections related to purchasing and distribution that bode well for inventory selection and affordable pricing.

It should be noted the total cost of this planning assistance is around \$40,000, yet Ms. Maldonado is only requesting around \$11,000, an amount in line with HRAP's preferred funding ratio of less than 30% of total project costs. The size of this store, at 24,000-square feet, is much bigger than the current Luna's store, and is consequently a much more detailed and expensive project. Every bit of assistance we can offer at this early stage is essential for the store's long-term success.

I trust you will see the wisdom of this investment. Please contact me if you have any questions.

Sincerely,

A handwritten signature in black ink that reads "TAG EVERS" with a long horizontal flourish extending to the right.

Tag Evers
Alder, Thirteenth District



Office of the Common Council
Ald. Sheri Carter, District 14

City-County Building, Room 417
210 Martin Luther King, Jr. Boulevard
Madison, Wisconsin 53703-3345
Phone (608) 266-4071
Fax (608) 267-8669
district14@cityofmadison.com
www.cityofmadison.com/council/district14

April 10, 2021

Dear Grant Coordinator:

I have been involved with this project since 2017 with former Alder Sarah Eskrich, and with Alder Tag Evers since 2019. I evocatively **support** Mariam Maldonado's application for a grant from the Healthy Retail Access Program (HRAP) in the amount of \$11,000.00 which is approximately 30% of the total amount of \$40,000.00. Luna's grocery store will be located at 1402 S. Park Street in the proposed Truman Olson development (TOD). The TOD will have 150 units of affordable housing and the grocery store will be the only anchor tenant of the complex. Mariam currently owns Luna's in the Allied/Dunn Marsh neighborhood but also serves the Dunn Marsh neighborhood. Ms. Maldonado is an established business owner and well-respected community member in the Black/Latinx community.

In 2015, I was notified that Kroger's owner of Pick n Save was not going to renew their lease at their present location once it expired in five years. Luna's full-service grocery store will be slightly smaller than the current Pick n Save at 24,000 square feet. This grocery store will secure a grocery store presence in South Madison, which has never been without a grocery store since the 1950s. Luna's will be especially important to the diverse neighborhoods of Burr Oaks, Bram's Addition and Capitol View. A recent survey showed that over 90% of the Pick n Save patronage were from the neighborhood previously mentioned, while other surrounding neighborhoods were well under forty percent.

Mariam's commitment to providing high quality product to South Madison is reflected in the selection of United Natural Foods, Inc. UNFI is known nationally as a leader in food retail store planning and design. They will be added plus to Marian's team. While many external residents have been critical of the selection of Mariam as the anchor tenant. I believe that Mariam Maldonado has met the qualification of this application to receive the amount requested and has proven beyond a doubt that she is more than capable of expanding her business to South Madison.

I am available for questions/concerns.

Best Regards,

A handwritten signature in black ink, appearing to read "Sheri Carter".

Alder Sheri Carter
Common Council President
Aldermanic District 14