

Local Food Promotion Program (LFPP) Final Performance Report

The final performance report summarizes the outcome of your LFPP award objectives. As stated in the LFPP Terms and Conditions, you will not be eligible for future LFPP or Farmers Market Promotion Program grant funding unless all close-out procedures are completed, including satisfactory submission of this final performance report.

This final report will be made available to the public once it is approved by LFPP staff. Write the report in a way that promotes your project's accomplishments, as this document will serve as not only a learning tool, but a promotional tool to support local and regional food programs. Particularly, recipients are expected to provide both qualitative and quantitative results to convey the activities and accomplishments of the work.

The report is limited to 10 pages and is due **within 90 days** of the project's performance period end date, or sooner if the project is complete. Provide answers to each question, or answer "not applicable" where necessary. It is recommended that you email or fax your completed performance report to LFPP staff to avoid delays:

LFPP Phone: 202-720-2731; Email: USDALFPPQuestions@ams.usda.gov; Fax: 202-720-0300

Should you need to mail your documents via hard copy, contact LFPP staff to obtain mailing instructions.

Report Date Range: <i>(e.g. September 30, 20XX-September 29, 20XX)</i>	September 30, 2016 – March 31, 2017 (extension till March 31, 2017). Grant began on October 1, 2015
Today's Date:	June 28, 2017
Authorized Representative Name:	Ned Noel
Authorized Representative Phone:	715-839-8488
Authorized Representative Email:	ned.noel@eauclairewi.gov
Recipient Organization Name:	City of Eau Claire
Project Title as Stated on Grant Agreement:	Building Bridges: Eau Claire Public Market Feasibility Study
Grant Agreement Number: <i>(e.g. 14-LFPPX-XX-XXXX)</i>	15LFPPWI0136
Year Grant was Awarded:	2015
Project City/State:	Eau Claire, Wisconsin
Total Awarded Budget:	\$25,000 USDA (\$115,351 full amount with match)

LFPP staff may contact you to follow up for long-term success stories. Who may we contact?

- Same Authorized Representative listed above (check if applicable).
- Different individual: Name: _____; Email: _____; Phone: _____

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0581-0287. The time required to complete this information collection is estimated to average 4 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, and where applicable sex, marital status, or familial status, parental status religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or part of an individual's income is derived from any public assistance program (not all prohibited bases apply to all programs). Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD). To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, 1400 Independence Avenue, SW, Washington, DC 20250-9410 or call (800) 795-3272 (voice) or (202) 720-6382 (TDD). USDA is an equal opportunity provider and employer.

1. State the goals/objectives of your project as outlined in the grant narrative and/or approved by LFPP staff. If the goals/objectives from the narrative have changed from the grant narrative, please highlight those changes (e.g. “new objective”, “new contact”, “new consultant”, etc.). You may add additional goals/objectives if necessary. For each item below, qualitatively discuss the progress made and indicate the impact on the community, if any.

- i. Goal/Objective 1: *RESULTS - Determine from the feasibility study’s recommendations if decision-makers should move into next steps, such as a public market business plan, capital funding, and construction.*

- a. Progress Made:

All proposed work was completed by those involved in the process and study. The feasibility study and process can be found at this [hyperlink](#) to learn more. The study contained two major components: robust local market research and creation of the preferred development concept. These outcomes grounded our work and the public participation process was built around them. The market research was completed more or less first, which then informed the development approach and scheme. The market research included supply and demand analysis using census, consumer, trade area, and USDA data along with public online surveys, meetings and interviews. It also included competition data from larger grocery stores. The development concept included research on 10 possible locations, an architectural floorplan, operations and ownership means, merchandise and marketing strategies, vendor pro formas, and financing approaches.

The consultant completed their report with two major recommendations. They were: 1) that the Eau Claire market is capable of supporting a private sector led hybrid public market concept; and 2) that the City’s “Block 7” location is the preferred site inside a “market district”. Based on this vision, a hometown developer and a local food cooperative grocer came forward seeking to fulfill it. As of the date of this report however, no concrete proposal has been advanced. This has been mainly due to financial challenges and lack of ability from area vendors to occupy retail stalls. The City is still supportive of a project offering local food but is not in the leadership position so must encourage, wait and react.

- b. Impact on Community:

The concept put forward would employ an estimated 25 FTEs with sales potential of \$3.6 million (this does not include main grocer tenant totals but would be over 30 FTEs if it did). The community learned about public markets and local food as a result of this study. We know over 3,600 people took the public input survey, and by extension, this represents about 9,000 people in households. The study inspired local businesses to try to fulfill the vision, along with others to open their own grocery stores- one of which will be focused on sourcing fresh local food to customers and restaurants. The study’s market research helped this business to better understand the benefits and risks and then was able to obtain investor financing. We also believe anecdotally that the several recent farm-to-table restaurants opening up were spurred on by the community looking into this local food project.

- ii. Goal/Objective 2: *PARTNERSHIP PLAN - Assemble steering committee, partners, consultant, and other key stakeholders. Convene regular meetings and undertake power mapping exercise to advance the study’s scope of work.*

- a. Progress Made:

As stated in our interim reports, this project brought together many in the community. The public market steering committee of 15 stakeholders represented a diverse mix of growers, suppliers, vendors, retailers, restaurateurs, educators, and business and government leaders. Market Ventures Inc. (MVI) of

Portland, Maine was awarded the contract to do most of the quantitative and qualitative market research, planning, design work and writing for the final report. City staff led project management and organized meetings and consultant interviews with stakeholders. Group Health Cooperative of Eau Claire, Marshfield Clinic, Mayo Clinic Health System, NW WI Region all helped to fund the study and were on the committee.

b. Impact on Community:

Working in partnership created a final concept that was realistic for Eau Claire's market and resources. The buy-in was strong. The City was supportive of the vision ([see WEAU TV news story](#)) and will consider, if advanced, financial assistance requests in order to make a private-sector led public market hybrid work. The project opened up new partnership opportunities, such as working on a subsequent food systems plan. This may tackle food access concerns inside the central city, which many in the community want to address better.

- iii. Goal/Objective 3: *PUBLIC PARTICIPATION PLAN - Hold public meetings and inform the public through project newsletter updates, press releases, interviews and stories to the media.*

a. Progress Made:

During the extension time period, the majority of the work was to assemble growers and vendors to learn more about the concept and network them with the local food cooperative and developer. Only a few however expressed serious interest after holding a large meeting in December 2016. The extension period was also meant to tour a successful example, such as the hybrid public market in Bellingham, WA called Terra Organic and Natural Foods. The tour did not materialize due to distance away and their building ownership model was different. Nearby examples were not available. In general, radio, TV, newspaper and special publications followed progress and the local food cooperative's plans were highlighted multiple times ([see Just local Eyes Downtown article](#)). Downtown Eau Claire, Inc.- the City's downtown agency- continued to promote the concept and reached out to businesses to seek interest.

b. Impact on Community:

The community and stakeholders were well included in this project and people felt it was an open and welcoming process. Staff spent a considerable amount of time researching small to large agriculture businesses/vendors and inviting them to meetings, such as the December network business meeting with the developer and local food cooperative.

- iv. Goal/Objective 4: *PHASE 1 – MARKET RESEARCH TASKS (4a) Shape initial goal/concept of the public market for refinement and testing; (4b) Survey consumers, farmers, vendors, public and other stakeholders; and (4c) Undertake supply and demand analysis, define trade area, and determine economic, health, and social impact.*

a. Progress Made: (all items completed before extension period- recapped herein)

- (4a) The 5 goals the steering committee created did not change. They were: 1) support the Northwest WI regional food system; 2) provide entrepreneurial opportunities and jobs; 3) help revitalize Downtown and possible West Riverside Neighborhood (Cannery District); 4) contribute to community health and wellness; and 5) become an asset to attract and retain talent.
- (4b) Over 3,600 people, representing 9,000 households, took the community survey. Overall, the survey showed solid public interest in a public market and desire for more local food. Well over 40 local producers and vendors were contacted. They provided valuable input on opportunities and challenges in locating in a possible public market.

- (4c) The trade area was defined at 40 miles out from downtown, representing 275,000 people. As mentioned \$3.6 million in sales was projected. This equates to about 7,000 net s.f. of retail. Sales of \$500 per s.f. would be needed for vendor profitability. Detailed pro formas were produced for vendors (baked good, prepared foods, etc.) to indicate what might be potential sales, income, rent and expenses. Review of existing larger supermarkets showed stiff competition. The community is very price conscious and unwilling to spend much more for food. Thus, a modest plan of including a few vendors in the hybrid market was suggested. With full occupancy, 25 FTEs was projected for the vendors. Health and equity concerns were addressed, noting Foodshare (SNAP) should be included since the site is within a downtown food desert. The study's healthcare funders were looking for ways to increase access to and consumption of more fruits and vegetables. The project could help accomplish this strategy.

b. Impact on Community:

Phase 1 tasks had the result of increasing public awareness (e.g., public survey had 15+ outlets spreading it) and served as a useful market research tool on what is feasible. This helps local food entrepreneurs understand the benefits and risks of being a part of the hybrid concept or something they might consider on their own.

- v. Goal/Objective 5: *PHASE 2 – DEVELOPMENT PLAN – (5a) Devise merchandising, tenant mix plan, and programing elements; (5b) Locate preferred public market site, perform site planning, building and design concept analysis; (5c) Determine preferred ownership, leasing management and operations; (5d) Create a marketing and branding strategy, including healthy living/food access initiatives; (5e) Compute financial analysis (multi-year pro formas for vendors and market); (5f) Estimate development budget, timeline, funding options*

a. Progress Made: (all items completed before extension period- recapped herein)

- (5a) The market floorplan had a small tenant mix of 6 to 7 vendors. A possible offering could be a cheese-maker, meat/seafood, bakery, coffee, and florist. A 10,000 s.f. grocery store and café was included. The common space would facilitate the “public feel” of the public market. It could hold cooking classes, educational events or winter farmers markets. The market district would capture the urban blocks around the hybrid market. It would be branded and marketed to recruit more business and consumers focused on local food. Its staff would run food related events and possibly could even manage the hybrid market.
- (5b) Staff, the consultant and his architect studied sites in the Cannery District and downtown. After studying 10 sites (using a set of 9 criteria), a site named Block 7, owned by the City's Redevelopment Authority, was selected. The site is advantageous because it is one block east of the downtown farmers' market pavilion. A “L”-shape mixed use building was proposed with the hybrid concept on the ground floor along with surface parking for customers and underground parking for the housing above.
- (5c) It was determined that the private sector should lead since the non-traditional public market concept was chosen. The site should be built by a developer and could be owned, leased or operated by the developer, the main grocer, a non-profit, or a for-profit entity. Different approaches were outlined in the study.
- (5d) The market district became the branding strategy. Banners and signs would help show that patrons have arrived. Two FTEs would ensure its success with an annual budget of about \$180,000. The hybrid market's common space could feature local food, health and nutrition educational events.

- (5e) Pro formas were run for various vendor types. These budgets help interested vendors understand costs and income streams needed to be viable. Gross retail sales for the 7 vendors were estimated at \$2.37 million and wholesale sales were estimated at \$286,000.
- (5f) A local developer and local food cooperative grocer proposed a mixed use development project at an estimated \$20 million after the study was completed. It is unclear if they will move forward however due to lack vendor support and the financial and operating terms of their partnership. They are also considering a grocery-only format for Block 7. The developer may still ask for gap financing in the way of tax increment financing (TIF), free land, or other monetary sources via foundations, donors, state and federal grants (e.g., New Market Tax Credits in low-income areas).

b. Impact on Community:

The study's hybrid market and market district has inspired many in the community. The food cooperative needs to expand and their board has publically stated that they are interested in the site. They also are considering other locations. They are seeking to raise sales at their current site, new members and fundraising strategies to help pay for a move. The real estate developer and local food businesses have been using the study as a blueprint and market research tool. It appears the developer may request TIF assistance for a possible project, but negotiations are still ongoing between the food cooperative and them.

2. Quantify the overall impact of the project on the intended beneficiaries, if applicable, from the baseline date (the start of the award performance period, September 30, 2015). Include further explanation if necessary.
 - i. Number of direct jobs created: *Zero as it is a study, but estimated jobs could be 30+*
 - ii. Number of jobs retained: *Zero*
 - iii. Number of indirect jobs created: *Zero*
 - iv. Number of markets expanded: *Zero, but there is good potential to expand the coop's, vendors' and other related businesses' sales- such as with farm-to-fork restaurants.*
 - v. Number of new markets established: *Zero*
 - vi. Market sales increased by \$0 and increased by 0%.
 - vii. Number of farmers/producers that have benefited from the project: *Zero so far*
 - a. Percent Increase: *0%, but some are interested in being in the hybrid market*

3. Did you expand your customer base by reaching new populations such as new ethnic groups, additional low income/low access populations, new businesses, etc.? If so, how?

Since it was a planning study, these customer bases were not explicitly expanded. We did hold an intentional meeting with Hmong vendors to see if they would want to sell at the hybrid market. Interest was limited even when using an interpreter.

4. Discuss your community partnerships.

- i. Who are your community partners?

This project represented a strong collection of community partners. The official sponsors/partners of this study are: City of Eau Claire, Downtown Eau Claire, Inc. (DECI), UW-Extension Eau Claire County, Group Health Cooperative of Eau Claire, Marshfield Clinic, Mayo Clinic Health System, NW WI Region. Our other main partner was Market Venture, Inc. (MVI), the consultant. The steering committee broadened the reach to many in the local food community (e.g., WI Farmers Union) and also included other key stakeholders such as the Chamber of Commerce, Visitor Bureau, etc.

ii. How have they contributed to the overall results of the LFPP project?

By working together, the result and experience was more successful and enriched by the shared knowledge, passion and critiques of the various partners. In the end, we reached a consensus of what was best for Eau Claire. We greatly benefited from the local healthcare players as partners who helped finance the study and were involved in the steering committee. There were over 40 plus stakeholders interviewed and we reached out to 40 plus vendors who all gave us good insights on opportunities and challenges for them and collectively. The public interest response was strong and gave credence to the fact that people want more local food in a destination-type facility.

iii. How will they continue to contribute to your project's future activities, beyond the performance period of this LFPP grant?

A local developer took the reins of the project concept and began working with the local food cooperative grocer to discuss needs and financing. This continues to date. The City is supportive of the concept and when formal plans are announced will consider possible financing requests. The healthcare funders could sponsor activities in the common space. No vendors have committed yet from our knowledge but two have expressed interest in working together with the developer and cooperative. The City will continue to network, organize and lead in the capacity we can. We understand that this vision will take a creative community effort, time, and may also require modest public subsidy.

5. Are you using contractors to conduct the work? If so, how did their work contribute to the results of the LFPP project?

Yes. The hired consultant helped us navigate and understand the pros and cons of the project. MVI recommended not pursuing a traditional public market and to go smaller with a private sector hybrid approach. Mr. Spitzer, and his architect Hugh Boyd, exhibited great know-how, were very professional and gained the respect of the local community. The final report fully met staff and City Council expectations.

6. Have you publicized any results yet?*

i. If yes, how did you publicize the results?

We have materials on our City webpage: <http://eauclairewi.gov/departments/community-development/public-market>. The final study with recommendations, public presentations, project update newsletters and process can be found on this website. The media did TV and newsprint stories. Some stories are referenced above noting the results.

ii. To whom did you publicize the results?

To the public, media, steering committee, email list serve set up for the project (150 plus addresses), funders, City Council and other governmental bodies like the City's Redevelopment Authority.

iii. How many stakeholders (i.e. people, entities) did you reach?

Unknown, but do know over 9,000 in households from the public survey. TV outlets, radio and newspapers reached wider audiences and featured the study and progress many times. The community was well informed overall.

7. Have you collected any feedback from your community and additional stakeholders about your work?

i. If so, how did you collect the information?

Besides the valuable information from the survey (over 1,000 suggestions and ideas in the survey), we heard from the public via calls and emails that they are supportive of next steps and even offered to help volunteer.

What feedback was relayed (specific comments)?

"I would love to lend my support to the public market and volunteer my time and effort in whatever capacity is needed. Please let me know how I can help." –Erica (citizen)

8. Budget Summary:

i. As part of the LFPP closeout procedures, you are required to submit the SF-425 (Final Federal Financial Report). Check here if you have completed the SF-425 and are submitting it with this report:

ii. Did the project generate any income?

a. If yes, how much was generated and how was it used to further the objectives of the award? *No*

9. Lessons Learned:

i. Summarize any lessons learned. They should draw on positive experiences (e.g. good ideas that improved project efficiency or saved money) and negative experiences (e.g. what did not go well and what needs to be changed).

The greatest lesson learned was what the Eau Claire market was capable of based on quantitative and qualitative research. This will vary for each community but should be done to answer a major question like this intelligently. It takes a lot of meetings and interviews along with the data analysis to arrive at a sound answer. We also made big pushes to obtain outside donations (\$75,000) to fund the study and as a goal to receive 5,000 responses on the public survey. Though we did not obtain the goal, we did have enough to do greater statistical analysis. Our consultant told us many larger cities have not even received over 3,000 responses so we felt pretty good about the public's interest level and our efforts to spread the survey.

The consultant's expertise helped us to understand the challenge of creating a multi-vendor public market operated by the public and instead proposed a more realistic vision for the community. The hybrid approach was smart and novel and relied on the private sector to fulfill rather than taxpayer dollars. We learned that Leadership, Land and Location are three very important ingredients as well as funding to construct and run the facility. Also critical is the type and quality of individual vendors and the facility operation's management, expectations and execution. For example, private donations could help construct a beautiful public market but if the operations are not good the market could quickly go bankrupt.

The feasibility study became a useful market research tool for the interested developer, local food cooperative grocery, vendors, lenders, and other businesses to make decisions. The project was well supported by healthcare by them helping to fund the study and by being involved throughout. We made specific financial asks of these funders by tying back to their community health needs and plans.

The concept was also well-received in the community and inspired people and business to support the local food system.

The only negative experience was some growers/vendors at the downtown farmers market were concerned about competition that the indoor market could create during warmer seasonal months. We did not agree with this premise but it was real nonetheless.

- ii. If goals or outcome measures were not achieved, identify and share the lessons learned to help others expedite problem-solving:

The main goal was to recommend whether or not to proceed with a public market. In the end, we found it was something different than our expectations. The research showed a hybrid market was a better bet for the community than traditional multi-vendor public markets that are found in many larger cities. The City Council agreed this was the right recommendation though some members were disappointed. We also were surprised but encouraged that the consultant believed the hybrid market could be the centerpiece of a larger market district focusing on supporting local food and products. The site we had in mind also turned out to be not the best location. Thus, a lesson learned was initial expectations are often wrong or can change. This is true of many things but you have to start with basic expectations in order to pursue an end-goal and opportunities like grants. We still do not know if the hybrid public market will actually occur by the private sector leading, but time will tell if it comes to fruition.

- iii. Describe any lessons learned in the administration of the project that might be helpful for others who would want to implement a similar project:

Generally in administering the project, we learned to listen carefully to the stakeholders and respect their ideas and opinions. City staff was often times not the experts. As stated, we faced fear of competition from some at the downtown farmers market. We could not assuage these fears, but we learned that they exist when trying to take something successful and build upon it. We did not believe the hybrid market would cause trouble for the existing seasonal farmers market, but we could not prove it. If we had some case studies to have shared that might have helped. The local food cooperative grocer also had mixed feelings about competition from indoor vendors co-locating with them. Although, if they had operational and management control they could mitigate this to a large extent.

In receiving RFP response for the feasibility study, we learned that there are only about 4 firms nationally that specialize in this type of public market work. They were all strong candidates and it was hard to choose from their proposals. We decided on MVI because they were a better match.

10. Future Work:

- i. How will you continue the work of this project beyond the performance period? In other words, how will you parlay the results of your project's work to benefit future community goals and initiatives? Include information about community impact and outreach, anticipated increases in markets and/or sales, estimated number of jobs retained/created, and any other information you'd like to share about the future of your project.

We continue to assist the developer and local food cooperative grocery in their questions and planning. We have developed relationships with many vendors and will keep them informed if plans advance more with the main two stakeholders. The branded market district concept hinges on the indoor hybrid

market so that is at a stand-still, although we have the downtown farmers market, farm-to-fork restaurants and special events like “Taste of the Chippewa Valley” that all currently contribute. We are parlaying the results to provide background into our local food system planning work. We are considering if we should undertake a food system plan looking at various issues like greater economic development around food, food access/insecurity and recovering organic waste. It is unclear outside of the 30+ FTEs projected in the feasibility study how a market district or food systems plan may increase impact for employment and sales by the community, but we would assume it would strengthen it.

- ii. Do you have any recommendations for future activities and, if applicable, an outline of next steps or additional research that might advance the project goals?

The extension period focused on networking the many area vendors with the two main stakeholders. We continue to serve as a resource for all these and new parties that are interested in the hybrid concept. The City is currently working on architectural plans for the Block 7 site so as to maximize the potential of the site, whether the hybrid public market happens or not. We are looking to promote the human scale, street culture and outdoor experiences like sidewalk dining. These ideas are meant to encourage developers to enhance the Block 7 site as it currently represents the best and largest real estate parcel in downtown. Staff also has provided various grant listings for the private sector leads and the City may grant TIF financing if the project is appropriate. We do not plan to undertake additional research as the feasibility study is pretty current. As mentioned, we are considering undertaking a food systems plan soon, and the feasibility report will help inform that project in many ways.