

MEMORANDUM

To: Ken Keck, Director, Agricultural Marketing Service, USDA
Bruce Summers, Administrator, Agricultural Marketing Service, USDA

From: Anne Reynolds, Board Member – Madison Public Market Foundation
Matthew Mikolajewski, Director – Economic Development Division, City of Madison

Date: September 2022

Re: Madison Public Market and Food Innovation Center - Cooperative Agreement
Opportunity

Overview

Public markets have a long and storied history in the United States and abroad. As hubs of commerce for food and ag products, public markets offer valuable distribution and sales opportunities for a wide range of diverse vendors.

The Madison Public Market will serve as a unique space that provides high-traffic, affordable retail space for small, budding businesses, many owned by BIPOC, women, and first generation immigrants as illustrated by participation in the City of Madison's [MarketReady Program](#). Additionally, the accompanying Food Innovation Center, housed within the market, will offer processing and value-added capabilities at competitive price-points, creating a use structure that is a significantly lower financial risk for businesses looking to create, test, and grow new product lines.

As illustrated by recent USDA initiatives, it is clear that the Biden Administration and Secretary Vilsack recognize the critical role that small and mid-sized food and farm businesses play in community and economic development and resilience. To that end, Madison Public Market and Food Innovation Center are directly aligned with USDA AMS' mission to support economic development and access to wholesome food by creating domestic opportunities for American businesses from field to table. Providing assistance to the Madison Public Market and accompanying Food Innovation Center through a cooperative agreement would both solidify the financial ability to construct the facilities given the current inflationary environment and underpin the community demand that is present for non-proprietary processing facilities in Greater Madison and Dane County.

Purpose

The expected outcome of the proposed cooperative agreement is expedient construction of the Madison Public Market and Food Innovation Center, which is a completely shovel-ready project. At this point site design and construction documents have been completed. The primary areas of impact for these facilities are:

1. **Supporting diverse food and ag business development**, providing local food and ag entrepreneurs – many of them BIPOC, women, and first-generation immigrants - with access to facilities to affordably launch and grow a business and develop a client base

2. **Creating a unique community commerce space**, offering residents, business owners, and organizations a “third place” that brings together a truly diverse mixture of community members interested in and supportive of local food and ag entrepreneurs
3. **Investing in and building the ecosystem for regional food business centers**, building the Food Innovation Center begins to address burgeoning community demand for non-proprietary food processing facilities, which allow expanding food and ag businesses to create new product lines that might normally require extensive capital investment and financial exposure, in a lower risk manner that facilitates experimentation and innovation
4. **Cultivating a stronger food workforce**, creating job opportunities, connecting farmers to buyers, enhancing food and beverage processing capacity, helping startups grow, encouraging new product development, and connecting food and ag products to larger markets in the Midwest.

Funding allocated through this cooperative agreement will support the building and operation of the Madison Public Market and Food Innovation Center, a retail space and processing facility that will catalyze the growth and success of under-served entrepreneurs, and provide community-wide benefits to the residents of the City of Madison, Greater Madison, and beyond.

Economic Impacts

The Madison Public Market and Food Innovation Center will benefit regional economic development by:

- Providing access to a processing and value-added facility that spurs innovation in food and ag product lines by lowering overhead costs and financial risk for new and growing businesses
- Creating a commerce space that estimates show will attract over 500,000 visitors annually, generate upwards of \$20 million in annual economic activity, create over 35 new businesses and 100 jobs, and support over 100 existing businesses
- Serving as an equitable economic mobility vehicle, providing affordable retail and processing space for a cohort of diverse vendors, some of whom have received extensive technical assistance and seed funding through the innovative [MarketReady Program](#)

Funding Request

The Madison Public Market Foundation is requesting up to \$5.2 million to be disbursed via this proposed cooperative agreement with USDA AMS. This project is shovel-ready, with all site and construction documents completed. This represents just over 25% of the total project costs and will assist with compensating for estimated inflationary cost escalations associated with building construction and FFE procurement for the Madison Public Market and Food Innovation Center.

Parties to the Proposed Cooperative Agreement

We propose a multi-party agreement among USDA AMS, the Madison Public Market Foundation, Inc., and the City of Madison, WI

Madison Public Market Foundation

The Madison Public Market Foundation (MPMF) is a 501(c)3 non-profit that will be the operator of the Madison Public Market when it opens in 2024. The Madison Public Market Foundation is dedicated to emphasizing equity through entrepreneurship. The Market will be a place where businesses owned and operated by people of color, women, and first generation immigrants can get their start. In addition to supporting minority-owned, small businesses, the Madison Public Market will truly be a multicultural gathering space. Public Markets are uniquely positioned to bring people together around a common love of food. The market will feature produce from Wisconsin farms, culturally diverse prepared food, locally-made food products, and handcrafted arts/crafts. The space celebrates Wisconsin's unique traditions and will include food processing, business incubation, and workforce training to strengthen our food system. With inclusivity front and center, the Madison Public Market will feel alive with the sights and sounds of multicultural artwork, food, and handmade goods.

Additional Materials

Letters of support are available upon request from local and regional economic development entities, local food & farm businesses, organizations and trade associations.

Upon request, more information can be provided on the demographics and outcomes of the [MarketReady Program](#).

The Madison Public Market Business Plan (updated Oct 2020) is available [HERE](#)

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