

City of Alexandria, Virginia

MEMORANDUM

DATE: APRIL 17, 2013

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: RASHAD M. YOUNG, CITY MANAGER /s/

DOCKET TITLE:

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Consideration of a Resolution to Increase Stall Rental Fees and the Market Square Farmers' Market.

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ISSUE: (1) Increase stall rental fees at the Farmer's Market held on Market Square at City Hall (Old Town Farmer's Market); (2) revise the billing period; and (3) standardize the size of stall space for all vendors.

RECOMMENDATION: That City Council approve the amended Farmer's Regulations and adopt the attached resolution which increases the fees charged to the vendors from \$30 per month, March – December, to \$45 per month, January – December, for permanent vendors and from \$10 per week to \$25 per week for temporary vendors; and a standard stall size for all vendors of 8'x10'.

BACKGROUND: The Old Town Farmer's Market held on Market Square has been in operation since 1753 and is believed to be one of the oldest continuously operating farmer's markets in the country. The growth in the number of vendors that occurred in the late 1980's culminated in the adoption of formal policies and regulations by City Council in May 1989, with policy amendments approved by City Council in February 1992 and March 2012, including modification of the hours of operation at the Market from 5:30a.m. – 11:00a.m. to 7:00 a.m.- 12:00 p.m. Policies and regulations serve to provide a framework for the composition, governance and management of the Farmer's Market on Market Square.

In 2011, in an attempt to improve customer satisfaction and increase the efficiency of the Market, the Department of General Services assembled a working group consisting of departmental staff responsible for analyzing the status of the Market. Staff developed and issued a survey and polled Farmer's Market customers and vendors to understand the current needs and issues of the stakeholders. In addition to the desire to modify the hours of operation for the Market, the survey results identified five significant areas for improvement at the Market:

1. Increase marketing of the Farmer's Market;
2. Enable the use of Credit Cards, Debit Cards and EBT Cards;
3. Eliminate cash payments by vendors to the City for Farmer's Market Fees;
4. Standardize spaces allocated to vendors to maximize utilization of space and reduce inequality among vendors; and
5. Increase the City's revenue and rates to support service efforts.

To date, staff has addressed the majority of these areas of improvement some of which will require your approval via this docket item, including the increase in fees and standardization of the stall spaces allocated to vendors. The following improvements that did not require City Council's formal approval have been implemented:

- A. **Market Logo:** In order to begin to brand and market the Old Town Farmer's Market, the Department of Communications created a logo for the Farmer's Market and granted the Department of General Services authorization to use the logo for marketing purposes in lieu of the City seal.
- B. **Electronic Benefit Transaction (EBT) Cards:** In August, 2012, the City was awarded a grant to participate in the USDA, Virginia Farmers Market EBT Program. One unpaid volunteer EBT Coordinator was hired in January, 2013. Vendors were trained in the use of EBT and the Supplemental Nutrition Assistance Program (SNAP) in March, 2013. Staff has conducted a community outreach campaign at City schools, churches and community meetings generally staffed by ARHA. The SNAP/EBT Program at the Old Town Farmer's Market is scheduled to kick off on April 27, 2013.
- C. **Eliminate Cash Payments at the Market:** Effective December 2012, cash for vendor payments is no longer accepted by the Market Master. Effective February 2013, the City's Finance Department assumed responsibility for invoicing vendors for stall fees.
- D. **Rules Committee:** Effective February 2013, the Rules Committee was reconvened following an election amongst the vendors to elect two vendor representatives to serve on the Committee. Six meetings have been held to date. The Committee has voted and endorsed moving forward with the recommendations contained in this docket item.

DISCUSSION: The Farmer's Market held on Market Square is open every Saturday morning from 7:00 a.m. to 12:00 p.m. rain or shine all year around. There are currently 80 vendors at the Market. Permanent vendors are currently charged \$30 per month from March –December (ten months) for stall space at the Market and temporary vendors are charged \$10 per week. The rate for permanent vendors was last adjusted in May 2009 from \$15 to \$30 per month from March - December for permanent vendors and from \$5 per week to \$10 per week for temporary vendors.

The City collects an average of \$26,000 per year in stall rental fees from the vendors based on the current fee. These funds are deposited into the City’s General Fund. Currently, no rent is collected during the months of January and February primarily due to the weather. Each year over the last four years vendor fee revenue collected has been less than the expenditures incurred to operate the market including staffing and other operational costs (average of \$46,000 per year). The result is that the City has to absorb an average annual deficit of approximately \$20,000 in order to continue to administer the Market.

Market Revenue and Expenditure Summary Based on Existing Fees

	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013/1
Actual Revenue	\$27,690	\$28,210	\$25,542	\$24,082	\$25,000
Average Expenditures	\$46,000	\$46,000	\$46,000	\$50,000	\$53,000/2
Deficit	(\$18,310)	(\$17,790)	(\$20,458)	(\$25,918)	(\$28,000)

/1 Based on existing fees

/2 Includes additional funds for planned marketing efforts

Currently, vendors at the Market Square Farmer’s Market are charged less per month/week compared to three other farmer’s markets currently in operation in the City and less than two other comparable markets in Arlington County. The table below is a comparison of the fees charged by other farmer’s markets in the City, as well as Arlington County:

Alexandria Farmer’s Market Fee Comparison

Name	Weeks Charged	Annual Fees	Monthly Fee Comparison	Weekly Fees
The Market Square Farmer’s Market	40 (operates 52 wks/yr.) (Jan-Feb free)	\$300	\$30	\$10
West End Farmer’s Market	29 (season)	\$319	\$56	\$17
King Street Gardens	26 (season)	\$208	\$35	\$8
Del Ray Farmer’s Market	52	\$200	\$17	\$4
Clarendon Farmer’s Market (Arlington)	26	\$468	\$78	\$18
Arlington Farmer’s Market	52	\$520	\$44	\$10

In the context of the FY 2014 budget process, the City Manager has proposed an increase in fees charged to vendors from \$30 per month to \$45 per month for permanent vendors and from \$10 per week to \$25 per week for temporary vendors. In addition, the Rules Committee proposes charging vendors for twelve (12) months (January – Dec) rather than the current ten (10) months (Mar – Dec) of the year. Currently, vendors are not required to pay for the months of January and February. These two months have been considered free months to the vendor but the City still incurs operating expenditures during these two months. This increase in fees and adjustment to the billing period would not only provide full funding for staffing and related operational costs,

but would also fund marketing efforts and would make the fees more consistent with what other farmer's markets in the City are charging vendors.

Standardized Space

Per the survey conducted in 2011, vendors and customers requested that vendor stall spaces be standardized to maximize the utilization of space on Market Square and reduce inequality amongst vendors. Currently, all permanent vendors pay \$30 per month for stall space at the market. However, the space actually occupied varies greatly from vendor to vendor which creates significant inequality amongst the vendors. As a result, staff analyzed the current market space and looked at other farmer's markets around the country. It was determined that the optimal space for the vendors on Market Square was 8'x10'. This not only allows for an equitable allocation of space but also allows for an additional 36 spaces* (*spaces not vendors).

In order for long time vendors to maintain their space and location at the market, staff polled each existing vendor and afforded them the opportunity to request more than one space on the market. As a result, several of the larger vendors requested and were offered up to four spaces with the requirement that they pay rent for each additional space. Any new vendors subsequently added to the farmer's market will not be granted this option as additional space would not be available. The majority of vendors have maintained their current location on Market Square although due to space constraints, a small number of vendors had to be relocated to spaces in the same general area of the farmer's market that they formerly occupied.

Future Improvements

The following improvements are envisioned at the Old Town Farmer's Market including: (a) the Rules Committee revising and updating the Market Regulations and determining the future make-up of items sold at the market (i.e. produce, prepared foods, etc.); (b) developing marketing strategies and working with the Alexandria Convention Visitors Association (ACVA) and the Office of Communications and Public Information to increase the visibility of the market; (c) implementing new activities on the Market such as live healthy foods cooking demonstrations; (d) collaborating with the Health Department to implement a Master Food Volunteer Program; (e) initiating healthy food activities for children (i.e. herb gardens, etc.); and (f) establishing a Dollar Match program and targeted outreach for EBT/SNAP; as well as other planned changes/improvements to improve the Market.

FISCAL IMPACT: Staff estimates that the new fees and fee schedule will produce \$20,000-\$25,000 in additional fee revenue annually.

ATTACHMENTS:

Attachment 1: Draft Resolution

Attachment 2: Farmer's Market Rules and Regulations – Revised April 2013

STAFF:

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