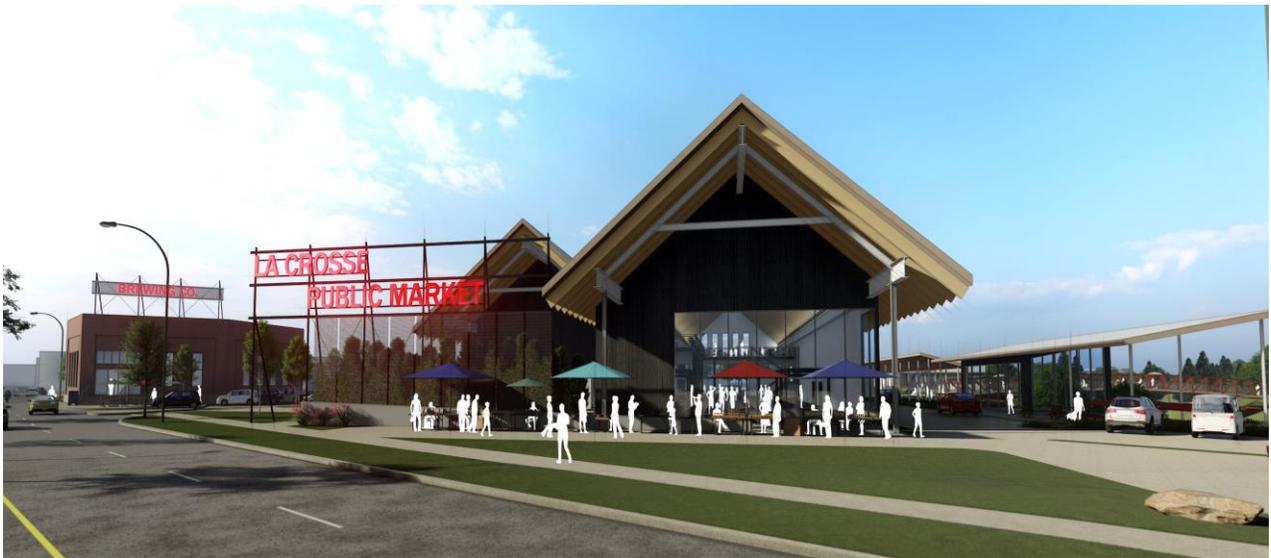


La Crosse Public Market

Partial Business Plan



Prepared for the City of La Crosse, WI

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This Plan builds on the many prior reports and information made available to the authors. It also reflects the insights of scores of citizens who attended community input sessions and shared freely their hopes, dreams, and concerns. Special thanks are due to the numerous citizens whose names were mentioned in the prior Feasibility Study and Site Analysis Reports.

The ideas and suggestions contained herein, and any mistakes or oversights are solely the responsibility of the authors. This study was made possible through the financial support of the City of La Crosse, the Community Development Block Grant Program, Mayo Clinic Health System, and Gundersen Health System.

Introduction: Public Markets in the Age of COVID-19

This Business Plan for the La Crosse Public Market is being written at the height of the COVID-19 pandemic. It is reasonable to ask: “What is the future of Public Markets, in La Crosse, Wisconsin, America, and the World; given a deadly pandemic *that is fundamentally antithetical to the very essence of Public Markets?*”

The strategy of containing this and other pandemics is through social isolation: “Do not get near others”. “Do not share food”. “Do not be a part of a crowd”. “Isolate! Isolate! Isolate!” This will eventually allow humankind to develop the tools to make COVID-19 a footnote in history rather than the menacing terror that it remains today. In contrast, Public Markets are successful because they are profoundly *social institutions*.

This is one of the reasons why, over the last several decades, during the current era of internet sales, malls and department stores have been going out of business at an unprecedented rate. Yet, during this time, several hundred new thriving Public Markets have been created.

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Most Malls Are Dying

Patrons don't just come to Public Markets to squeeze the tomatoes. Customers want the *experience* of a Public Market, the feel, sights, sounds, smells, and tastes. They want the interaction, the color, and diversity that only a Public Market can offer.

While Amazon can more efficiently bring products to our doorstep, it will never be as much fun as sidling up to your friends and neighbors at a vibrant and pulsating Public Market.

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Inside La Boqueria - Barcelona's Public Market: No Social Isolation Here!

As I write this Plan, unemployment in the United States is as bad as it has been since the Great Depression.

The Black Plague, Polio, the "Spanish" Flu, Measles, and Ebola, are mercifully, for the most part, no longer with us. While this deadly COVID-19 pandemic rages on, it will eventually be over. This current pestilence will not be with us forever. Once this pandemic is over, the jobs and entrepreneurial opportunities that Public Markets will generate will be desperately needed and heartily welcomed. Once COVID-19 is a bad memory, and it will be, people will flock to Public Markets to experience the essence of their humanity..... and to shop.

Then, places like the La Crosse Public Market will thrive.

Summary of Prior Feasibility Study and Site Analysis

Two prior Reports undergird this Partial Business Plan.

The Feasibility Study examined the viability of locating a Public Market in La Crosse. It concluded that La Crosse has tremendous resources and assets which could lead to a successful Public Market. The city combines a relatively youthful, well-educated population with a tremendous economic need among many of its citizens.

It found that while La Crosse's businesses enjoy hundreds of billions of dollars in shopping from its roughly 300,000 regional residents, it remains significantly undersupplied in fresh and prepared food venues that would form the core of a La Crosse Public Market.

La Crosse residents would enjoy the social benefits that a Public Market would bring. Its surrounding agricultural economy would improve and its existing businesses, especially those located downtown, would derive substantial economic benefits from a properly executed Public Market. Also, a Public Market will bring significant community development enhancements to La Crosse's many strong neighborhoods.

The author of this Study has done scores of Public Market Feasibility Studies. Roughly 1/3 of these reports recommended not proceeding for a variety of reasons. In the case of La Crosse, the Study suggested that a Public Market would not simply be feasible but that it would be transformational and would help to address many of La Crosse's most intractable issues.

The Study suggested how to establish and maintain a healthy and vibrant Market environment. Following an examination of 18 separate non-economic, non-demographic criteria that are critical to establishing a successful Public Market, the Study went on to examine growth trends, complementary and competitive uses, and the underlying economic and demographic details that bolster an examination of a Public Market's feasibility. The Study detailed where the customers, vendors, and farmers would come from. Supply and demand statistics were presented and recommendations were made regarding how the Public Market could be supportive to surrounding communities.

The Study also examined the viability of a Public Market through the lens of geography, accessibility, demographics, economics, a demand analysis, visitor characteristics, and existing uses.

The Feasibility Study concluded that the Public Market and its associated components and enhancements were feasible in La Crosse.

The second prior report was a Site Analysis that examined fifteen potential locations and settled on three sites for an in-depth examination. The three selected sites were scrutinized for a variety of strengths and weaknesses as well as diverse geographic factors.

Partial Business Plan: La Crosse Public Market

The alternatives were then evaluated and rated based on 49 separate criteria. Based on this evaluation, the final recommended site on the La Crosse River, the Riverside Festival Site, was selected as far and away the most superior. The Site Analysis found that outdoor amenities such as a boat dock, bridge, nature trail, and a plaza with a variety of public amenities, were critical to maximizing the attractiveness of the site to a regional customer base. In this study the larger proposed around surrounding this site and how additional amenities could augment the year-round uses is analyzed.

Executive Summary

Additional information recommended to complete the set-up of the Public Market is a comprehensive Tenant Leasing Plan that would identify 100% of the recommended tenant mix and the size, location, configuration, and utility needs for these tenants, a complete Design Program necessary for detailing the architectural drawings for the Public Market, and a summary of prior questionnaire results, an economic analysis of the Market's impact, and a marketing plan for the Public Market.

Nevertheless, this Business Plan details how the La Crosse Public Market can fundamentally transform La Crosse by generating millions in new tax revenues, hundreds of new jobs, and scores of new entrepreneurial opportunities. It will turn the northern entrance of downtown from an unattractive entrance to a vibrant and inviting gateway. It will enhance the Oktoberfest grounds and transform the La Crosse River from an afterthought to a star attraction.

The Table of Contents details a roadmap for the development, design, tenanting, managing, funding, and timing of the Public Market.

This Business Plan contains specific schematics and renderings for what the Public Market and the Riverside Festival Site could look like. Some of the various elements of the entire Public Market project are detailed.

A comprehensive plan for developing and managing the Public Market is presented with detailed recommendations for the kinds of people needed for the proposed Board of Directors of the recommended management entity. Staff job descriptions and salaries are suggested.

Dozens of specific second locations of regional businesses are recommended for recruitment and inclusion in the Public Market.

A detailed operating and capital budget are presented. The Public Market will bring in roughly \$1,165,000 in annual revenues and cost the same amount to operate after full occupancy is achieved. Full occupancy is projected in year 4. The means to fill the initial operating gap as the project is leasing up is detailed.

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The Public Market and associated plaza will cost approximately \$15,500,000 to develop including the Market's building, plaza, and parking and their amenities. The Market is likely to generate about \$6,000,000 in new, annual, public tax revenues. The Business Plan recommends that the Public Market open debt-free to hold down rents. The majority of the capital costs will be raised through grants. Several means of achieving this through the implementation of a comprehensive funding plan are presented. Potential partners in the development process are suggested and their roles are discussed. Finally, a detailed timeline is offered and a comprehensive series of next steps are proposed.

The Business Plan concludes that by following its recommendations, a transformational project for the City of La Crosse, as well as the entire region, can result.

Types of Tenants for the La Crosse Public Market

The Public Market should be a place where all of your senses come alive. Upon entering the Market, the aroma of fresh ground coffee should mingle with Jamaican jerk chicken and spicy greens sizzling in the pot. The scent of artisan baked hot bread fresh from the oven should interlace with a sweet potato pie cooling on the counter. One should be transported to another place and another time.

Visually, the Market should be a feast for the eyes. Colors everywhere should reflect the rich tapestry that is La Crosse. The foods, art, heritage, history, and culture of the community should be omnipresent. The production of food should be in front of the customer, not hidden in the kitchen. Product displays should be works of art with detailed attention paid to displaying in three dimensions. Foodstuffs such as braided garlic and peppers, huge cheeses, and smoked meats should hang down from the upper stall rails. Barrels, baskets, bins, crates, and more should rise from the floor. Counters should offer sizzling displays as they reach out to grab the customer's attention. Lighting should pop out the bounty of products, balancing colors, and celebrating freshness.

This is to be no ordinary food market.

The La Crosse Public Market should be a tactile experience. Tapestries should sway as they hang from the walls. Construction materials should be honest and authentic - tiles, brick, and wood. This is not a place for slick plastic and chrome.

Partial Business Plan: La Crosse Public Market



Rendering of hanging tapestries - Midtown Global Market in Minneapolis

The sounds of blues or jazz might be heard in the distance from a street musician in the public plaza area.

People typically shop for fresh food twice a week. They spend slightly more on buying food for home consumption than for eating out. The Market should include both fresh and prepared foods. Other than specialty products, let the supermarkets provide non-fresh and non-specialty goods such as paper, canned and boxed goods, and pharmaceutical products.



Philadelphia's Italian Market – deli store

Partial Business Plan: La Crosse Public Market

The nation's Public Markets that are the most successful, are those that balance international and unique offerings with fresh products that meet the everyday shopping needs of their local customers.

The La Crosse Public Market should not strive primarily to attract tourists. Tourists have plenty of opportunities to purchase knick-knacks and souvenirs elsewhere. They are much more drawn to authenticity, local color, and vivacity.

International offerings should be special. For example, a Mexican food stall – rather than offering tacos and enchiladas might sell unique items of particular regional Mexican cuisines that are not readily available. Yucatecan food, for example, could be represented by 'panuchos' (crispy grilled corn tortilla stuffed with charbroiled turkey, black beans, red onions, lettuce, tomatoes, and avocado) or 'brazo de reina' (steamed tamale in banana leaf with spinach, ground roasted pumpkin seeds, hard-boiled eggs, topped with a unique tomato sauce).



Yucatecan Panuchos

The La Crosse Public Market should be a place that anyone who considers themselves a chef – professional or not, goes to find the freshest and most distinctive ingredients.

Some ethnic cuisines will overlap. For example, a tropical produce stall should be able to service the needs of multiple ethnic groups. Care should be taken to ensure that the key components of the cuisines of several different local ethnic groups are available.

Organic and locally produced foods and produce should be readily but not exclusively available. It has been eye-opening to the author of this document, to see how high the demand is for organic foods in low income and ethnic communities.

Production of food should occur on-site. Food produced on-site should be selected for its good smells, interesting production process, and colorful presentation. Think fresh-baked crusty bread, homemade chocolates, and freshly roasted coffee. Sausage should be made off-site. Fresh food with unwelcome smells should be located in perimeter stores rather than central stalls. These enclosed stores should have washable walls, floor drains, and negative air pressure vented to the roof.

Partial Business Plan: La Crosse Public Market



Sampling Beecher's Handmade Cheese at Seattle's Pike Place Public Market

There is little that will be able to compete with the smell and taste of hot, fresh-baked croissants.



Croissants hot from the oven at Pike Place Market

Partial Business Plan: La Crosse Public Market



Adjacent Middle Eastern and Israeli Groceries

The La Crosse Public Market should be *the place* to get specialty and international food ingredients.



El Mercado Latina

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Special efforts should be made to recruit ethnic vendors from different cultures. Likewise, employees should represent and celebrate the diversity of La Crosse's population. For example, Hmong specialty foods should be highlighted.



Public Markets offer entrepreneurial opportunities for vendors that are too often marginalized.

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A Granville Island Deli.



Colorful fish displayed on shaved ice at the Public Market

This author, while emphasizing the importance of display would suggest that Market merchants stay away from gimmicks. The fish market at Pike Place Market that has become famous for throwing fish, has a 'monkfish' that attacks customers (using a string as patron 'marks' approach). The problem is that these gimmicks are attractive for tourists but locals know that fresh fish should not be bruised as they are thrown 15 feet across the stall. The fact is that tourists don't typically buy fresh fish. In fact, the gimmicky fish store earns less than half as much per square foot as the fish stall down the arcade that has gorgeous displays but no gimmicks.

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However, don't be afraid to be outrageous!



Outrageous sometimes works



Displays should be put together as in a painting

The number of the same product displayed should be limited. A cheese vendor might order a case of 72 wheels of brie cheese but only three to five should be displayed. The balance should be in cold storage, located off-site on the mezzanine.

As the product sells down, resupply should occur from an off-site storage location. Attractive displays of diverse products are key.

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Retail spaces should be used for display not product storage

Crafts should be unique. Public Markets are not the place for beaded cell phone cases and other flea market-type items.

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A Handcrafted Public Market Table

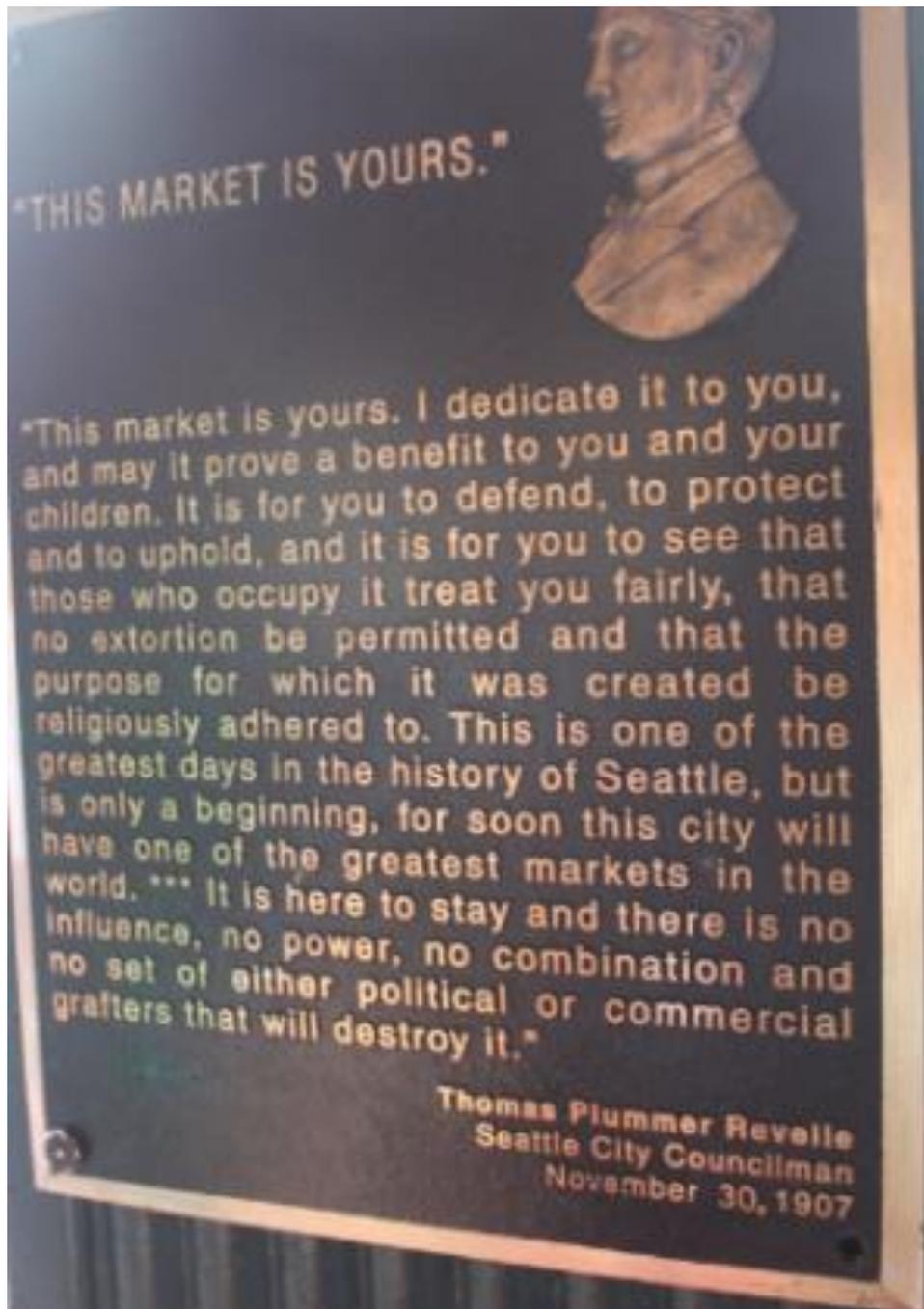
Humor should be woven into the fabric of the Market.



Humor wins every time

Partial Business Plan: La Crosse Public Market

Finally, pay attention to and celebrate local history.



Classic words: Pike Place Market bronze plaque commemorating the Market's 1907 dedication

Partial Business Plan: La Crosse Public Market

Where do Americans spend their food dollars?

In selecting tenants for the La Crosse Public Market, attention should be paid to the underlying economy.

Over the last decades, Americans have spent an increasing proportion of their food dollars at restaurants and fast food establishments rather than on fresh food. That said, there are many more choices where the public can go for prepared food vs. fresh food for home preparation.

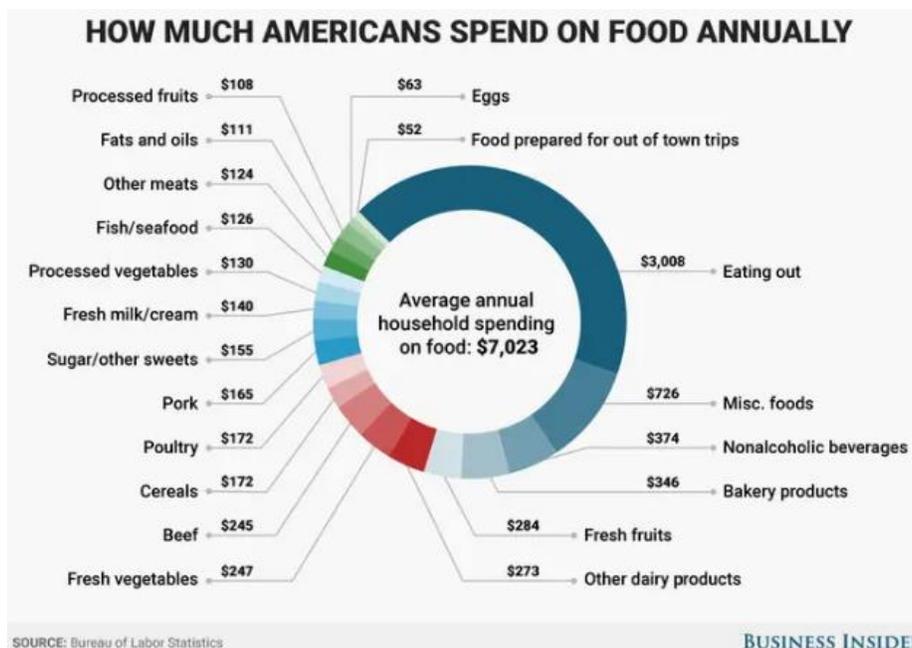
The following chart is taken from the 2018 Bureau of Labor Statistics, BLS, of the US Census Bureau. According to this chart, in 2018, American consumers spent 12.9% of their overall expenditures on food. Of this amount, 56.3% was spent on food consumed at home vs. 43.7% was spent on food consumed away from home.

Table A. Average income and expenditures of all consumer units, 2016-18

Item	2016	2017	2018	Percent change	
				2016-17	2017-18
Average income before taxes	\$74,664	\$73,573	\$78,635	-1.5	6.9
Average annual expenditures	57,311	60,060	61,224	4.8	1.9
Food	7,203	7,729	7,923	7.3	2.5
Food at home	4,049	4,363	4,464	7.8	2.3
Food away from home	3,154	3,365	3,459	6.7	2.8

Source: <https://www.bls.gov/news.release/cesan.nr0.htm>

The 2017 Chart below provides the breakout of what food categories are most significant:



Source: <https://www.businessinsider.com/americans-spending-food-bls-2017-2>

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The Chart that follows provides the 2017 estimated breakdown of *food expenditures in La Crosse County*.

Consumer expenditures per household on Food consumed at home	\$4,673.37
Consumer expenditures per household on Bakery products consumed at home	\$614.78
Consumer expenditures per household on Dairy products consumed at home	\$482.90
Consumer expenditures per household on Fruits and vegetables consumed at home	\$908.44
Consumer expenditures per household on Meat, poultry, fish, and eggs consumed at home	\$1,024.53
Consumer expenditures per household on Nonalcoholic beverages consumed at home	\$459.95
Consumer expenditures per household on Snacks and other food products consumed at home	\$1,642.72

Source:

<https://cbb.census.gov/rae/#industry0=00&geoId=55063&geoType=county&view=report&reportType=detailed>

Tenant Breakdown:

Tenants at the La Crosse Public Market should roughly fill the following categories:

- All fresh foods - 60% (delis, dairy, bakeries, meat, fish, cheese, produce, eggs, poultry, spices).
- Prepared foods - 25% (food carts, prepared food stalls, restaurants).
- Arts/crafts – 10% (focus on locally produced products - both in galleries and stalls as well as craftspeople in the outside farmer portico tables).
- Needed neighborhood shops/services – 5% (for example, if a shoe repair shop is not located in the community, that would be a good selection).

Of the fresh foods, at least 20% should be produced or should be processed fresh foods on-site (freshly baked bread, freshly roasted coffee, homemade chocolates, fire-roasted peppers).

Partial Business Plan: La Crosse Public Market



Eye Candy – Fire Roasted Peppers

How to choose Market vendors?

Public Market development is very different from other forms of retail development. In most malls, the ability to pay rent is the primary selection factor. A proper tenant mix is critical to creating a vibrant and successful Public Market. Remember to create an ‘experience’ and a balanced shopping venue that meets local needs and celebrates local products and culture.

Some of the principles guiding vendor selection are:

- 1) Chain stores and franchises generally have no place in a Public Market.
- 2) Vendor businesses should be unique, interesting, flavorful, and creative.
- 3) Vendors should have a head for creating and running a successful business.
- 4) Ask prospective tenants for samples, check references (not just the ones provided), and credit scores. A credit score of about 600 should be a minimum.
- 5) Don't take vendor assurances at face value – check out all promises.
- 6) Try and attain a balance of 1/3 new business startups, 1/3 new businesses created by experienced vendors, and 1/3 second locations of existing, successful businesses in other locations.
- 7) Avoid the temptation to ‘cherry-pick’ successful businesses away from other existing locations. This will help to maintain a positive relationship with local landlords.
- 8) Personality, Personality, Personality! All things being equal, select merchants with distinctive personalities.

Partial Business Plan: La Crosse Public Market



Personality, Personality, Personality!

Consciously choose different vendors that appeal to a broad income spectrum of potential customers that reflect La Crosse's demographics.

Having a variety of retail sales venues will allow the La Crosse Public Market to accommodate a variety of tenants with different levels of experience and financing.

Wherever possible, local products should be featured. The following is a list of possible second locations of existing regional businesses that mostly have ratings of 4/5 or better by Yelp reviewers. Their interests in having an additional location in the Public Market should be explored.

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Gourmet Candy Outlet/D & D Wholesale
1012 19th St S, La Crosse, WI 54601 (Jackson Plaza)
(608) 782-3682

Yang's Market/Soua's Deli
1509 George St, La Crosse, WI 54603

Thao Brothers Market, LLC
510 Lang Dr, La Crosse, WI 54603
(608) 784-0534

Indochinese Grocery Store
704 La Crosse St, La Crosse, WI 54601
(608) 785-1566

People's Food Co-op
315 5th Ave S #4043, La Crosse, WI 54601
pfc.coop
(608) 784-5798

Hmong Grocery Store
120 Hale Dr, Holmen, WI 54636
(608) 399-1706

Uptowne Cafe & Bakery
1217 Caledonia St, La Crosse, WI 54603
uptownecafe.com
(608) 535-9990

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Herold Trout Farm
N Chipmunk Rd, Stoddard, WI 54658
(608) 788-1375

Wehling Farms & Country Store (Organic farm)
S764 Jore Rd, Westby, WI 54667
wehlingfarms.com
(608) 393-6227

Tamarack Garlic Farm, LLC
N13290 Schubert Rd, Trempealeau, WI 54661
tamarackgarlicfarm.com
(608) 534-0024

Ecker's Apple Farm
W27062 WI-54, Trempealeau, WI 54661
eckersapplefarm.com
(608) 539-2652

Great Lakes Cheese, Inc (Manufacturer)
Manufacturer2200 Enterprise Ave, La Crosse, WI 54603
greatlakescheese.com
(608) 781-2800

Le Coulee Cheese Castle
112 Leonard St S, West Salem, WI 54669
(608) 786-2811

Bubba's Meats LLC
1248 Redfield St, La Crosse, WI 54601
bubbameats.com
(608) 782-8453

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Schuby's Neighborhood Butcher
Deli
321 State St, La Crosse, WI 54601 (Belle Square)
schubys.com
(608) 615-1076

Bakalars Sausage Company (Manufacturer)
2760 Hemstock St, La Crosse, WI 54603
bakalarssausage.com
(800) 459-7760

Oriental Goodies
2945 S, 21st Pl S, La Crosse, WI 54601
(608) 881-6514

Turtle Stack Brewery
125 2nd St S, La Crosse, WI 54601
turtlestackbrewery.com
(608) 519-2284

Jolivette Family Farms
W3452 WI-16, West Salem, WI 54669
jolivettestfamilyfarms.net
(608) 786-0432

Traastad Produce
Traastad Ln, Coon Valley, WI 54623
(608) 452-3804

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Opus Bakehouse
1100 Kane St, La Crosse, WI 54603

Bean Juice Coffee Roasters
1014 19th St S, La Crosse, WI 54601 (Jackson Plaza)
beanjuicecoffee.com
(608) 784-8487

Great Harvest Bread Co.
58 Copeland Ave, La Crosse, WI 54603
(608) 519-5450

Linda's Bakery
190 East City Highway 16, West Salem, WI 54669
(608) 786-1818

Holmen Meat Locker
412 N Main St, Holmen, WI 54636
(608) 526-3112

Asian Market and Yang's Deli
1509 George Street, La Crosse, WI 54603
(608) 782-4333

Hmong Golden Egg Roll Restaurant
901 State Street, La Crosse, WI 54601
(608) 782-0096

Ranison's Ice Cream and Confectionary
706 16th St S, La Crosse, WI 54601
(608) 782-1987

Pearl Street Brewery
1401 St Andrew St, La Crosse, WI 54603
(608) 784-4832

Sacia Orchards Apple Market & Bakery
W19461 US-53 #54/93, Galesville, WI 54630
(608) 582-2119

Shefelbine Orchards & Pumpkin
W4918 County Rd S, Holmen, WI 54636
(608) 526-3495

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Westby Cheese Shop
401 South Main St., Westby, WI
(608) 634-2521

Pleasoning Gourmet Seasonings
2109 Ward Ave, La Crosse, WI 54601
(608) 787-1030

Van Lin Orchards
4002 Tschumper Rd, La Crescent, MN 55947
(507) 895-4492

Dimsum Teashop
221 Pearl St., La Crosse, WI 54601
(608) 738-1221

The preceding list of possible second-location tenants is a good start toward finding 1/3 of possible Market tenants. However, a complete Tenant Leasing Plan should be prepared to supplement this Partial Business Plan. This Tenant Leasing Plan should have specific tenant recommendations that follow the above guidelines and that will allow for the actual Market spaces to be laid out and designed in accord with an actual idealized tenant mix.

Possible Special Tenants

On p. 105 of the previously written Feasibility Study there is a list of three special tenants that could occupy significant space within the Public Market. As these uses need an especially long lead time to develop, it would be helpful if the City of La Crosse representatives could decide soon whether any or all of these uses would be appropriate in the Public Market. That would allow enough lead time to recruit and design these specialized spaces.

Community Kitchen

Relocating the community kitchen has also been suggested as a potential tenant housed in the Public Market. Currently, there is an 1,800 Sq. Ft. community kitchen located in the Coulee Region Business Center (CRBC), which is a mostly grant-funded, 35,000 Sq. Ft. business incubator located at 1100 Kane St. on the northside of La Crosse.

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The current kitchen is equipped with a walk-in cooler, three convection ovens, and four prep stations. As of 2018, there were nine regular kitchen clients.

A 2018 Feasibility Study of the CRBC prepared by Place Dynamics LLC recommended:

"The end goal of the CRBC should be to establish a food incubator in a separate building (ideally connected to an indoor farmer market) where it can have a shared-use commercial kitchen and packing facility along with tenant space for incubator clients. The building and equipment need to be matched with a comprehensive program of professional technical assistance to guide tenants in starting and growing their food business.

...As part of the development of a new kitchen facility, the CRBC should plan to hire a director at least a year prior, to oversee the development of both space and programming. There is an opportunity to partially fund this expense through a grant through the U.S. Economic Development Authority (EDA)."

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Kitchen Incubators can be powerful tools for economic development

In a 2018 discussion between the author and the Director of the CRBC, Heather Johnson,, she concurred with the suggestion of relocating the Kitchen Incubator portion of the CRBC program to the new Public Market.

This Plan recommends that the CRBC food incubator should be a part of the Public Market development, with the following caveats:

- Both the food incubator and the Public Market will mutually benefit from being associated in the same building. The incubator will serve as a funnel for new potential Public Market tenants and, at the same time, more experienced Public Market tenants will serve as informal examples/mentors to Kitchen Incubator tenants.
- The food incubator should *not* be a program of the Public Market, managed by the entity that runs the Public Market. The kitchen should either continue to be managed by the CRBC or should be managed by a newly created sole-purpose nonprofit that the CRBC and the Public Market should cooperate in creating. The reason for this is that the skillsets that are necessary to manage an intensively marketed retail facility are quite different than those necessary to manage a food incubator. Furthermore, food incubators are expensive to equip and run and the effort to develop the Public Market will have their hands full to create and manage the Public Market.
- The food incubator should be located on the upper floor of the Public Market building adjacent to a classroom with seating for approximately 40 people. These rooms should be separated by a closeable curtainwall. The classroom space can also be used for Public Market meetings as a Board room.

Partial Business Plan: La Crosse Public Market

- The food incubator should be a rent-paying tenant of the Public Market whose rent is possibly subsidized. In return, the kitchen should agree to the following:

The kitchen should serve as a demonstration space (in conjunction with the meeting room), for local chefs to provide cooking classes and for public health personnel to give demonstrations on healthful eating, such as ‘How to prepare kale’.

The kitchen should be available as a commissary kitchen for local special events sponsored by the Public Market such as ‘A Taste of La Crosse, and various ethnic food festivals.

The kitchen should be available for Market staff to prepare meals for themselves during working hours.

The kitchen should give priority to Public Market farmers who wish to create value-added products.

Once a firm decision is made to proceed with the development of the Public Market, the same decision needs to be made regarding the relocation of the food incubator as both need substantial lead time for fundraising, design, and development.

Recommended Market’s Size, Components, and Amenities

Is this a Design Program?

This chapter is not a comprehensive Design Program, which would normally include details on the character of the Public Market building as well as specifics on all necessary uses within the building. Neither is it a Master Plan for the entire recommended Riverside Festival Site which would detail all Public Market and non-Public Market uses in specific locations relating to architectural, environmental, topographic, and flooding constraints.

Rather, this Plan is a summary of critical components of the Public Market building and the surrounding amenities associated with the Public Market. It is recommended that as the project proceeds, a complete Design Program and a comprehensive Master Plan be commissioned for the Riverside Festival Site.

The Market Building:

To properly cast a wide enough net, a new Public Market must have enough of a critical mass to encourage potential customers to shop for their fresh food at the Public Market. The Public Market’s success will be limited if it is merely a grocery store serving only La Crosse residents. It needs to be a regional facility with enough vitality and amenities to excite and attract a broad customer base of regional residents and visitors.

Partial Business Plan: La Crosse Public Market

Given the demographics cited in the earlier Feasibility Study, and the necessity to generate the essential critical mass, the Public Market building should contain roughly 36,000 gross square feet. This would provide +/- 25,900 net leasable square feet of retail uses assuming an efficiency loss of 28%. The difference between the gross and net square foot sizes is due to aisles, entries, an indoor special event space, walls, delivery docks, a freight elevator, garbage/recycling, public restrooms, and public art spaces.

The ground floor of about 24,000 gross square feet should highlight and focus on fresh foods, some of which is produced on-site, rounded out by prepared foods, including both stalls and restaurants, crafts, as well as a limited number of other needed neighborhood retail services. The exterior perimeter of the building should be primarily shops and restaurants that “spill out” onto the exterior sidewalks and plaza. All retail uses should be on the ground floor except for loft seating for restaurants.

Additionally, the ground floor should accommodate a loading dock for delivery, a freight elevator, garbage uses, as well as an indoor special event space of roughly 1,800 square feet.

The interior of the ground floor should be primarily “stalls” that mostly focus on fresh foods, with some food production spaces and prepared food counter-stalls. The major entry should be dramatic and obvious from public areas and should include a vestibule for public information, parcel storage, and Market branded merchandise such as shopping bags. A back door should accommodate two loading docks connected to the upper level via a freight elevator and an enclosed, vented garbage room with a compacting dumpster. There needs to be sufficient room for the turnaround of a garbage dumpster-hauling truck and two delivery box trucks, similar to an average size delivery truck. Interior space should be reserved for a special events area that should contain mobile “carts” when special events are not occurring.

The indoor special events space should be regularly programmed with events including music, films, ethnic festivals, dances, food fairs, art shows, children’s movies, and food festivals. Also, the event space should accommodate educational and public health-related uses. For example, many health-related entities utilize Public Markets for things like blood pressure screenings, diabetes, AIDS education, or nutritional information.

The building should have a diagonal primary entry with a vestibule.

Partial Business Plan: La Crosse Public Market



Entry to La Boqueria Public Market, Barcelona, Spain

The Public Market will also need roughly 12,000 gross square feet in upper floor uses. Upper floor uses should include a management office, space for the community kitchen/food incubator, an adjacent meeting/classroom, loft restaurant seating, and a public viewing and picnic area where customers can eat and take advantage of the view over the river. Additionally, support uses such as a walk-in cooler and freezer space, dry storage enclosures, a janitorial supply room, utility rooms, and a maintenance repair room.

The Public Market building should be warm and inviting, not “industrial” in its style. Ideally, glazed garage doors could allow perimeter stores to spill out. Curved relights could be located above the garage doors. Care should be taken to have the most dramatic uses with great smells facing the entrance to the inside of the building.

The permanent building should be initially open year-round for 6-7 days a week.

Partial Business Plan: La Crosse Public Market



A satisfied Public Market customer

The Public Market building should house dozens of permanent, owner-operated businesses selling from stores, stalls, and carts. If La Crosse is to attain its true potential as a healthy business, retail, and restaurant environment, it needs to expand its offerings well beyond its existing tenant mix.

The most important transformation in food retailing in the past decade is the huge growth in consumer demand (in part driven by the success of Public Markets) for food products that are fresh and locally made. The La Crosse Public Market should celebrate and highlight these kinds of products.

Adjacent to the Market Building:

The Market Plaza should incorporate benches, picnic tables, water fountains, bike racks, restaurant seating tables with colorful umbrellas, green space for lounging, and recreational elements – see below. Consider a large digital screen facing the Market’s plaza for advertising events, movies, and special events as well as other digital screens for advertising and informational purposes. These have been even more successful during COVID-19.



Plaza Movies and Programmable Digital Signage

Partial Business Plan: La Crosse Public Market

The plaza should be used for picnicking, outdoor seating, and other public amenities. Include active uses like hopscotch, water fountains, chess and checker tables, bike racks, and other gaming courts (bocce ball? horseshoes?). The plaza should also be a place for special events as well as informal socializing and people watching. It should accommodate a stage, plugins, water spigots, and a speaker system. – all necessary to facilitate special events. Spots for street performers...buskers should be marked. The plaza should encourage interacting with old friends and should create opportunities for meeting new friends. Public art should be incorporated into the design of the plaza. The plaza should also be able to accommodate the proposed six carts in temperate weather.



Partial Market Plaza, Granville Island Public Market, Vancouver, B.C.



Hopscotch!

Partial Business Plan: La Crosse Public Market



Benches should facilitate social interaction



Picnic tables of different sizes and shapes should be scattered throughout the plaza

Food Truck Pad and Picnic Shelter:

A pad for parking at least 3 food trucks selling prepared foods as well as an adjacent picnic shelter should be included. The food truck area would be marked by a flag visible from the Market building.

Partial Business Plan: La Crosse Public Market



Colorful Food Truck

Festival Uses:

Festival uses should be retained and their structures upgraded on the overall site. The Public Market and festivals should co-use parking and recreational facilities on the overall Site. A new music/performance amphitheater should be developed and used both for Market and festival special events.



Oktoberfest - La Crosse

An Amphitheater:

An amphitheater and stage should be located nearby for use for Public Market special events as well as other festival-related uses. As an alternative to what is shown on the architectural

Partial Business Plan: La Crosse Public Market

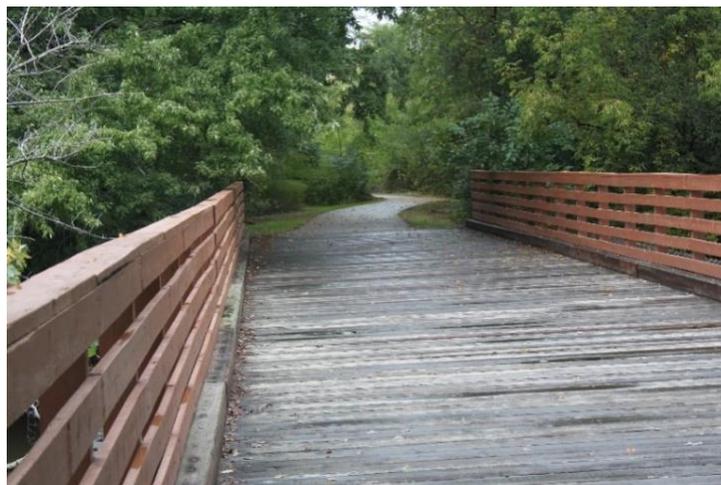
plan on P. 45, consideration should be given to locating the amphitheater across the river from the Public Market building. This could be accessed by the new proposed pedestrian bridge leading to both the amphitheater and the new path along the north side of the River. In either case, the amphitheater's stage should be situated so that the amplified sounds should be directed towards the surrounding wetlands and not back towards the Market and downtown. If code permits, the amphitheater could be located in areas that periodically flood.



KettleHouse Amphitheatre – Missoula, Montana – This could be La Crosse

A New Bridge and Path:

Build a new pedestrian/bicycle bridge over the La Crosse River linking up with a new loop trail on the northside of the La Crosse River, the old RR Bridge to the west, and on to Riverside Park. Maintain the existing pedestrian/bike trail on the South side of the River as is.



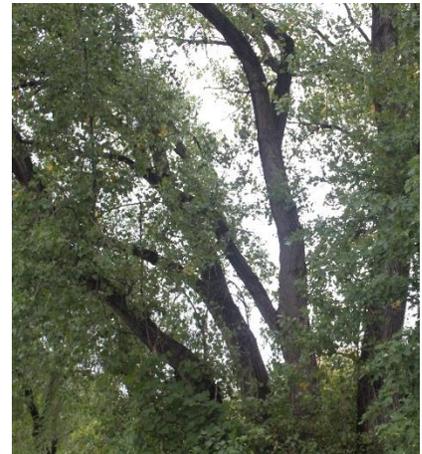
Existing Pedestrian Bridge

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This will open a new area for pedestrian and bike exploration on the north side of the River. It will further seamlessly integrate the Public Market site into the uses at Riverside Park. This path should not be paved and could go through areas with the potential of flooding.



The new path should access Riverside Park and its amenities



The new path should connect to the existing path across the river

Partial Business Plan: La Crosse Public Market



Location for the new path along the north side of the La Crosse River

Additional recreational elements:

The Public Market should not simply be a place to shop. Its success will be significantly enhanced if it also is designed as a social place to play, visit, and enjoy. The La Crosse River is an incredible amenity that should be utilized to the fullest degree. Consider a dock that would allow for fishing and birding. Also, a retail kiosk for canoe/kayak/paddle boat rental and sales of bait, kites, bubble makers, and cotton candy should be included.



Paddleboat and a kiosk example

Partial Business Plan: La Crosse Public Market



Fishing along the La Crosse River at the future Market site

Add visually interesting-to-watch sports elements, such as a skateboard park, ice rink, basketball, or volleyball court. Include BBQ pits in proximity to the new Market Plaza. Involve the community in building a children's playground.



Children's Playground and Waterpark Adjacent to Cincinnati's Findlay Public Market

There are a variety of groups like Kaboom (https://kaboom.org/about_kaboom) that work with communities to plan and design, organize volunteers, solicit donated materials, and build out playgrounds using community volunteers. It would mobilize the community and thus create a sense of community ownership for the playground and the Market. Careful research is recommended to select the best group to lead the effort. The author can put you in touch with folks who followed this path to build the terrific Jones Park in Asheville, NC.

Partial Business Plan: La Crosse Public Market



A Community Built Jones Park – Asheville, NC

Daytables:

Design two porticos that cover the daytables, with six selling spaces of 8-10 feet each with iconic architectural elements. They should be placed so that people entering should go around or between them to get to the main entry. They need to functionally keep the sun and rain off of the vendor and merchandise being sold.

An outdoor farmers market portico should give first priority to farmers during the growing season. It should also allow carefully juried locally made crafts to fill in, as the growing season ends and the holiday season begins. Farmers should receive twice the selling space for the same daily price as craftspeople.



A Market 'portico' designed by the author and a Prescient 1930's Poster

Circulation:

A new Master Plan should consider new circulation elements both within and through the site. These might include new street extensions of La Crosse St., traffic circles, lights, or turn signals. If the City decides to allow direct access off of 3rd St. N., traffic calming techniques should be

Partial Business Plan: La Crosse Public Market

utilized so that the new Market entry does not become a shortcut to non-Market uses. An extension of La Crosse Street to 2nd Street could also add additional parking for the Oktoberfest grounds and the Public Market.

Housing:

The Riverside Festival Site is large enough to consider the addition of mixed-use, multifamily housing. The housing would have great access to shopping and terrific amenities and views. Senior housing should be considered, as it would minimize the pressure on parking and would provide a ready source of grant income to help fund the housing. Alternatively, a Request for Proposals could be developed to identify a private developer for the housing portion of the site. Payment for the rights to develop the housing could be directed toward the various larger site amenities which would benefit both the housing occupants as well as the festival and Market attendees.

Public Art:

Art, whether freestanding or on the walls should enliven the Market space. Incorporate Public Art both within the Market building and on the site:



Market Mural - Findlay Market, Cincinnati, Ohio

Partial Business Plan: La Crosse Public Market



The Sound of Flowing Water, 3 Dimensionality and Color Are All Important

The future Design Program and Master Plan should flesh out the requirements for and location of the above uses.

A Conceptual Site Plan Layout and Renderings:

THESE PLANS SHOULD BE TAKEN AS CONCEPTUAL ONLY.

Their purpose is to demonstrate that all plan elements can be located on the broader site. A Master Plan is recommended that will maximize the benefits from the co-location and interrelationships of the various elements of the overall Plan. It will also respond to the numerous utilities that traverse the site as the final location for the various elements are reset on the overall site.

Partial Business Plan: La Crosse Public Market



INFORMATION AND KEY

MARKET BUILDING	24,000 SF TOTAL
	24,000 SF @ 127
LANDSCAPE	12,000 SF @ 210
	23' SURFACE LOT

- A. MARKET/EVENT PLAZA
- B. BRIDGE TO RIVERSIDE NORTH
- C. BREWERY AND BEER GARDEN
- D. FOOD TRUCKS
- E. FARMER'S MARKET LOCATIONS
- F. BOAT RENTAL/SALES KIOSK
- G. FISHING PIER/BOAT STORAGE



LA CROSSE PUBLIC MARKET

SITE PLAN
12-01-2020



Riverside Festival Public Market Site

Partial Business Plan: La Crosse Public Market



Aerial view looking S. showing new secondary entry off of 3rd St. North

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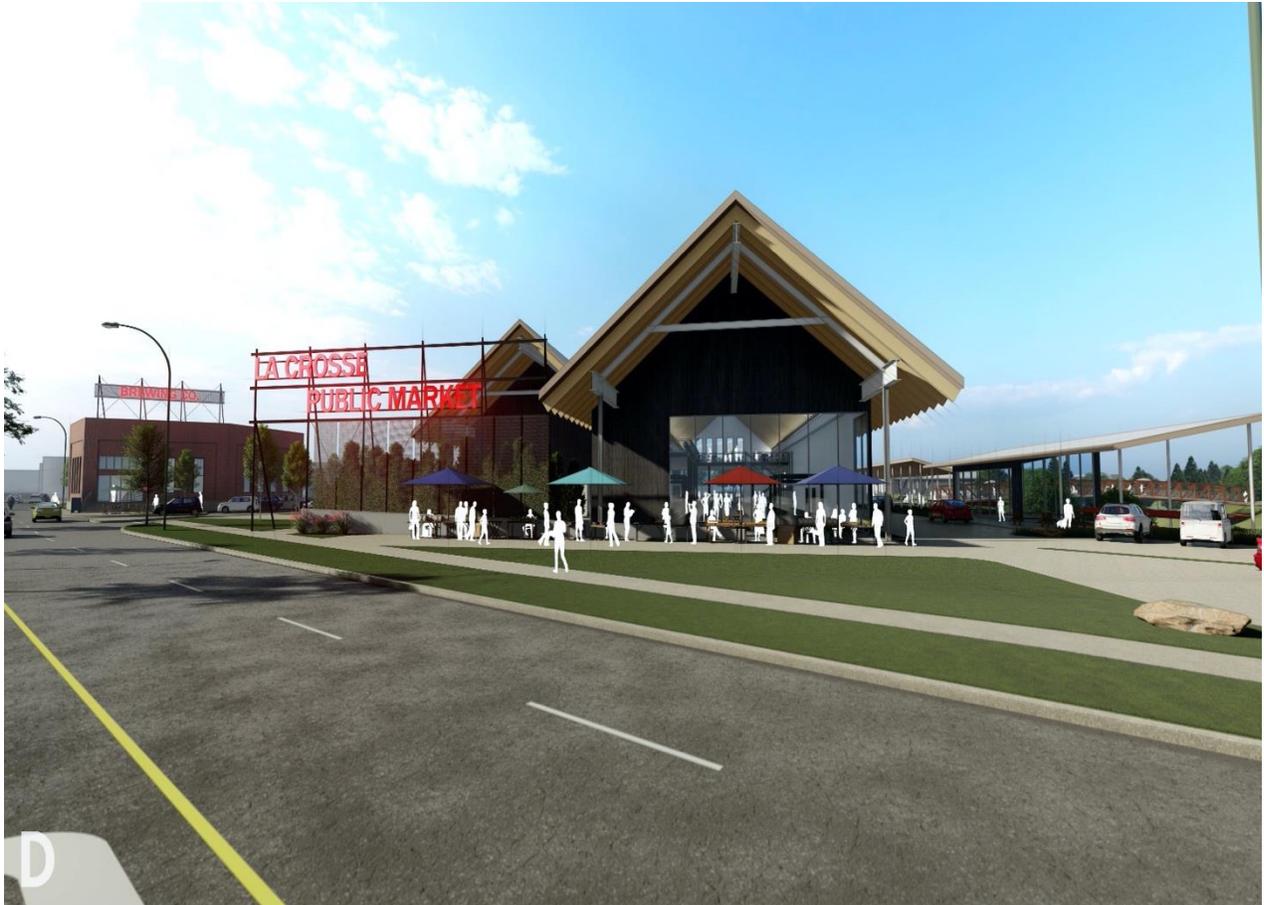
Aerial of Riverside Festival Site Looking NW Showing Photovoltaic Roof

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Market from 3rd St. N.

Partial Business Plan: La Crosse Public Market



Market from 3rd St. N showing Signage and Street Reconfiguration

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Market Plaza

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Market Trail Connection, Bridge, and Dock

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Festival Event Site, Amphitheatre, Picnic Area, Food Trucks

Parking/Transportation Need and Location

Parking:

The site as shown has roughly 75 car surface parking spaces immediately adjacent to the Market building. At peak Market traffic, an additional 50 - 75 spots available for Market parkers may be needed. These can be part of a pool of available parking spaces available to all uses on the site. Additionally, surface street parking in the area as well as additional parking in the City-owned Pine St lot which is a couple of blocks distant, will be available.

The 2020 Rich & Associates Downtown Parking Study Update for La Crosse finds that the Pine Street ramp, with 605 spaces, is only 50% occupied during peak hours. Thus, even at peak hours, roughly 300 additional parking spots would be available at this ramp which is two blocks from the Market, which is a four-minute walk. Additionally, the study finds that on-street parking around the Market is less than 50% occupied at peak hours.

Since customers buying groceries are not accustomed to paying for parking it is recommended that the Public Market, especially during its early years, requires, via the tenant lease, that all Market workers and tenants park in the Pine St ramp to allow parking adjacent to the Public

Partial Business Plan: La Crosse Public Market

Market building to be utilized by customers. I would suggest that as a way to support the early years of the Market's development, the City also subsidize these monthly parking costs. Furthermore, 2 hours of free, validated ramp parking should be provided for customers who can show receipts for \$20 or more spent at the Public Market. This promotion will ultimately benefit the City by encouraging patrons to use the Pine St. ramp as well as by contributing to the success of the Market and its attendant tax revenues which will inure to the City.

Three of the parking spaces closest to the building should be available for metered 10-minute, short-term parking for parcel pick-up and transportation pick up and drop off by taxis, and ride-share companies.

Parking lots should be well-screened with new trees and landscaping. If possible, consider "green" paving as shade and landscaping are important



Consider "Green Paving" for Parking



A shaded "green" parking lot



Sometimes, parking lots can be too green!

Partial Business Plan: La Crosse Public Market

The existing bus stop at Copeland and La Crosse St. should be maintained and a new bus stop at Oktoberfest Strasse and La Crosse St. should be created. Bus schedules should be expanded to run with greater frequency. A recognizable logo for the Public Market should be developed and uniform directional signage from the bus stops, the Pine St. ramp, as well as from other key locations throughout the downtown should be installed.

The Market should be well advertised at the Riverboat Cruise Ship dock and follow-up pedestrian signage should be provided.

The Master Plan should further address the issues of parking for all site uses, street circulation, possible street extensions, a potential new traffic circle, traffic lights, and street signage.



Pine St. Ramp

The map below shows parking occupancy near the Market site during peak hours (12-2 PM).



Partial Business Plan: La Crosse Public Market



Infrastructure Requirements

Because the Riverfront Festival Site is large enough to accommodate uses besides the Public Market and its amenities, it will be important to have a completed Master Plan to detail all necessary infrastructure requirements.

The place to start is by obtaining the following information relative to the whole site:

- A Phase one and two Environmental Report.
- A detailed current flood plain map showing building limitations.
- A detailed utility survey showing the capacity and location of all utilities.
- A topographical site map.
- A physical survey showing property boundaries and ownership of all relevant parcels.

A Staffing Chart Including Brief Job Descriptions & Salaries

It is essential to have Market management, with authority, present on the “floor” whenever the Market is in operation and/or open to vendors. The personality of the Executive Director and his or her ability to get along with vendors, yet enforce the rules evenhandedly, is essential to the success of the Market.

The proposed staffing plan below, assumes the following Market schedule – 66 hours of Market operation per week: (7 days at 6 - 12 hours/day). Restaurants, brewpubs, and other establishments that open onto the exterior of the building, but not into the inside, should be allowed to stay open as late as they wish as long as their hours are consistent with the law.

Monday	8 AM - 6 PM
Tuesday	8 AM - 6 PM
Wednesday	8 AM - 6 PM
Thursday	8 AM - 6 PM
Friday	8 AM - 8 PM
Saturday	10 AM - 6 PM
Sunday	12 PM - 6 PM
Total weekly Market hours	66 Hours

Recommended Interior Market Hours of Operation:

Partial Business Plan: La Crosse Public Market

The above hours should be a leasehold requirement with escalating fines for non-conforming to these hours. It is critical that when customers are told the Market is open, they have a good experience. It may be that initially; the Public Market may decide to be closed on Monday until sufficient customer volume is established.

Job Descriptions for Market Staff

The Public Market Director (Executive Director), will oversee the entire staff to make sure their jobs are being performed optimally. The Market Director will also:

- Manage the Market sales floor for approximately 15-20 hours per week when the Property Manager is not present.
- Take responsibility for the day-to-day operation of the facility and staff.
- Negotiate and contract for all building services and initial leases.
- Oversee building janitorial, maintenance, and security services. Host facility tours.
- Represent the Market at outside meetings and engagements.
- Provide individual technical assistance and resource matching for Market businesses.
- Hire and fire staff and initiate performance reviews.
- Lead Market staff meetings.
- Take the lead on fundraising for specific activities.
- Prepare and adhere to an annual budget approved by the Board.
- Provide staff support for the Board of Directors.

The Property Manager/Market Master will spend most of his/her time working directly with vendors, negotiating, enforcing rules, and problem-solving tenant issues daily. He/she will also manage the receipt of funds and allocation of space for the exterior daytables. The Executive Director will fill in for the Property Manager when he or she is not present.

The Operations/Maintenance Director does general maintenance & schedules the janitorial staff. S/he develops and implements a preventative maintenance schedule and coordinates outside facility maintenance contracts.

The Marketing Director will be responsible for oversight of all aspects of marketing, including institutional and coop advertising, brochures, web page, and tours. He or she will assist the Executive Director and Board to make sure the facility is initially leased with an optimal mix of vendors. Other responsibilities include the programming of regularly scheduled special events.

The Office Manager/Receptionist/Bookkeeper will be responsible for general bookkeeping and reconciliation of accounts, payment of bills, and reporting of financial data to the Market Director, as well as keeping the office running smoothly. S/he will direct phone calls, maintain common files, direct and respond to emails and greet people visiting the office.

Partial Business Plan: La Crosse Public Market

The Janitorial Staff will be responsible for all aspects of cleaning and maintenance of the Market Building and the outside plaza at key times during the 66 hours/week that the Market is open for business. Also, the Market and Plaza should be thoroughly cleaned after-hours. The janitorial staff will also act as friendly Market constables and.

Whenever possible, the Market should *not* use contract employees or firms except for highly technical tasks such as refrigeration, elevator, and HVAC maintenance and repair. Colorful Market uniforms incorporating the Market's Logo should be provided to staff. In contrast to some other Public Markets, such as Cincinnati's Findlay Market, which has a much higher crime rate, this staffing plan does not anticipate the need for full-time security guards. Even Findlay Market relies solely on City police for security. Staff should see to it that doors are locked after hours and the local police force should be on call to handle all security issues such as shoplifting.

Title	Hours/week	\$/Wage/hour	Annual Wage
Public Market/Facility Director	40	40.38	\$84,000
Property Manager	40	24.52	\$51,000
Operations Director/Maintenance	40	24.52	\$51,000
Marketing Director	40	24.52	\$51,000
Bookkeeper/Office Manager	40	16.88	\$35,120
Janitorial/Maintenance Staff	40	14.42	\$30,000
Janitorial/Maintenance Staff	40	14.42	\$30,000
Total annual direct cost of wages			\$332,120

Staff Roster and Salaries

All financial estimates assume an opening in 2023.

All staff positions should pay the required social security and taxes. Also, health benefits should be covered 100% for all employees. As the Market becomes more successful over time, additional benefits should be added at the suggestion of the Executive Director and the approval of the Board. The true (non-salaried) costs of maintaining these positions are addressed in the operating budget which follows.



Hiring a staff that is excellent, knowledgeable, motivated and diverse, is key to the Market's success.

Operating Budget

Public Market Economics: Sales, Rent, and Cost of Occupancy:

Rents that are achieved in most Public Markets are significantly higher than those achieved in traditional shopping centers. The cost to the landlord, of occupancy, is typically higher, since Public Market tenants are not paying the costs of substantial common areas, public events, marketing, and display support, or institutional advertising. These costs are another reason why *average* rent can be higher than surrounding retail space. What counts is what a merchant nets, not what they pay in rent. Higher sales volumes per sq. ft. justify higher rents in any retail venue. High per sq. ft. sales of Public Markets is a well-documented fact.

Public Markets *do* need to subsidize rents of some key businesses like startups or particularly desirable tenants. However, *on average*, Public Market tenants often pay higher rents than other nearby retail uses. Businesses with higher gross margins can be charged a higher per sq. ft. rent. This allows the rent for needed 'anchor' tenants to be subsidized. For example, a seafood seller with an estimated cost of goods of 60% should be charged less per SF than a seller of prepared foods with an estimated cost of goods of 40%.

Rents charged also reflect that smaller spaces pay a higher rate. A needed tenant whose use requires skilled labor, e.g. a butcher shop, will pay a lower rate. Similarly, a desired startup tenant moving her sweet potato pie business out of her home kitchen should be charged less

Partial Business Plan: La Crosse Public Market

rent than a maker of fine chocolate truffles. Tenant Leasing guidelines need to ultimately be developed which will define these decision parameters.

The diverse nature and purposes of a Public Market make it difficult to identify comparable rents. Current rents reported in the La Crosse area range from \$17 - \$22/sq. ft. It is clear that by 2023 when the Public Market is expected to open, average rents will be higher. Rent, as perceived by the tenant, is based upon the cost of occupancy and not the cost of rent per sq. ft. For example, the annual rent at The Charleston City Market is \$100.00 per sq. ft. But the all-inclusive cost of occupancy for a 10 x 12-foot stall space is only \$33.00 per day, making break-even sales \$66 per day at a 50% gross profit margin.

Public Market merchants are primarily interested in the answers to a two-part question: What will it cost a day and how many people are coming to shop? Rents, for the most part, are quoted as a lump sum by the day or month.

Sales Per SF at Other Public Markets:

Public Markets & other retail venues	Average Sales per SF
Granville Island, Vancouver BC	\$2,000
Ferry Terminal Market, San Francisco	\$769
Reading Terminal Market, Philadelphia	\$750
Average Walmart	\$600
Average upscale grocery	\$642

Source: 2014 Interviews with Market Managers by author and trade publications.

Higher sales per square foot are achieved in Public Markets because Markets' charge for net useable space that is intensively merchandised. Approximately 28% of The Market's inside space will be for aisles, restrooms, the public plaza, and other public areas - for which there is not a direct charge. The rule of thumb is that retail tenants can afford a monthly rent that is equal to 5-10% of their gross sales.

Sample Public Market Rents:

Public Market	Rent charged
Granville Island, Vancouver, BC	\$60-80 per sq. ft., 4%-9% percentage rent, and an additional \$10-\$15 per sq. ft. in expense charges.
Reading Terminal Market, Philadelphia, PA	\$62 per sq. ft. for fresh food tenants and \$100-\$128 per sq. ft. for prepared food and other vendors.

Source: Interviews with Market Managers by the author (2014)

Translating Market Economics into Projected Rent:

New retail spaces in shopping centers and malls do not prepare spaces that are 'move-in ready'. The typical Public Market builds out a "vanilla shell" retail space in stores (utilities stubbed out but not distributed, HVAC provided but not ducted). All floor and roof

Partial Business Plan: La Crosse Public Market

penetrations, (grease traps, floor drains, foul air vents for meat and fish) should be provided by the landlord and partially charged back to the tenant over time, as a surcharge on rent

However, stall spaces are generally finished to a much higher degree (refrigerated display cases, sinks, etc.), and restaurants have a chase through the building roof so they can install their required hood. It costs a tenant a one-time cost of anywhere from \$20-100 per square foot to finish out their space depending on their use, the level of finishes, and the amount of 'sweat equity' the tenant can contribute. This one-time initial cost is over and above the monthly rent. When the landlord installs a higher than the vanilla-shell level of finishes, partial cost-sharing reimbursement from the tenant should be charged.

Differential rents

Not all tenants should pay the same amount of rent per sq. ft.

The mission of the Market should be considered. If one of the purposes of creating the La Crosse Public Market is to try to address the economic and racial inequalities that emerge from local demographics, then there are ways for the Market to address these inequalities.

- 1) The Market should build into its program a business assistance component for both rural and urban enterprises. Plug tenants into available business assistance and incubator programs at community colleges, SBDCs, or CDFIs. Encourage tenants to work with existing microlending programs. Sponsor tenant classes in guerilla marketing, product display, and accounting.

However, the market is not a social service program. Tenants need to act responsibly, work their hearts out, and pay their bills.

While instruction is important, the best learning experience for a startup business comes from watching what their flourishing neighbor is doing. When Starbucks started in the mid-'70s at Pike Place Market as an owner-operated startup business, the gross sales of surrounding tenants soared as proprietors watched a master at work....and copied him.

- 2) The Market should adopt a differential level of setting rents – like Pike Place and other Public Markets. Startup businesses that are dripping with creativity, moxie, and hard work, can contribute substantially to the Market. These kinds of businesses should be charged less per square foot than the experienced vendor selling high-end products. Both will contribute to the success of the Market and both should be encouraged.

Other businesses may be especially critical to the success of the Market - they too should be given a break. Malls also subsidize certain kinds of stores, typically their anchors. Public Markets do the same thing with different goals in mind.

In addition, gross rent is made up of three factors:

Partial Business Plan: La Crosse Public Market

- 1) Net rent per sq. ft. – this needs to pay for most operational expenses and capital debt service, if any.
- 2) An institutional advertising/marketing fee which should be 1% of gross sales as reported quarterly. This will assist the landlord in tracking the success of individual businesses. These receipts should be reserved for paying for the staff and expense of an institutional advertising program only. Merchants should also be encouraged to buy ‘coop’ ads. Merchants should elect their own committee to work with marketing staff on designing an institutional advertising program.
- 3) A common area maintenance and utility charge (CAM) which will cover operational expenses such as utilities and maintenance of common areas. The landlord should fix this cost annually based on a best estimate - to avoid squabbles over specific costs. The fixed CAM cost should be folded into the monthly rent.

Given the above discussion, the author of this report recommends that the Market open with an *average* annual base rent per square foot of \$25. Some of the smaller spaces such as the carts might end up paying \$400/mo. which is quite affordable. However, this translates into over \$100/sq. ft./yr. Alternatively, the storage spaces might go for \$8/sq. ft. Spaces that are important to the mission of the Market, such as the institutional kitchen or a minority-owned, start-up businesses, might go for less than the average. Businesses with a high-profit margin run by experienced owners should pay more.

The most recent major Public Market to open – Boston Public Market, started with initial rents averaging +/- \$80. However, Boston has a much larger (and significantly wealthier – on average) potential customer base.

Rents should be based on the criteria spelled out in this document and the Market’s Tenant Leasing Policies which need to be developed. Actual rent should range from \$8 - \$100 per square foot. Rent should escalate annually based on inflation and should be additionally raised as the Market fills up and becomes more successful.

Although many retail complexes charge a percentage rent as a way to keep their base rent lower, there are often significant problems with under-reporting. In the author’s experience, tenants *will* pay the 1% institutional advertising fee because they can see the direct benefit and because it is a relatively modest amount. Operating costs, (once the Market is fully leased) should be borne 100% by the Market’s operations and should require zero ongoing subsidies.

Partial Business Plan: La Crosse Public Market

Operating Revenue Assumptions

Component or operating revenue source	Amount or cost	
1	Average rent all retail – some lower some higher depending on use, size, location, targeted customers	\$25/net SF including spillout
2	Main Market building ground floor net	24,000 SF
3	Second Floor Gross SF	12,000 SF
4	Ground Floor Market Net SF @72% efficiency w. exterior spillout	21,000 SF
5	Second Floor Net SF @72% efficiency	9,360 SF
6	Main Mkt Bldg. 2 nd fl. Restaurant loft seating	2,200 SF Net
7	Main Mkt Bldg. 2 nd fl. Inst. Kitchen	1,800 SF Net
8	Main Mkt Bldg. 2 nd fl. Coworking offices	760 SF Net
9	Main Mkt Bldg. 2 nd fl Cold, Frozen, and Dry Storage	1,800 SF Net
10	Main Mkt Bldg. 2 nd fl Management Office and Mtg Rm	2,200 SF Net
11	Main Mkt Bldg. 2 nd fl Public Seating	600 SF Net
12	3 food trucks @ 50% annual use.	1,200 SF
13	River Kiosk	350 SF
14	Assumed full occupancy (= 95%)	95% yr. 4 & thereafter
15	Bldg. <i>average</i> retail annual rent = Grd. floor (Net 21,000 SF) + 2 nd Floor leasable = 6,560 net SF (Inst. kitchen + Coworking office + Restaurant loft + Storage) = 27,560 net leasable sf + 1,800 SF Food Trucks (@60% = 1,080 sf) + 350 SF River Kiosk = 1,430 sf. Total site leasable = 28,990 SF X \$25 X 95% =	\$688,513
16	Uncollectable rent @ 3%	-\$20,655
17	Late fees and fines @ .05%	+ \$3,443
18	Gross rent revenues (#15 – 17) -	\$671,301
19	Tenant capital improvement reimbursements/yr. (see capital budget)	\$150,000
20	1% Marketing fee income – 28,990SF X \$800/sales /SF X 1% (for institutional advertising - see below)	\$231,920
21	Utility/Cam reimbursement @ \$3 SF X 20,000 SF (primarily stalls – most store utilities partially separately metered)	\$60,000
22	Daytables daily rate	\$30/day
23	# Daytables	12
24	Assumed annual daytable occupancy	50%
25	Daytable income - \$30 X 12 X .50 X 360 (days the PM is open/yr.)	\$64,800
26	Interior Plaza rental 6X/yr X \$250	\$1,500
27	ATM income	\$4,000
28	# Carts	6 @ \$400/Mo
29	Misc. Grounds and/or bldg. rentals X \$1,000 X 6 yr.	\$6,000
30	Special event outside sponsorships \$1,500/mo.	\$18,000
31	Operations related grants	\$30,000
32	Contribution from startup reserve – spent down to zero years 1-3.	\$0
33	Subtotal Annual operating income in constant dollars. (No impact of inflation since revenue and expenses are equally impacted) Sum of # 18-21, 25-27, 29-31 =	\$1,237,521
34	Contingency % in case of mistakes = 5%	-\$61,876
35	Total annual income in constant dollars	\$1,175,545

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The prior Table assumes an opening in 2023. Many of the numbers in this Table come from earlier sections of this Business Plan. This budget assumes increases in inflation costs will be met by increases in inflation revenue. This budget assumes a year 4 breakeven budget at 'full' (95%) occupancy. Deficits in years 1-3 will be filled by the startup reserve identified in the following chapter.

Operating Expense Assumptions

The following Table assumes an opening in 2023. Many of the numbers in this Table come from earlier sections of this Plan.

This budget assumes increases in inflation costs will be met by increases in inflation revenue. This budget assumes a year 4 budget at 'full' (95%) occupancy. Deficits in years 1-3 will be filled by the startup reserve identified in the following chapter. This one-year budget is expressed in constant dollars (revenue inflation = cost inflation). It assumes losses are made up in years 1-3 through the startup reserve. Operating annual expense assumptions are for the Public Market, river kiosk, food truck pads, and the Market Plaza only.

This budget assumes that the City of La Crosse will take over operating costs for the new north La Crosse River trail and the new pedestrian bridge as well as the amphitheater (offset by amphitheater revenues and/or the Oktoberfest Board).

#	Item	\$	Comment
1	Total Income	\$1,175,645	From above Income table
	Expenses:		
	Employees/Training		
2	Total Employee Salary	\$332,120	See earlier salary schedule
3	Employee Costs w/ benefits, taxes.	\$431,756	Assumes 30% load for taxes and benefits
4	Tenant/employee trainings/classes/fill in/temps	\$30,000	
5	Total Employee Costs	\$461,756	#3 + #4
#	Item	\$	Comment
	Facilities		
7	Landlord paid utilities	\$120,000	@\$3.00/ GSF X 40,000 Gross SF (32k+some outdoor)
8	Utilities billable to tenants	\$0	Stores and restaurants separately metered
	Maintenance/Janitorial supplies	\$6,000	
10	General repairs and maintenance	\$10,000	
11	Extraordinary maintenance	\$10,000	
12	Equipment repairs and maintenance by Contractors	12,000	Initially, warranties should be in force

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13	Refrigeration maintenance contract	\$6,000	All stall mkt and storage refrigeration
14	Equipment rental	\$1,000	
15	Equipment purchases	\$4,000	(Initial equipment in the capital budget)
16	Computer maintenance	\$1,000	
17	Landscaping/maintenance	\$0	Outdoor Maintenance by City using Market revenues.
18	Pest Control	\$6,000	Contract
19	Waste Removal/Recycling	\$26,000	Contract
20	Property & Liability, Insurance	\$20,000	Individual merchants required to carry their own insurance
21	Real Estate Taxes	\$0	Publicly owned. Large increase in area RE tax revenues.
22	Construction "fixes" following the opening	\$70,000	Will decline over time
23	Signage	\$3,000	Overall signage in the capital budget
24	Total Facilities Costs	\$295,000	Sum of #7 - #23
	Management Office and Administrative		Management Office
25	Office Utilities add-on	\$1,000	Most utilities in utility line item
26	Office Supplies	\$1,000	
27	Office Repair and Maintenance	\$1,000	
28	Telephone & Internet	\$1,000	
29	Postage and Freight	\$1,000	
30	Printing and Reproduction (includes marketing printing)	\$8,000	
31	Bank Charges	\$500	
32	Travel and Conference Costs	\$1,000	Less overtime
33	Association Dues/Books/journals	\$500	
34	Legal	\$36,000	Less over time
35	Accounting/Audit	\$12,000	
36	Total Office and Administrative	\$63,000	
	Item	\$	Comment
	Leasing Expense		Preferable to primarily handle internally by staff
37	Advertising and Promotion	\$1,000	For identifying new tenants
38	Credit Evaluation Services	\$500	
39	Tenant Improvement Allowances	\$15,000	For new replacement tenants
40	Total Leasing Expense	\$16,500	
	Marketing		
41	Advertising	\$125,000	Will decline over time (more costly to attract initial customer)
42	Publicity and Public Relations	\$4,000	
43	Website Creation/Maintenance	\$18,000	
44	Special Events	\$35,000	Will decline over time

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45			
46	Total Marketing	\$182,000	
	TOTALS		
47	Total Employee/Training	\$461,756	
48	Total Facilities Costs	\$295,000	Will decline over time
49	Total Office and Administrative	\$63,000	
50	Total Leasing Expense	\$16,500	
51	Total Marketing	\$182,000	
52	Subtotal Operating expense w/o reserves and contingency	\$1,018,256	
53	Reserves, debt service, and contingency		
54	Operating Reserve	\$25,000	
55	Replacement Reserve	\$25,000	
#	Item	\$	Comment
56	Annually available for Contingency @10% of Exp. (#52)	\$101,826	
57	Total Reserves & Contingency	\$156,326	
58	TOTAL Operating Expenses	\$1,174,582	#52 + #57
59	TOTAL Income	\$1,175,645	#1
60	Net Surplus/Deficit	+ \$1,063	Surplus after reserves and contingency

What is a Startup Reserve?

The Public Market should operate on a break-even basis once fully leased. Complete occupancy should be assumed to be 95% occupancy as inevitably, there will be tenant turnover with time needed for tenant recruitment and space preparation.

However, the Public Market will not open fully leased at its grand opening. This Plan assumes that it will be 65% leased at its Grand Opening and full occupancy (95%) in the 4th year of operation and thereafter. There will inevitably be tenant turnover and transition.

The early years will be relatively more expensive to operate since there will be inevitable construction “fixes”. Also, marketing costs will be higher as it is far more expensive to bring in a new customer for the first time than to bring them back (assuming they have had an initial positive experience). Initial advertising costs for the first three years will therefore be higher.

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At the same time, revenues will be initially lower due to a lower amount of rental income at the same time as it will be necessary to maintain the same staffing level. This means that the Market should expect to run at an operational deficit in years 1-3.

The startup reserve is just that, a reserve to fill in the fully anticipated operational gaps during the first three years of operation. In year 4, the startup reserve will be depleted. However, the Market's expenses will be lower and its revenues higher. This will allow the Market to operate without further operating subsidy into the future. This startup reserve should be budgeted as a capital rather than an operational expense as it is a one-time expense associated with the creation of the Public Market.

More mature markets like Pike Place Market can run at a substantial annual surplus of over a million dollars. They reinvest that surplus into things like low-income housing, subsidized childcare, and healthcare.

Based on the above stabilized operating budget, the startup reserve for the La Crosse Public Market will be \$523,000. The Table below assumes that expenses in years 1-3 will remain as stated above but that income will involve the shortfalls noted in the chart below.

Startup reserve calculation:

Item	Explanation	Amount
Rent short fall	\$672,690 (gross rent - including outside spaces) X 65% yr. 1, 75% yr. 2, 85% yr. 3 = shortfall of \$403,614 (gross rent - 30% + 20% + 10%).	\$403,614
Saving from less initially occupied space	Lower utilities, contracts, supplies, year 1-3 due to lower occupancy	-\$30,000
Add-on for construction fixes year 1	Initial year will be the most expensive	\$50,000
Add-on for marketing year 1	Initial year will be the most expensive	\$50,000
Leasing expenses	Pre-opening leasing expenses	\$50,000
Total startup reserve	Sum of above	\$523,000

Capital Budget

This Business Plan was commissioned for the creation of Public Market buildings, and their immediate amenities, which could include a Farmers Market, Market Pavilion, Market Plaza, and the immediately adjacent Market parking. These elements are estimated to cost a grand total of \$15,494,146, Including all projected Kraus-Anderson (KA) costs, plus all other non-included and soft costs.

The associated amenities that are not directly associated with the Public Market proposed for the site, would add an additional cost of \$11,249,767 to the entire project. These other elements would substantially enhance the success of the Public Market while further transforming the northern gateway to La Crosse.

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These other amenities include: a new pedestrian bridge over the La Crosse River, an amphitheater, new festival grounds for Oktoberfest and other festivals, an event pavilion, a riverfront dock for boat rentals, fishing, and boat visitors, and an extension of the Riverwalk trail.

Additionally, multistory housing and a La Crosse County Historical Society Museum are also proposed for the site as well as a variety of street improvements. These costs are not included in the summary that follows. This Plan lacks a chapter on the economic benefits of the Public Market. \$15,500,000 in total capital costs for the Public Market is a daunting number.

However, in a similarly sized Public Market, with a roughly equivalent customer base, another complete Business Plan that carefully examined all available data, concluded that the Market, at full occupancy, would generate roughly \$2 million per year in new tax revenues to the State, and \$5 million per year to the municipality that housed the Public Market. Additionally, documentation was provided that 400 new permanent, direct jobs (1,000, direct, indirect, and induced jobs), would be created, plus 374 construction-related one-time jobs.



Kraus-Anderson (KA), a reputable Minnesota construction company, has created a comprehensive hard cost budget for all of the Public Market elements as well as most of the associated amenities listed above. The KA hard cost estimate for the whole project is \$20,385,244.

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Including all costs that were not included for the named project elements, and all soft costs, the total cost for all of the aforementioned elements (including the Public Market but excluding the museum and housing) is **\$26,743,913**.

KA's estimate includes:

1. Construction duration of 12 months with an approximate start date of Spring of 2021;
2. 10% Construction contingency;
3. 10% Project Design Contingency;
4. 3.1% Construction cost escalation;
5. 0.25% Preconstruction costs;
6. Construction supervisor and site services;
7. KA General Liability Insurance;
8. Subcontractor Default Insurance;
9. Building permit allowance;
10. Temporary energy allowance;
11. Building Signage allowance;
12. Construction survey and layout; and
13. Final cleaning.

KA's estimate excludes:

1. Design fees;
2. Commissioning agent fees;
3. Environmental permits or testing;
4. SAC/WAC Charges, utility connection fees;
5. Hazardous materials surveys and removals;
6. Legal fees;
7. Financing charges;
8. Construction material testing and special inspection;
9. Geotechnical report;
10. Food Service and Mercantile Equipment;
11. Fixtures, furniture, and equipment;
12. Work associated with the future Museum;
13. Work associated with the Brewery expansion;
14. La Crosse River waterfront remediation or environmental improvements;
15. Work associated with the existing Electrical Sub-Station located on North 2nd St;
16. Road work associated with street expansion and additional parking along 2nd St N up to 3rd St N;
17. Road work associated with street expansion, roundabout, and additional parking from Front St to La Crosse St.

There are also several additional elements that their estimate appears to exclude. This includes items such as a higher level of tenant finishes – especially in the stall market portion of the Market building, any additional inflation factor (depends on when construction happens), additional burdens such as Davis Bacon associated with significant grant sources such as EDA, a construction manager and consultant experienced with the development of Public Markets, public art, and Start-up Lease Reserve.

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The following table provides a breakout for the Public Market-related elements as well as the entire site elements contained in the KA budget (reproduced in much greater detail in the Appendix below). This table includes estimates for the items excluded from the KA budget except for the cost of the housing element and the museum.

A final comprehensive Master Plan for the entire River Festival Site is strongly recommended.

This will allow these estimates to be further refined. Also, estimates should be prepared through each working stage of the project design – schematics, design development, construction drawings, and bid documents. The Master Plan will also allow the creation of substantial savings by identifying elements that can be shared between the various elements of the project.

Total Capital Cost Summary:

#	Public Market Only	Item Description	SF or acres	Unit price or \$/SF	Grand Total	Comments
	KA Estimate					
1		Public Market Building	36,000 Gross SF	\$177.80	\$6,400,958	24,000 SF ground floor, 12,000 SF mezzanine.
2		Market Pavilion	2,500 SF	\$45.17	\$115,436	Food trucks, Outdoor picnicking
3		Farmers Market Portico	2,222 SF	\$46.19	\$102,638	Portico includes customer area
4		Market Plaza and Parking	2.56 Acres – 111,514 SF	\$11.24/SF	\$1,255,538	
5	KA Market only subtotal w/o general costs				\$7,874,570	
#	Public Market Only	Item Description	SF or acres	Unit price or \$/SF	Grand Total	Comments
6		Market share of KA General costs	Total Market project KA only = subtotal X 1.41		\$7,874,570 X 1.41 = \$11,103,144	Detailed on pg. 32-22 of KA bid in Appendix – \$20,385,244 / \$14,371,810 = 41% add-on for all KA soft costs

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						including contingency
7	Subtotal KA Public Market only				\$11,103,144	
	Additional Public Market items					
8		Owner paid tenant finishes in stall Market/shafts in restaurant spaces	16,000 SF	\$65/SF X 16,000 SF	\$1,040,000	Over and above finishes - typical for Strip Center/Mall
9		Construction Mgr./Owners rep		.75% of #7	\$83,274	Will more than pay for itself.
10		Public Market Consultant		.5% of #16	\$68,625	Includes some tenant design consultation. Excludes #10, 12, 14. Will more than repay costs
11		Public Art/Ext Signage		1% of #7	\$111,031	
12		A and E		8% of #16	\$1,102,558	Includes some tenant design consultation. Excludes #10, 12, 14.
	#	Public Market Only	Item Description	SF or acres	Unit price or \$/SF	Grand Total
13		Other soft costs not included		10% of #7	1,110,314	See 'not included' list Appx. #s 3-11, 14, 16-17.
14		Start-up Lease Reserve			\$523,000	See chapter above
15		Const. inflation Assumes 2022-23		Approx. 1.8% of #16	\$277,200	Above 3.1% already budgeted
16	"All In" - Public Market costs + 75,000 Grand Opening costs				\$15,494,146	#s 7-16

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	Other non-Public Market, KA elements subtotal w/o general costs					
17		New Pedestrian Bridge	250 linear feet, 4,040 SF	\$499.08	\$2,016,270	
18		New Amphitheater	24,158 SF	\$45.11/SF	\$1,089,661	
19		Event Pavilion	11,000 SF	\$72,24/SF	\$794,636	
20		Boat Rental Kiosk	3,062 SF	\$213.42	\$653,479	
21		Dock	2,370 SF	\$75	\$177,750	
	Non-Public Market Only	Item Description	SF or acres	Unit price or \$/SF	Grand Total	Comments
22		New Riverwalk trail	14,848 SF	\$6.79	\$100,818	
23		Festival ground sitework	4.71 Acres/ 205,168 SF	\$8.12/SF	\$1,664,627	
24	Subtotal KA non-Public Market only w/o general costs				\$6,497,241	#17-23
25		Add Non-Market share of KA General costs		#24 X 1.41	\$9,161,110	See #6
26	Additional non-Public Market non KA costs					
27		Construction Mgr./Owners rep		.75% of #25	\$68,708	
28		Public Art		1% of #25	\$91,611	
29		A and E		8% of #32	\$796,227	Excludes #27, 29, 30

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30		Const. Inflation- Assumes 2022-23		1.8% of #25 2022-23	\$216,000	Above 3.1% already budgeted by KA
31		Other soft costs not included		10% of #25	\$916,111	
	Non-Public Market Only	Item Description	SF or acres	Unit price or \$/SF	Grand Total	Comments
32	"All-in" non- Public Market Costs				\$11,249,767	#25, 27-31
33	Grand total all elements included				\$26,743,913	Not including museum and housing #s 16 + 32

See the detailed KA budget in the Appendix for more detail.

What's Needed in the Public Market's Name

This Plan uses the name 'La Crosse Public Market' as the name of the Market. This name identifies the Market as a regional facility with a specific geographic locale. The name of the Public Market should express its mission as a regional (not simply a local) neighborhood Market.

As someone who does not live in La Crosse, this author is unaware of how commonly used the term "Coulee Region" is used for the larger region. If it is in very common usage, the name Coulee Public Market may be an alternative. It is also important to use the term "Public Market", not just 'Market' Many people have visited other Public Markets in the US or internationally. To those folks, "Public Market" will denote something more exciting than the overly generic "Market". Whatever name is finally selected, the .com domain for that name should be acquired if it is not already owned. The City already controls the domain www.lacrossepublicmarket.com.

Suggested Potential Partners

For the successful development and management of the Public Market, an advisory committee should be formed. This advisory committee should be staffed by City of La Crosse employees and should include representatives from La Crosse neighborhoods, downtown merchants, commercial real estate entities, the La Crosse County Convention & Visitors Bureau, Downtown Mainstreet, Inc., prospective Public Market tenants, Gundersen Health System and Mayo Clinic Health System, the Oktoberfest Board, La Crosse County, site property owners,

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area nonprofits, representatives from La Crosse minority organizations such as the Hmoob Cultural & Community Agency, UW-La Crosse, Viterbo, Western Technical College, the La Crosse Community Foundation, the Cameron Park Farmers Market, the La Crosse Area Chamber of Commerce, the USDA's La Crosse County Farm Service Agency, and/or other individuals and representatives of entities that could be helpful in the Public Market's development.

As the development nears completion, the advisory committee should be disbanded and the new nonprofit referenced in the Management section below should be formed and empowered to manage the Public Market. Some of the members of the Advisory Committee should become Board members of this new nonprofit.

Many institutions should be recruited to help plan and support the Market. In addition to the representatives mentioned for the advisory committee, partnering and support from the following institutions and their recommended roles should be sought.

- 1) Local higher educational institutions can help design websites and administer surveys. They can help provide volunteers and lend technical assistance to individual prospective tenants in developing their Business Plans.
- 2) Cooperative Extension can provide technical assistance to local growers regarding the ideal crops to sell in a direct marketing and value-added context. They can also identify potential farmer vendors.
- 3) The La Crosse County Health Department and regional hospitals and healthcare entities can provide health education, diabetes/AIDS blood pressure screening, and nutritional education in the special events area of the Market and/or the outdoor event space.
- 4) The local School District can develop a Market curriculum for 4th graders and commit to field trips so that students can learn where food actually comes from and so they can "Meet the Producer".
- 5) Local Small Business Development Center (SBDC) and the SBA can provide technical assistance to prospective merchants in best business practices and in writing their Business Plans.
- 6) Local banks and any micro-lending institutions can help provide financing for prospective tenants in fulfillment of their obligations under the Community Reinvestment Act.
- 7) Regional farmer markets should be consulted as they are a potential feeder for new fresh food Market tenants. Some of their purveyors might be ready to "graduate" to become full-time Market vendors.
- 8) The La Crosse County Convention and Visitors Bureau should be a source of referrals, promotions, and events.

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- 9) Organizations representing various ethnic communities should be involved as key components of the community and because they can help steer potential vendors and sponsor ethnic festivals.
- 10) La Crosse County and the State of Wisconsin community, agricultural, arts, and economic development officials should be invited to participate in the planning process as they can bring State resources and ideas into the effort.
- 11) La Crosse Area chapter of the Wisconsin Restaurant Association should be involved as potential sources of cooking demonstrations, and potential second locations of existing successful restaurant tenants.
- 12) Representatives of area foundations such as the La Crosse Community Foundation should be involved in the planning process as a source of local wisdom and funding.
- 13) Representatives of the La Crosse business community who are located near the Market site should be welcomed to the planning table, as they will have resources as well as concerns that need to be addressed.
- 14) Key representatives from area churches and/or community organizations such as La Crosse Neighborhoods Inc., Couleecap, B.L.A.C.K., Centro Latino, should be invited to participate.
- 15) The involvement of area entities that provide volunteers should be sought. These include the Coulee Area RSVP and the Great Rivers United Way.
- 16) Regional organizations such as the CRBC, La Crosse Area Development Corporation, La Crosse County Community Development, community, and economic development efforts from regional cities such as Holmen, Onalaska, and La Crescent should be invited to participate.

In short, the development of the La Crosse Public Market should be a community-wide effort.



Partners Are Stronger Together

Recommended Development Options

The development of the Market should be led by the City of La Crosse in close association with an individual or team experienced in the development of Public Markets. The management of the Public Market is addressed in the next chapter.

It is recommended that an architect be hired by the City, along with a consultant, both experienced in the development and management of Public Markets. This development team, as well as the entire construction process, should be overseen by a City supervised, owners representative/construction manager with appropriate experience. During the development phase, tenant identification and recruitment efforts should proceed. The development team should make regular reports to the advisory committee assembled by the City. Once construction documents are prepared and approved by the City, the project should go out to a competitive bid. The selected contractor should be overseen by the aforementioned construction manager.

The actual Management entity described below should oversee the implementation of the Mission and Goals, hire the Executive Director, approve an annual budget, and approve the proposed management and tenant leasing policies, including a basic lease form. This management entity should be formed roughly 6 months before the Grand Opening. The Executive Director should be hired roughly 4 months before the Grand Opening. The balance of Market staff should be in place roughly one to two months before the Grand Opening.

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Some of the membership of the Advisory Committee should transition to become Board members of the management entity as described in the next chapter.

The Range of Management Options



Managing a Public Market is a bit like herding cats!

The main Market building and the immediate outside plaza itself should be managed neither by the City or by a private entity. There are numerous disaster stories associated with these kinds of Public Market management structures.

Direct City management typically results in a bureaucratic morass that is subject to the shifting political whims of the electorate. Examples of City management nearly ruining Public Markets include the experience of the network of Public Markets in Baltimore, which was initially managed directly by the City and which paid almost no attention to tenant mix, modern management practices, and charged rent of \$3/sq. ft./year, roughly one-fifth of the surrounding rent in the Market's vicinity. The author of this plan prepared a study that was instrumental in transferring ownership to a private nonprofit. Another example of a Public Market disastrously run by a City is the Eastern Market in Washington DC. The inept management of this Market has resulted in a decline in customers by 40% over the past 5 years. Often, cities use their Departments of Real Estate to manage their Market. These departments typically have no understanding of what a Public Market is and no identification with the Market's Mission and Goals.

On the other hand, so-called "private" Public Markets run by private entities in a "Public-Private Partnership", similarly are not bound by the Mission and Goals of a true Public Market and historically have put aside the founding principles, mission, and goals of the Market in favor of maximizing profit. Typically, privately managed Public Markets appeal to a narrow, homogenous upscale customer base and have nowhere near the foot traffic of true Public Markets. They often dilute their tenant mix by introducing chain stores that contradict the essence of what a Public Market is.

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Two examples of this are the Chelsea Market in Manhattan and the Ferry Terminal Market in San Francisco. Both of these Markets survive because of a heavy concentration of nearby very wealthy residents. At the Ferry Market, one can find lovely cheese for \$78/lb. but relatively few customers. The Chelsea Market, under private management, kicked out a variety of food businesses to lease to Anthropologie, a trendy, upscale clothing chain. The City of La Crosse should review, modify, take ownership of, and adopt the draft Mission and Goals for the Market contained in the earlier Feasibility Study.

Ownership however, is different than management. Typically, the Public Market must remain in public ownership. In this case, the City of La Crosse is the obvious owner. This makes sense since the City can help with the Market's capital costs using a portion of the revenue stream that will be generated by the Market. The City can also help ensure that the Public Market makes continuous progress toward fulfilling its Mission and Goals.

During the development period, as suggested earlier in this plan, an Advisory Committee with broad representation should be formed to advise during the development process. Public Market development requires a unique skill set. Developers with experience in typical retail development are not at all prepared to address the unique and specific set of issues that arise in connection with the development of a new Public Market.

The City of La Crosse should retain direct ownership and management of the Market building and the outdoor amenities and public spaces that will be a part of the Market. This includes the Market parking, plaza, and farmers market portico. The relatively minor cost of paying for patrolling and maintaining these amenities should be borne by the City and should be paid for out of a small portion of the revenues derived by the City from the Market's operation.

Once the managing entity is formed, the Market's building and associated amenities, should be leased to this entity for \$1/year for a 50 – 100-year period. The lease should explicitly require that the managing entity manage the Market in a manner consistent with the adopted Mission, and Goals for the Market. This long-term lease should include the requirement that the managing entity makes an annual report to the City Council concerning its progress on fulfilling the Market's Mission and Goals.

In an extreme instance where the Market is being mismanaged, the City should have the right to remove the nonprofit manager and assume the lease - only if the management entity is not pursuing and making progress towards meeting the Mission, and Goals for the Market. In that event, the managing entity should then be reconstituted by the City and a new nonprofit entity created that can continue the Market's management in a manner that advances the Market's Mission, and Goals.

Two recommended management entities should be considered.

Management by a Non-Profit

This is how most successful Public Markets are managed – once they become operational. Nonprofits are tax-exempt. They can receive public and private grant funds. Their level of

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necessary bureaucracy is minimal. They can have a Board that is finely tuned to the sole purpose of running a successful Market. Avoid the tendency to use an existing Board that has multiple oversight responsibilities. The City should appoint a small number of Board members to the nonprofit entity operating the Market.

The structure of most non-profits includes a broad-based and balanced Board of Directors including community representatives, vendors' representatives, nearby business owners, and professionals that can lend their expertise. Public Markets, once at full occupancy, should pay for their operational expenses. However, nonprofit management allows Market decision making to be guided by public, rather than exclusively economic goals.

The Public Market management entity should be formed about six to eight months before the Market's Grand Opening. The prime responsibility of the management entity is to set overall policy, approve an annual budget, and hire, manage, review, and if necessary, fire an Executive Director. The day to day management of the Market and the implementation of the Public Market policies via a hired staff, should be the responsibility of the Executive Director.

The direction of the Market should be spelled out in the Articles of Incorporation to maximize the benefit to the community and regional economy. Other advantages of non-profit management include the ability to:

- coordinate public and private interests
- allow for more flexible, entrepreneurial management
- raise funds from government, private donors, foundations, and corporations
- work with small-scale producers and businesses
- make decisions quickly
- attract volunteers
- establish strategic partnerships
- recruit farmers and minority vendors
- have mechanisms for listening to customers, producers, and vendors

Management by a Preservation and Development Authority (PDA).

A PDA functions in much the same way as a private nonprofit. It is bound by the Mission and Goals and overseen by a Board of Directors.

The prime advantage of a PDA is that, as a quasi-public entity, it has bonding authority, so it can use downstream revenue to raise funds to pay off a low interest loan for an immediate need.

The prime disadvantage of a PDA is that, as a quasi-public entity, the PDA has a host of bureaucratic rules and regulations that typically do not apply to a private nonprofit.

Most City's use a PDA to manage complex municipal entities such as an airport. In the case of La Crosse, where the airport is City-owned and managed, there is apparently no history of PDA management.

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The individual advantages and disadvantages of a PDA typically vary from state to state. It is advised that a knowledgeable attorney, familiar with the laws governing PDAs in Wisconsin, be consulted in deciding between these alternative management entities.

In either case, the managing entity should be run by a sole purpose Board of Directors that has the balanced skills and representation to realize the Mission and Goals for the Market.

Specific Recommendation of an Ideal Board Mix for the Preferred Management Option

15 Member Public Market Board of Directors

The following would be a recommended composition for the managing Board of the Public Market:

2 members appointed by the Mayor and confirmed by the entire City Council. These members should be drawn from important entities in La Crosse such as the health care industry and/or UWLC. Individual City Council members may be appointed to represent the City's interest in the Public Market's success.

1 member appointed by the La Crosse County Executive and confirmed by the County Board.

1 member appointed by the Chancellor of UW-La Crosse.

1 member who is a local, nearby La Crosse retail, non-Market businessperson appointed by the Board of Downtown Mainstreet.

1 member selected by a representative of a grassroots community organization representing minority interests from La Crosse. Initially selected by the City but ultimately, appointed by different grassroots community organizations themselves. Care should be taken so that, over time, there should be broad representation, especially from La Crosse's Hmong, African-American, and Hispanic communities.

1 member representing current or future Market merchants and nominated and voted on by the tenants themselves.

1 member who regularly shops at the Market representing consumers, perhaps appointed by the Board of a nearby Senior Center or Neighborhood Association.

These 8 members would then choose 7 additional Board members with at least three years of experience in the following areas:

1 with experience in retail commercial property management.

1 commercial realtor with recent retail leasing experience.

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1 attorney.

1 accountant.

1 person with special events development experience selected by the Oktoberfest Board.

1 retail marketing specialist.

1 executive director of a local nonprofit in the community where the Market is located.

This 15-member Board would initially serve for either 2- or 4-year terms. Following the initial Board, all future Board members should serve for 4-year terms. This will assure continuity. The 7 professional members of the Board should always be chosen by the other members. Board members could be reselected for up to two additional terms.

The Board would have sole authority to hire and fire a professional Executive Director responsible for the day to day management of the Market. The Executive Director would have the sole authority to hire and fire the staff outlined above.

A nonprofit Board, as constituted above, can provide the expertise, professionalism, representation, and balance that will be necessary to properly manage the Market in a manner consistent with its mission and goals.

Capital Campaign Committee

Early on during the development effort, a separate capital campaign committee needs to be created to assist with the private fundraising that will be necessary to raise a portion of the capital funding for the Market. It is possible and desirable that some of the leadership arising out of this committee will become future Board members of the Public Market.

Milestones and Timeline for the La Crosse Public Market

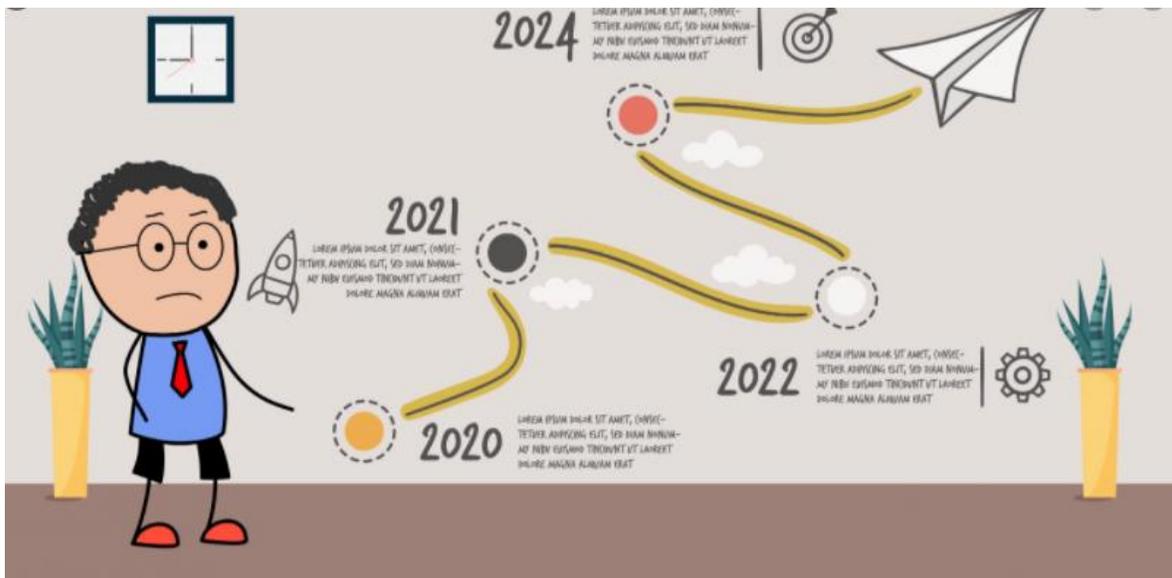
Next Steps/Timing

At this point in the development process the City must make a go/no go decision based on the available documents concerning the Public Market. If the City decides to proceed, it needs to complete the planning effort. The following steps need to be taken:

- The additional information to complete a comprehensive Business Plan should be sought. These include a Tenant Leasing Plan, a Design Program, a list of Public Market Benefits, an analysis of Public Market generated tax revenues, jobs, and entrepreneurial opportunities to the City, as well as a chapter on typical results from other prior Public Market surveys, and a Marketing Plan for the Public Market.

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- Assuming that the City decides to proceed with completing the planning process, input from the non-City property owners on the Riverside Festival Site should be sought. City representatives should meet with the Board of Oktoberfest regarding this Plan.
- A tour of other Public Markets led by a Public Market expert should be undertaken.
- An Advisory Committee, as described above, should be formed.
- A Master Plan should be created that defines the various uses on the entire site and that proposes ways in which the various elements can support each other and share resources and amenities.



The following Table outlines a rough timeline for the remaining steps. It is followed by a more descriptive narrative regarding many of the steps.

Proposed Timeline

Task	Month 1	2	3	4	5	6	7	8	9	10	11	12	Comments
Organizational													
Go/No Go	X												
PM Trip		X	X										Year 1
Mission/Goals		X	X										Year 1
Form Adv Com						X							Year 1-3
Name PM		X	X										Year 1

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Website.				X														Year 1-ongoing
Dev. Mgt Entity																		Year 2
Commission Master Plan			X															
Planning																		
Master Plan			X	X	X	X	X	X	X	X	X							Year 1
Pub/Priv. Coord.			X	X	X	X												Year 1
Plan Grand Opening	X	X	X															Year 3
Design																		
																		Will Take @ 1 year
Construction																		
																		Will Take @ 1 year
Tenant Buildout	X	X	X	X														Year 3 - following construction. Leave 3 months following const. completion for initial buildout.
Prelease/leasing																		
Select Atty	X																	Year 2
Develop Lease				X	X	X												Year 2
Tenant recruitment																		Year 1-3 ongoing. Develop Tenant Interest Form
Develop Sign and Design docs.	X	X	X															Year 2
Develop Tenant Rules and Regs								X	X	X								Year 2
Fundraising																		
Form Cap. Campaign Comm.								X										Year 1-3
Hire an experienced PM Grantwriter								X										Year 1-3
Grand Opening	X																	Year 3 - likely 2023

Based on the above chart, the Public Market and Plaza should be able to open sometime in 2023.

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To complete the La Crosse Public Market, the following steps should be taken:

Organizational:

- A trip for principals guided by a Public Market expert to visit other existing, relevant Public Markets should occur to sharpen the vision of what kinds of components and design the Public Market should reflect.
- The proposed Mission and Goals in this Business Plan should be reviewed, revised, and adopted by the City Council.
- The Public Market Advisory Committee should be selected and start meeting monthly to review progress in implementing this Business Plan and overseeing the project's development. Its membership should include many of the kinds of representatives suggested for the eventual Board of Directors.
- A Capital Campaign Committee of prominent citizens should be formulated to implement the fundraising plan. An expert in grant writing for Public Markets should be retained to staff the Capital Campaign Committee and to develop public and private grants.
- A final decision needs to be made on the name of the Market and a logo for the project needs to be developed.
- An individual with experience in developing Public Market websites should be hired to work with an IT professional in developing a new Public Market website. This site should include all relevant documents such as this Business Plan as well as a FAQ page, a form for potential tenants to express their interest, a volunteer form, a moderated Q and A page, and a vehicle for citizens to donate to the Project.
- A final decision should be made regarding the managing entity for the project and founding documents for that entity (either a PDA or Nonprofit), should be developed.

Planning

- A Master Plan including drawings and a narrative for all of the site elements should be formulated.
- A small committee to coordinate between the private landowners and public development aspects of the overall project should be created and should communicate regularly.
- Planning for the Grand Opening.

Design

- Schematics, Design Development, Working Drawings, Bid Documents, and Construction Supervision/Mgt. should proceed.
- Design and signage guidelines for tenants should be developed.

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Fundraising

- Develop a Capital Campaign Committee and possibly create a La Crosse Public Market Foundation as a parallel nonprofit to apply for and receive funds.
- Hire an experienced Public Market grant writer with a proven track record.
- Implement the Plan below.

Construction

- Site prep through turnover to tenants.

Tenant Buildout

- This will be ongoing for the first three years. Seek to be 2/3 fill at the grand opening. Allow 3-4 months for tenant design and buildout between the completion of the Market punchlist and the Grand Opening.

Preleasing/Leasing

- An attorney should be hired to lead the organizational development and legal aspects of the project.
- The selected attorney should work with an individual experienced with developing Public Market projects on creating the organizational development documents and the tenant lease.
- Tenant Leasing Policies should be developed.
- Tenant Rules and Regulations should be written.

Many of these tasks can be done simultaneously and many do not need to happen exactly in the order presented herein.

Why do Public Markets Deserve Public Funding?

Why do Public Markets need/deserve grant funding?

Throughout history, Public Markets were considered in the same light as highways, traffic signals, and train stations. They were seen as needed “utilities” that facilitated the smooth flow of commerce. Governments recognized how critical Public Markets were to the economic and community development of the regions where they were located.

Public Markets have, for 6,000 years, served as a key infrastructure utility for their communities - their region’s heart and soul. It was there that anyone could touch the fabric and feel the pulse of their community’s food, character, and culture.

It was from there, that the arteries of commerce flowed – infused with the economic juices created by the Public Market. Time and again, Public Markets have proven to be the most

Partial Business Plan: La Crosse Public Market

effective generators of jobs and entrepreneurial opportunity, particularly for many who find themselves on the margins of the mainstream economy.

Repeatedly, Public Markets have tremendously increased the value of surrounding real estate, been the driver in revitalizing a community, become the most visited tourist attraction, and became an economic engine that has generated millions in new tax revenues.

In addition to providing a lifeline for those who have benefited from their jobs and entrepreneurial opportunities, Public Markets are also beloved by their customers, who come in droves because they want to, not because they have to.

A testament to this is found in the 2008 election when voters, in Seattle, Washington, by a 63% margin, at the height of a severe recession, voted to tax themselves \$75,000,000 to renovate 'their' beloved Pike Place Public Market. While this would not be an effective means of creating a new Public Market, it is clear evidence of the high regard that ordinary citizens develop for an established Public Market.

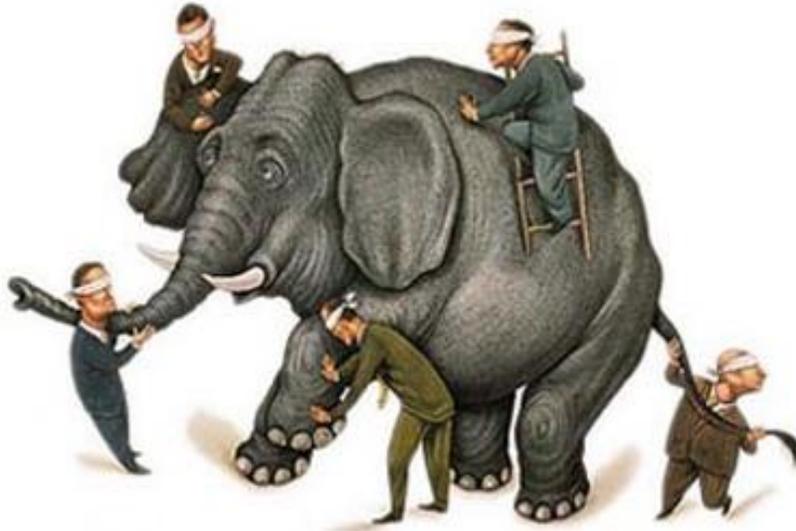
Although Public Markets should be operationally self-supporting (at full occupancy), their capital costs should be grant-funded to allow for a proper tenant mix.



Specific Comprehensive Fundraising Plan for the Public Market

For fundraising purposes, Public Markets are a bit like the elephant as the blind man explores it.

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Is it jobs, entrepreneurial opportunities, a new park, new taxes, kids moving home, a tourist attraction, a coming together of the community, a great place to shop?

Public and private entities donate grant funds for very different reasons. Public Markets, because they do have such diverse benefits, appeal to many of the reasons that entities may wish to support. It's not difficult to raise funds to produce a healthy community, create jobs, make available entrepreneurial opportunities for women and minorities, and build an exciting entertainment venue for a community's children. Individual grant applications should be specifically tailored to the grantors' specific interests.

The issue is not whether it's possible to raise funds for a Public Market, the issue is one of timing.

The author of this Plan has helped to raise over \$120,000,000 in grant funds for Public Markets. A great many diverse sources are cataloged below.

In reality, funding sources are fungible. The more than 300 new Public Markets that have opened since the successful renovation of Pike Place Market in the 1970s have utilized hundreds of different sources to aid in their creation. If a State grant doesn't come through, there are many Federal grants to seek. If a private donation falls through, there are hundreds of other potential private foundation grants that might fill the gap.

The author of this plan raised \$13,000,000 in grant funds for one Public Market where he was Executive Director of the nonprofit development entity and had lead responsibility for fundraising. It took several years to raise all of the necessary funds.

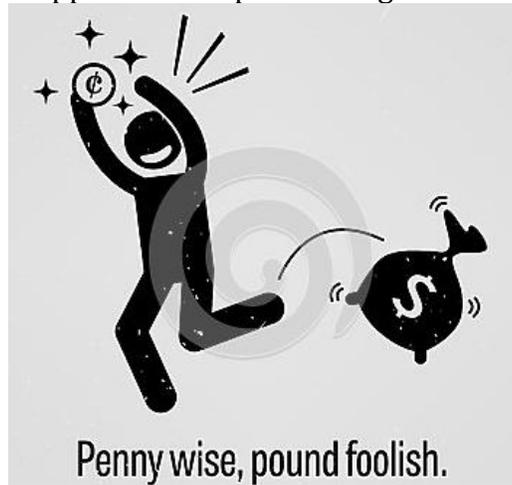
Realistically, the "Sources" identified below, could be attained within a roughly two-year time frame. Fundraising can occur during the planning, design, and bidding phases of the development.

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This is a feasible project. It might take 1 year to raise the necessary funds; it might take 2. The operating budget may require some belt-tightening, or it might be able to fund additional amenities for the community. The City could choose to help accelerate the timeline by making a substantial cash contribution of City funds based on the projected increase in revenue.

Madison, Wisconsin, for example, recently budgeted \$14,000,000 in City funds to support a new Public Market. See: <http://www.wkow.com/story/33719232/2016/11/15/common-council-approves-14-million-project-slated-for-2019>

The bottom line is that, if the City and community pull together, we will all, before too long, be able to toast a new La Crosse Public Market. Non-local funders look carefully at how much the local community has contributed to the Public Market development since it will be the primary beneficiary. Significant local support will help to leverage other sources of non-local funds.



Although they should not need ongoing operating support to fulfill their public purpose mission and goals, Public Markets do require initial outside grant funding to get established. The handful of “private” Public Markets and “food halls” tend to not do nearly as well and typically do not meet a broad array of public goals.

It is not at all unusual for the capital expenses of creating a Public Market to be funded through a mix of 20 or more grant sources. Assembling this kind of funding takes time, commitment, and professional expertise.

Contrasting Public Market's Funding & Conventional Retail Development Financing:

Developing Public Markets is very different from developing other forms of commercial real estate. Since the project will not be prioritizing a standard return on investment, strategies are needed for raising capital from sources that appreciate a “social” return.

Tenants are typically not selected solely on their historic ability to pay rent. Rather, overall product mix and conformance to the proponent’s public purpose goals for the project are also of primary importance. Often a significant proportion of vendors are startup businesses that

Partial Business Plan: La Crosse Public Market

require technical support. Most Public Markets are committed to providing significant marketing and special events training to underpin the success of the vendors and the Market.

Since the Public Market in La Crosse should be put together primarily with grant funding rather than conventional financing, the job of putting together a funding package for a new or renovated Public Market is critical. It is unlikely that a single grant provider will offer the necessary funding in one large grant. Thus, it will be necessary to assemble a complex web of different funding sources.

Potential Funding for Public Markets:

Public Markets are complex and unique real estate development projects that initially need outside funding. They are extraordinarily site-specific in terms of their design, tenant, and funding needs. Once the City firmly commits to proceed with the project, a local, full time, experienced grant writer should be hired to work with an individual experienced in raising funds for and developing Public Markets.

Three major financial components will be necessary to develop the La Crosse Public Market. They are equity, government grants, and private grants. If absolutely necessary, low-interest debt financing may be used for no more than 15% of the Public Market's total capital costs. However, ideally, the Public Market should open debt-free to allow for the best tenant mix paying affordable rents.

Equity:

The land underlying the Market building and grounds should stay in the possession of the City of La Crosse. As stated earlier, the lease with the new managing nonprofit should be very long term at nominal cost and conditioned on meeting the Market's established Mission and Goals. No funder will give to a project that is not publicly owned or owned by the Market's nonprofit operational entity.

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Government Grants:

There is a broad array of City, County, Regional, State, and Federal Grants that can be appropriately used for the development of a Public Market. Many of these potential sources are explored below.

In addition to providing for the Market's land, the City of La Crosse should contribute seed money that will help leverage the balance of the funds necessary for the construction of the Market. These early funds are always the hardest to raise. Other public and private granting entities are going to first look for evidence of local support and 'buy-in'. Some of these significant local funds could be financed with bonds that will be repaid out of the downstream income from new tax revenues that the Market will bring.

Some agencies, such as the federal Office of Community Services (OCS) within the U.S. Department of Health and Human Services, offer grants as large as \$800,000 for Public Markets. Pike Place Market received over \$6,000,000 from the Economic Development Administration (EDA) of the U.S. Department of Commerce. EDA has supported at least a dozen other Public Markets with grants of \$1,000,000 – \$5,000,000 or more. EDA funds will be the last funds committed and although they are typically in the seven-figure range, they come with a fair amount of restrictions, such as requiring Davis-Bacon wages and a great deal of reporting.

Community Development Block Grant (CDBG) funds are often used to pay predevelopment and development costs of Public Markets. Section 108 uses a small portion of CDBG funds to allow major grants to support new capital projects.

Grant funds, for example, the TIGER program, from the U.S. Department of Transportation may be sought for walking paths and landscaping that links a Public Market to public transportation. The Department of Treasury Healthy Foods Financing Initiative may be a significant potential source. The Riverside Festival Site is three blocks from a mapped "Food Desert" and it will largely be serving customers within designated food desert areas.

The Riverside Festival Site is within a "severely distressed" area for purposes of New Markets Tax Credits which are administered through the Treasury Department's Community Development Financial Institutions (CDFI) Fund.

Similarly, the Market Site is outside of, but adjacent to, a mapped "Opportunity Zone". Since the Public Market will be primarily serving customers from within the Opportunity Zone, it may well be eligible for funding using this mechanism. Further research to confirm this should be done by the person eventually hired to manage the Capital Campaign.

Tax Increment Financing (TIF) funding may also be available to support the Market's development. TIF funding involves the use of downstream future taxes and tax increases generated by the Public Market to repay the upfront funding. Increases will be generated as land values appreciate as a result of the Public Market project. The Market site is within the following designated TIF District - TID 17, Lot C Downtown.

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The Farmers Market Promotion Program (FMPP) provides support to new Public Market projects and can be used for initial planning efforts.

At the state level, “pass-throughs” of federal funds from the U.S. Department of Agriculture’s Rural Development Office is often an important resource for Public Markets. The local USDA office, (608) 788-4000, will help identify potential resources.

The formation a Business Improvement District (BID) should be considered to help fund the maintenance of the Market’s public areas.

States, Counties, and Municipalities have also supported Public Market development often generated by hotel tax revenues. These funds are typically for tourist development, cultural resources, and environmentally self-sustaining building grants.

Many government grants may come directly to the City of La Crosse but some development grants are only eligible for nonprofits. For this reason, it may be prudent to establish a City controlled “La Crosse Public Market Foundation” as a 501C3 early on in the development process. In either event, the City will need to use its internal capacity to handle the paperwork, reporting, evaluations, and audits that will be a requirement of many government grant awards.

State Funding:

The State of Wisconsin has a variety of Grant programs that may be of help for specific projects. For example, approach the Wisconsin State Arts Board about funding the State Gallery of Fine Crafts. The State Departments of Agriculture, Community, and Economic Development may also be approached for funding. In many Public Markets, direct State grants, often directed through the Governor’s office help to fund the development of the Market. Special purpose State funding such as the Wisconsin Economic Development Corporation, WomensNet, Wisconsin Small Business Development Center, the Wisconsin Women’s Business Initiative Corp., are all possible sources of funding.

Debt Financing:

Program-Related Investments (PRIs) are available from a few foundations such as Ford. These funds are particularly attractive since the foundations frequently offer generous terms regarding deferred principal payments and very low-interest rates (e.g., 1-2%).

Public Markets, to fulfill their mission, must have affordable rents and a specialized tenant mix. The economic impacts of Public Markets are in their creation of scores of new entrepreneurial opportunities, hundreds of new jobs, and hundreds of thousands of annual dollars in new tax revenues as well as the tremendous increase in nearby real estate values that their creation typically engenders...not in their traditional return on investment (ROI).

Partial Business Plan: La Crosse Public Market

Private grants:

Individual Public Markets have been successful in raising tens of millions of dollars in private grants. Private grants will come from private individuals, corporations, local and national foundations.

National foundations that have demonstrated a specific interest in funding Public Markets, (other than hometown projects) include – Ford, Kellogg, Surdna, Mott, Robert Wood Johnson, Kresge, Catholic Campaign for Human Development, L.I.S.C., Robert Wood Johnson, McKnight, and Ewing Marion Kauffman.

There are also several local foundations that may be supportive such as the La Crosse Community Foundation, the Gundersen Medical Foundation, the Women’s Fund of Greater La Crosse, the Loggers Foundation, the Cleary-Kumm Foundation, Glendenning Family Foundation, Franciscan Healthcare Foundation - associated with the Mayo Clinic, and the La Crosse City Vision Foundation. The La Crosse Community Foundation should be able to further help with sources of local and regional funding.

Assistance should be sought from La Crosse area corporations and corporate foundations. They typically focus their giving within a geographic area where the corporation has a significant presence. Businesses that have an immediate presence in the Market’s neighborhood - including developers and owners of real estate may be convinced that there is particular self-interest value in making a gift.

Individuals have given gifts of many millions of dollars to Public Markets. They should definitely be part of any capital campaign. A Capital Campaign Committee of volunteers who can donate themselves, should be established to lead the effort. In all instances, donor recognition and follow up will be key to the ongoing success of the campaign.

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This won't get it done!

The chart that follows includes major state foundations that should be researched for their appropriateness. They are all based in Wisconsin or have a history of giving to Wisconsin based projects.

Their interests should be researched and appropriate applications written and submitted.

Wisconsin Foundations:

FOUNDATION NAME	TOTAL ANNUAL GIVING
<u>Kern Family Foundation, Inc.</u>	\$49,714,431
<u>The Lynde and Harry Bradley Foundation, Inc.</u>	\$48,190,369
<u>Northwestern Mutual Foundation</u>	\$27,957,331
<u>Bader Philanthropies, Inc.</u>	\$12,369,775
<u>S.C. Johnson Giving, Inc.</u>	\$11,183,115
<u>Patty and Jay Baker Foundation, Inc.</u>	\$10,237,653
<u>We Energies Foundation, Inc.</u>	\$7,353,476
<u>The Argosy Foundation</u>	\$6,669,441
<u>The L.E. Phillips Family Foundation, Inc.</u>	\$6,152,100
<u>Marshall & Ilsley Foundation, Inc.</u>	\$5,812,366
<u>Mead Witter Foundation, Inc.</u>	\$5,492,874
<u>Sentry Insurance Foundation, Inc.</u>	\$5,311,534
<u>The Windhover Foundation</u>	\$4,620,000
<u>Richard and Ethel Herzfeld Foundation, Inc.</u>	\$4,597,400
<u>Johnson Controls Foundation, Inc.</u>	\$4,175,461

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FOUNDATION NAME	TOTAL ANNUAL GIVING
<u>Siebert Lutheran Foundation, Inc.</u>	\$4,114,492
<u>The George Kress Foundation, Inc.</u>	\$4,000,495
<u>American Family Insurance Dreams Foundation, Inc.</u>	\$3,996,618
<u>Community Foundation of Southern Wisconsin, Inc.</u>	\$3,741,012
<u>Harley-Davidson Foundation, Inc.</u>	\$3,465,988
<u>National Credit Union Foundation</u>	\$2,807,761
<u>Kohler Foundation, Inc.</u>	\$2,779,029
<u>Brewers Community Foundation</u>	\$2,727,244
<u>Ruth St. John & John Dunham West Foundation, Inc.</u>	\$2,686,531
<u>Bemis Company Foundation</u>	\$2,569,296
<u>Racine Community Foundation, Inc.</u>	\$2,560,124
<u>Gene and Ruth Posner Foundation, Inc.</u>	\$2,492,576
<u>Vine and Branches Foundation, Inc.</u>	\$2,472,200
<u>U. S. Venture/Schmidt Family Foundation</u>	\$2,440,345

Federal Funding options:

With recent (and coming?) changes in federal programs, the Federal Funding Matrix included below, will contain some out of date contacts and in some cases, may contain out of date sources. Many programs are sometimes out of date soon after they are announced. If contacts are dated, ask for the current representative and/or the replacement program. The references are included herein to provide a starting point for researching federal grants.

The current COVID epidemic and potentially the forthcoming election, may generate many new programs. Once cures and a vaccine is found, there will be a tremendous demand for job-generating enterprises.

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Federal Funding Matrix for Public Market Programs:

Name of Program	CFDA #	Description	Estimate d \$\$\$ available	Award Range	Office/Contact Address					
US DEPT OF AGRICULTURE										
Name of Program	Name Progr	Name of Program	CF #	Name of Program	Name of Program	Name of Program	CFDA #	Description	FY 0	(Est
Community Food Projects Competitive Grants	10.225	To help non-profits develop initiatives (e.g., farmers markets) using a dollar for dollar match in resources; community food projects linking food sector to community development	\$4.8 mill	\$10-\$250,000 from 1-3 years	United States Department of Agriculture, Cooperative, State Research, Education and Extension Service 1400 Independence Avenue SW, Stop 2201 Washington, DC 20250-2201 Deputy Administrator - (202) 401-1761 www.csrees.usda.gov					
Farmers Market Promotion Program	N/A	Program to increase domestic consumption of agricultural commodities by developing, improving and expanding domestic farmers markets, roadside stands, community-supported agriculture programs, and other direct producer-to-consumer market opportunities	Awaiting initial appropriation	TBD	United States Department of Agriculture 1400 Independence Avenue SW., Stop 2201 Washington, DC 20250-2201 Errol Bragg (202) 720-8356 USDA-CSREE - www.ams.usda.gov					
Name of Program	CFDA #	Description	(Estimate d \$\$\$ available)	Award Range	Office/Contact Address					

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WIC Farmers Market Nutrition Program (FMNP)	10.572	Grant supported coupons distributed by states to WIC recipients in association with FMNP	\$20 mill	Avg. \$512,336	United States Department of Agriculture Food and Nutrition Service, 3101 Park Center Drive, Room 540, Alexandria, VA 22302 – Debra Whitford - Food and Nutrition Service - USDA-CSREE (703) 305-2734 www.fns.usda.gov/fns/
Senior Farmers Market Nutrition Program	10.576	Grant associated with FMNP distributed by states to low-income senior citizens	\$15 mill	\$6,440-\$1.5 mill (avg. \$420,500)	United States Department of Agriculture Food and Nutrition Service, 3101 Park Center Drive, Room 540, Alexandria, VA 22302 –Lynn Rodgers – Food and Nutrition Service - USDA-CSREE (703) 305-2760 www.fns.usda.gov/fns/
Rural Cooperative Development Grants	10.771	Grants distributed to establish and operate centers for rural cooperative development to improve economic conditions in rural areas	\$5 mill	\$65-\$200,000	RBS National Office at Mail Stop 3250, 1400 Independence Avenue SW, Washington, DC 20250-3250 (202) 720-7558, e-mail: cpgrants@usda.gov ; Rural Business-Cooperative Service, USDA (202) 720-0813 www.rurdev.usda.gov
Rural Business Investment Program (RBIP) & Rural Business Investment Company (RBIC)	10.860	An initiative that helps for-profit investment centers support economic development and job creation in rural areas.	TBD	Debenture authority and \$1-\$3 mill in operational assistance	Louis Cupp - 202-619-0511 www.sba.gov/INV/RBIP www.rurdev.usda.gov
Name of Program	CFDA #	Description	(Estimated \$\$\$ available)	Award Range	Office/Contact Address
Rural Business Opportunity Grants	10.773	Grant to promote sustainable economic development in rural communities with exceptional needs	\$3 mill	\$3,000 to \$615,000 (Avg. \$98,684)	Rural Business-Cooperative Service, USDA, Specialty Lenders Division 1400 Independence Ave., SW. Stop 3225, Room 6767, Washington, DC 20250-1521 (202) 720-1400
Community Facilities Loans and Grants	10.766	Grants to construct, enlarge, extend, or otherwise improve community facilities providing	12.1 mill for loans; 189 mill for loan guarantees; 6.2 mill for grants	Avg. grants \$32,000	Community Programs, Rural Housing Service, Department of Agriculture, Washington, DC 20250-3222 www.rurdev.usda.gov

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Name of Program	CFDA #	Description	(Estimated \$\$\$ available)	Award Range	Office/Contact Address
Intermediate Relending Program	10.767	Loans that finance rural business facilities and community development (1% interest available)	\$40 mill	Range from \$500,000-\$1,000,000 to non-profits for relending	Rural Business-Cooperative Service, Room 6867, Stop 3225, South Agriculture Building, Washington, DC 20250-3225 Deputy Administrator- (202) 720-1490; Rural Business-Cooperative Service (202) 690-4100
Business and Industry Loans	10.768	Loans and loan guarantees to assist rural areas to obtain quality loans for the purpose of improving, developing or financing business, industry, and employment and improving the economic and environmental climate in rural communities including pollution abatement and control	30.1 mill; \$595 mill.	\$35,000 - \$10 mill direct loans; \$35,000 - \$25 mill in guaranteed loans	Administrator, Rural Business-Cooperative Service, Department of Agriculture, Washington, DC. 20250-3201. Administrator, Rural Business-Cooperative Service, P: (202) 690-4730 F: (202) 690-4737
Name of Program	CFDA #	Description	(Estimated \$\$\$ available)	Award Range	Office/Contact Address
Rural Business Enterprise Grants	10.769	Grants to facilitate the development of small and emerging private business, industry, and related employment for improving the economy in rural communities	\$41 mill	\$2,000 - \$500,000; avg. \$83,309	Specialty Lenders Division, Rural Business-Cooperative Service, Department of Agriculture, Washington, DC 20250-3222 Director, Specialty Lenders Division (202) 720-1400

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Rural Economic Loans and Grants	10.854	Loans and grants to promote rural economic development and job creation projects, including feasibility studies, incubators, startup costs	N/A	Loans: \$10-450,000; Grants: \$10-\$200,000	Specialty Lenders Division, Rural Business-Cooperative Service, Department of Agriculture, Washington, DC 20250 Director, Specialty Lenders Division (202) 720-1400
US DEPARTMENT OF COMMERCE - ECONOMIC DEVELOPMENT ADMINISTRATION - EDA					
Name of Program	CFDA #	Description	FY 05 \$\$ (Est.)	Award Range	Office/Contact Address
Public Works & Economic Development Facilities	11.300	Grants to help distressed communities attract new industry, encourage bus expansion, diversify local economies and generate jobs; Funding for incubators and infrastructure serving industry; Projects must be located in an EDA-designated Redevelopment Area or ED Center	\$166.6 mill		David L. McIlwain, Public Works Division, Econ. Dev. Admin., Room H7326 – Herbert C. Hoover Bldg. Dept. of Commerce, Washington, DC 20230; Public Works, DOC David L. McIlwain (202) 482-5265 www.doc.gov/eda (to apply contact regional EDA office)
Economic Adjustment	11.307	Helps states and local areas design and implement strategies for facilitating adjustment to changes in their economic situations that affect the underlying economic base (project grants)	\$45.4 mill		Contact Regional EDA Office

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Name of Program	CFDA #	Description	FY 05 \$\$ (Est.)	Award Range	Office/Contact Address
US DEPARTMENT OF HEALTH & HUMAN SERVICES					
Office of Community Services (OCS) Discretionary	93.570	Funding to support job-creating projects and programs resulting in direct benefits within 1-5 years for people with low-incomes in areas experiencing socioeconomic distress; Includes: Urban & Rural Discretionary Prog and Job Opportunities for Low Income (JOLI) (93.593) \$5.4 mill [Also has \$7.3 mill for Community Food & Nutrition	\$33 mill		Office of Community Services, Administration for Children & Families, HHS, 370 L'Enfant Promenade SW, Washington, DC 20447 - www.acf.hhs.gov/programs/ocs cwatkins@acf.hhs.gov , Office of Community Services, Admin. for Children & Families, HHS, Carol Watkins (202) 401-9356
Name of Program	CFDA #	Description	FY 05 \$\$ (Est.)	Award Range	Office/Contact Address
Individual Development Accounts (IDAs): New Assets for Independence Demonstration Program		Demonstration grants for 5-year projects designed to assist low-income individuals to accumulate assets by establishing IDAs; IDAs are savings accounts where client earned income is matched by Federal & non-Federal funds may be used to start a business for training or for housing	\$24.9 mill		Office of Community Services, Administration for Children & Families, HHS, 370 L'Enfant Promenade SW Washington, DC 20447-Jim Gatz (202) 401-4626 www.acf.hhs.gov/programs/ocs Office of Community Services; Administration for Children & Families, HHS

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Office of Refugee Resettlement (ORR) - Refugee Assistance Discretionary Grants	93.576	Discretionary grant program allocates funds to conduct projects which promote refugee self-sufficiency; (Initiative emphases vary each year but micro-enterprise in Public Markets have been funded in past)	\$70 mill		8th floor - L'Enfant Promenade, 800, Washington, DC 20447 – (202) 401-5363 – www.acf.hhs.gov/programs/orr - Henly Portner ORR ACF Department of Health and Human Services
Name of Program	CFDA #	Description	FY 05 \$\$ (Est.)	Award Range	Office/Contact Address
Temporary Assistance for Needy Families (TANF)	93.558	Formula grants to states to assist needy families with children - (Some states have shown creativity in working with CDCs on projects providing jobs for low-income persons)	\$18 billion		Contact State TANF office (several issue RFPs annually for innovative projects by non-profits)
US DEPARTMENT OF HOUSING & URBAN DEVELOPMENT					
Community Development Block Grant Program	14.218 See also 14.219, 225, 227, 228	Annual formula grants to entitled metropolitan cities (50,000+), urban counties (20,000+) and to states for distribution to non-entitled communities; supports a wide range of CD activities, including direct assistance and TA to for-profit businesses	\$4.709 billion		Office of Block Grant Assistance, Community Planning & Development, HUD 451 7th Street, SW Washington, DC 20410 Office of Block Grant Assistance, Community Planning & Development, HUD (202) 708-1577 - www.hud.gov

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Name of Program	CFDA #	Description	FY 05 \$\$ (Est.)	Award Range	Office/Contact Address
Community Outreach Partnership Centers	14.511	Funds to colleges and universities to form community partnership or expand centers for research, outreach, and info exchange on communities and neighborhoods	\$7 mill	\$400,000	Office of Policy Development & Research, HUD, 451 7th Street, SW, Washington, DC 20410 – Office of Policy Development & Research, HUD, Kinnard Wright (202) 708-3061 x 7495
Section 108 Loan Guarantee	14.248	Through Section 108, HUD guarantees notes issued by local governments for financing of revitalization activities including expanding businesses, land/building purchase for economic development, site improvement, st./sewer repairs	\$6 mill approx.. Leverages \$275 mill + in lending auth.	\$5,133,000	Financial Management Division, Office of Block Grant Assistance, HUD, Paul Webster (202) 708-1871 paul_webster@hud.gov
Name of Program	CFDA #	Description	FY 05 \$\$ (Est.)	Award Range	Office/Contact Address
Economic Development Initiatives (EDI) - (Companion Program to Section 108)		Grants to be used in tandem with Section 108 loans for economic revitalization projects; used to enhance the viability of such projects and increase the likelihood that Section 108 can be repaid from project revenue	\$262 mill		Frank McNally – (202) 708-0614 x 7100
Historically Black Colleges Program	14.520	Addresses C.D. needs in localities	\$10 mill	\$340-\$550,000	Ophelia Wilson – (202) 708-3061 x 4390 www.oup.org

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Hispanic Serving Institutions	14.514	Addresses C.D. needs in localities	\$6.7 mill	\$600,000	Madlyn Wohlman-Rodriguez, Office of University Partnerships (202) 708-3061 x 5939
Name of Program	CFDA #	Description	FY 05 \$\$ (Est.)	Award Range	Office/Contact Address
Neighborhood Initiatives		TBD via earmarks	\$42 mill		
UDAG		Several communities have unexpended funds	TBD		
Rural Housing & Economic Development	14.250	Housing and economic opportunities, business development	\$24 mill	\$250,000	Thann Young, OED (202) 708-2290
Brownfields (BEDI)	14.246	Return brownfields to productive economic use	\$24 mill	Typical grants \$500,000-\$2,000,000	Bill Seedyke (202) 708-0614 x4445
US DEPARTMENT OF JUSTICE					
WIA Initiatives	17.258	Programs provide workers with information, advice & job training to attain and keep good jobs and provide employers with skilled workers; funding via states or localities	\$5.318 billion		Employment & Training Administration, DOL, 200 Constitution Ave., NW Washington, DC 20210 - Dennis Lieberman, Division Chief (202) 693-3375 www.doleta.gov
Name of Program	CFDA #	Description	FY 05 \$\$ (Est.)	Award Range	Office/Contact Address
US DEPARTMENT OF TRANSPORT					
Job Access - Reverse Commute	20.516	Grants to connect low-income persons to employment (e.g., walking paths to Public Market)	\$109.4 mill	\$356,000	Sue Masselink (202) 366-1666 www.fta.dot.gov/fta/dot
US DEPARTMENT OF TREASURY					

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Community Development Finance Institutions (CDFI)/ NMTC	21.020	Provides infusions of capital to expand the availability of credit, investment capital & financial services in distressed urban and rural communities; agency also operates the New Markets Tax Credit program	\$55.5 mill		Linda Davenport/ Bridget Ware, Community Development Financial Institution Fund 601 13th Street, NW -Suite 200 South, Washington, DC 20005 – US Dept of the Treasury (202) 622-6355 www.cdfifund.gov wareb@cdfi.treas.gov
Name of Program	CFDA #	Description	FY 05 \$\$ (Est.)	Award Range	Office/Contact Address
SMALL BUSINESS ADMIN					
Microloan Programs (see also 59.050 re prime program also scheduled by Admin. to be elim.)	59.046	Formula grants, direct loans via intermediary lenders	\$14 mill		Office of Financial Assistance (202) 205-6490; Office of Loan Programs, Bruce Purdy (202) 205-7532
Certified Development Comp. Loans (504 loans)	59.041	Financing for fixed assets via the sale of debentures to private investors	\$4.5 billion	Average \$350,000	(202) 205-6490 www.sba.gov
Business Loans	59.012	Guaranteed/insured loans for building equipment, materials, and working capital	\$12.5 billion		Michael Dowd, Director Office of Loan Programs (202) 205-6570
Technical Assistance	59.007	Business development assistance to socially and economically disadvantaged businesses	\$3.1 mill		Office of Business Dvlp. (202) 205-7343 409 3rd Street, SW Washington, DC 20416 www.sba.gov
Name of Program	CFDA #	Description	FY 05 \$\$ (Est.)	Award Range	Office/Contact Address
Assistance to Small Business	59.005	Small Business development assistance.	\$2.2 mill		(202) 205-6665 – (initial contact with local SBA field offices)

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Small Business Investment Companies (SBICs)	59.01 1	Business development assistance to small businesses via SBICs (guaranteed/insured loans)	\$7.9 mill		(202) 205-6510
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Source: Funding options assembled with the assistance of Marcus Weiss EDAC with input and revision by the author.

Conclusion

Public Markets are complicated. They are costly, time-consuming to develop, and often frustrating to plan, build, and manage.

This Partial Business Plan suggests that the Public Market can be built without a need for ongoing subsidy once fully occupied.

It indicates that the Market can return millions to the City and the State, in new tax revenues and provide hundreds of new jobs and scores of entrepreneurial opportunities.

Importantly, it will transform an unappealing entry to the City into an exciting and vibrant portal, while creating a new home for Oktoberfest and other local festivals.

There is an abundance of wonderful prospective tenants to recruit. They will help to create this opportunity.

La Crosse will be a more exciting and fun city for its citizens once the Public Market is completed. The La Crosse River will be enhanced as a recreational gem.

The 300,000 regional residents living around La Crosse will have easy access and a good reason to visit the City.

Downtown La Crosse merchants will find more people shopping at their stores as the downtown becomes even more vital.

Many tasks lie ahead. These are spelled out in the chapter on 'Next Steps'. It will not be easy, but it can, should, and will happen.