



## DEPARTMENT OF COMMUNITY DEVELOPMENT SERVICES

*Economic Development Division*

### **m e m o r a n d u m**

**TO:** Laurel Lunt Prussing, Mayor

**FROM:** Elizabeth H. Tyler, FAICP, Director, Community Development Services

**DATE:** February 3, 2011

**SUBJECT:** **Market at the Square 2010 Annual Report**

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## **Introduction and Background**

Farmers' markets continue to enjoy exceptional popularity throughout the United States. According to the United States Department of Agriculture's Agricultural Marketing Service, the number of farmers' markets grew between 2009 and 2010 from 5,274 to 6,132 – an increase of 16%. As of 2009 (the most recent year for which figures are available), Illinois claims 286 of those markets, ranking third nationwide behind New York and California, respectively). While there is no official ranking of farmers' markets in Illinois, **Urbana's Market at the Square** is widely considered to be one of the best and largest producer-only markets in the state.

The Market is one of Urbana's strongest attractions. It is a large, popular special event running every Saturday for a total of 27 to 28 weeks, drawing people from both Urbana-Champaign and the surrounding area. It serves as an incubator for local business activity, and is home to nationally-recognized, award-winning food producers. While its economic impact is difficult to quantify, it is undeniably significant. Farmers' markets, including Market at the Square, are an integral part of a viable, sustainable community, and the presence and visibility of Market at the Square contributes enormously to Urbana's identity and sense of "place".

The 2010 season for Market at the Square began on Saturday, May 1, 2010 and ended on Saturday, November 6, 2010, running for a total of 28 weeks. 2010 saw several changes, among them increased and more diverse programming for children, the acceptance of SNAP and credit/debit cards, and many new participants. The following summary analyzes the year's data regarding Market participants, operations, programming, marketing, and financial expenditures, and identifies aspects of the Market requiring evaluation for 2011.

## **Discussion**

### **Market at the Square Participants**

The Market's participants include vendors, community groups, and performers. Each season, participants receive guidelines and applications to complete prior to participating at the Market. Guidelines and applications are typically modified each year to improve clarity and to respond to any outstanding issues from the previous season. [See Attachment 1]

The Market's participants also include its patrons, who are the economic and social force behind the Market.

### **Vendors**

There were 169 **registered** vendors for the 2010 season. Seven of those vendors opted not to participate after registering, placing the total **participating** vendors at 162, a decrease of 5.8% over 2009's 172 vendors. Of the registered vendors, 33% percent had never participated in the Market before 2010, down from 43% in 2009, demonstrating that vendors consider the Market worth returning to. Weekly vendor attendance at the Market averaged 75 vendors in 2010, up from 73 in 2009. The Market date with the highest vendor attendance was May 22, 2010 (96), and the lowest vendor attendance was recorded on November 6, 2010 (28).

There are a few possible reasons for the slight decline in vendor attendance in 2010. Potential vendors often called during peak season at the Market, wanting to apply, but opted out upon learning there was a waiting list for several weekends running. An average of 170 spaces per week (out of approximately 190) were used, indicating that despite the slight downturn in the overall number of vendors, participating vendors were increasing the number of days they were vending at the Market. Generally, vendor participation and attendance has remained relatively steady for the last five years.

Similar to previous years, just under half of participating vendors were from the Urbana-Champaign area, with remaining participants originating from Urbana-Champaign's satellite communities and other areas throughout Illinois. Some traveled significant distances to participate at the Market, with several produce vendors coming from Southern Illinois.

Vendors are separated into two main categories, **growers** and **non-growers**. Growers are subcategorized as **produce vendors** (48 participants) and include fresh fruit and vegetable producers, meat/dairy/honey producers, fresh flower producers, and live plant producers. Because the Market requires all fresh produce, flowers, and farm-raised food to be grown by the seller within the state of Illinois, new vendors in this subcategory are inspected by the Director before they participate. Existing vendors are inspected when a complaint or question (by either a patron or another vendor) is lodged regarding questions related to the origin of a vendor's items. Non-growers are subcategorized

as **prepared food vendors** (25 participants) and include bakers, candy-makers, ice cream vendors, and other prepared foods designed to be consumed on- and off-site. **Art and craft vendors** (89 participants), the other component of the non-grower category, include artisans and crafters who produce items such as photography, clothing, woodwork, pottery, furniture, soaps, and more. Art and craft vendors remain the vendor category with the highest number of participants, with 53% of the Market's vendors fitting into this category.

While vendor fees have been kept at an affordable level to encourage participation, the costs incurred related to running the Market, including insurance, programming costs, City services, and upkeep of infrastructure, have increased. For the first time in 18 years, Market vendors experienced a fee increase in 2010, with the fee rising to \$20/week from \$15/week. Vendor revenues in 2010, including inspection fees and fees charged for electricity, totaled \$65,393, an increase of 37% over the 2009 total of \$47,725. [See Attachment 2, Charts A, B and C]

### **Community Groups**

The row of community groups at the north end of the Market has been a valuable resource for the Urbana-Champaign community, both for the groups publicizing their efforts and for patrons who are looking for ways to contribute, volunteer, or otherwise engage in the community. A record-high 92 groups registered for space at the Market in 2010, a 19.5% increase over 2009's 77. Additionally, several weekends during the peak season – June through September – were sold out. Overall, groups worked well together and were responsive to requests by Market staff and the Director.

Weekly participation by community groups in 2010 averaged out to 15 groups per week using an average of 23 spaces per week. Occasionally, more space was allotted at both the east and west ends of the row in order to better accommodate groups or special events by groups, such as giveaways, reading to children, etc. Walnut Street, which is blocked off during the Market, was also occasionally used. Despite the high number of registrants, a total of \$4,719 in fees was collected from community groups in 2010, down slightly from the \$4,864 collected during the 2009 season. A possible reason for this could be the relatively large number of cancellations by groups in 2010 due to weather, lack of booth staffing, and other reasons. Currently, the Market does not charge groups for weather-related cancellations or cancellations made in advance. [See Attachment 2, Chart D]

### **Performers**

Performers remained a popular component of the Market experience. 2010's performers ranged in genre from folk and bluegrass and indie rock acts to spoken word, balloon sculpture, and traditional busking performances. A total of 51 performers registered in 2010, up from 36 in 2009.

Although performers are not required to pay fees to participate at the Market, they are required to follow the guidelines related to performers and to fill out an application prior to performing. Performers are required, for example, to perform without amplification, and in 2010, all performers

adhered to this guideline. There are few conflicts between vendors and performers, and occasionally performers set up too close to each other. Both situations of this type are easily resolved, with minimal intervention by the Director. [See Attachment 2, Chart E]

### **Patrons**

Patron attendance increased once again at the Market, with an estimated total of 195,000 visitors in 2010, an 11% increase over 2009's estimated total of 175,000. Averaged across a 28-week season, the Market drew an estimated **6,955** patrons per Saturday, a 12% increase over 2009's average weekend attendance of 6,220. Peak season (July and August) drew the most people; staff estimates almost 13,000 patrons visited the Market on August 7, 2010, representing a record crowd.

Patron feedback was collected on Market days by City staff both at the City tent and as the Director and other staff made rounds. The Director also fielded phone calls during the week. The feedback was overwhelmingly positive, particularly regarding the increased number of programming initiatives for children, special events, vendor product mix, the quality of performers, and the accessible, social nature of the event.

However, despite clarification of the Market's policy regarding the presence of pets at the Market in 2010, and despite the low number of reported, non-serious incidents involving pets, complaints by patrons about the presence of pets continued. These complaints primarily involved the presence of dogs at the Market, citing sanitary and safety reasons. Conversely, there were several complaints regarding the lack of amenities available for dogs at the Market by pet owners.

There continues to be significant interest in Market at the Square from outside the area. Individuals and groups contacting the Market frequently ask questions regarding operations and infrastructure as they may consider starting a new market or improving an existing one. There has also been major interest in the Market's successful use of social media platforms to attract and retain patrons, as well as the Market's decision to begin accepting credit, debit, and LINK cards. In addition to giving several trade media interviews in 2010, the Director was invited to speak at conferences in Springfield, IL and Urbana, IL about both topics in 2010. The Director has also been involved with efforts involving the creation of the Illinois Farmers Market Network and the creation of the Illinois Task Force on Farmers Markets.

### **Operations**

Operations are the behind-the-scenes engine of Market at the Square. In 2010, operations included the Director's day-to-day tasks during the season, such as processing applications, assigning vendor and community group space, accepting vendor payments, accounting, scheduling staff, purchasing necessary supplies, producing educational materials for Market patrons, planning Market programming, and implementing the marketing plan. Operations also

include on-site tasks at the Market for both the Director and Market staff, such as setting up and managing the City's booth, vendor/community group/performer placement, managing the credit/debit program, general Market supervision, guideline enforcement, and assisting all participants with any issues or problems that may arise.

On-site Market staff continue to play a major role in the Market's operational success. In 2010, the Assistant to the Director helped with Friday afternoon preparations for the Market, including traveling to the storage facility for materials, naming/numbering spaces in Lot 10X, and preparing materials for the Market. The Assistant also worked on Saturday, assisting the Director with showing vendors to assigned spaces, unlocking utilities prior to the Market, setting up the City's booth presence at the Market, and helping to manage that booth presence. The Assistant also helped manage all Market teardown activities, including returning some materials to storage and hauling equipment back to the City building. The Market also employed an Aide on the days the Assistant was not working, as well as a groundskeeper each Saturday.

### **Patron Access – Electronic Benefits transfer/LINK card**

2010 marked the pilot year of the Market's acceptance of credit, debit, and SNAP/LINK cards on behalf of Market vendors. SNAP stands for the federal government's Supplemental Nutrition Assistance Program, and LINK is the name of the program in Illinois. The Market's program was developed jointly by Market staff and the City's Finance Department in order to enable Market patrons to use credit, debit, or LINK cards to purchase food and other merchandise within the Market without leaving the Market premises, and to enable patrons receiving LINK benefits to purchase fresh and local fruits and vegetables as well food-bearing plants, fresh baked goods, and other food items at the Market. Patrons brought their cards to the City tent, where they were swiped for the desired amount. To help offset costs while at the same time encouraging use, a "token management" fee of \$1.00 was added to each transaction. Upon transaction approval, patrons were given the number and type of tokens corresponding to their request. The tokens could then be spent with any vendor within the Market. LINK tokens were accepted only by farmers or vendors selling approved foods, while credit/debit tokens were accepted by all vendors.

The front end of this program (designing the tokens, deciding how to operate the program, training vendors and working with them on the Market day, working with patrons, and light accounting) was handled by Market staff, and the back end (heavier accounting, check-cutting for vendors, and management of the Market's account with various service providers) was handled by the Finance Department.

Word of mouth about the program in its pilot season was very strong. With little or no promotion, the Market sold \$44,100 in credit/debit tokens during the 2010 season, while paying vendors \$42,440. The Market also sold \$5,346 in LINK tokens, paying vendors \$5,098.

This program is not without cost. Total expenses to operate the program, including equipment rental fees, transaction fees, and other service charges, totaled \$2,355. \$1,389 in token management charges helped offset these costs, but still left \$966 in unrecovered costs. The Market has sufficient funds to cover this shortfall, but staff are investigating the possibility of raising the token management fee in order to avoid any shortfall in 2011. [See Attachment 3]

### **Programming**

The Market's nutrition/farm-linkage programming for young children, **Sprouts at the Market**, continued in 2010. This programming was co-developed by the Director and a volunteer, University of Illinois dietetics student Jennifer Hewitt in 2008; this partnership continues while Ms. Hewitt pursues a masters' degree in dietetics and nutrition from Eastern Illinois University. The primary goal of Sprouts programming is to provide opportunities for children to taste fresh produce or other whole foods in season and to receive nutrition information about these foods while simultaneously meeting the farmer/producer responsible for the food. Education regarding other aspects of the food system is considered as well. In 2010, two more Sprouts events were added, bringing the total to six events for the season. These events were held in May, June, July, August, September, and October and were quite successful, averaging 86 participants per event, with September's event drawing 110 participants. Three Sprouts events were held with community partners – the University of Illinois Extension Master Gardeners in May, the University of Illinois Family Resiliency Center in September, and the Eastern Illinois Foodbank in October. Businesses adjacent to the Market, such as ArtMart and Common Ground Food Co-op, helped promote these events in their stores, offering discounts or other rewards for Sprouts participants. Several vendors also participated, donating food for sampling to the project. Feedback was overwhelmingly positive from all participants, including farmers. Sprouts at the Market was featured on WCIA's morning show during the season, and was also discussed on WILL-AM's "Afternoon Magazine" program.

"Eat Here" programming, designed by Market staff, was also offered during the 2010 season. The Market was awarded \$15,000 by the Illinois Department of Agriculture to promote this program, an educational initiative designed to inform Market shoppers about the benefits of eating locally-sourced fruits and vegetables, and to encourage shoppers to add the Market to their weekly list of places to buy food during the 2010 Market season. Awareness events were held adjacent to the City tent once a month during the Market season. Promotional efforts included small banners on lampposts at the south and east entrances to Lincoln Square Mall, television advertising on WCIA-3 TV, radio advertising on WPGU- FM and WBCP-AM, a brochure and other takeaway materials available at the Market and a merchandise giveaway ("Eat Here" t-shirts and tote bags) at the Market in September. Social media was also used to promote these events. It is not certain, as of this writing, if "Eat Here" events will be held in 2011, or if the campaign will be strictly informational.

Additionally, the Market offered one book signing during the 2010 season. This well-attended

signing was with University of Illinois entomology professor May Berenbaum, whose book, *Honey, I'm Homemade*, was published by the University of Illinois Press and released in October 2010.

Other programming included continued collaboration with the Urbana Free Library, U-Cycle, and the Urbana Public Arts Commission, as well as special events around holidays. [See Attachment 4]

## **Marketing**

In 2010, Market at the Square continued to utilize both traditional and new media marketing tools to attract and retain Market patrons.

Traditional marketing tools included print advertising, radio advertising and underwriting, a page on the City website, posters and handbills, banners, merchandise, press releases, and media coverage. Television advertising, funded by a \$15,000 grant from the Illinois Department of Agriculture, was also used to advertise the Market's "Eat Here" programming for a week ahead of each of the six "Eat Here" events. Market staff partnered with UPTV staff to create 15-second long advertisements, and the ads ran successfully on WCIA-TV and several cable channels geared toward children (HGTV, Food Network, and others). Unrelated to the "Eat Here" programming, the Market also began filming "Market Menu", weekly television segments describing the coming weekend's Market. UPTV staff filmed, edited, and aired the segments on UPTV.

New media marketing included internet-based social networking tools, such as Facebook, Twitter, a Market weblog, and Flickr (a photo hosting site). These tools are low- or no-cost, and are very popular and effective. Facebook, in particular, has been a very successful tool for the Market; as of this writing, 3,069 people receive regular updates from the Market, a 104% increase over 2009. Each tool reaches a different audience, and all have proven to be effective ways to heighten the Market's profile in the community. [See Attachment 5]

## **Financial**

Primary expenditures for the Market in 2010 included marketing, supplies, and staff. In addition, each season there are many Market tasks and services that are performed by the City and its staff. These include, but are not limited to, vehicle use and maintenance, legal and clerical services, utility expenses, phone/fax expenses, web/email expenses, sandbags, and trash barrels. The Market reimburses the General Fund each season with a flat fee for this overhead. This fee, \$8,720 in 2010, is determined by the Comptroller and will be increased to \$17,960 in 2011 due to increased operating costs for the Market.

Overall income for the 2010 Market, including vendor participation fees, community group

participation fees, grant income, management fees for the credit/debit/LINK system, and merchandise, totaled **\$90,319** – a 46% increase over 2009. Overall expenses for the Market, including part-time staff, marketing expenditures, insurance, credit card fees, and supplies, were \$47,456, an increase of about 5% over 2009. Expenditures related to staff and supplies were very similar to 2009’s expenditures. Solid financial management over the years has resulted in a budget carryover for the Market, which will be invested, when appropriate, on Market infrastructure, programming, and/or marketing, as the need arises. [See Attachment 2, Charts F and G]

### **Planning Effort**

In February 2010, City staff began work on the Market’s first strategic planning effort. This planning exercise is designed to create Market mission and vision statements, set goals for the Market’s future, and to give the City a blueprint from which to operate the Market for the next several years. The exercise is in line with City Council Goal #5, Environmental Sustainability, Strategy J: “Promote production accessibility and affordability of local farm and artisan products”.

After appointing a steering committee in January 2010, two public input sessions and a stakeholder meeting were held in February and March 2010. From the input gathered at these meetings, the steering committee is preparing a mission statement, goals, implementation steps and a final document. The committee hopes to have a finished document by March 2011.

### **2011 Market Season Improvements**

There are four major improvements to the Market planned for 2011, with other improvements to follow. They are:

#### **Electrical Infrastructure Upgrade at the Market Site**

Every year, Market staff receives requests from potential or existing vendors wishing to sell products requiring refrigeration or freezing or products that require cooking of some kind. The former are usually “value-added” products, which can include everything from cheese to frozen meats to ice cream, and the latter are usually prepared foods, such as sandwiches, soups, desserts, and the like. The existing electrical infrastructure at the Market site is not located in an optimal area for vendors to use and is not intended for heavy use by appliances. Consequently, Market staff frequently must deny vendor requests for electrical service. The existing infrastructure is at full capacity.

Working with the City’s Public Works Department, plans are underway to enhance the existing electrical infrastructure to provide more outlets for these vendors to use. Hardware for four power boxes has been ordered, and the work will be done, weather permitting, by City staff prior

to the Market's May 7 opening. The Market is assuming the full cost of this project, estimated to be approximately \$27,500. A budget amendment for this work was approved by City Council on January 17, 2011.

### **Community Groups Move to Walnut Street**

Over the past several seasons, the Market has experienced an increase in the number of vendors requesting space, as well as an increase in the number of Market days being requested by existing vendors, occasionally resulting in sold-out days for vendors. While actual enlargement of the Market venue remains a possibility for the future, Market staff are currently interested in maximization of space available in Lot 10X, since the Market is not sold out every weekend.

The proposed solution is to move the Market's community groups, currently located at the north end of the Market, to the barricaded area on Walnut Street, just to the west of the Market site. This location is highly visible, as it is situated between the two main entrances to the Market and is adjacent to bicycle parking. This move would free up between 10-15 spaces for vendors within the Market, as well as providing these vendors access to an existing power box at the north end of the Market. This move will be beneficial for both sets of participants: more vendors will be permitted to sell within the Market, and community groups will have dedicated space for their activities.

### **Changes to On-site Market Management**

Currently, the Market's Director works a Tuesday-Saturday schedule during the Market season, functioning as the Market's on-site manager on Saturdays in addition to managing the Market's day-to-day operations during the week. This results in the Director being in the office four days during the week and working all Saturdays during the season.

With the increased number of administrative tasks needing to be done for the Market, in addition to the Director's other duties as Economic Development Specialist, it is proposed that the Market Director move to a Monday-Friday schedule and hire an on-site manager to supervise the Market and its staff on Market days. This would increase the amount of time spent in the office for the Director taking care of the Market's administrative tasks as well as taking time to pursue grant funding, develop additional programming, and further enhance marketing efforts. It would also allow more time for the Director to focus on other economic development tasks. The on-site Manager would report to the Market Director. The Market Director would remain directly responsible for every aspect of the Market except for Saturday's on-site management, and would be available to work special events at the Market. The Director would also be on call to substitute for the Manager when needed.

Due to the high workload experienced at the Market in 2010 and the lack of backup at critical

times, City staff are also recommending increased staff levels across the board for the 2011 season. This increased staffing will consist of adding an additional Market Aide each week. There are adequate funds to support this increased staff.

### **ASCAP/BMI Licensing to Cover Performers**

In 2010, the Market Director received information regarding licensing requirements for events, including farmers markets, featuring live, non-original music. This information came via the Farmers Market Coalition Listserv, a listserv created by the national organization Farmers Market Coalition specifically for market managers to ask each other questions and share information. This information was forwarded to the City's Legal Division for review.

After review, the Market has been advised to purchase yearly licenses from the two major licensing agencies, the American Society of Composers, Authors, and Performers (ASCAP) and Broadcast Music, Incorporated (BMI). These licenses would not only cover non-original music performed by Market performers each week, but would also cover music being performed or broadcast at any City event. The yearly cost of each license will be approximately \$300 per agency.

### **Operations**

Several small improvements in the Market's day-to-day and on-site procedures will make a significant difference in the Market season's flow and will allow more time to be spent on programming, marketing and promotion, and other Market-boosting activities. These improvements include:

- Review and redevelop Market guidelines and procedures as needed
- Continue work with City of Urbana Legal Division, Champaign-Urbana Public Health District, and other agencies to clarify and improve policies regarding health permits, insurance, liquor licensing, and tax information
- Continued recruitment of more produce and prepared food vendors

Additionally, a ban on all animals at the Market, except for service animals, is under review for the 2011 season.

### **Programming and Marketing**

It is anticipated that augmentation of programming initiatives and development of a more targeted marketing campaign for the Market will result in increased numbers of participants, increased participant buy-in, and further support of the Market. The following ideas are under

consideration for 2011:

- Promote the credit/debit/LINK program as part of larger effort with the Champaign-Urbana Public Health District's "What's Your Specialty?" campaign, designed to raise awareness of LINK acceptance at area farmers markets
- Maintaining "Sprouts at the Market" programming at six scheduled events, promoting heavily with C-U schools
- Continue to increase City- and partner-centered special events (e.g., Urbana Free Library, U-Cycle, Public Arts Commission, University of Illinois Extension, and others)
- Continue use of social networking tools to reach out to current and potential patrons
- Redirect Market advertising dollars to maximize return on investment (e.g., increasing the amount of local, targeted web advertising for special events)

## **Conclusion**

The 2010 season for Market at the Square was a success, and we look forward to even greater success in 2011. The Market Director and staff welcome feedback, questions, and ideas from the Mayor and City Council to help us continue this success into the 2011 season and beyond.

Prepared by:

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Lisa Bralts, Economic Development Specialist/Market at the Square Director

## **Attachments:**

1. 2010 Market Map and Regulations
2. Market at the Square Charts for 2010
3. Market at the Square Credit/Debit/LINK Program Materials
4. Examples of Market at the Square Programming
5. Examples of Market at the Square's Marketing and Branding Efforts

