

Staff Report



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| To | Committee of the Whole |
| Service Area | Infrastructure, Development and Enterprise Services |
| Date | Monday, July 5, 2021 |
| Subject | Guelph Farmers' Market – Refreshing Our Local Tradition |

Recommendation

1. That the Market's refreshed Vision, Mission, Goals, and Objectives, as outlined in the Guelph Farmers' Market: Refreshing Our Local Tradition report, dated July 5, 2021, be approved.
 2. That staff be directed to negotiate an agreement with 10 Carden Shared Space to manage and operate the Guelph Farmer's Market on Saturdays and program the building and grounds on other days of the week, as outlined in the Guelph Farmers' Market: Refreshing Our Local Tradition report, dated July 5, 2021.
 3. That staff report back to Council in Q4, 2021 with results of the negotiation with 10 Carden Shared Space and present options for City Council's approval.
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Executive Summary

Purpose of Report

The purpose of this report is to update Council on the consultative work completed for the Guelph Farmers' Market's Refreshing Our Local Tradition initiative, including a new Vision, Mission, Goals, and Objectives. This report updates Council on the outcomes of the Expression of Interest (EOI) entitled Call for Innovative Ideas, Proposals and Potential Partners. This report outlines the rationale to negotiate with 10 Carden Shared Space (10C) to fulfill the objectives of [the Refreshing Our Local Tradition goals and objectives](#) and assume the management and operations of the Saturday market and enable the animation of the market building multiple days of the week.

Key Findings

Community and stakeholder consultation undertaken as part of the [Refreshing Our Local Tradition](#) initiative in 2018 identified that Guelph residents want the Market to be more than a unique once-a-week shopping experience. These aspirations are captured in the Market's updated [Vision, Mission, Goals, and Objectives](#). Staff also identified a lack of financial and human resources to implement these goals.

The Market currently operates for 5 hours a week, 52 days of the year. The market building remains vacant and idle for the remaining 313 days of the year and is an underutilized City asset.

In February, 2021, the Farmers' Market consultant issued their final report, the [Guelph Farmers' Market Business Plan and Governance Report](#). Informed by this report and its recommendations, staff identified the opportunity to collaborate with Smart Cities - Our Food Future to explore opportunities to expand on the success of the Saturday Farmers' Market.

In April, 2021, the City looked to the community for innovative and entrepreneurial ideas and proposals through an Expression of Interest (EOI) that would ensure the continued success of the Saturday market while enabling the animation of the market building throughout the rest of the week. A [Call for Innovative Ideas, Proposals and Potential Partners](#) was issued to explore options from not-for-profit, social enterprise, cooperatives or businesses that would support the draft business plan and engage the local food community.

One submission was received. The Guelph-based non-profit social enterprise 10C submitted a creative proposal (Attachment-1) outlining a partnership between the City and other community collaborators "to co-create a multi-purpose, indoor-outdoor community market that is thriving with active uses 7 days per week." 10C's submission is supported by the Guelph Chamber of Commerce and the proposal lists prominent community collaborators such as The SEED, Guelph Arts Council, and Innovation Guelph.

It is recommended that Council direct staff to enter negotiations with 10C which will explore the opportunity for a partnership. The outcome of this negotiation will inform a fully costed report of options to Council in Q4, 2021. The recommendations in that report will help ensure the continuation of the Market's almost 200-year tradition of being a community gathering place.

Financial Implications

If the Market's Vision, Mission, Goals, and Objectives are approved without direction to negotiate with 10C, additional staff resources will still be required to fulfill this direction and the desired level of service. A \$68,500 budget increase to the Market's current \$51,500 budget for staffing, salaries, and wages would be required (\$120,000 total).

There are no financial implications at this time to entering negotiations with 10C. Pending Council approval of the recommendations outlined in this report, staff will present fully costed options for the future of the Farmers' Market in Q4 2021. The outcomes and financial implications of the negotiations with 10C will be included in that report.

The City's Capital Project [CC0002 – Culture Facilities Renewal](#) budget identifies a total of \$700,000 for improvements to the Market building and surrounding grounds over the next 10 years including HVAC and electrical upgrades.

Report

The Guelph Farmers' Market has operated for almost 200 years and is seen as an important community asset. The current location on Wilson Street has been the Market's home for over 50 years. The Saturday Farmers' Market sees more than 2,500 visitors per Saturday with annual sales of more than \$4.5 million. The Market has loyal shoppers and dedicated vendors. Market research indicates that 46% of Market shoppers come every week, year-round.

Guelph Farmers' Market operates as a farmers' market from May to October and transitions to a public market the rest of the year. At least 51% of the vendors at a market must be farm product producers and sell their own products to be classified as a farmers' market as per [Wellington-Dufferin-Guelph Public Health](#). The City manages the Market through Municipal By-law #18874, last revised in 2009.

The Market currently operates for 5 hours on 52 days of the year, requiring a dedicated facility even though for the remaining 313 days of the year the building is closed. It also requires financial subsidization as vendors only pay a basic fee (average of \$36 per booth) on Market days, yet are permitted to leave their equipment year-round, preventing other facility uses. The Market building is relatively small at 11,400 square feet with 50% required for customer circulation and 50% available as rentable space. This allotment of space is both pre- and post-pandemic use. The Guelph Farmers' Market 2019 Operating Revenue and Expense Statement (Table 1 – 5 Year Financial Summary) shows vendor fee revenue and recoveries of \$140,069 and expenses of \$133,844 for a surplus of \$6,225. That number does not capture significant amounts of City management and Communications, Legal, Facilities and Finance staff time.

In October 2020, management and operations of the Market moved into the Economic Development and Tourism department from the Culture, Tourism and Community Investment department. The economic development lens illuminates the shortfall of revenue to address the current operating issues, outdated policies and procedures and staffing challenges. A dedicated building has significant fixed operating costs that cannot be recovered with a one day a week market.

Refreshing Our Local Tradition

In 2017, after hearing concerns from Market vendors and customers about outdated policies and procedures, lack of funding and staffing challenges, City staff undertook a review of the Market's by-law and operations. A project team was established, a public and farmers' market consultant was engaged, and a project charter was approved. In 2018, staff initiated a consultative process entitled Refreshing Our Local Tradition. With the input of vendors and shoppers, the Market's vision and mission were updated and five goals were developed to address outstanding concerns and ensure the Market's long-term success.

The following is the Vision, Mission, Goals, and Objectives as outlined in the [Guelph Farmers' Market: Refreshing Our Local Tradition](#) report.

Refreshed Vision

The Guelph Farmers' Market is a dynamic, year-round public market and community cornerstone – the destination of choice for the best products Guelph-Wellington has to offer.

Refreshed Mission

The Guelph Farmers' Market offers a diverse range of quality farm-fresh and local foods, unique art and craft and friendly personal service. A community cornerstone in the heart of Guelph since 1827, the Market supports the farmers and the economy of Guelph-Wellington while promoting sustainability and healthy living.

Goals

1. Diverse range of quality, local and farm-fresh foods, unique art and craft

Strategies:

- Ensure a diversity of products is maintained
- Recruit new farmers
- Identify and promote existing farmers and vendors

Objectives:

- Ensure policy and procedures support product diversity with a focus on local farmers and producers and local artists and craftspeople
- Undertake a detailed review of the vendor product mix to establish clear targets
- Create a criteria-based application process with reviews by impartial and qualified selection panels
- Reach out to the local farming and buy-local communities to find new products and to recruit new vendors
- Undertake a branding initiative to identify and promote the Market's local and farm fresh product diversity, friendly personal service importance as a community cornerstone, and how the Market supports sustainability and healthy living

2. Friendly, personal service

Strategies:

- Acknowledge and promote customer satisfaction with friendly, personal service

Objectives:

- Launch a friendly vendor initiative with vendors wearing a Guelph Farmers' Market branded shirt, hat or apron and name tag
- Create an opportunity for customers to vote for the friendliest vendor in the Market and acknowledge the vendor at an awards ceremony
- Continue to measure satisfaction levels in future customer surveys

3. A community cornerstone in the heart of Guelph

Strategies:

- Promote the Market's history, location, and importance as a community gathering/meeting place

Objectives:

- Reach out to community groups and invite them to promote and host events at the Market
- Ensure the branding/promotion for the Market reinforces the tagline "a community cornerstone in the heart of Guelph since 1827"
- Develop interpretative displays that promote the Market's history and its place in the community
- Create a dedicated and branded community stand in the Market for community groups

- Consider an architectural element (gateway or tower) to identify the Market and serve as a meeting point

4. Support the farmers and the economy of Guelph-Wellington

Strategies:

- Support, recruit and retain local farmers ensuring they remain the focus of the Market
- Promote the Market's economic impact on local farmers, vendors, and the community

Objectives:

- Identify, quantify, and report on the economic impact of the Market on the local community
- Collect and share case studies/testimonials from local farmers, vendors, and businesses about the impact of the Market on their business

5. Promote sustainability and healthy living

Strategies:

- Identify and promote the Market's impact on sustainability and healthy living

Objectives:

- Identify, quantify and report on how the Market is sustainable (e.g., reduced carbon footprint with reduced food miles and the ability to walk, bike or bus) and supports healthy living (e.g., fresh wholesome local and seasonal fruits and vegetables, eggs, meat, poultry; reduced packing; produce trimmings go back to farm, composting, etc.)
- Reach out to healthy living organizations/agencies and groups and invite them to promote and host events at the Market
- Undertake an energy/resource audit of the Market Building
- Identify and promote Market energy and waste reduction initiatives

City staff intended to present the draft business plan, as well as the updated Vision, Mission, Goals, and Objectives to Council in 2020; however, due to the impacts COVID-19, this was put on hold.

Consultant's Report and Recommendations

In February 2021, the Farmers' Market consultant published their final report, [Guelph Farmers' Market Business Plan and Governance Report](#). The following is an excerpt from the consultant's report:

"Overall, the Saturday Market is successful. However, as this report has identified, it is not operationally or financially viable. Unless the City is prepared to subsidize the Market operation to a much greater degree it is not possible to implement the goals of the Business Plan. There is an opportunity to expand on the success of the Saturday Market. The Building and grounds hold tremendous potential to be the focus of local food and business incubation for Guelph-Wellington on multiple days of the week." ([pg. 14](#))

Consultant's Recommendations:

1. That the City approve the Market's refreshed Vision, Mission, Goals and Objectives to ensure the continued success of the Saturday farmers' market, and,
2. explore opportunities with the Our Food Future project collaborators to identify an existing or new non-profit corporation to operate the Market and program the Building and grounds on other days of the week with a focus on local food and business incubation for Guelph-Wellington.

Expression of Interest: Call for Innovative Ideas, Proposals and Potential Partners

Informed by the consultant's report and recommendations, the City looked to the community for innovative and entrepreneurial ideas and proposals through an Expression of Interest (EOI) that would ensure the continued success of the Saturday market while enabling the animation of the market building throughout the rest of the week. A [Call for Innovative Ideas, Proposals and Potential Partners](#) was issued to explore options from not-for-profit, social enterprise, cooperatives or businesses that would support the business plan and engage the local food community. Council was informed of this via email on Saturday, April 10. The EOI was open from April 12 to May 10, 2021.

Proposal from 10C

The City had several inquiries but ultimately only one EOI submission was received. The not-for-profit social enterprise 10C submitted a creative proposal (Attachment-1) which proposes a partnership between the City and other community collaborators "to co-create a multi-purpose, indoor-outdoor community market that is thriving with active uses 7 days per week" (page 2).

10C is a social change organization that is activating projects and place making initiatives through its Shared Space located in downtown Guelph. 10C Shared Space is an important and impactful community hub in Guelph. The organization was founded in 2008 and led by Co-founder and Executive Director Julia Grady and a Board of Directors.

10C proposes to activate the market as "a quality public place that represents Downtown Guelph as a food district and the heart of food and culture in Guelph-Wellington" (page 2). 10C's submission is supported by the Guelph Chamber of Commerce and lists the following community partners to animate the Farmers' Market:

- The SEED - a do-it together food movement, working toward a connected community where everyone has access to healthy food.
- Guelph Tool Library - a lending library of tools where you can borrow items for food preparation, food preservation, gardening, renovation.
- Guelph Neighborhood Support Coalition - neighborhood groups that are inclusive, engaging, responsive and build a sense of belonging.
- Guelph Arts Council - championing and growing opportunities for Guelph's creative community through communications, resources for learning, and cultural programs and partnerships.

- Innovation Guelph - supporting entrepreneurs with mentorship and business incubation support programs and services to help innovative enterprises start, grow and thrive.
- University of Guelph Landscape Architecture - aims to run a 4th year 'Community Design' studio exploring opportunities to enhance and animate the public realm in and around the Market.
- Sustainable Urban Delta Foundation - aims to create a world full of food producing cities to address urgent social and ecological challenges.
- PRIVA - a global high-tech company that develops hardware, software and services in the field of climate control, energy saving and optimal reuse of water.

Potential for Partnership

The partnership with 10C and their collaborators is a potential win-win for the City of Guelph, the Guelph Farmers' Market, the local food movement, and economy of Guelph-Wellington. It could bring new energy to the Market, fulfill the updated goals and objectives, and ensure the continuation of its almost 200-year tradition as a community gathering place.

As a not-for-profit organization, 10C would have opportunities to seek programming and capital funding from foundations and provincial and federal grants. As an existing manager of a large community-hub, 10C would also have operating efficiencies, and could explore more revenue-generating activities and collaborative programming to offset fixed costs and provide social benefit.

Benefits of a partnership include:

- More responsive, innovative, and entrepreneurial management
- Increased scope to include and promote all aspects of local food and local products from Guelph-Wellington
- Networking opportunities with all local food, business, and community organizations
- Support for organizing a Market vendors association
- Operating efficiencies with more revenue-generating activities to offset fixed costs
- Opportunities for funding from foundations and Provincial and Federal Grants
- Opportunities to attract and retain more volunteers

In addition, the following economic and social and benefits are identified through a partnership with 10C.

- Ensuring the long-term success of the Guelph Farmers' Market
- Animating the Market building area other days and times
- Supporting downtown businesses by attracting more customers
- Small business incubation support
- Supporting local farmers with more exposure and vending opportunities
- Supporting local food entrepreneurs with a shared commercial kitchen and vendor space
- Supporting local artists and craft persons
- Attracting tourists to Guelph

Financial Implications

If the Market's Vision, Mission, Goals, and Objectives are approved without direction to negotiate with 10C, additional staff resources are still required to fulfill this direction and to fulfill the desired level of service. A \$68,500 budget increase for a position is required to the Market's current \$51,500 for staffing, salaries, and wages (\$120,000 total).

There are no financial implications at this time to entering negotiations with 10C. Pending Council approval of the recommendations outlined in this report, staff will present fully costed options for the future of the Farmers' Market in Q4 2021. The outcomes and financial implications of the negotiations with 10C will be included in that report.

For reference, the following information shows the Farmers' Market financial summary from 2015 to 2019. In 2020 revenues and expenses do not accurately represent the Market's finances due to the pandemic.

Table 1 - 5 Year Financial Summary

| | 2015 | 2016 | 2017 | 2018 | 2019 |
|------------------------------|-----------|-----------|-----------|-----------|-----------|
| User fees & Service Charges | (139,735) | (154,457) | (152,023) | (142,887) | (140,069) |
| Product Sales | -30 | (18) | | (718) | |
| Salary & Benefits | 38,771 | 46,016 | 48,812 | 58,513 | 56,166 |
| Purchased Goods | 36,008 | 24,919 | 22,978 | 20,831 | 21,574 |
| Purchased Services | 30,286 | 26,737 | 25,347 | 36,255 | 44,760 |
| Financial Charges | (116) | 747 | 1,328 | -61 | 1,681 |
| Internal Charges/Transfer to | 16,111 | 20,945 | 12,870 | 12,424 | 9,683 |
| Total Farmer's Market | (19,268) | (35,200) | (40,688) | (15,643) | (6,225) |

Since 2015 the City has spent approximately \$550,000 in capital related expenditures to the Market building. The City's Capital Project [CC0002 – Culture Facilities Renewal budget](#) identifies a total of \$700,000 for improvements to the Market building and surrounding grounds over the next 10 years including HVAC and electrical upgrades.

Consultations

Staff have engaged in a three-year comprehensive consultation process with vendors, customers, and other stakeholders.

In 2018, staff initiated a consultative process entitled [Refreshing Our Local Tradition](#). With the input of vendors and shoppers the Market's Vision and Mission were reviewed, and five goals were developed. A public and farmers' market consultant was engaged, a project team was established, and a project charter was approved. The initiative had three phases which resulted in the updated [Vision, Mission, Goals, and Objectives](#).

1. Engage vendors, shoppers and other stakeholders to learn what is special about the Market and what needs to be improved.

2. Draft a vision and mission for the Market that will shape its operating goals and objectives.
3. Develop a business plan that includes policies, regulation and budgets based on the operating goals and objectives to ensure the Market's long-term success.

Consultation with Farmers' Market Vendors

In November 2018, the first of four vendor consultation workshops began. Through a series of facilitated meetings, vendors provided insights to the project team which would inform the refreshed Vision, Mission, Goals, and Objectives and draft business plan. Vendor executive representatives continued to provide input into the Refreshing Our Local Tradition process through stakeholder meetings in 2019. Vendors are updated on matters regarding the Refreshing Our Local Tradition initiative by staff via monthly video conference meetings since January 2021.

Consultation with Shoppers and City Residents

In November 2018, staff surveyed nearly 400 market shoppers at the Saturday Farmers' Market to gather key shopper insights which informed the draft business plan and Vision, Mission, Goals, and Objectives. The results were published in early 2019 as the [Guelph Farmers' Market Shopper Profile](#).

In November 2019 a city-wide engagement was launched. Open to all residents for three weeks, a comprehensive survey received almost 1000 submissions. The results further informed and validated the bylaw review to build and expand upon the market's vibrant, local tradition.

Consultation with Community Stakeholders

In March 2019, the Guelph Farmers' Market Stakeholder Working Group was established to provide a forum for stakeholder input and to advise the City during the Refreshing Our Local Tradition initiative. The following stakeholder organizations/groups were invited to participate on the Working Group:

- Guelph Farmers' Market Vendor Executive Committee
- Guelph Wellington Public Health
- Ontario Ministry of Agriculture and Rural Affairs
- Downtown Guelph Business Association
- Taste Real Guelph Wellington, County of Wellington
- The Seed, Guelph Community Health Centre
- Farmers' Markets Ontario
- University of Guelph
- Guelph Arts Council
- Chef owner/operator
- Food tourism owner/operator

Staff Resources:

- Downtown Renewal
- Planning & Building Services
- Farmers' Market
- Culture, Tourism and Community Investment
- Legal Realty Services
- Smart Cities - Our Food Future

- Community Engagement

The Vendors and the Stakeholder Working Group reviewed and revised the Market's Vision and Mission based on their input and the results of the 2019 shopper survey. The updated vision, mission and five goals provide the policy direction and framework for the [Market's draft business plan](#).

Consultation for the Expression of Interest

In March 2021, a cross-departmental team was formed to create the EOI (Call for Innovative Ideas, Proposals and Potential Partners). The project team included staff from Economic Development and Tourism; Smart Cities - Our Food Future; and Corporate Services.

Smart Cities - Our Food Future promoted the EOI through its network of collaborators and encouraged applications and community collaboration on its online platform Kitchen Table. Tourism staff updated Market vendors in two online meetings and through email communication to encourage applications.

The EOI opportunity was shared to tourism stakeholders through the Network News email newsletter and Guelph's business community was informed through Economic Development's Mind Your Business email newsletter.

The Stakeholder Working Group was informed via email about the EOI process on Tuesday, April 13, 2021. The Economic Development Advisory Committee was consulted on Tuesday, April 29 and the Tourism Advisory Committee was updated on the progress on Thursday, May 13.

The EOI followed the City's Bids and Tenders process through the Purchasing Department. A cross-departmental team reviewed the submission and recommend moving forward with negotiations with the single applicant, 10C.

Consultation Next Steps

Following Council direction, staff will continue to communicate to Market vendors during monthly video conference call meetings and through email communications.

The Stakeholder Working Group will be informed of updated via email communications. The Tourism Advisory Committee and Economic Development Advisory Committee will be updated at the next scheduled meeting.

Strategic Plan Alignment

The recommended approach aligns with the City's Strategic Plan (2019-2021):

1. Powering Our Future:
 - Accelerates Guelph's innovation economy through partnerships by fostering downtown business innovation to support a thriving downtown
 - Supports and attracts circular economy business
 - Builds collaborative partnerships with business
 - Leverages partnerships with businesses to attract the talent that Guelph's economy requires
2. Sustaining Our Future:
 - Care for the local environment, respond to climate change and prepare Guelph for a net-zero-carbon future
3. Working Together for Our Future:

- Develops strategic partnerships with stakeholders to improve service delivery
 - Explores new funding options, service-delivery models, and partnerships to ease taxes for residents and businesses
4. Building Our Future:
- Maintains existing community assets
 - Works to enhance community well-being
 - Continues to build strong, vibrant, safe and healthy communities

The recommended approach also aligns with the CAO's objective to identify and action collaborative efficiencies in coordination with the Service Rationalization project.

Attachments

Attachment-1 Engage Possibility:10C Proposal for Guelph Farmers' Market

Attachment-2 Guelph Farmers' Market Presentation

Departmental Approval

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