

Greater Sudbury Market Association Contribution Agreement

Presented to: Finance & Administration Committee

March 26, 2019

Summary

On June 18, 2018, the Community Services Committee approved the following (CS2018-8), which was subsequently approved by Council in its resolution of July 10, 2018 (CC2018-190):

THAT the City of Greater Sudbury endorses the process now underway through the efforts of the Downtown Market Working Group Advisory Panel, with the support of CGS staff, to support the development and incorporation of a new not-for-profit Market organization, in alignment with the Advisory Panel's mandate to support "the organization's evolution to a self-governing market corporation", as outlined in the staff report dated May 23, 2018 from the Manager of Tourism & Culture.

This process is a core objective of the previous Downtown Market Working Group Advisory Panel's mandate to "develop a critical path and business plan for the organization's evolution to a self-governing, market corporation".

The following report outlines the proposed Contribution Agreement between the City and the Greater Sudbury Market Association, a new non-profit Market organization developed with the support of the former Downtown Market Working Group Advisory Panel and CGS Economic Development staff.

In line with these objectives, staff request approval to enter into this Agreement with the new organization in order to provide operational dollars to the new organization for the 2019 Market season, and Market program operations in future. The Contribution Agreement will formalize a partnership with the Association for the operations and management of the 2019 Market program, including specific deliverables and reporting requirements.

This single-source agreement is being recommended due to the nature of the Greater Sudbury Market Association as a "purpose-built" organization, an outcome of the Downtown Market Working Group Advisory Panel and its close work with City staff on the development of the City's Market program over the past several years. With Council's approval, the Contribution Agreement will be put into place for the 2019 season, and would have the ability for renewal for an additional two years, following a review of this year's results and deliverables. The Agreement will also outline reporting obligations including regular updates to Council over the term of the contract, and Council approval would be sought for future Agreements past the initial three-year term.

As in-kind components of its contribution, the City will also enable use of the Market facilities on Elgin Street and York Street by the GSMA, along with the provision of staff time and resources to provide the various services such as support for advertising, promotion, guidance and other assistance.

Finally, an overview of the 2018 Market program results is also included in this report.

Background

The City of Greater Sudbury recognizes the value of a public market as an incubator for small business start-up, tourism development and economic stimulus for a healthy, vibrant downtown.

At the direction of Council, the previous Downtown Market Working Group Advisory Panel was assembled with a mandate to provide advice, recommendations, information and expertise in the development of Market programming and operations. In preparation for the each season, the Working Group developed tactics to support increased consumer traffic to the Market and increased number and diversity of vendors and their offerings.

Additionally, the former Market Working Group Advisory Panel also had a mandate to “develop a critical path and business plan for the organization's evolution to a self-governing, market corporation”. This group recognized that achieving this evolution will rely on consistent engagement with the vendors themselves to foster a sense of commitment to and ownership of the Market.

Over the course of the last two years and prior to its conclusion at the end of last term of Council, the Market Working Group focused efforts to advance this evolution to self-governance while having regard for the vision and goals for the Market. In late 2018, this work resulted in the incorporation of the Greater Sudbury Market Association, an independent not-for-profit with the core mandate to manage and operate the Market through a formalized proposal and agreement between the new organization and the City.

The creation of this new “purpose-built” independent organization ensures vendor engagement and accountability while providing the opportunity to explore flexible vendor fee structures and competitive vendor incentive programs, all to achieve the vision for the Market, “to be the best Market in Northern Ontario”, unique, strong and sustainable. This new organization now has a full complement of directors in place, along with Bylaws and Policies, and is focused on the goal of taking over Market management and operations for the 2019 season through a formalized arrangement with the City.

The creation of the Greater Sudbury Market Association as a new “purpose-built” independent organization:

- Ensures vendor engagement and accountability
- Provides the opportunity to explore flexible vendor fee structures and competitive vendor incentive programs and
- Positions the organization to be eligible for other funding opportunities at the provincial and federal levels to support development and capacity building,

Previously, site development, operation and marketing have been the responsibility of CGS Economic Development staff, with additional assistance provided by CGS Communications, Leisure Services and other departments.

Ongoing CGS staff support will be provided in 2019 for the Market season to ensure long-term sustainability of the new organization, with the objective of gradually reducing this reliance over the first three years of operations. The new Market organization will also continue to utilize the existing City-owned facilities on Elgin Street and York Street for Market programming.

Financial Implications

The cost of the proposed Contribution Agreement can be drawn from existing Operational Budgets for the Market, which is administered and overseen by Economic Development. This has no impact on

current service levels, and follows a similar approach to the third-party contract secured with Eat Local Sudbury in 2017.

For 2019, the operational budget for the Market includes \$84,400 in expenses and projects just over \$30,000 in revenues, generated through Vendor Stall Fees as a cost recovery mechanism. This results in a net investment by the City of \$54,000 for the Market program.

The proposed Contribution Agreement with GSMA would flow \$20,000 as a contribution to the Greater Sudbury Market Association, and would also enable GSMA to retain the projected revenues of \$30,000. This will result in a net cost to the City of \$50,000 (consisting of the \$20,000 contribution plus forfeiture of \$30,000 in cost recovery).

This is in line with previous successful approaches used for the Market operations:

- Through a third-party agreement with Eat Local Sudbury (2017), the City paid Eat Local Sudbury just under \$50,000 for that organization to hire and retain the Market Manager and CGS retained any revenue generated through vendor fees as cost recovery
- In 2018, following the closure of Eat Local Sudbury, the City hired a Market Manager on contract at a cost of just under \$50,000, and retained vendor fee revenues as cost recovery

In the case of GSMA, this proposal to flow \$20,000 in manageable installments plus organization keeps revenue generated through vendor fees with projected revenue of \$30,000.

- Through the agreement, the City maintains control and management of facilities and payment of expenses associated with repairs and maintenance as well as marketing, promotions and special event budgets.
- Through management of Economic Development staff, the City will maintain control of existing Market program budget, which includes \$10,000 for marketing/advertising, \$16,000 for repairs/maintenance and \$3,000 for special events; together, City staff and the GSMA Market Manager would determine how best to spend these budgets, with input and support from the GSMA Board
- The GSMA would use existing City facilities for the Market program, including the Elgin Street facilities and the York Street parking lot, implementing the same layout and basic fee structure as used in previous Market seasons
- The City will maintain support for 2019 in terms of marketing & promotions and support for functional program through the Economic Development staff

This arrangement maintains the City's longstanding mandate of growing the Market through increased vendor recruitment, ongoing promotional and awareness efforts and increased consumer traffic, and also aligns with the Downtown Market Working Group recommendations for an independent Market organization. By giving the GSMA the flexibility to set its own vendor fee structure, the City is also enabling the organization to recruit more vendors and generate more revenues for the Market program.

About the Greater Sudbury Market Association

The Greater Sudbury Market Association (GSMA) was established for the purposes of:

- a) promoting and encouraging markets where producers, vendors, and artisans sell their goods;
- b) promoting the interests and the rights of those engaged in such markets;
- c) promoting and encouraging fair and courteous dealings with customers; and

d) promoting and encouraging ethical business practices.

The GSMA Board includes a number of directors who were previously part of the Market Working Group, which is a compelling demonstration of the commitment of these community stakeholders to the long-term sustainability of the Market. As noted previously, the GSMA was also developed with support and involvement of Working Group and their ad hoc Governance Committee, which conducted research on other markets across Canada.

The inaugural Board members include:

Peggy Baillie	<i>Business Owner/ Farmer, previous panelist</i>
Thomas Merritt	<i>Laurentian Prof & Canada Research Chair</i>
Meghan Perrin	<i>Public Health Dietician</i>
Trevor Vienneau	<i>Engineer</i>
Lina Godard	<i>Business Owner/ Farmer, previous panelist</i>
Dan Guillemette	<i>Architect</i>
Kim Fahner	<i>Author</i>
Avryl Wells	<i>Sales and Communications Manager</i>
Luc Roy	<i>Business Owner/CIO, Laurentian University</i>
Stephane Lanteigne	<i>Business Owner/ Farmer</i>
Laura Grover	<i>Engineer, previous panelist</i>

Roles & Responsibilities

Examples of GSMA responsibilities to be captured in this agreement include:

- Recruit and book vendors (including hosting information sessions);
- Secure completed vendor permits, applicable fees, proof of insurance and Public Health approval forms for food vendors;
- Maintain detailed financial and vendor records for reporting to CGS Economic Development;
- Ensure clear and consistent communications with vendors on an ongoing basis;
- Recruit, book and manage onsite entertainment, organize special events and community programs;
- Be accessible for vendor and public inquiries and CGS staff;
- Report monthly to CGS Economic Development staff on sales numbers, vendor recruitment, consumer traffic counts, marketing/social media reach and other performance measures
- Prepare final financial and operational reports at end of Market season
- Prepare sites for open and close of operating season; manage daily operations during operating season
- Provide ongoing updates of market activities and programming to CGS Economic Development and CGS Communications staff in accordance with the approved communications and marketing strategy
- Monitor compliance within the Market with any rules or regulations for the Market, City By-laws and any applicable federal or provincial legislation

Conclusion

Following the endorsement of the Finance & Administration Committee and subsequent approval at Council, CGS staff will finalize the Contribution Agreement with the Greater Sudbury Market Association for the 2019 Market program. The GSMA will be expected to secure staff for the Market Manager position in time for the Market season this spring.

This approach will help to achieve the goals of an independent Market organization:

- To ensure vendor engagement and accountability
- To provide the opportunity to explore flexible vendor fee structures and competitive vendor incentive programs and
- To position the organization to be eligible for other funding opportunities at the provincial and federal levels to support development and capacity building.

Together, the GSMA and CGS Economic Development staff will then report back to Council in fall 2019 as part of reporting requirements of agreement, capturing the results of the 2019 Market season and the Contribution Agreement.

Given the positive results of the 2018 season and the hard work of both the previous Downtown Market Working Group and the new Greater Sudbury Market Association, the Market is well placed to build on this positive momentum and continue these upward trends for the upcoming season, and beyond, in support of the overall vision for the Market.

Previous Reports

1. January 2018 report to CS Committee on Market results and programming found here:
<http://agendasonline.greatersudbury.ca/index.cfm?pg=agenda&action=navigator&id=1258&itemid=14215&lang=en>
2. June 2018 report to CS Committee on the Market Program Update found here:
<http://agendasonline.greatersudbury.ca/index.cfm?pg=agenda&action=navigator&id=1263&itemid=15031&lang=en>

2018 Market Season Highlights

For the 2018 season, the vendor fee structure recommended by the Downtown Market Working Group Advisory Panel was approved by Council in early 2018, following the same pricing as the previous season and once again resulting in increasing consumer traffic and vendor participation in the Market. As well, online marketing, social media engagement and diverse onsite programming during Market days helped to bring a higher number of visitors to the Market this season:

2018 Highlights

Using hourly traffic counts on both Saturdays and Thursdays, the Market saw visitation of 13,589 people in 2018. This is up from 12,980 visits in 2017.

Given the shorter duration of consumer visits at the Thursday Market, traffic counts were also done every 30 minutes on Thursday. Using this methodology, the total traffic number increases to 17,626 for the full Market season in 2018, well up from the 2017 total of 13,365 using the same 30-minute count approach.

A total of 78 different vendors participated in the 2018 Market program, up from 76 in 2017. The following table summarizes 2018 Market results with comparisons to previous years:

	2018	2017	2016
Season Dates	Sat. June 2-Sat. Oct. 27 Thurs. June 7-Thurs. Oct. 4	Sat. June 3-Sat. Oct. 28 Thurs. July 6-Thurs. Sept. 21	Sat. June 4-Sun. Oct. 9
Operating Days	40 Market days over 22 weeks	34 Market days over 22 weeks	39 Market days over 19 weeks
Total Visitors	13,589 based on hourly counts (17,626 with 30 minute Thursday counts)	12,980 based on hourly counts (Unofficial count: 13,365)	13,176
Total Vendors	78	76	49
Returning Vendors	35	30	18
Seasonal Vendors	31	28	Over 33%

Once again for the 2018 season, the Saturday Market was held at the Elgin Street location using the same layout, while the Thursday Market was flexible, as vendors provided their own tables and tents at the York Street parking lot.

In terms of 2018 budget impact, revenues generated by vendor stall fees totaled \$30,328 and the overall operations of the Market program did not exceed the total operational dollars allocated.

Other highlights:

- The 2018 Market season opened on Saturday June 2nd and closed on Saturday October 27th
- The Thursday Market opened on June 7th and closed on October 4th
- The Market operated a total of 40 days over 22 weeks (an increase from 34 days in 2017)
- Hours of operation were Saturdays 8am to 2pm, and Thursdays 2pm to 6pm

- The Market provided space for 10 local non-profit community groups to share information about their organizations and projects, and also provided a venue for nine local musicians/groups to perform
- Programming activities included:
 - Partnership with Sudbury Pride for LGBTQ2S youth to paint a mural during Pride Week
 - Support for the Greater Sudbury Food Bank for a highly successful food bank drive held on site in August
 - Collaboration with Laurentian University to offer students free Transit rides to the downtown Elgin Street Market in September
 - Hosting of the Harvest Festival in collaboration with Healthy Kids Sudbury on Saturday September 22, with seven different activities offered (Healthy Kids “market money”, FoodShed Project sunflower competition, free corn on the cob, free skate exchange, free skate sharpening, pig roast, musical performance)
 - The Harvest Festival also resulted in the Market’s single highest day of attendance on record, with 999 visitors