City of Palo Alto
City Council Staff Report

Report Type: Informational Report          Meeting Date: 6/13/2011

Council Priority: {ResProject:ClearLine}

Summary Title: FarmShop Update / Closure

Title: Report on the Palo Alto Downtown Weekday FarmShop

From: City Manager

Lead Department: City Manager

Background
The Palo Alto Downtown Weekday FarmShop was established as a pilot program in April 2009 in King Plaza, in front of City Hall. From April to November in 2009, Capay Valley Growers, in cooperation with the City, established a community farmer's market, called the FarmShop, including a Community Supported Agriculture (CSA) program in King Plaza. The FarmShop program expanded on an initiative started by IDEO, a nearby Palo Alto based company. The related CSA program consists of subscribers from the community, nearby offices and city employees, who support a group of growers by purchasing weekly delivery of fruits and vegetables.

The City Manager’s Report 195:09, from March 30th, 2009, included the original Memorandum of Understanding with Capay Valley Growers and outlined the details of the pilot program. The original intent of the pilot program was further the City’s sustainability mission by providing an opportunity for the community, City and other downtown area employees to purchase local, organic produce, supporting a healthy, engaged community by creating an opportunity to easily obtain locally grown, healthy food. Another goal for the FarmShop and CSA program was to provide an opportunity for the community to connect with farmers and with the process of local food production, enabling a better understanding of the many benefits of healthy, organic food.

The City Manager's Report 405:09, from October 19th, 2009 describes how the pilot program initially began, its results and some of the difficulties it experienced,
including the need for additional advertising to inform the public of the market’s existence and for the extra hours for the paid Market Manager (given the timing of the hiring of the Assistant to the City Manager for Sustainability, staff had to extend the original contract for the Market Manager). Unfortunately, the King Plaza location did not experience enough foot traffic to establish a self-sustaining market. As a result, Council directed staff to review the suitability of moving the market to newly renovated Lytton Plaza, and to develop an implementation plan which would not require any public funds and only minimal oversight or management by City Staff.

In March 2010, staff returned to Council with a revised implementation plan which included community support from Downtown Business Improvement District, fiscal support from the Palo Alto Institute and a volunteer to serve as Market Manager for a relocated FarmShop at Lytton Plaza.

**DISCUSSION**

Although it was thought that a move of the FarmShop to Lytton Plaza would provide the foot traffic necessary for the farmer’s market to thrive and grow, unfortunately this has not been the case. The primary vendor, Capay Valley Growers, pulled out of the agreement with the City and the voluntary Market Manager has had difficulty in attracting and retaining other vendors. Capay Valley Growers and other vendors have stated that they were not making enough revenue to cover the cost to participate. The voluntary Market Manager also indicated that the vendors had significant difficulty in unloading, setting up their booths and loading their belongings up after the market, due to the lack of available parking adjacent to the plaza. This difficulty may have driven vendors away from participating, as well as buyers due to this lack of parking.

Due to the decline in participation and feedback from the vendors, the fiscal sponsor, the Palo Alto Institute, and the new Executive Director of the Downtown Business Improvement District, Russ Cohen have decided that the market should be temporarily closed and options discussed before considering another mid-week farmer’s market. This effort will be managed by Russ Cohen, at the discretion of the Downtown Business Improvement District Board.

**Additional documents which could be referenced:**

2. CMR 405:09 - October 19\textsuperscript{th}, 2009 - Review of Community Supported Agriculture (CSA) Pilot Program at Palo Alto City Hall King Plaza and Make Recommendations for Continuation of the Program http://www.cityofpaloalto.org/civica/filebank/blobdload.asp?BlobID=17348

ATTACHMENTS:

- CMR160:10 FarmShop Revised Plan March 15, 2010 (PDF)

Prepared By: Debra van Duynhoven,

Department Head: James Keene, City Manager

City Manager Approval: James Keene, City Manager
TO: HONORABLE CITY COUNCIL

FROM: CITY MANAGER DEPARTMENT: City Manager’s Office

DATE: MARCH 15, 2010 CMR: 160:10

REPORT TYPE: ACTION

SUBJECT: Approval of Revised Plan for Downtown Weekday Palo Alto FarmShop

RECOMMENDATION

1. Staff recommends that the City Council approve the revised implementation plan for a Downtown Weekday Palo Alto FarmShop. This revised plan, as outlined below, does not require any public funds and requires only minimal oversight or management by City staff, as directed by the Council last October.

2. Staff recommends that City Council also approve Staff development of a Utility bill insert advertising all 3 Palo Alto Farmer’s Markets, as described below.

BACKGROUND

From April to November in 2009, Capay Valley Growers, in cooperation with the City, established a Community Supported Agriculture (CSA) program and farmer’s market on King Plaza, in front of Palo Alto City Hall. The CSA program expanded on an initiative started by IDEO, a nearby Palo Alto-based company. The CSA consists of subscribers from the community, nearby offices and city employees, who support a group of growers for weekly delivery of fruits and vegetables.

The City Manager’s Report 195:09, from March 30th, 2009, included the original Memorandum of Understanding with Capay Valley Growers and outlined the details of the pilot program. The City Manager’s Report 405:09, from October 19th, 2009 described the results of the pilot program and some of the challenges faced during the pilot program. Primarily, staff found that the King Plaza location (in front of City Hall) did not drive enough foot traffic to establish a self-sustaining market. Council was also concerned about the market management costs for the pilot program and directed staff to find an alternative solution or a volunteer to fill such a role.

The original intent of this pilot program was to provide local, organic produce for the community and City employees, which is in line with the City’s overall goal of sustainability. The Farm Shop and CSA program also provides the opportunity for the community to connect with farmers
and with the process of local food production, enabling a better understanding of the many
benefits of organic, healthy food.

**DISCUSSION**

Staff worked with the Farm Shop Board in developing a revised implementation plan for the
weekday market to be located at the newly renovated Lytton Plaza. The Farm Shop Board is
made up of representatives from the Downtown Business Improvement District (BID), IDEO,
Capay Valley Growers, and the City as well as advisors to the Board from the Downtown
Farmer’s Market and the Palo Alto Institute (PAI).

The Implementation Plan below outlines management and logistics, development of the market,
advertising/outreach and finances.

1. **Market Management and Market Logistics**

Staff has done extensive searching for an appropriate volunteer market manager and has found
one who is energetic, resourceful and has excellent credentials. This volunteer market manager
will be primarily supported by Sherry-Bijan, who is the President of BID. Sherry Bijan has been
involved in the development and management of the downtown farmers market since its
inception.

Staff will also be posting an opportunity for summer interns to help the market manager continue
to develop and manage the market over the summer months.

As the market develops, the fees collected from the farmers may be able to cover the market’s
costs, and the market manager position could eventually become a paid position. This provides
the appointed volunteer market manager an entrepreneurial opportunity and an incentive for the
market to grow and be successful.

As part of the agricultural permit requirements, the market is required to have access to
restrooms during operating hours. As such a local and adjacent business, Pizza-my-Heart has
cordially offered the use of their restrooms as they will be open during the farmer’s market
hours.

The attorney’s office has reviewed the matter of holding a farmer’s market on Lytton Plaza and
has determined that a farmer’s market use is allowed on the Plaza if the City is an official
sponsor of the market.

2. **Development of the Market**

Capay Valley Growers continue to be committed to Palo Alto and to developing a successful
downtown weekday farmer’s market. Capay Valley Growers continue to serve about 50 Palo
Altans per week in the Community supported Agriculture (CSA) program and may use this
venue to further engage with those customers.
The Farm Shop Board would like to see more farmers participating in this market, and as such, the volunteer market manager is reaching out to other local farms like Webb Ranch, Hidden Villa and Full Circle Farms. It is the Board's goal to grow the farm shop to include 3 to 5 local farms participating on a weekly basis over the next year or two.

The market will be held at Lytton Plaza, initially running from 3-6pm on Wednesday afternoons. If the number of farms at Lytton Plaza grows to a point that space is no longer available, the Board has discussed either expanding it to King Plaza or High Street Plaza. The board also discussed expanding the market hours to 7pm in the summertime.

3. Advertising and outreach

Staff recognizes that one of the challenges faced during the pilot program was the limited advertising and outreach. As such, IDEO has recommitted their team to help in this endeavor. IDEO and the Board feel that advertising and outreach need not cost money, but can be done creatively with significant impact. The market manager will have primary responsibility for developing and implementing inexpensive and creative marketing and advertising ideas.

Sherry Bijan from BID will also work with the volunteer market manager in helping them reach out to the downtown businesses, through BID’s network. The Palo Alto Institute (http://paloaltoinstitute.org) has also offered assistance to help the volunteer market manager in marketing and outreach, as well as coordination of musicians who will be booked to play without a fee during market hours.

Staff would also like to commit, if Council approves, to advertising in the Utility bill for all three of Palo Alto’s farmer’s markets. The cost of such is approximately $1,200.

4. Finances

The implementation plan is developed so that there is no cost to the City other than the potential Utility bill insert, which would benefit all three Palo Alto farmer’s markets.

The costs of the agriculture permits and inspections, totaling approximately $1,500 annually, would be initially paid for by the Palo Alto Institute and they would recoup their investment through the fees charged to the participating farmers. The proposed fees for the farmers would be $20-25 per 4’x10’ table per week. The set up at Lytton Plaza can have up to 10 tables comfortably, which could mean upwards of $200-$250 revenue per week if other farmers participate. The new location will initially begin with Capay Valley Growers and will hopefully expand to include other growers through outreach from the volunteer market manager.

The board decided that it would not be necessary to pay musicians to perform at the new FarmShop, as they would probably make enough in tips due to the higher traffic in this location. As mentioned above, the Palo Alto Institute will also help the FarmShop Manager in scheduling musicians who will not require a stipend.
The City would also continue to sell the remainder of the reusable FarmShop bags developed for the original pilot program, which could help to offset some of the original investment the City made to the program.

**RESOURCE IMPACT**

It is staff’s goal that this farmer’s market becomes self-sustaining with no financial support from the City. The only potential costs to the City would be for the Utility bill insert as described above. The intent of the advertising would be to include information about all three of Palo Alto’s farmer’s markets, because the goals and objectives of all three markets align with the goals of the program and the City’s goals of sustainability and community engagement.

Staff time would be minimized and would include participation in the Farmshop Board meetings and as a back up to Sherry Bijan, from BID, who will serve as the primary contact for the volunteer market manager. It is to be noted that since the City is the responsible party for the County Departments of Public Health and Agriculture permits, a staff person is required to be “on call” in case of an emergency during market hours. The staff person will be Debra van Duynhoven and a back up designee will be determined.

**POLICY IMPLICATIONS**

Approval of this policy is consistent with current City policies. It also supports the Council’s priorities of Environmental Protection and Civic Engagement for the Common Good.

**ENVIRONMENTAL REVIEW**

This report is not a project requiring review under the California Environmental Quality Act (CEQA).

**ATTACHMENTS**

1. CMR 405:09 - October 19th, 2009 - Review of Community Supported Agriculture (CSA) Pilot Program at Palo Alto City Hall King Plaza and Make Recommendations for Continuation of the Program

PREPARED BY: 
Debra van Duynhoven  
Assistant to the City Manager for Sustainability

CITY MANAGER APPROVAL: 
James Keene  
City Manager
TO:           HONORABLE CITY COUNCIL
FROM:         CITY MANAGER        DEPARTMENT:  City Manager’s Office
DATE:         OCTOBER 19, 2009    CMR: 405:09
REPORT TYPE:  ACTION

SUBJECT:  Review of Community Supported Agriculture (CSA) Pilot Program at Palo
           Alto City Hall King Plaza and Make Recommendations for Continuation of
           the Program

RECOMMENDATION

Staff recommends that the City Council: 1) continue to support the Palo Alto Community
Farmshop in downtown Palo Alto; 2) move the program to the newly renovated Lytton Plaza
after the first of the year; and 3) direct staff to revise the Memorandum of Understanding
(MOU) with Capay Valley Growers and return to Council for approval.

BACKGROUND

Over the past 5 months, Capay Valley Growers, in cooperation with the City, established a
Community Supported Agriculture (CSA) program and farmer’s market at Palo Alto City Hall.
The CSA program expanded on an initiative started by IDEO, a nearby Palo Alto based
company. The CSA consists of subscribers who support a group of growers for weekly delivery
of fruits and vegetables.

The attached report (CMR: 195:09) describes the original intent and details of the pilot program,
which was launched in April of this year. The original intent was to provide local, organic
produce for the community and City employees, which is in line with the mission of
sustainability, creating a healthy engaged community. The CSA program also provides the
opportunity for the community to connect with farmers and with the process of local food
production, enabling a better understanding of the many benefits of organic, healthy food.

Staff can build on the lessons and experiences of the last seven months to develop a long-term,
self-sustaining model for a downtown weekday farmer’s market. Staff realizes that additional
advertising may have been necessary to bring the community to King Plaza, which on a regular
day does not get a steady flow of foot traffic. Staff also did not anticipate the permit fees and
additional hours for a market manager. Given the timing of the hiring of the Assistant to the City
Manager for Sustainability, staff had to extend the original contract for the Market Manager.
Capay Valley Growers have been encouraged by the results so far and are content with the 40-60 subscribers they have had to the Farmshare program, but would like the sales of the market of individual produce and products to grow and become more viable. The foot traffic on King Plaza is variable and currently does not produce high enough volume for this portion of the program to be self-sustaining.

Capay Valley Growers are committed to this program and are proposing to pay a percent of sales to the City. Their sales have been about $2,000 per week, about 40% of which are from the CSA Farmshop program. Capay Valley Growers have agreed to pay a fee to participate in this program, which is standard for all farmers markets, although the amount varies. Capay Valley Growers have proposed to pay 5% of gross sales, or approximately $100 per week.

Although the move to Lytton Plaza will make City employees' access less convenient, soon the new location will broaden the Farmshop's visibility to the community and make the program self-sustaining.

DISCUSSION

Staff has reviewed several options for the Farmshop moving forward. They are:

1. Keep Farmshop at King Plaza
   a. Staff has found that City employee participation in the CSA program was not as high as originally anticipated. Overall, only about 10-20 City employees have participated in the program. Staff would like to continue providing a benefit to employees by hosting the market on King Plaza. However, given that the general market traffic has been lower than anticipated and desired, a location with higher foot traffic is more desirable.
   b. Actual costs for the pilot program have been $24,000. The original budget for the pilot program was $19,000. These costs include an hourly market manager for $21,000, permits and advertising for $1,465, entertainment for $1,440 and supplies for $95. Again, given the timing of the hiring of the Assistant to the City Manager for Sustainability, staff had to extend the contract for the market manager. The original cost estimate for the market manager outlined in the MOU was between $10,000 and $15,000. Additionally, staff found that the market manager needed to spend more time on outreach and marketing to draw more people to King Plaza.
   c. Estimated costs for one year for the market to remain at King Plaza would include permit and fees, advertising, entertainment and local market organizer totaling about $10,800. From the pilot program, staff estimates the permit and fees at $800. Advertising is expected to be higher at King Plaza in order to draw the people to this location. Advertising may include one utility bill insert and 4 newspaper ads totaling $3,200. Entertainment is estimated to be $2,800, which is twice the actual cost for 6 months. Costs would also include a local market coordinator, which is estimated at $4,000. However, staff and Capay Valley Growers will also look at the option of engaging a volunteer market coordinator,
and this could reduce the City’s financial commitment. The market coordinator in this scenario may be asked to do more outreach and marketing to help draw people to the market and assist in weekly setup and cleanup, which would increase their time commitment.

d. Many of the other market management responsibilities would be assumed by the Assistant to the City Manager for Sustainability. Additional duties that the staff can take on are coordination with City issues such as permit and fees, budget and expense reconciliation, advertising as described in (d) above and work with IDEO, Palo Alto Downtown Business Association and Capay Valley Growers on low-cost outreach opportunities. Special events coordination would be managed by the Farmshop Board and Assistant to the City Manager for Sustainability.

2. Move Farmshop to Lytton Plaza upon its re-opening
   a. Lytton Plaza is currently going through an extensive renovation. The Plaza could easily host a small farmer’s market program. A weekly farmer’s market would also bring people to the businesses on University Avenue and support nearby businesses. Staff has had a preliminary conversation with the Business Improvement District about this option and there is interest in exploring it further.

   b. The move to Lytton Plaza would most likely occur in January given the schedule for Lytton Plaza’s opening and the Christmas break. Staff recommends that we keep the Farmshop in King Plaza until the Christmas break.

   c. Staff also recommends that the hours be modified for the Lytton Plaza location to take advantage of lunchtime foot traffic.

   d. Estimated for costs for one year for the market at Lytton Plaza would include permits and fees, advertising and local market organizer totaling about $5,000. From the pilot program, staff estimates the permit and fees at $800. Costs would also include a local market coordinator, which is estimated at $3,000. However, staff and Capay Valley Growers will also look at the option of engaging a volunteer market coordinator, which could reduce the City’s financial commitment. The duties that would be the responsibility of the market coordinator would be weekly setup and cleanup activities with Capay Valley Growers and being present onsite during market hours to assist with any issues. Advertising may include one utility bill insert and 2 newspaper ads totaling $2,200. There would be no monetary allowance for musicians in this scenario, as staff believes that the musicians could garner enough in tips and donations, due to the increased foot traffic at this location.

   e. Many of the other market management responsibilities would be assumed by the Assistant to the City Manager for Sustainability. Additional duties that the staff can take on are coordination with City issues such as permit and fees, budget and expense reconciliation, advertising as described in (d) above and work with IDEO, Palo Alto Downtown Business Association and Capay Valley Growers on
low-cost outreach opportunities. Special events coordination would be managed by the Farmshop Board and Assistant to the City Manager for Sustainability.

3. Close Farmshop operations
   a. Staff does not recommend this option because the goals and objectives of the program align with the City’s goals of sustainability and community engagement. If a proposal can be developed to reduce the financial impact to the City as outlined in Option 2, staff would recommend continuing with the program.

Depending upon Council action, staff will further engage the BID discussions around the Lytton Plaza option and will return with revisions to the original MOU with Capay Valley Growers.

**RESOURCE IMPACT**

The resource impact for one year for the option staff suggests (Option 2) would be as follows;

1. Permits and fees - $800
2. One utility bill insert (for all three markets) - $1,200
3. Two newspaper ads (for all three markets) – $1,000
4. Local labor/market organizer - $3,000

The total resource impact would be $5,000. This does not include the potential 5% fee we could receive from Capay Valley Growers which could total about $1,200 per year.

Note the intent of the advertising would be to include information about all three of Palo Alto’s farmer’s markets, because the goals and objectives of all three markets align with the goals of the program and the City’s goals of sustainability and community engagement.

Again, it is staff’s goal that this farmer’s market becomes self-sustaining with little to no financial support from the City. The pilot program was very useful in that it allowed staff to evaluate the costs and requirements for operating a farmer’s market. Overall, staff believes this was a worthwhile experiment to encourage sustainable goals within a community and with City staff.

**POLICY IMPLICATIONS**

Approval of this policy is consistent with current City policies. It also supports the Council’s priorities of Environmental Protection and Civic Engagement for the Common Good.

**ENVIRONMENTAL REVIEW**

This report is not a project requiring review under the California Environmental Quality Act (CEQA).
ATTACHMENTS

CMR: 195:09 - Approval of a Memorandum of Understanding with Capay Valley Growers, Incorporated, to Operate a Community Supported Agriculture (CSA) Pilot Program at Palo Alto City Hall King Plaza

PREPARED BY:  
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Assistant to the City Manager

CITY MANAGER APPROVAL:  
James Keene  
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