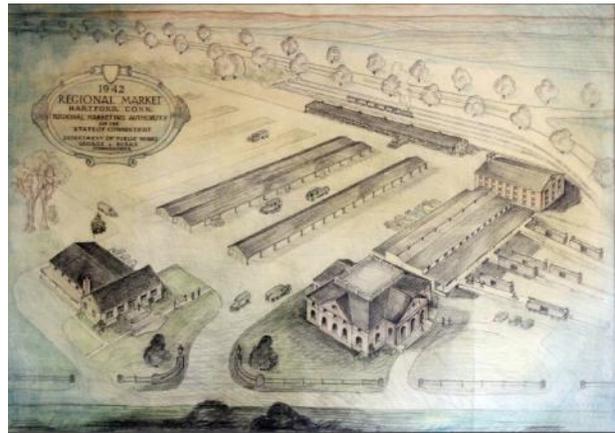


Hartford Regional Market Master Plan



Phase 1 Report

April 2, 2014

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Executive Summary

Since its construction in the late 1940s, the Hartford Regional Market has served as a central distribution facility for Connecticut farmers and wholesalers of food and other agricultural products. Today the Market's original warehouse buildings continue to serve wholesalers and food processors of various sizes, while a shed structure and parking area provide 144 stalls for farmers to sell directly to consumers and wholesale buyers. One modern produce distribution facility was added in 2001 and is now owned and operated by FreshPoint, a division of Sysco.

Soaring interest in locally grown food has made Connecticut farmers increasingly interested in finding in-state buyers for their products. The 32 acre Regional Market, ideally situated adjacent to two major highways near the geographic center of the state, offers the potential to support the evolving needs of Connecticut farmers, wholesale food distributors, and local consumers in new and innovative ways. However, the facility needs a major capital investment to meet modern food safety and operational requirements.

To guide investment, the Department of Agriculture teamed with the Connecticut Department of Construction Services to oversee the creation of a master plan for the facility. Following a national solicitation of proposals, DoAg and DCS selected a team led by Market Ventures, Inc. and directed them to plan and design the finest regional food hub in the country, providing the maximum benefit to the state's agriculture and local consumers.

This Phase 1 report is focused on the results of extensive market research and public input. Phase 2 includes developing a vision for the facility and proposing the development program, including schematic design concepts and an operations and management plan. Phase 3 includes financial and economic analysis.

Key research tasks included:

- Interviews with all current Regional Market tenants
- Interviews with key informants including farmers, state and local officials, restaurateurs, institutional food buyers, and nonprofit leaders involved with the food system
- Survey of wholesale and retail customers at the Saturday morning farmers' market
- Focus groups with large and small farmers throughout the state
- An Internet-based survey of consumers from throughout the region
- Review of current operations and infrastructure, and analysis of secondary data
- Identification of best practices from similar market facilities

Goals

Based on the research and analysis, the following goals are recommended to guide the redevelopment of the Hartford Regional Market:

1. Create modern food distribution, production, and marketing facilities that support the evolving needs of Connecticut farmers, food wholesalers, and consumers

2. Encourage increased consumption of Connecticut-grown and produced foods
3. Minimize energy consumption and operating costs
4. Improve access to fresh, healthy foods for underserved area consumers
5. Create jobs
6. Incubate businesses and spur innovation

These goals can be accomplished through the expansion and improvement of activities that have occurred at the Regional Market over the past 60 years

Wholesale distribution

The wholesale distribution of fresh food, predominately produce, has historically been the core of the Hartford Regional Market. The Regional Market is mandated to sell a diverse range of fresh food products and “to bring about a wider and more economical distribution of Connecticut’s agriculture products.” The Phase 1 analysis explored the potential for maintaining or expanding the wholesale food distribution function at the Regional Market and considered how this function could better support Connecticut farmers and food producers.

Based on interviews with each Regional Market tenant, there is strong optimism about the future and desire for substantially expanded facilities. Fifteen of sixteen tenants felt their sales would grow in the future once new, larger facilities are constructed that meet modern standards for cold chain compliance and food safety. All of the tenants would like to rent more square footage and have high ceiling warehouses that accommodate racking systems to greatly increase volumes.

Independent wholesalers located outside of the Regional Market expressed interest in relocating to the Market, suggesting there is demand for more wholesale distribution space from outside companies, as well.

The current tenants not only want more space, but expressed willingness to invest substantially in their businesses in the Market. They are prepared to make tenant improvements and install new equipment, sharing in the cost of rebuilding the Regional Market.

Food processing and storage

Several tenants at the Regional Market currently focus on food processing. Food processing is a way to add value to fresh products and differentiate from commodities. It currently plays an important role at the Regional Market and should be encouraged in the rebuild, particularly as a means to create additional jobs and to add value to Connecticut grown products.

Retail

Retail consumers can currently shop at the Regional Market in several ways: at the farmers' market, from some of the wholesale produce docks (particularly on Saturday mornings), from some tenants who encourage retail sales, and at the Market Restaurant. The consultant team explored the potential for increasing retail sales at the Regional Market through a variety of means, including creating an indoor public market, expanding the farmers' market, creating an indoor winter market, and expanding the retail component of the wholesalers' businesses.

Public markets are very challenging developments that require sophisticated development and management teams, substantial investment, and strong vendors. Based on a careful review of the critical factors that lead to success and given the other good options for increasing retail sales at the Regional Market, the public market concept should be considered in a future development phase.

An expanded outdoor farmers' market and an indoor "winter market" are both strong options for increasing retail sales at the Regional Market and fit closely with agricultural and consumer trends.

Many of the Regional Market's wholesale tenants want to expand their retail offerings. Given the types of products that consumers most want to purchase, the existing wholesale tenants provide an excellent base to serve this need and, through targeted recruitment of new businesses, the other items can likely be made available. Furthermore, this retail component would not require a separate public market structure or Market management capacity.

Education and events

Education and events are a customary part of most markets, particularly those that serve retail consumers. The Market tenants, key informants, and the farmer focus group participants all felt enhanced education would help the Market and Connecticut agriculture.

Office

Government agencies and nonprofits that support Connecticut agriculture, including Connecticut DoAg, several divisions of USDA, and Connecticut Farm Bureau, all expressed interest in relocating their offices to the Regional Market. They would benefit from shared meeting facilities, synergies resulting from their close proximity, and "one stop shopping" for farmers needing access to these agencies. Other related organizations might be interested in office space as part of this cluster, including banking institutions and insurers who serve the farming community.

SWOT Analysis

The SWOT analysis seeks to concisely state the Regional Market's existing strengths and weaknesses, and to reveal the opportunities for redevelopment and any potential threats to its future.

Introduction

Background

Since its construction in the late 1940s, the Hartford Regional Market (“HRM”) has served as a central distribution facility for Connecticut farmers and wholesalers of food and other agricultural products. Today the Market’s original warehouse buildings continue to serve wholesalers and food processors of various sizes, while a shed structure and parking area provide 144 stalls for farmers to sell directly to consumers and wholesale buyers. One modern produce distribution facility was added in 2001 and is now owned and operated by FreshPoint, a division of Sysco. Some businesses have operated at the Regional Market for decades while others have recently leased space within the facility to help meet their growing distribution needs, including a dairy business owned by six Connecticut farms.

Soaring interest in locally grown food has made Connecticut farmers increasingly interested in finding in-state buyers for their products. The State Legislature has set a target of meeting at least 5% of the state’s consumer demand for food with products grown within the state by 2020, an approximate doubling of current expenditures.¹ Meeting this goal will require substantial expansion of production and distribution capacity, as well as changes in consumer and institutional buying habits. The Connecticut Department of Agriculture (DoAg) recognizes that the Regional Market can play a crucial role in meeting this target, as well as benefit the state in numerous other ways.

The original structures at the Regional Market have far exceeded their useful life and do not reflect modern food handling or distribution standards, nor conform to a changing regulatory environment. Yet the state-owned 32 acre facility is ideally situated adjacent to two major interstate highways near the geographic center of the state and half-way between New York City and Boston. The Governor’s Council for Agricultural Development, which was established by the State Legislature to advise DoAg on the development, diversification, and promotion of agricultural products, identified that a rebuilt Regional Market offers the potential to support the evolving needs of Connecticut farmers, wholesale food distributors and processors, and local consumers in new and innovative ways, as well as provide substantial numbers of jobs to Hartford area residents.

Master plan

To guide investment, the Connecticut Department of Construction Services (DCS) and the Connecticut Department of Agriculture decided to create a master plan for the facility. Following a national solicitation of proposals, DCS and DoAg selected a consultant team led by Market Ventures, Inc. with subconsultants S/L/A/M Collaborative, Milone & MacBroom, and Vanderweil Engineers. Commissioner of Agriculture Steven Reviczky has challenged the consultant team to plan and design team the finest regional food hub in the country, providing the maximum benefit to the state’s agricultural sector and local consumers.

The master planning effort has three phases. Phase 1 is focused on market research and

¹ Connecticut Public Act No. 11-189

public input. Phase 2 includes developing a vision for the facility and proposing the development program, including schematic design concepts and an operations and management plan. Phase 3 includes financial and economic analysis, including construction cost estimation, an operations pro forma, and economic impact analysis.

This Phase 1 report addresses the following elements:

- Research methods and the planning process
- Proposed goals to drive the master plan
- Facility and site condition assessment, including an analysis of the urban and regional context, regulatory constraints, and future development potential
- Operations review, describing how the Regional Market currently functions and identifying key areas for improvement
- Analysis of potential program elements based on market research findings and identification of best practices at other regional produce markets, with a particular focus on strategies that support the sale of locally grown foods
- Strengths-Weaknesses-Opportunities-Threats (SWOT) analysis, as a means to summarize the Regional Market's current position and potential for redevelopment

Key assumptions

The planning process was driven by two key assumptions:

1. Given the old age, deteriorated condition and outdated design of the buildings at the Regional Market (excluding the FreshPoint/Sysco warehouse, which opened in 2001), the existing buildings will not be renovated. Opportunities to reuse or recycle building materials, such as wood beams, will be explored.
2. The Regional Market will stay in continuous operation during construction and down time for tenants will be minimized. This will likely necessitate a phased implementation program, so tenants can stay operational in their existing buildings as new facilities are constructed.

Consultant team

- Market Ventures, Inc.: lead consultant, market research, planning, and design. MVI is a specialty urban planning and economic development firm that assists public, non-profit, and for-profit clients with planning, creating, and managing innovative food-based projects and programs, including food hubs, public markets and farmers' markets. Information about MVI can be found at www.marketventuresinc.com.

The consultant team was led by Ted Spitzer, President, and included Senior Associate Hugh Boyd, FAIA, a specialist in public market design who is based in Montclair, New Jersey, and Shayna Cohen, who assisted with the research.

- S/L/A/M Collaborative: landscape architecture and planning. The S/L/A/M Collaborative was founded in Connecticut in 1976 and has grown to become one of the largest design firms

in the United States. As an integrated practice, SLAM brings together the disciplines of planning, programming, architecture, interior design, landscape architecture, structural engineering, technical disciplines, building information modeling, and construction services.

- **Milone & MacBroom:** traffic and civil engineering. Milone & MacBroom, Inc. is a privately held Connecticut corporation founded in 1984 and licensed for the practice of engineering, surveying, and landscape architecture. They are one of the largest consulting firms in the Northeast, serving clients from Maine to South Carolina to Illinois. Milone & MacBroom combines expertise in engineering, environmental, and land use planning for a myriad of public improvements for governmental and private agencies including site suitability analysis, traffic and infrastructure evaluation, design services, and cost estimates.
- **Vanderweil Engineers:** MEP (mechanical, electrical and plumbing) engineering. Vanderweil Engineers, a 375-person firm, specializes in mechanical, electrical, plumbing, fire protection and technology services engineering and construction/commissioning support for buildings, central heating and chiller plants, power generation, and transmission and distribution projects. Based in Boston, Vanderweil is one of the largest and most experienced mechanical and electrical engineering firms in the country.

Research methods

The consultant team utilized the following research methods for the master plan. Summaries of the research approach and findings can be found in the indicated appendix:

Method	Description	Findings
1. Key informant and tenant interviews	Individual meetings with people involved with the Hartford Regional Market or the regional food system. Individual meetings with each HRM tenant. Individual meetings with wholesalers not currently located at HRM	Appendix A
2. Report review	Collection and review of previous studies and reports	Appendix A
3. Site analysis	Analysis of the Regional Market's evolution, land use, adjacencies, and physical constraints. Observations of Market operations (including the outdoor farmers' market) and tours of individual tenant facilities	Appendix B
4. Traffic analysis	Review of road capacity and traffic around the Regional Market site	Appendix C
5. Customer intercept	Face-to-face surveys conducted on two Saturday mornings in September and October 2013 as customers were leaving	Appendix D

Method	Description	Findings
survey	the Regional Market	
6. Web-based survey	On-line survey exploring knowledge, use, and perceptions of the Regional Market. Promoted via Facebook, Twitter, through Market tenants, and press releases to media outlets throughout the state	Appendix E
7. Trade area analysis	Collection and analysis of (a) demographic and food purchasing data for trade rings around the Regional Market, and (b) economic census data about local supermarkets and specialty food stores	Appendix F
8. Agriculture analysis	Secondary analysis of Connecticut farm sector. Focus group results of small group discussions with Connecticut farmers representing small and large fruit and vegetable growers, greenhouse operations, farm stands, meat producers, and current Regional Market attendees to explore opportunities for the redeveloped Regional Market to better support Connecticut agriculture	Appendix G
9. Best practices	Identification of comparable wholesale/retail market facilities and review of best practices and innovations	Appendix H

Steering Committee

DoAg established a Steering Committee of Regional Market tenants, farmers, food professionals, and public officials to meet periodically throughout the study to review the research and development concepts and offer feedback and insights. Members of the Steering Committee are identified by asterisk on the interview and tenant lists in Appendix A.

Facility analysis

Statutory authority

Chapter 425 of the Connecticut General Statutes provides statutory authority for the Regional Market. It establishes the Connecticut Marketing Authority within the Department of Agriculture to develop marketing facilities for Connecticut agriculture and to appoint an Executive Director to oversee operations of its facilities. The statute states: “The Marketing Authority shall develop the marketing facilities of Connecticut agriculture to bring about a wider and more economical distribution of Connecticut’s agricultural products...” (CGS 22-64).

The Marketing Authority has the authority to issue bonds if the expenditures will result in rents and other charges that are sufficient to retire the principal and interest of the bonds.

Location

The Hartford Regional Market is located on the south side of Hartford, directly adjacent to I-91 and within the industrial East Meadows neighborhood.

The Regional Market is located near the state’s geographic center and approximately half-way between New York City and Boston at the intersection of I-91 and I-84, making it ideally located to serve Connecticut and the entire Northeast region.

The site is served by an active rail spur and is very close to Hartford-Brainard Airport.

A triangular property, HRM is adjacent to I-91 to the west, Reserve Road to the northeast, and property owned by Northeast Utilities to the southeast (see map, below).

The Northeast Utilities property includes about 20 acres. The area closest to the Regional Market has electrical distribution lines on wood poles and then taller electrical transmission lines on steel poles. The land under the electrical lines is unimproved and overgrown with bush (photo, right). Northeast Utilities has expressed willingness to consider parking or perhaps other uses without permanent structures under their electrical lines. It is possible – but expensive – to bury



the electrical distribution lines.

The Northeast Utilities property extends to Maxim Road, including a fairly large parcel at the intersection of Reserve and Maxim roads that is used by The Open Hearth, a nonprofit social service agency (photo, right). They operate a firewood cutting and sales business as part of their “work therapy” model to improve their clients’ job readiness and employment. They have expressed a willingness to consider relocation if this property could be used for a better purpose, as long as the program can be relocated to a suitable location nearby with a similar amount of space.



To improve traffic flow through the Regional Market, the State of Connecticut and Northeast Utilities are negotiating an easement that will create a new vehicular access point from Maxim Road to the southern end of the Regional Market property. The consultant team will provide recommendations about the precise location of this easement as part of the master plan design.

Facility description and uses

Structures

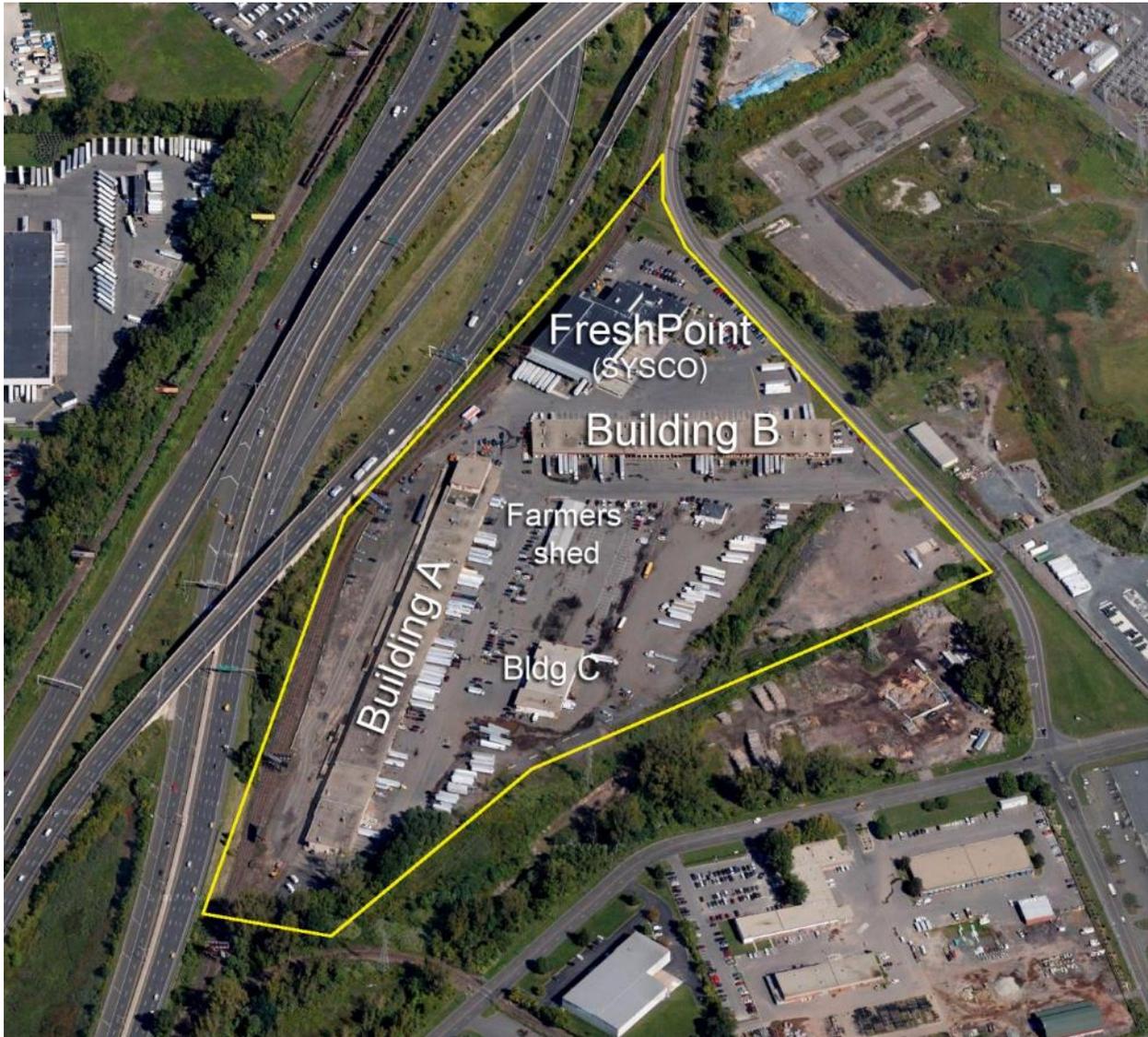
The 32 acre Hartford Regional Market includes five buildings with nearly 230,400 square feet that house 16 businesses. An outdoor farmers’ market shed and parking lot accommodated 68 different farmers selling direct to wholesale and retail buyers in 2012.

The structures include:

1. Building A (the largest building) houses 10 businesses in 48 stall units, with each stall approximately 24 feet by 90 feet, or 2,160 square feet. Building A also includes a partial second story with eight offices, a conference room and a locker room. Public bathrooms are located in Building A, supplemented with portable toilets near the farmers’ market shed.
2. Building B, which houses three tenants in 26 stall units
3. Building C, which houses three businesses: Sweet Life Cash & Carry and two food distributors
4. The Market Restaurant
5. The warehouses and offices of FreshPoint, a division of Sysco, built in 2001.

According to the land lease dated August 10, 2000, the leased area includes 6.07 acres or 264,627 square feet, and permits construction of a 45,000 sf building.

6. Farmers' market shed, which includes 72 parking lot spaces under cover. Another 72 spaces for farmers are offered on the parking lot adjacent to the shed. These spaces are 10 to 12 feet wide and 30 feet deep.



In 2013, the State invested approximately \$1 million into facility improvements, (including a new roof for Buildings A and B, and paving), sewer repairs, and new equipment.

Functions

The principal functions that take place at the Regional Market include:

1. **Wholesale food distribution** with a focus on produce but also meat, milk, cheese, and dry

goods. Most of the products sold at the Market throughout the year do not originate in Connecticut, yet the Market plays a critical role during local harvests. Some of the trade that happens under the farmers' market shed is wholesale, with farmers selling to stores, restaurants, and farm stand operators.

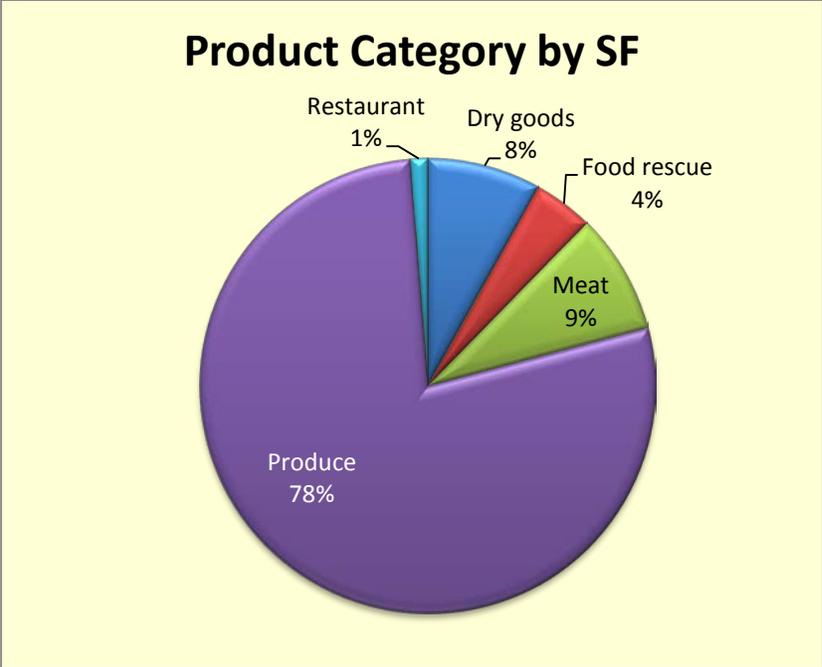
2. **Food rescue:** the Regional Market plays an important role in food rescue through the nonprofit Foodshare, which rents space at the Market to collect and process fresh food donations. About half of the 12 million pounds of food they rescue annually comes through the Regional Market, with HRM tenants donating about one million pounds.
3. **Food processing,** including fresh cut produce, meat butchering and sausage making, and cheese making, plus repacking and produce ripening.
4. **Retail:** this takes place under the farmers' market shed and in the open air, and on the docks by some wholesalers. A significant portion of M&M Wine Grape is devoted to retail, including a wine production supply store. Most of Building C is occupied by Sweet Life Cash & Carry, which sells to retail and wholesale customers in a club warehouse environment.
5. **Restaurant:** There is one restaurant located at the Regional Market, called The Market Restaurant.
6. **Offices** for the Connecticut Marketing Authority, USDA, and a private broker are located on the second floor of Building A. Market tenants have individual offices within their leaseholds.
7. **Events/education:** The CT Marketing Authority has a conference room on the second floor of Building A. M&M Wine Grape has a conference room that it uses for wine education classes.
8. **Driver testing** by the Connecticut Department of Motor Vehicles takes place near the farmers' market shed.
9. **Overnight parking** for truckers

Tenants

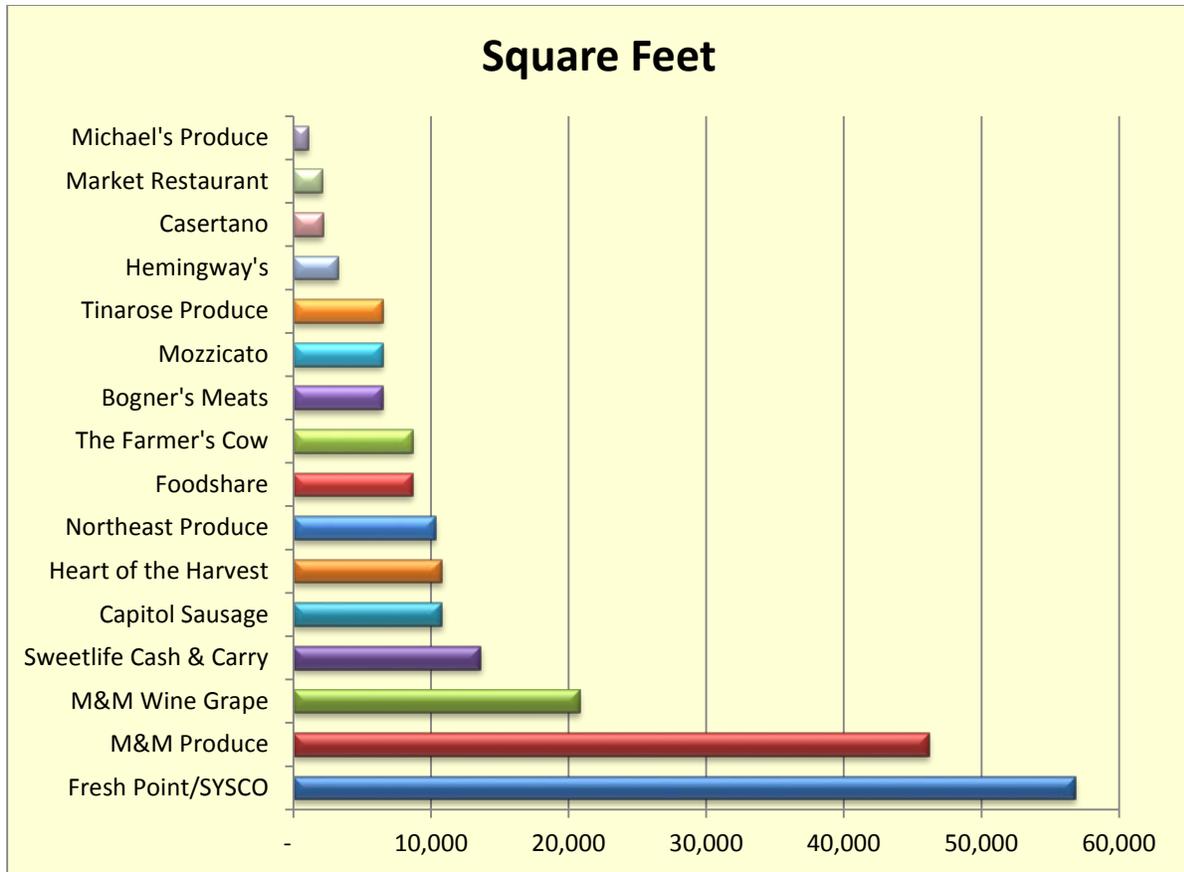
Among the 16 tenants at the Regional Market, nine are focused on fresh produce, with two each of dairy/cheese and meat, and one each of dry goods, food rescue, and the restaurant.

Tenants report sales of approximately \$200 million at the Regional Market. The Market represents about 500 jobs. Many employees arrive by public bus from Hartford (the 59 bus, which originates in downtown Hartford at Central Row South and takes about 20 minutes to reach the Regional Market).

In terms of square footage, the following chart shows the division of products at the Market. Most square footage is used for produce (78%) following distantly by meat (9%):



The Regional Market includes a range of large, medium, and small businesses. The following chart shows the amount of square feet each tenant has at the Regional Market. FreshPoint/Sysco and M&M Produce stand out as the largest facilities at the Market (FreshPoint/Sysco leases space in Building A, along with its own building). Two other businesses have a fairly large footprint: M&M Wine Grape and Sweet Life Cash & Carry. Eight businesses have between six and eleven thousand square feet, while four businesses are well under 5,000 square feet each:



Security

A fence is located along Reserve Road. However, the gate house was knocked down many years ago and the fence does not close at the Market entrance so the property is accessible at all times.

Site analysis

Appendix B includes the site analysis report prepared by SLAM, which includes:

1. Historical evolution of the site
2. Regional context
3. Community connectivity
4. Site context
5. Easements and restrictions
6. Site functional zoning
7. Landform analysis
8. Protected resources
9. Pedestrian circulation

10. Vehicular circulation
11. Parking and queuing
12. Site impressions
13. Preliminary synthesis

Operations review

Traffic analysis

The traffic analysis report by Milone & MacBroom can be found in Appendix C. Key findings include:

- A reduction in the average daily traffic on the streets around the Regional Market since peaking in 2009
- Adequate capacity for additional traffic, particularly on weekends which are the busiest retail times
- No expected generation of new traffic on Reserve or Maxim Roads by planned developments within the city
- The planned introduction of a new exit from the Regional Market at the southern end of the site onto Maxim Road should improve circulation around the site and reduce traffic on Reserve Road

Management and operations

Operations schedule

The Hartford Regional Market is always open. Each leasehold tenant sets its own operating schedule, with most operating six days per week. Some businesses operate 24/7 and some have hours that vary by season.

The Market Restaurant is open Monday through Friday from 6 am to 2 pm. The restaurant opens on Saturday mornings from mid-April through July during the busiest outdoor farmers' market period.

Sweet Life Cash & Carry is open from 6 am to 3:30 pm on Monday through Friday, 6 am to 1 pm on Saturday, and closed on Sunday.

The operating schedule of the outdoor farmers' market varies over the course of the year and depends on when the farmers and jobbers choose to participate. The farmers' market application states that the farmers' market operates Monday through Friday from 3 am to 10 am and Saturday and Sunday from 3 am to 1 pm. Vendors sell under the market shed most mornings, although the most consistent sellers are jobbers, not farmers. The greatest number of farmers participates on Friday, Saturday and Sunday, and the large sign that faces I-91 (photo, right) states that the farmers' market is open on those days. While the farmers' market is technically open year-round, there might not be any farmers there in the winter months and DoAg's website states that the farmers' market operates seasonally.



Consumers stated that inconsistent, unclear, and/or inconvenient operating hours were the principal reasons why they do not currently shop at the Regional Market. Determining a consistent operating schedule, ensuring that vendors participate during those times, and communicating the schedule to customers will all be important elements of the master plan.

Site management

The Connecticut Marketing Authority Executive Director has been a full-time position in the past but is currently held by a DoAg manager who has substantial other responsibilities in addition to overseeing the Regional Market.

The Regional Market's current dedicated site management staff includes:

- Building superintendent and a maintenance worker who do grounds-keeping, bathroom cleaning, common area trash removal, painting, light electrical and snow removal.
- Security – four full time staff members who work Monday – Friday from 4 pm to 8 am and 24 hours on the weekends. The security staff manages the outdoor farmers' market. During the spring flower days, the Market hires three extra security guards.
- Office administrator who works Monday – Friday.

Compared to similar markets, the site management staff is very small and is missing typical functions such as a full time executive director, a farmers' market manager, and marketing/event professionals.

Marketing

The Regional Market does very limited marketing. According to the FY2012 Income/Expense Report, no funds were expended on advertising or marketing. Over the past year, a private contractor was retained by DoAg to assist with social media, focusing on the Regional Market's Facebook page.

The Regional Market site has five billboards, one of which is used to promote the Market (photo, right) and the others are rented.



Leases and rules

Most of the Market tenants have conventional three years leases that run through 2015, with one three-year option term.

The lease states that “The Lessee shall occupy the Leased Premises exclusively for the purpose of the wholesale selling of produce, fruit, dressed poultry and meats, eggs, other food products, and other agricultural commodities.” While the lease states that the premises may be

used for wholesale trade only, many tenants sell retail. Since this practice is longstanding, generally accepted, and desired by the Market, this clause should be reviewed and perhaps removed from future leases.

Two businesses on the Market have long term land leases:

1. Sweet Life Cash & Carry, a division of C&S Foods (one of the country's largest grocery supply businesses), has a 99 year land lease for most of Building C that commenced in 1972.
2. FreshPoint/Sysco has a 100 year lease that commenced in 2000 for the 6.075 acre triangular property at the northern section of the Market, which runs from the back of Building B to Reserve Road and the railroad tracks.

The long duration of these land leases will significantly impact the Market's redevelopment options.

The farmers' market has a separate application process and set of rules. The days and hours of operation need to coincide with signage and marketing: if customers receive information that the farmers' market is open, then they must be provided with a robust shopping experience or else they will not return. Many farmers' markets require the vendor to be present during all hours of operation. Revisions to the current hours of operation and marketing will be proposed in the master plan, along with rules that ensure a full shopping experience and that meet the needs of participating farmers.

The farmers' market permits "jobbers" or vendors who sell products that they do not grow. The rules state that all non-Connecticut grown or produced products must be identified by a sign or poster at the point of purchase, which also states where the product originates. This rule did not seem to be enforced during a site inspection. Management reports that two jobbers sell consistently at the Regional Market.

While visiting the farmers' market in September 2013, it was noted that no farmers had product signage with prices or descriptions. At one of the farmer focus group meetings, several farmers stated that the Regional Market *does not permit* farmers to post their prices. Apparently, rules dating from the 1940s prohibited price signage, although there is no reference to price signs in the farmers' market's current rules. Best practices dictate that prices be clearly identified on all products. In fact, many farmers' markets *require* vendors to post price signs.

Since jobbers are allowed to participate in the farmers' market, the Regional Market does not meet DoAg's standards for a certified farmers' market and therefore no farmers can redeem WIC farmers' market coupons. In order to encourage more low income families to shop at the Regional Market, the ability to accept WIC coupons will be revisited in the master plan.

Many communities around the country have developed innovative methods to allow farmers to accept food stamps (SNAP benefits). Most of these programs convert electronic benefits (EBT) into wood or metal tokens that can only be redeemed for fresh food at the market. The Regional Market does not yet have a program to encourage the use of food stamps although they can represent a substantial amount of sales. At the Rochester Public Market, for example, customers redeemed nearly \$800,000 worth of farmers' market tokens in 2013, significantly enhancing sales and encouraging low income families to shop for fresh healthy foods at the Market. Furthermore, many farmers' markets have Double Bucks programs which essentially

double the value of food stamps

Waste management

All market tenants are required to provide their own waste management and the Regional Market is dotted with dumpsters in front of the tenants' loading docks. Other similar markets have moved toward a centralized waste management system in order to maximize recycling and waste stream divergence. Principal waste streams are organics (fresh food), corrugated paper, packaging, and wood pallets.

Foodshare has expressed interest in exploring a larger role in managing the entire Regional Market's waste stream. Already Foodshare collects one million pounds of donated food from Market tenants each year, diverting a huge stream of potential waste. Most of what it rescues gets sorted and is used for emergency feeding programs. A small portion of food waste is picked up by local farmers for animal feed.

13 years ago, Foodshare installed a 6,000 gallon tank with chopper for organic waste, which was designed to handle the entire Market's organic waste stream. A vacuum truck picked up the liquid waste and took it to spread on farmers' fields once every six weeks. However, the cost of hauling and paying the farmers made this system unsustainable and the chopper is no longer used.

Financial analysis of current operations

HRM is operated as a self-sustaining, non-profit venture, with all operating expenses covered by facility income. The Connecticut Marketing Authority has effectively kept expenses in line with income, which has meant very limited resources to operate the facility.

The past two fiscal year operating statements were reviewed. These years represent something of an anomaly because a large tenant with 16 stalls, Quality Sales, declared bankruptcy in the fall of 2011 and the Regional Market was unable to collect rent while the court had their premises locked for six months prior to auction of the equipment assets. In the fall of 2012 the Regional Market was able to lease most of these stalls, which included expansion of four existing tenants and the introduction of a new business (The Farmer's Cow).

- Even with the loss of a major tenant, income dropped only 10% or \$91,026 between FY12 and FY13 from \$888,368 to \$797,342.
- Expenses are divided between two major categories: payroll and operating expenditures. Payroll climbed 71% between FY12 and FY13, due largely to payments into the state retirement system and medical insurance. Operating expenditures increased 26% or \$70,032.
- Total expenses increased 50% from about \$624,000 in FY2012 to \$936,000 in FY2013. This resulted in the Regional Market going from a surplus of \$264,532 in FY2012 to a deficit of \$139,096 in FY2013, a swing of more than \$400,000.

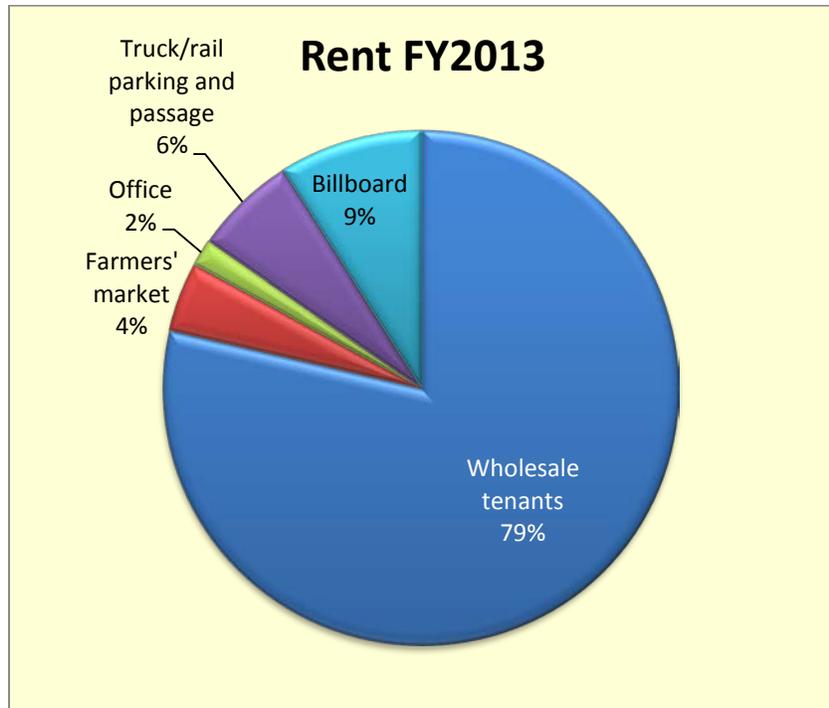
Looking at the two years in aggregate, income exceeded expenses by about \$125,000 over the two year period.

Operating reserve

The Connecticut Marketing Authority maintains a reserve in a short-term investment fund, which totaled approximately \$850,000 as of June 2013.

Income

Most income (79%) comes from rent charge to wholesale tenants. Billboards bring in 9% of income and the outdoor farmers' market 4%.



Rent per square foot is the same in Buildings A and B: \$4.27 per sf. The standard stall unit is slightly larger in Building A than B, so the monthly rent is higher. The rental rates for the land leases are vastly different:

Rent	Monthly rent	Square feet	Rent/sf
Building A (per stall)	\$ 768.31	2,160	\$ 4.27
Building B (per stall)	\$ 732.23	2,060	\$ 4.27
FreshPoint	\$ 1,062.23	45,000	\$ 0.28
Sweet Life	\$ 2,134.98	13,630	\$ 1.88

While the FreshPoint/Sysco lease is figured based on a 45,000 sf building, in fact the

tenant leases 6.075 acres or 264,627 sf. The rent per square foot for the land is therefore 4.82 cents.

Market tenants are not required to pay municipal property tax on the real estate since the land is state-owned. This represents a substantial savings for tenants because the current mill rate in Hartford is \$74.29. Local property taxes are assessed for motor vehicles and personal property, including business equipment, machinery, furniture and fixtures either owned or leased by the business.

The farmers' market fees vary depending on whether a farmer rents for a single four month period or the entire year, and whether the space is covered or in the open air:

Vendor type	4 month fee	One year fee
Farmer/Producer		
<i>Covered stall</i>	\$ 320	\$ 620
<i>Open stall</i>	\$ 275	\$ 350
Jobber	NA	\$ 1,240

For a jobber, the equivalent rent per square foot for a 10' x 30' covered stall is \$4.13 per sf per year. For a farmer, the rent is equal to \$2.07 per sf per year.

Expenses

The following chart shows the Market's principal expenses in FY2012 and FY2013:

Expenses	FY2012	FY2013	Change
Payroll	\$ 348,848	\$ 594,912	\$ 246,065
Repair	\$ 83,300	\$ 160,617	\$ 77,317
Utilities	\$ 132,214	\$ 123,652	\$ (8,562)
Vehicle rental/fuel	\$ 24,748	\$ 30,584	\$ 5,836
Other	\$ 34,727	\$ 26,674	\$ (8,054)
Total	\$ 623,836	\$ 936,438	\$ 312,602

In both years, payroll represented the largest category, with expenditures of nearly \$350,000 in FY2012 and \$600,000 in FY2013. In FY2013, salaries represented only 56% of the payroll amount, with large payments for insurance, taxes, and retirement that were perhaps make-up expenses not recorded in FY2012.

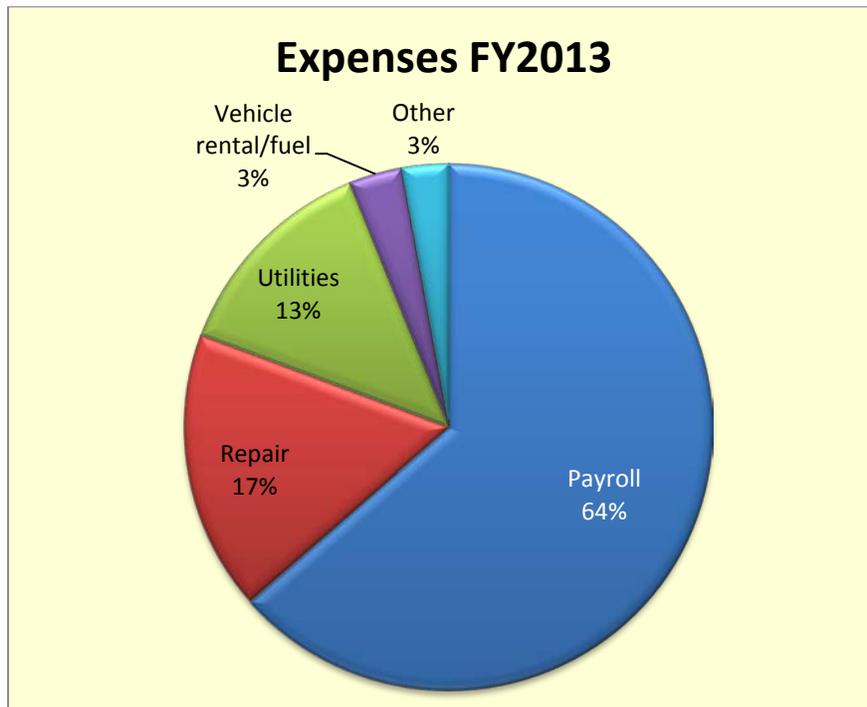
Labor costs are typically the largest share of a market's operating budget. In FY2013, labor represented 64% of the Regional Market's total expenses. At the Rochester Public Market,

income is slightly below the level of the Hartford Regional Market and personnel represents 76% of expenses.

In addition to payroll, the Market's largest expenses include repair/maintenance, utilities, and motor vehicle rental. New energy efficient buildings should have the effect of lowering expenses for repair and utilities once the Market is rebuilt.

Almost no funds were expended on marketing in FY2013 from the Market's budget. Best practices dictate a robust marketing program, particularly to attract retail customers. However, there must be income sources to pay for any operating expenditure.

The chart below displays the Market's principal expenses in FY2013:



Five expense items had more than \$5,000 variation between two years, including very large shifts in repair and maintenance services (nearly \$76,000, or a doubling, caused in large part to preparing recently vacated stalls for new occupants); electricity (an increase of over \$18,000 or 50% change), and sewer (which dropped more than \$17,000, a 42% change). There were 13 expense items in the FY2013 income statement that did not appear in FY2012 income statement, and there were six expense items in the FY2012 income statement that did not appear in the FY2013 income statement. The rebuild offers the opportunity for a more steady budgeting process with consistent expense categories.

Master plan program elements

The following program elements currently take place at the Regional Market or were identified during the market research phase. This section of the Phase 1 report begins with a statement of the project's goals and then reviews each of the potential program elements with findings from the market research.

Goals

Based on the research and analysis, the following goals are recommended to guide the redevelopment of the Hartford Regional Market:

1. Create modern food distribution, production, and marketing facilities that support the evolving needs of Connecticut farmers, food wholesalers, and consumers
2. Encourage increased consumption of Connecticut-grown and produced foods
3. Minimize energy consumption and operating costs
4. Improve access to fresh, healthy foods for underserved area consumers
5. Create jobs
6. Incubate businesses and spur innovation

These goals can be accomplished through the expansion and improvement of activities that have occurred at the Regional Market over the past 60 years

Wholesale distribution

The wholesale distribution of fresh food, predominately produce, has historically been the core of the Hartford Regional Market. The Regional Market is mandated to sell a diverse range of fresh food products and "to bring about a wider and more economical distribution of Connecticut's agriculture products." The Phase 1 analysis explored the potential for maintaining or expanding the wholesale food distribution function at the Regional Market and considered how this function could better support Connecticut farmers and food producers.

Competition and trends

Consumption trends suggest that Americans are consuming more fresh fruit and vegetables, although much less than recommended. An analysis of USDA Economic Research Service data from 1976 to 2009 revealed that fresh fruit consumption grew by 25% and fresh vegetable consumption grew by 54%.² A recent W.K. Kellogg Foundation survey of 800 American adults found that 68% reported eating more whole grains, fruits and vegetables than they did five years ago.³ These trends suggest that facilities such as the Regional Market are well positioned to take advantage of growing demand for fresh produce. Furthermore, there is a

² Cook, Roberta, "Tracking Demographics and U.S. Fruit and Vegetable Consumption Patterns," Department of Agricultural and Resource Economics, University of California, Davis, October 2011

³ http://www.washingtonpost.com/blogs/all-we-can-eat/post/americans-eat-more-fresh-foods-than-they-did-five-years-ago/2012/05/22/gIQAyPS1gU_blog.html

long way to go before Americans consume the recommended quantity of fresh fruits and vegetables. According to recent research from the Centers for Disease Control and Prevention, 38% of US adults consume fruit less than once daily while 23% consume vegetables less than once daily.⁴ With 2/3 of adults and 1/3 of US children categorized as overweight or obese and with national attention to health issues and food rising (through new federal school food guidelines, and Michelle Obama's *Let's Move* campaign, for example), industry and policy efforts toward increased consumption of fresh fruits and vegetables are on the rise.

Over the next five years, there will be little new demand from population growth in the Hartford region. According to data provided by Nielsen for the 20 mile ring around the Hartford Regional Market, the population is expected to remain essentially flat between 2014 and 2019 at approximately 1.2 million people. Incomes, however, are rising rapidly: average household incomes are expected to climb by more than 10% in the next five years, compared to 6.5% for the country as a whole. The region also has very high education levels, which generally correlate with interest in high quality, healthy foods. As incomes rise, households in the region will have additional resources to act on increased awareness of the need to eat more fresh, healthy foods.

This interest in **healthy foods** is right in line with trends in the food industry. In a recent Deloitte study, 79% of industry executives interviewed noted that health and nutrition are the key issues that are driving the food industry.⁵

Again according to Nielsen, demand for fresh produce for at-home consumption is expected to rise 3.5% between 2013 and 2018, from \$247 million to \$256 million. Meat expenditures are expected to rise 2.7% to \$351 million, dairy/cheese will rise 3% to \$402 million, and fresh seafood expenditures will rise 3.4% to \$31 million. These data are explored extensively under retail, below.

Another important trend is increased focus on **food safety**, with stricter federal regulations and greater industry attention to issues such as cold chain compliance and food storage and handling practices. New, state-of-the-art facilities at the Hartford Regional Market will greatly enhance the tenants' ability to operate according to current and emerging standards and will potentially catapult them to the forefront of the food safety curve.

An important dimension of food safety is **product traceability** from point of origin to point of final purchase. The Hartman Group called 2013 the "Year of Traceability and Good Stewardship," noting that traced and sustainably produced foods are no longer just an "upmarket offering" but part are increasingly part of the cost of doing business now.⁶ While product traceability can connect a food product back to its farm and field anywhere in the world, locally grown products can benefit as a positive point of differentiation from products grown overseas or across the country.

The food industry is seeing increasing demand for products considered "**sustainable**" (a broad term that includes social, environmental, economic impacts along the food supply chain). In part, this trend is consumer driven, as one study from market research firm Datassential found that 30% of consumers had bought food they would describe as sustainable in the past month. It is also industry driven: in that same study, 29% of retail and food service operators indicated a

4 <http://www.cdc.gov/nutrition/downloads/State-Indicator-Report-Fruits-Vegetables-2013.pdf>

5 Deloitte "Food and Beverage 2012: A Taste of Things to Come," Deloitte: 2008

6 Hartman Group: Contemporary Food Trends: Emergent Themes in Products, Retailers and Restaurants, 2009

willingness to pay more for sustainably produced foods.⁷ Environmental sustainability was the #4 trend in the National Restaurant Association’s “What’s Hot in 2013” survey.⁸ With this focus on sustainability, production methods are taking center stage, and a labyrinth of claims, certifications and certifiers have emerged to underwrite sustainable production claims.

A key driver of sustainability in the food industry is **local food**, with consumers and industry players (food service and retail sectors in particular) willing to search out and sometimes pay more for local foods.⁹ Foods differentiated as locally sourced have an increasing presence in wholesale supply chains. Several wholesale tenants at the Regional Market mentioned that their clients are increasingly asking for local foods, particularly school systems and restaurants.

Institutional buyers, in particular, have taken concrete steps to increase the amount of local foods utilized within schools, hospitals, and similar institutions. The University of Connecticut is reported to be the largest purchaser of local foods in the state. UConn Dining Services serves 180,000 meals per week in its eight residential cafeterias, caters 4,800 events per year, and offers food at five retail cafes, a food court, and a sit-down restaurant. To support their buy local efforts, the university will pay FreshPoint/Sysco 10% more for Connecticut-grown products. To promote these local foods to its customers, UConn Dining Services receives notification from FreshPoint/Sysco 24 hours in advance if it has secured local products.

Due to a recent legislative initiative, all State of Connecticut colleges and universities and UConn can purchase local products directly from farms with purchase orders rather than by competitive bid up to \$50,000.¹⁰

The Department of Agriculture is currently conducting a survey of Connecticut farms to explore their interest in serving institutional buyers. Information from that analysis, when it becomes available, should be helpful for the planning of the Regional Market.

In addition to institutional buyers, demand for local foods is very prevalent among restaurateurs. This trend has been strong for a number of years and shows no sign of abating, driven in part by efforts such as DoAg’s “Farm to Chef” program.

Another important industry trend has been consolidation among the major food distributors. In December 2013, Sysco, the country’s largest food distributor announced that it is purchasing US Foods, the second largest food distributor. The company will continue to be based in Houston and have estimated annual sales of approximately \$65 billion.

While the dominant trend in the supermarket and distribution industries has been consolidation, there have been some noticeable countertrends. The number of retail farmers’ markets made up of small and medium family farmers, for example, has increased in the US from 1,755 in 1994 to 8,144 in 2013 and are becoming a common source of fresh food for many households. This explosion has occurred in Connecticut as well, which now boasts 125 state certified farmers’ markets and more than 15 that are not certified. According to a 2012 W.K. Kellogg national survey, 14% of respondents use farmers’ markets as a regular source for fresh

7 The Packer, “Local Food Still Rules,” 10/25/2012

8 The Packer, “Chef survey says: Local produce hot in 2013,” 12/6/2012

9 The Packer, “Local Food Still Rules,” 10/25/2012

10 Public Act 13-177

produce purchase and 70% said that they have purchased local foods from farmers markets or farm stands over the past year.¹¹ Among the respondents who participated in the web-based survey, half reported buying most of their fresh food in the summer from local farms via farmers' markets, farm stands, CSAs, or directly from their own farms.

In Hartford, wholesalers at the Regional Market have experienced strong competition from Restaurant Depot, which opened a new facility on the north side of Hartford along I-91. For smaller restaurant and grocers, Restaurant Depot offers indoor parking and loading plus a broad selection of fresh, frozen and dried foods plus other supplies. A number of Regional Market business owners mentioned that they have lost considerable business to Restaurant Depot because their facilities at the Market are so degraded.

Over the past 60 years, some tenants at the Regional Market have grown and expanded, while others have failed. To address the lack of space, some tenants have rented or constructed facilities outside of the Market yet have maintained their base of operations at the Regional Market. Some wholesale distributors that used to be located at the Regional Market, such as Sardilli Produce & Dairy, moved to larger facilities nearby.

Potential

Based on interviews with each Regional Market tenant, there is strong optimism about the future and desire for substantially expanded facilities. Fifteen of sixteen tenants felt their sales would grow in the future once new, larger facilities are constructed that meet modern standards for cold chain compliance and food safety. All of the tenants would like to rent more square footage and have high ceiling warehouses that accommodate racking systems to greatly increase volumes.

Independent wholesalers located outside of the Regional Market expressed interest in relocating to the Market, suggesting there is demand for more wholesale distribution space from outside companies, as well.

The current tenants not only want more space, but expressed willingness to invest substantially in their businesses in the Market. They are prepared to make tenant improvements and install new equipment, sharing in the cost of rebuilding the Regional Market.

Conversely, some tenants indicated that they will need to leave the Market if physical improvements are not forthcoming despite their desire to grow their businesses there. They can no longer tolerate substandard and inefficient facilities.

When asked what other types of tenants should be attracted to the Regional Market, the business owners recognized that the Market would benefit from greater product diversity. One frequently mentioned product is seafood, which used to be available at the Regional Market. Initial conversations with representatives of Connecticut's seafood industry indicated an interest in having a seafood tenant in the Market again.

Near the end of Phase 1, each tenant was provided a follow-up survey that requested specific information about desired warehouse, office, and retail square footage, number of loading bays, preferred ceiling heights, and other factors that will influence the design of the

¹¹ http://www.washingtonpost.com/blogs/all-we-can-eat/post/americans-eat-more-fresh-foods-than-they-did-five-years-ago/2012/05/22/gIQAyPS1gU_blog.html

rebuilt facility. Based on information collected so far, the desire for additional square footage will outstrip the property's size. Therefore, decisions will need to be made about how the limited space at the Market will be utilized. Criteria should include:

1. Maintaining a mix of small, medium and large wholesalers at the Market. Tenants felt that businesses of different sizes help make the Market vibrant, with larger tenants being marquee attractions for buyers (like an anchor store at a shopping mall) while smaller tenants are sources of innovation and product diversity, providing specialized products and services that help the Market compete with businesses like Restaurant Depot. Furthermore, markets are historically a place that provide support for start-up businesses and play a natural incubator function. While a mix of small and large businesses is desirable, no business should be so large that it crowds out the others and greatly disrupts the Market if it fails. Rather, at some point it is time for a large business to relocate off the Market and make room for the next generation of businesses.
2. Interaction between Market tenants. A strong market is more than just an accessible location – it is a place where businesses interact and where the whole is more than the sum of the parts. In this regard, the Regional Market is the opposite of an industrial park, where each business is constructed on its own pad and operates autonomously. The Regional Market should be designed to encourage interaction between tenants and the businesses there should value and utilize that interconnectedness.
3. Creating a good mix of products. While fresh produce has historically been the chief product at the Regional Market, there is recognition that the Market benefits from offering customers a wide range of fresh and processed food products, including meat, poultry, seafood, dairy/cheese, as well as specialty foods and value added products.
4. Buying from Connecticut farmers and food producers. Tenants that source their products from Connecticut farmers – and encourage Connecticut growers to expand their production season, diversify their range of products, and provide the freshest, highest quality products to the state's consumers – best contribute to the Market's mission to support Connecticut farmers.
5. Creating jobs, particularly jobs that meet the skill sets of area residents.

Benefit to Connecticut farmers

Current trends in Connecticut agriculture suggest that an improved and expanded Regional Market can enhance and extend the trends that are happening.

The number of farms in Connecticut is growing, with a 33% increase between 1997 and 2007 from 3,687 to 4,916 farms. The land in farms increased 13% during the same period from about 359,000 to 406,000 acres. While most Connecticut farms are small (less than 50 acres), nearly 1,800 farms are larger than 50 acres and nearly 500 farms have sales of \$100,000 or more. These larger farms are most likely to sell at a wholesale level and are therefore best positioned to benefit from a revitalized wholesale component of the Regional Market.

Some current HRM wholesalers buy from Connecticut farmers now and many expressed

interest and willingness to buy more if regional farmers had GAP (Good Agricultural Practices) certification, consistent volumes, and competitive prices. While there is strong demand for local meat, the lack of slaughter facilities in the state seems to be a limitation on growth. Some wholesalers mentioned that the quality of native produce is often low and they find it difficult to charge premium prices for local products if the quality is substandard.

Cross-docking capability was mentioned as a specific means to increase sales of Connecticut products because this would allow efficient movement of smaller than trailer loads of products. Cross-docking is a practice in logistics of unloading materials from an incoming semi-trailer truck or railroad car and loading these materials directly into outbound trucks, trailers, or rail cars, with little or no storage in between. The practice requires adequate dock space and loading docks to handle the products efficiently.

FreshPoint/Sysco claims to be the largest buyer from Connecticut farmers, in part because of their significant contracts with the State of Connecticut and its units of higher education. However, numerous farmers expressed dissatisfaction with the prices they receive and the business practices of FreshPoint/Sysco.

Based on the dot voting by farmers who participated in the farmer focus groups, “expanded facilities for large wholesalers” received the *lowest* score of all nine concepts, while “expanded facilities for small or medium sized wholesalers” received the *second highest* score (see Appendix X, Farmer Focus Groups).

The most recent tenant at the Regional Market, The Farmer’s Cow, represents a model small/medium sized tenant for the Regional Market because of its connection to Connecticut agriculture and its unique product. A business owned by six Connecticut dairy farms, The Farmer’s Cow rents four stalls in Building A for the distribution of milk and a mix of frozen and nonfrozen products. In their 8th year in business, The Farmer’s Cow distributes its products to every local supermarket chain including both Wal-Mart and Whole Foods Market, plus universities and independent buyers. They also operate a successful retail venture, The Farmer’s Cow Café and Creamery in Mansfield, which provides a template for a retail concept at the Regional Market.

Food processing and storage

Several tenants at the Regional Market currently focus on food processing, including Heart of the Harvest (fresh cut vegetables), Capitol Sausage (sausage making), Bogner’s Meats (butchering), and Mozzicato (soft cheese production). There are also tomato-ripening operations and vegetable repack operations.

Based on employment data provided by the tenants, the greatest concentration of jobs at the Regional Market is provided by Heart of the Harvest, which employs 60 FTE within 10,800 square feet, or nearly 5.6 jobs per thousand sf. While a complete study of employment and wages was beyond the scope of this study, food processing generally provides more jobs than food distribution, potentially at higher wages. The meat cutters at Bogner’s, for example, are unionized employees.

Several tenants without food processing expressed interest in adding this aspect to their business. Foodshare, for example, would like to have facilities to process some of their donated

foods into sauces or other products that would have a longer shelf life and be more useful to emergency feeding centers. Through a follow-up survey, all current tenants have been asked to describe their interest in food processing. This information will be used in Phase 2 as the redevelopment program is refined.

Food processing is a way to add value to fresh products and differentiate from commodities. It currently plays an important role at the Regional Market and should be encouraged in the rebuild, particularly as a means to create additional jobs and to add value to Connecticut grown products.

Shared cold storage

Some comparable markets provide shared cold storage as a service to tenants. At the Ontario Food Terminal in Toronto, for example, market management operates an 80,000 sf, two zone cold storage facility and provides space on a per-pallet basis to tenants and farmers who sell at the Market. Market management provides receiving staff and customers make their own withdrawals. About 7 million pieces move through the facility each year. Annual revenue equals \$1.5 million and the Ontario Food Terminal nets \$300,000. The cold storage facility is mainly used by wholesalers but is being used more and more by farmers. For example, one farmer brings a trailer load of 22 pallets of pears to the facility on Sunday morning and then withdraws a pallet at a time on a pickup truck to sell in the farmers' market section.

Several Market tenants expressed interest in shared cold storage or freezer storage. More information is being collected through the tenant follow-up survey. The farmers in the focus group expressed little interest in shared cold storage.

Shared commercial kitchen

Shared commercial kitchens which can be rented by the hour or shift have become increasingly popular in public markets. Sometimes called incubator kitchens, these facilities are meant to support small food producers and farmers who cannot afford or do not need full time use of their own facilities.

The shared commercial kitchen at the Regional Market could provide facilities for culinary or other job training, perhaps conducted by a local nonprofit organization that runs similar programs. This was mentioned by several key informants as a good opportunity for the Regional Market.

A benefit of locating a shared commercial kitchen within a market is that it brings food producers in close contact with businesses or consumers who can buy their products, potentially helping them avoid mistakes that plague start-up entrepreneurs. Unlike a stand-alone kitchen incubator facility, Market management can efficiently operate a kitchen without needing a separate staff. In addition to farmers and independent entrepreneurs, Market tenants can be regular facility renters, helping provide an economic base to the facility. Finally, the commercial kitchen can support a market's event and educational programming, providing another user and income stream.

The new Grand Rapids Downtown Market has a shared commercial kitchen that is used for all of these functions. In addition to the core Downtown Market staff that oversees the facility, other area institutions such as the community college culinary program, Michigan State

University Cooperative Extension, the Small Business Technical Development Center, and others all provide support services to entrepreneurs (both MSU Cooperative Extension and Grand Valley State University have offices located in the Downtown Market).

The Governor's Council for Agricultural Development subcommittee on agriculture and food infrastructure has recommended the development of light processing facilities at the Regional Market or other accessible locations for farmers to grow their businesses. Utilizing a federal grant, the DoAg is currently exploring the development of a shared commercial kitchen within in vacant space in Building A. The equipment from the facility could be moved to the rebuilt Market.

A local model of a shared commercial kitchen is the Western Massachusetts Food Processing Center in Greenfield, about one hour north of the Regional Market. Food producers from the Greater Hartford area are reportedly traveling to this facility at present.

The farmers who participated in the focus groups showed mild interest in a shared commercial kitchen within the Regional Market. The concept was ranked six out of nine.

Benefit to Connecticut farmers

A shared commercial kitchen could be made available to Connecticut farmers for value-added processing of their products. A survey currently being conducted by the Department of Agriculture among Connecticut farmers should provide insight into their level of interest in this concept. The Governor's Council has identified a shared commercial kitchen as a high priority.

Retail

Retail consumers can currently shop at the Regional Market in several ways: at the farmers' market, from some of the wholesale produce docks (particularly on Saturday mornings), from some tenants who encourage retail sales (such as M&M Wine Grape), at the Market Restaurant, and at Sweet Life Cash & Carry. The consultant team explored the potential for increasing retail sales at the Regional Market through a variety of means, including creating an indoor public market, expanding the farmers' market, creating an indoor winter market, and expanding the retail component of the wholesalers' businesses.

Public market

Public markets come in many sizes and configurations: there is not a standard model. Rather, key common elements of public markets include:

- Small independent specialty fresh and prepared food vendors that feature locally grown and produced foods and sell predominately at the retail level. Chain stores and franchises are generally prohibited within authentic public markets. Sometimes these vendors are farmer owned businesses.
- Great public spaces that welcome all elements of the community in accessible urban locations.
- Active, on-site professional management that provides a range of services to ensure the public market meets its goals and supports the vendors.

- Community linkages that help the public market meet the evolving needs of the local population and leverage resources for education and training.

Many public markets have strong education programs and host special events for the community. Some focus on food production within the facility and encourage wholesale distribution, which help diversify these tenants' income streams and supports product innovation.

New England has a deep history of public markets, most notably the creation of Faneuil Hall in Boston in the 17th century. Recent efforts to create public markets in New England, however, have generally not achieved the founders' vision or have failed. Most recently, the Market at 21 in downtown Hartford closed within five months of opening. El Mercado on Park Street has evolved from its original vision as a multi-vendor fresh food market to a neighborhood scale ethnic grocery store with several prepared food and nonfood businesses. The Portland Public Market in Portland, Maine opened in 1998 and closed by 2006. Efforts to create a new public market in Boston have been discussed for over a decade but are far from reality.

Other parts of the country have recently developed successful public markets, including the Milwaukee Public Market and the Grand Rapids Downtown Market. These markets – along with the ones that have failed – provide clues about whether a public market can be developed successfully at the Hartford Regional Market. Based on these experiences and 25 years of studying public markets throughout the country, MVI has identified five critical criteria that can be used to evaluate a public market's feasibility:

1. A **great site** with excellent visibility, access, parking, and supportive adjacent uses, as well as adequate size and availability.
2. Sufficient **consumer demand** to support all of the businesses in the market, particularly in relation to nearby competition.
3. Existence and interest of **high quality retailers** and the potential to attract them to the public market.
4. The ability to create a highly functional and attractive **physical environment** that offers a rich sensory experience of sights, sounds, smells, and tastes within an architecturally distinct setting.
5. The capacity to professionally **develop and manage** the public market, and provide **needed resources** for development and operations.

Each of these five criteria is explored below.

➤ **Site analysis**

- **Visibility and access:** The Regional Market site provides excellent highway visibility and easy access from Maxim and Reserve Roads, so customers from throughout the region should have little difficulty finding the Market. The Market has been at the same site for over 60 years and many people in the region are likely familiar with it. Large billboards are located on the property and one is already dedicated to the Regional Market. The Market is also on a city bus line, providing access to city residents who rely on public transportation.
- **Parking:** Sufficient parking can be provided if parking lots are created on the

Northeast Utilities property. Without this option, it is questionable whether the Regional Market can provide adequate parking and still provide expanded facilities for the wholesale tenants.

- Adjacent uses and context: Within the Regional Market, the farmers' market and the wholesalers' retail operations complement the indoor public market concept, although the presence of tractor trailers and industrial warehouses send a signal that this is an industrial area, not a retail one. Outside of the Regional Market, there are no similar, supportive retail businesses elsewhere in the East Meadows district. The area is not known as a retail corridor and therefore the public market will need to be its own destination and will not benefit from shoppers coming to this area.

If available, the property owned by Northeast Utilities at the corner of Maxim and Reserve Roads offers the most compelling site for a public market. This would require relocation of the Open Hearth and an agreement for long term site control with Northeast Utilities.

➤ **Consumer demand**

While the demographic profile of customers varies by public market, all large scale urban public markets attract customers from a wide geographic area, often up to 30 minutes away. Unlike supermarkets, which seek to dominate food retailing within a small geographic zone, public markets attract a small percentage of people from a wide area who appreciate the product selection, atmosphere, and interaction with independent food vendors.

The highest spending customers are generally highly educated, higher income women, although many public markets attract consumers representing a wide demographic profile, including recent immigrants familiar with markets from their native countries. Some public markets, because of their inner city locations and social mission, have become major redemption points for SNAP benefits (food stamps) and farmers' market coupons. Reading Terminal Market in Philadelphia, for example, is the largest SNAP redemption site in Pennsylvania, while the Rochester Public Market is the country's largest redemption site for farmers' market tokens. Given the interest in increasing access to fresh food among Hartford residents and the site's accessibility to this population, the public market can be developed and managed to serve inner city as well as suburban consumers.

According to the intercept survey of customers at the Regional Market (Appendix D), customers already come from a dispersed geographic area: throughout the Hartford area and from every county in Connecticut. Survey respondents reported household incomes higher than the distribution within the general population. These existing customers provide a good base on which to build, although a daily, year-round facility will require a large and consistent stream of customers to be successful, far exceeding the farmers' markets current customers.

Based on the geographic qualities of Hartford and the Regional Market, most customers can be expected to come from within a 20 mile diameter of the Market. The trade area analysis (Appendix F) reveals that this region has a large, wealthy and highly educated customer base. Household wealth is rising rapidly although the population is projected to remain flat. All told, households in this trade area purchase \$2.3 billion worth of fresh foods each year plus \$1.5 billion in food away from home. The demand for fresh food is expected to increase by \$73

million over the next five years. To be successful, public markets vendors will need to capture a fairly small share of this consumer demand.

The capture rate analysis in Appendix F suggests that strong vendors in a well designed and well run public market at the Regional Market should reasonably be able to capture demand of \$16.2 million. Based on average sales per square foot of \$750 (a level which should translate into vendor profitability), the site should have adequate consumer demand for a public market with 21,600 leasable square feet or about 32,700 gross square feet.

➤ **High quality retailers**

Attracting and maintaining high quality retailers can be the greatest challenge in creating a successful public market, in large part because so few independent specialty food retailers currently exist. Today supermarkets and groceries dominate food retailing in the United States with nearly 95% market share in the year 2000. The remaining 5.3% of food sales are captured by specialized food stores, defined as stores that are primarily engaged in the retail sale of a single food category such as meat and seafood markets, dairy stores, candy and nut stores, and retail bakers. Nationally, the market share of specialized food stores dropped from 6.6% in 1980 to 5.3% in 2000. In the wake of the recession, all food stores faced increased competition from mass-merchandisers and warehouse club outlets and long term trends toward more eating out, resulting in increased competition for a smaller pie.¹²

In the Hartford area, specialty food stores have an even smaller share of the market: according to the 2007 Economic Census, the 83 specialty food stores in the Hartford MSA captured 2.0% of sales while grocery stores captured nearly 90%. Furthermore, the share shrank from 2.8% in 2002.

While there were nearly 400 grocery stores in the Hartford region as of 2007, downtown Hartford does not have a supermarket and city officials would like to offer fresh food to inner city residents. Recent attempts to create a market in the downtown have not been successful, however.

The past 25 years have seen radical changes in the grocery business, commencing with the first Wal-Mart supercenter in 1988 which offered fresh and grocery food items in addition to its large selection of discounted department store merchandise. Along with the growth of warehouse clubs such as Costco and Sam's Club, these nontraditional food stores have grown from controlling 13.8% of the national share of food purchases for at-home consumption in 1986 to a staggering 32.6% in 2006.¹³ In less than 20 years, Wal-Mart became the country's single largest seller of food for at-home use. Having saturated the country with supercenters, Wal-Mart is now moving aggressively into smaller format stores with grocery components, including a 15,000 sf neighborhood format.

Wal-Mart is not only the nation's largest food retailer, it is also committed to local foods as are many other supermarket chains. Wal-Mart has stated that its goal is "to support farmers and their communities, through a combination of sourcing more directly from them and providing training in agricultural practices." By the end of 2015, Wal-Mart expects to sell \$1

12 Economic Research Service, USDA, "U.S. Food Marketing System, 2002," AER-811

13 Martinez, Steve and Phil Kaufman, "Twenty Years of Competition Reshape the U.S. Food Marketing System," Economic Research Service, USDA, April 2008

billion globally in food sourced directly from small, medium, and local farmers. In the U.S., Wal-Mart plans to double its sale of locally sourced produced.¹⁴ While these trends suggest that the largest buyers are looking for locally grown products, they also require large quantities, uniformity, and low prices.

Another major development has been the indirect competition that food retailers have felt from the food-away-from-home sector. In 1988, Americans spent 45.4% of their food dollars on food away from home; by 2006, that percentage had grown to 48.9%. In some parts of the country, expenditures for food away from home exceed those for food bought for consumption at home. The recent recession has altered these figures somewhat but the fact remains that Americans are cooking less and eating fewer of their meals at home.

A third major development has been the growth of “fresh format” stores which emphasize perishables and natural or organic products. From 1999 to 2006, Whole Foods Market, the industry leader, experienced 275% growth in sales while the second largest chain, Wild Oats, saw sales grow 64%. This compares to 22% increase for all grocery stores during the same period. Two Whole Foods Markets are located in West Hartford. These existing stores – and the potential that other stores that have a strong buy-local program will join the marketplace – provide substantial competition for a new public market.

➤ **Physical environment**

Since the public market at the Hartford Regional Market will be new construction, the State can select an experienced public market architect who has created compelling market structures that meet the needs of food retailers/food producers as well as consumers. Health department codes and the desire of most public market vendors to have cooking infrastructure drive up the cost of constructing a public market, making the per square foot cost similar to constructing a restaurant. The challenges of raising adequate capital to fund development can limit the chances of success.

➤ **Management and capital resources**

Public markets require sophisticated, dedicated development and management teams that can create a competitive and profitable retail concept. They need to act with business acumen and with flexibility to bring in excellent vendors, ensure the facilities meet the needs of vendors and customers, and implement marketing programs that can attract customers. The development budget must include not only the cost of construction, but also funds for tenant allowances, marketing before the facility opens, and initial operating deficits. Reserve funds are needed to address unforeseen circumstances or extended leasing periods.

While the management function is difficult regardless of the organization’s legal form, government agencies face particular challenges in developing and running a public market. Decisions need to be made quickly in response to the needs of private tenants and their funding sources. Political timelines and other exigencies can lead to poor decisions and lack of planning.

As a quasi public agency, the Connecticut Marketing Authority has advantages in developing and operating the Regional Market. The development and management function will

¹⁴ Wal-Mart Sustainable Agriculture: Fact Sheet, www.walmartstores.com

need to be greatly enhanced to successfully develop and operate a new public market.

➤ **Conclusion**

Public markets typically feature foods grown and produced in the region but, in order to supply customers with a broad and consistent offering, have foods from other places, as well. Depending on the season and the mix of vendors, locally grown and prepared foods might account for 30 – 50% of the total. At a public market with \$12 million in sales, this translates into \$4 – 6 million at the retail level and perhaps half of that as the purchase price from local producers.

Public markets are very challenging developments that require sophisticated development and management teams, substantial investment, and strong vendors. Based on a careful review of the critical factors that lead to success and given the other good options for increasing retail sales at the Regional Market, the public market concept should be considered in a future development phase.

The farmers who participated in the focus group ranked the public market as the second lowest redevelopment opportunity.

Farmers' market

Throughout the country, there has been an explosion in the number of farmers' markets, with USDA reporting over 8,100 in 2013.¹⁵ If trends continue, there will be over 9,000 farmers' markets in the US by 2016. Connecticut has also seen a huge growth in farmers' markets, with 142 reported in operation statewide in 2013. USDA identifies 42 farmers' markets within 20 miles of HRM.

Farmers' markets, along with farm stands, U-pick operations, and CSAs (community supported agriculture) are four principal forms of **direct marketing**. USDA has been collecting data about direct marketing since 1992 through the quinquennial Census of Agriculture. During this period, Connecticut has shown impressive growth. Over 22% of Connecticut farmers do some form of direct marketing and direct marketing sales have been increasing rapidly, with growth rates and farmer participation rates far exceeding the national averages. For farmers located in Hartford County, 7% of all sales come from direct marketing, compared to 0.4% nationally. Direct marketing will account for sales of nearly \$43 million by 2017 if present trends continue. Since 1992, direct marketing sales have increased an average of 13.6% per year. See Appendix G for additional information.

The Hartford Regional Market plays a unique role in supporting direct marketing within Connecticut. Farmers who operate farm stands and sell at retail farmers' markets are frequent early morning wholesale buyers at the Regional Market, supplementing what they have grown at their own farms. A robust farmers' market at the Regional Market is therefore a critical link in supporting direct marketing throughout the state.

Besides the Hartford Regional Market during the spring bedding plant season, there is no large scale farmers' market in the state. Among the retail farmers' markets, the Coventry Farmers' Market is noted as having the most farmers, yet key informants reported that that

15 USDA Agricultural Market Service, "Farmers' Markets and Local Food Marketing," <http://www.ams.usda.gov/>

market has only 15-20 farmers (although there are many other vendors). Many farmers' markets across the state have fewer than five farmers. Nearby states have much larger farmers' markets. This might present an opportunity to significantly expand the retail farmer component of the Hartford Regional Market, creating an entity that is clearly different from the neighborhood scale markets that predominate. Many of the key informants felt this was a good idea and that the Regional Market was a good place to have a large scale retail farmers' market with an attractive and enlarged shed structure that was open during conventional operating hours, not just early morning.

One of the fastest growing trends among farmers' markets has been the addition of indoor **winter markets**. USDA reported 1,900 winter markets in operation last year. The Billings Forge Farmers' Market has an indoor, winter component but it has only a few farmers and mainly serves the local neighborhood. The Hartford Regional Market would provide an excellent location for a winter market, perhaps by designing the shed structure with glass garage doors that can be converted into an indoor facility in the winter, like the City Market in Kansas City, MO.

An expanded farmers' market was tied for second as the most popular concept among the farmer focus group participants. Based on agricultural trends, an expanded farmers' market – including an indoor “winter market” component – would support the state's rapidly growing direct farm marketing practices.

Market tenants

Half of the Market's tenants currently sell retail to the general public and several others would like to add a retail component to their operation. As part of the redesign, the retail function could assume a much more significant and prominent role at the Regional Market.

Some wholesalers felt their retail operations would principally be a weekend draw while others felt the retail could attract customers throughout the week. Several tenants, including The Farmer's Cow, Bogner's Meats, and Mozzicato Bakery, have substantial retail operations in other locations around Hartford. With the addition of a seafood business to the Regional Market, a bread bakery, and some other essential tenants, customers would have a broad selection of fresh foods. According to both the intercept survey and web survey, area consumers are most interested in purchasing produce, cheese, breads, specialty foods, meats, and seafood at the Regional Market. The existing wholesale tenants provide an excellent base to serve this need and, through targeted recruitment of new businesses, the other items can likely be made available. Furthermore, this retail component would not require a separate public market structure or Market management capacity.

Education and events

Education and events are a customary part of most markets, particularly those that serve retail consumers. The Market tenants, key informants, and the farmer focus group participants all felt enhanced education would help the Market and Connecticut agriculture.

Many public markets offer demonstration kitchens and event spaces (often used as customer seating areas when the market is open to the public). The new Grand Rapids

Downtown Market has substantial event and education facilities, including a rooftop greenhouse, the country's first teaching kitchen designed for kids (with cooking surfaces that can be lowered at the push of a button for young chefs), and a demonstration kitchen that can hold 250 people for a sit down dinner. These facilities not only help the Downtown Market meet its educational mission, but also serve as an important income stream and represent nearly a third of total income.

Some tenants at the Regional Market do classes now. Notably, M&M Wine Grape installed a conference room inside its facility in Building B and offers wine classes.

The education and events facilities can play an important role in educating consumers about the importance and value in purchasing Connecticut grown products. Enhanced marketing of Connecticut farm products was the highest rated opportunity of the farmer focus group participants.

Office

Government agencies and nonprofits that support Connecticut agriculture, including Connecticut DoAg, several divisions of USDA (Farm Service Agency, Agricultural Marketing Services, and Natural Resources Conservation Service), and Connecticut Farm Bureau, all expressed interest in relocating their offices to the Regional Market. They would benefit from shared meeting facilities, synergies resulting from their close proximity, and "one stop shopping" for farmers needing access to these agencies. Other related organizations might be interested in office space as part of this cluster, including banking institutions and insurers who serve the farming community.

Offices and meeting rooms could be located on upper levels and therefore not take away from the Market's wholesale or retail trade. Since much of the wholesale trade is done by early morning, the parking demand for offices should complement other parking demand. Rental income from office tenants will help to diversify and expand the Market's income.

SWOT analysis

The SWOT analysis (Strengths – Weaknesses – Opportunities – Threats) seeks to concisely state the Regional Market’s existing strengths and weaknesses, and to reveal the opportunities for redevelopment and any potential threats to its future. This analysis concludes the Phase 1 research tasks and sets the stage for the development principals, program, and design options that will be explored in Phase 2.

1. Strengths

- a. Location – position between Boston and NYC at the intersection of two major highways, easy highway access and visibility, rail spur, city bus stop
- b. Size – at 32 acres, room to accommodate diverse functions and substantial trade
- c. Well known, longstanding presence
- d. Complex ecology of the Market: interconnectedness between businesses and wholesale and retail marketing channels; internal trade; mix of small and large businesses; start-ups and longstanding tenants
- e. Deep experience of longstanding business owners and employees
- f. Diverse (but not complete) mix of products
- g. Addition of a Connecticut farm-based business (The Farmers’ Cow)
- h. Safe
- i. Self-sufficient operation and recent state investment in repairs
- j. Farmers’ market
 - i. Popularity of spring farmers’ market
 - ii. Mix of wholesale and retail buyers, with high average sales
 - iii. Range of incomes (skewed high) and geographic dispersal of current loyal base of customers
 - iv. Known for low prices and good quality and selection in a unique, fun atmosphere
- k. Sufficient infrastructure around the Market property to allow for increased development density and new functions on the site
- l. Adequate roadway capacity for additional vehicles, particularly on weekends

2. Weaknesses

- a. Dilapidated buildings and infrastructure which have lacked investment and modernization
- b. Inefficient building design
- c. Disorganized and run-down parking lots with surface area flooding after rains

- d. Two long-term land leases, a sanitary sewer easement, and wetlands that will complicate and potentially limit redevelopment options
 - e. Need to keep tenants operational during construction
 - f. Lack of a seafood business, some concern about variety and quality of products offered by farmers
 - g. Few management resources, including a very small management staff and limited marketing
 - h. Decreasing number of farmers' market customers, few new customers
 - i. Market is known as a place to buy and sell cheap products, a last resort. This image might conflict with intention of rebranding the Market as the source of high quality/high value local products
 - j. Limited and inconsistent marketing
 - k. Inconsistent and early hours of operation discourage people from visiting the farmers' market
 - l. Farmers' market vendors not able to take WIC farmers' market coupons because not a certified, farmers-only market
 - m. Isolated: no other fresh food or related retail nearby, only fast food restaurants
3. Opportunities
- a. Expansion
 - i. Current tenants optimistic about future, want more square footage, and willing to invest in their facilities
 - ii. Food wholesalers located outside of HRM interested in leasing space
 - iii. Value added processing: tenants interest in more processing; potential for shared commercial kitchen
 - iv. Access to good labor market in Hartford
 - v. Retail
 - 1. Market tenants want to add or expand their retail offerings
 - 2. Exploding consumer interest in outdoor farmers' markets and indoor winter markets yet no other large scale or covered farmers' markets exist in the state.
 - 3. Expand operating hours so more convenient
 - 4. Make a certified farmers' market so can accept farmers' market coupons, DoubleBucks
 - 5. Increase customer base due to close proximity to downtown Hartford and neighborhoods, bus access, plus easy regional access via highways and new regional bus corridor

6. CT farmers rapidly increasing direct marketing. Farmers expressed strong interest in expanded farmers' market, modest interest in indoor winter market
7. Indoor public market facility
 - a. Large, wealthy and well educated consumer base within 20 miles of site, yet substantial competition
 - b. Strong consumer interest in basic food products, such as fruits and vegetables, meat, seafood, dairy, breads, and local specialty foods
 - c. Most interest to shop on weekends
- vi. Utilization of adjacent New England Utilities property for parking and vehicular access, and potentially for wetland relocation
- vii. Willingness of Open Hearth to relocate
- viii. Provide office space for supporting organizations (CT DoAg, USDA, UConn Cooperative Extension, CT Farm Bureau, CT NOFA, etc.)
- ix. Rail freight expansion with more storage volume
- x. Shared cold storage
 1. Of interest to some tenants; little interest among farmers
 2. Could be revenue source for Market management
- b. Modernization
 - i. Create state-of-the-art facilities that utilize racking systems for greater volumes, up-to-date mechanical systems and upgraded utilities to meet codes and expansion needs
 - ii. Energy efficiency and greater self sufficiency
 - iii. Cross docking facilities could increase sales for CT farmers
 - iv. Centralized waste management system
 - v. Improve parking through design and striping
- c. Support Connecticut agriculture
 - i. Expanding number of farmers, esp. younger, entrepreneurial growers looking for new markets
 - ii. Consumer interest in local foods
 - iii. Vendors say would buy more from farmers if had higher quality and more consistency
 - iv. Good central location and management staff for shared commercial kitchen
- d. Education facilities and programs

- i. Demonstration kitchen
 - ii. Rooftop greenhouse
 - e. Branding/promotion of CT grown foods
 - i. Farmers identified increased marketing of Connecticut grown products as the Market's highest potential benefit
 - ii. Link to state's *Still Revolutionary* campaign
 - iii. Showcase function for all food and ag products
 - iv. Rebrand HRM as the center or hub of CT agriculture or the "Center for Local Food & Ag Innovation"
 - f. Partnerships with nonprofits, government agencies, colleges and universities, hospitals, businesses
- 4. Threats
 - a. Current vendors might leave if the facility does not improve soon
 - b. High cost of redevelopment
 - c. Competition: Restaurant Depot, many farmers' markets (42 within 20 miles), national and regional specialty grocers
 - d. Few specialty retailers to tenant an indoor public market, low farmer interest
 - e. Need for expanded, sophisticated management to run public market and programs such as shared commercial kitchen
 - f. High production costs for CT farmers
 - g. Perception of HRM as low cost venue, place of last resort
 - h. Other farmers' markets might protest state investment and competition from expanded retail at HRM

Appendix A: Key Informant & HRM Tenant Interviews

Key informants

Name & Title	Organization	Category
Ron Angelo, Deputy Commissioner	DECD	Government
*Wayne Benjamin, Director	Hartford Economic Dev. Dept	Government
Mark Brodeur, Building Superintendent	Hartford Regional Market	Government
Alan Brown, Owner	Maple Lane Farm	Farmer
*Rita Decker-Parry, Hartford Food System	Consultant	Nonprofit
*Joseph Dippel, Director, Bureau of Ag Dev.	CT Dept of Agriculture	Government
*Randy Fiveash, Director	CT Office of Tourism, DECD	Government
Jacob Galloza, Executive Director	DECD Office of Business Dev.	Government
Tessa Getchis, Sea Grant Educator	UConn Cooperative Extension	Education
Peter Gillespie, Economic Dev. Coordinator	City of Wethersfield	Government
*Michael Green, Real Estate Division	Northeast Utilities	Other
*Bruce Grescyk, Owner	Grescyk Farms	Farmer
*Herb Holden, Owner	Broad Brook Beef & Pork	Farmer
*Bryan Hurlburt, CT State Exec Director	Farm Services Agency, USDA	Government
Jeffrey Lizotte, Executive Chef	On 20	Restaurant
Jiff Martin, Sustainable Food Systems	UConn Cooperative Extension	Education
*David Morse, Owner	Mayhill Farm	Farmer
Sue Muldoon, Owner	Sue Muldoon Images	Other
Lucy Nolan, Executive Director	End Hunger Connecticut	Nonprofit
*Shelly Oechsler, Owner	Botticello Farms	Farmer
Marth Page, Executive Director	Hartford Food System	Nonprofit
Dennis Pierce, Director	UConn Dining Services	Education
Linda Piotrowitz, Office of the Commissioner	CT Dept of Agriculture	Government
Ron Pitz, Executive Director	Knox, Inc.	Nonprofit
Julia Pon , Innovations Lab Manager	Wholesome Wave	Nonprofit
*Steve Reviczky, Commissioner	CT Dept of Agriculture	Government
Marilyn Rossetti, Executive Director	Open Hearth	Nonprofit
Mike Rozyne, Executive Director	Red Tomato	Wholesaler/Distributor
Don Sardilli, Owner	Sardilli Produce & Dairy	Wholesaler/Distributor
Doug Stewart, Marketing Representative	Giorgio Mushrooms	Wholesaler/Distributor
*Henry Talmadge, Executive Director	Connecticut Farm Bureau	Nonprofit
*Glenn Vincent, Owner	Vincent Farms	Farmer
Greg Weidemann, Dean	UConn School of Agriculture	Education
Cary Wheaton, Executive Director	Billings Forge Community Works	Nonprofit

*Steering Committee

Hartford Regional Market Tenant Interviews

Name & Title	Company
Kurt Bogner, Owner	Bogner's Meats
*Gloria McAdam, President & CEO	Foodshare
Steve Slipchinsky, Manager	Foodshare
Michael Flanigan, Sr. VP, Operations & Admin.	Fresh Point/SYSCO
Billy Yandow, Chief Operating Officer	Fresh Point/SYSCO
*Bill Driscoll, Owner	Heart of the Harvest
Alan Hemingway, Owner	Hemingway's Produce
Steve Porter, Owner	M&M Produce
*Frank Musto, Owner	M&M Wine Grape
Brian Franzora, Owner	Market Restaurant
Michael Chermeka, Owner	Michael's Produce
Gino Mozzicato, Owner	Mozzicato DePasquale Bakery
Joe Ruffini, Owner	Northeast Produce
Tony DeGottis, Manager	Sweetlife Cash & Carry
Rob Swager, Manager	Sweetlife Cash & Carry
*Robin Chesmer, Co-owner	The Farmers' Cow
Al Parziale, Owner	Tinarose Produce

*Steering Committee

Key findings from tenant interviews

- General
 - Optimism, interest in expanding (doubling), including more food processing
 - Current facilities don't meet needs (break cold chain, don't meet food safety requirements), act as a drag on business
 - Restaurant Depot has made a big negative impact on HRM, took away dock business
 - Need to move if something not done here soon
 - Some stated would buy more from CT farmers if they were GAP certified, had higher quality and more consistent products
- Location
 - Great visibility and access
 - Near good labor market in Hartford

- Rail access – some want to use as their volume increases
- Feel area is safe, guards do good job
- Redevelopment program
 - Value diversity, want to see more meat, seafood, organics, citrus
 - See value of having large anchor tenants, but also feel should be cap on size to ensure diversity of small businesses
 - See potential in retail, most have interest in operating retail
 - Want educational facilities and programs
- Rebuild
 - Willingness to invest in rebuild, including building own facility on a pad. Access to low interest loans would help
 - Would rack, be more efficient
 - Interest in shared cold storage
 - Want centralized waste system, hate dumpsters in front of their buildings
 - Some want entrance gate restored, others happy with current security
 - Cross docking capability would increase sales, increase amount of CT grown

Reports

1. “Food Hub Study,” Hartford Food System, Parts 1-4
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3. Governor’s Council for Agricultural Development, “Grow Connecticut Farms: First Annual Report,” December 2012
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5. Tammy Warner and Rigoberto A. Lopez, “Connecticut Agricultural System Establishments and Jobs,” UConn Department of Agricultural and Resource Economics, January 2013
6. UConn Center for Survey Research & Analysis, “Connecticut Grown Marketing Campaign Survey,” March 2008
7. UConn Department of Agricultural and Resource Economics, “Economic Impacts of Connecticut’s Agricultural Industry,” September 2010