

DATE: December 17, 2012
MEETING OF: January 8, 2013
FROM: Staff
RE: ACTION ITEMS VII.2 – Retail Farmers Market Place Agreement

BACKGROUND

In 2009 Patricia Rodriguez approached the Santa Cruz County Fair about starting a farmers market in the Fairs' main parking lot on Sundays. A month to month rental agreement was entered into and the market commenced in August of 2009.

The Fair generated rental income of \$16,000 between August and December 31 of 2009. In 2010 the Fair generated rental income of \$87,796. Between Jan 1 and August 29 of 2011 the Fair generated income of \$122,543 from the farmers' market activities.

In August of 2011 Patricia Rodriguez moved her farmers market activities to the parking lot of Pajaro Valley High School.

One of the team's highest priorities when assuming responsibility for the fair management was restoring a weekly Sunday Farmers Market and its income. The management team developed a request for proposal, with a 3 year lease and two (2) 3 year options and contacted all parties who had expressed interest and ran advertisements to notify the public of the opportunity.

Three parties expressed interest but only one party submitted a response. The party had no previous experience and the response was scored by the committee as being financially inadequate.

The management team contacted existing market operators in a 4 county region for possible interest; none was expressed. Staff then revised the RFP to a 5 year term with a 5 year option and sent it back out. Two responses were received and scored by the committee. Mercado Popular Inc., operated by Patricia Rodriguez, received the highest score when the committee of Loretta Estrada, Dave Kegebein, Nic Keiderling, and Lynne Grossi reviewed the responses.

Upon selection of El Mercado Popular as the most viable company to operate a market place the management team contracted with consultants to complete the CEQA process and negotiated an agreement with Patricia and Rosario Rodriguez which we are presenting for Board review – approval.

FISCAL IMPACT

Rental revenue of \$50,000 to \$100,000+ per year plus alcohol revenue.

STAFF RECOMMENDATION

That the Board approves a motion to execute the attached agreement with Mercado Popular Inc. to operate a Farmers Market.

ATTACHMENTS

- Rental Agreement 2013-27
- Attachment A – Map
- Attachment B – Terms & Conditions
- Attachment C – Sound Policy