

# Strategic Plan for the Denton Community Market



Prepared by the Denton Community Market Board of Directors

April 27, 2016



## **2015-2017 DCM Board of Directors**

Kati Trice, President

Vicki Oppenheim, Secretary

### **General Members:**

Kimberly Bien, Craftsperson Vendor

Alexandra Ponette-González, UNT

Jeffrey Rous, UNT

Matthew Sallack, Artist Vendor

Erin Tran, Farmer Vendor

## I. Executive Summary

The Denton Community Market (DCM) has experienced 900% growth in number of vendors from its Opening Day in 2010 to 2016 and is now a community institution. In April 2016, the DCM was voted the 2<sup>nd</sup> Best Community Event by Denton residents, just behind the Arts and Jazz Festival, demonstrating the significance of DCM's 8-month long weekly event to the Denton community. The local music, children's activities, yoga classes, locally-produced goods, local produce, and the presence of a weekly gathering space to meet friends and exchange information and ideas are very important to Denton residents and visitors.

The number of visitors to DCM also continues to increase. Estimated visitation rate now totals 2,000 individuals per week, up 30% from one year ago. The DCM is a high quality market in the DFW region. It is among the largest in terms of number of vendors, rivaling and often surpassing the Dallas and Coppel Farmers Markets in many categories.

Vendors from diverse categories are joining the DCM in record numbers. In April 2016, 148 vendors joined DCM; nearly 20 of these are agricultural producers. The Farmer's District and the USDA grant have helped DCM solidify the "farmer" vendor category. SNAP (Supplemental Nutritional Assistance Program) benefits are also now available to visitors to purchase healthy and fresh food at DCM. Artisans, craftspeople, bakers, community groups, and local businesses continue to join the vendor community. The "community" among the vendors is identified as one important aspect of business success and the appeal of the DCM. Even "animal visitors" are important, as the DCM now has a new "Pet District" with weekly pet activities and pet accommodations.

Human capital continues to grow, with additional staff people, new committees and working groups, and a functioning seven-member Board of Directors. The social capital also continues to expand, with a rising presence online with 9000 likes on Facebook and a new, enhanced website ([www.dentonmarket.org](http://www.dentonmarket.org)).

With all of this growth, the DCM faces new opportunities and challenges. At the Community Event Center site, the DCM has the opportunity to extend its outreach to the Southeast Denton neighborhood and bring new economic diversity to the customer and vendor base. At the same time, there are increased needs for physical infrastructure, including bathrooms and a year-round building. The DCM needs increased City support to operate and remain sustainable with growing staff needs and community and business needs. The DCM is an important small-business incubator that produces part-time, full-time, and brick and mortar businesses. The DCM is requesting that only nominal rent be paid to the City for the Community Event Center space at least for the first few years. The DCM does not anticipate a significant increase in revenues to cover additional expenses. The City and residents receive benefits that are directly related to the existence of the DCM.

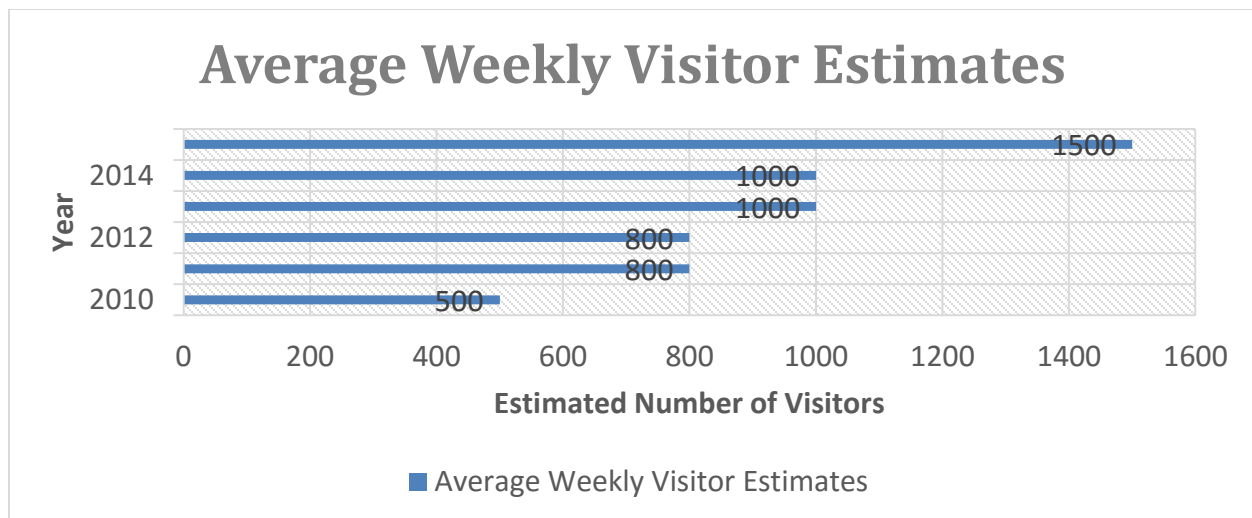


*Figure 1: First Opening Day of the Denton Community Market in 2010. At that time only up to 15 vendors would regularly participate in the once-per-month market. The DCM now has 150 vendors who regularly participate on a weekly, bi-monthly, or monthly basis.*

## **II. Situation Analysis**

### **a. Customer Trends**

i. **Visitors:** Since 2010, the number and diversity of visitors has continued to increase. Visitor estimates using hourly snapshot counts show the following trends for years 2010 through 2015:



In 2016, two full visitor counts were conducted with DCM volunteers. On opening day, April 2nd, nearly 3000 people were counted. On April 16<sup>th</sup>, 1920 were counted. The impression of DCM staff and vendors is that Opening Day was the largest yet, and weekly visitor counts are also higher than ever.

According to past visitor zip code surveys, approximately 25% of visitors travel from outside of Denton. Most visitors travel from the DFW Metroplex and most are from Denton County. Visitors attend the DCM largely to purchase fresh produce and to shop for other local products (2014 DCM Survey and 2015 DCM Survey). Visitors comment on the importance of DCM as a weekly gathering space and a place to bring their family and friends. Families identify the weekly children’s activities as important, while other age groups focus on live music, food, and adult classes, such as yoga. In 2016, the new Pet District was inaugurated, and it appears that pet-friendly activities, and particularly for dogs, are also important for many DCM visitors.

ii. **Vendors:** DCM vendors are another category of customers for DCM operations. There are currently 148 Vendors in the DCM as of April 24, 2016. This total is consistent with 2015 totals, and there may be more vendors than last year, with vendors still joining the DCM in categories that are not closed. Currently, soap and baked goods categories are closed to new vendors.

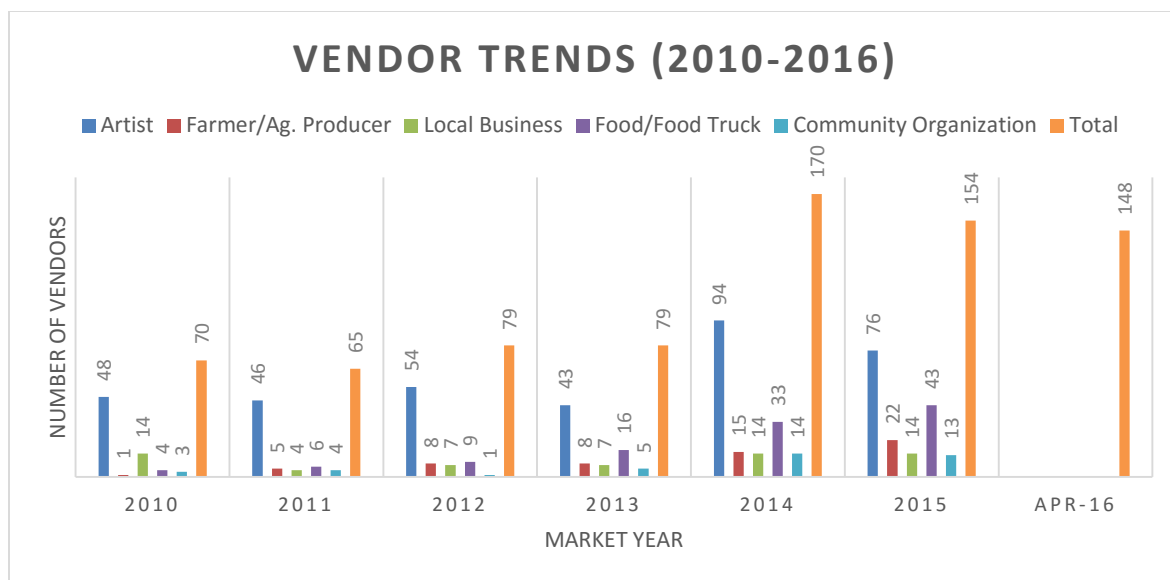


Figure 2

Answer Choices	Responses
Less than 3 months	2.04% 1
3-6 months	12.24% 6
7-11 months	28.57% 14
1 year	8.16% 4
2 years	26.53% 13
3 years	4.08% 2
4 years	4.08% 2
5 years	14.29% 7
<b>Total</b>	<b>49</b>

Figure 3: 2015 Vendor Survey, How Long Have You Been a Vendor at the Market?

Vendors praise the importance of the Market as a small business incubator. The DCM offers a relatively low-cost venue for vendors to launch their business and test new products. There have been many success stories of businesses expanding to brick and mortar locations, food trucks, web businesses, and special order businesses. This success continues to attract more vendors each year. As shown in the 2015 Vendor Survey, a majority of vendors are start-ups and are launching their business for the first

time at the DCM. The DCM has many repeat vendors but also many vendors who move on to a more permanent business or gain too much business to continue at DCM.

Small Business Incubation Vendor Comments:

*"We couldn't afford a restaurant. The Community Market helped get our product out there."*

*"It's my main income. It's how I live at this point! I love being part of the market. It allows me to work for myself and be an entrepreneur."*

*"The market helped me identify the direction that my art business needed to take in its earliest stages through direct interaction with customers. It also helped me establish a network with other artists, which ultimately lead to the opening of the DIME Store in 2013."*

*--- Rachel, Dime Store*

*"During the last 3 seasons my average weekly sales at the Community Market have grown from \$40 to \$300, largely due to the interaction I have with shoppers and their feedback on my products. Having the opportunity to sell directly to the public allows me to spend more time on better products because I can price them affordably and still make a good profit. Also, the convivial atmosphere among the vendors, musicians, browsers and shoppers at the Denton Community Market compliments the mission of my business and makes it where I want to be!"*

*----Darien Orr*

*Denton Design Company*

*"The Market has been incredibly important to Tranquility Artisans. When we established our business in 2012, we knew we needed to market our jewelry personally to get customer feedback before we started an online store. We wouldn't have a business if it weren't for Denton Community Market! Thanks to Kati and all of her team."*

*Eileen O'Neill, Rachel and Laura Windsor, and Heather Deaton*

*Tranquility Artisans*

b. Internal Trends

i. Financial resource trends: Financial revenues from DCM vendor fees are stable, but the USDA grant funds will end in 2016. The \$77,000 USDA grant has been an important source of funding for marketing improvements, staffing, farmer outreach and retention, and for the purchasing of equipment. HOT

funds in the amount of \$10,500 were granted for 2016 to pay for the musicians and sound engineer. The City of Denton also provides funds each year for the porta-potties. We anticipate this City funding to continue.

ii. Human capital trends: Staffing increased from 2 (part-time) to 3 (part-time) staff people in 2015. There are two coordinators and one seasonal booth manager. Each staff member has numerous duties to keep the organization and weekly event operating. There is little available time for fundraising and grant writing by staff. Most recently, a Board Member started a Fundraising Committee composed of vendors and the two coordinators. While many events are planned and efforts are being conducted, it is anticipated that further grant writing will be necessary to replace the USDA funding.

It is also anticipated that with the move to the new City site in 2017 as well as the planned departure of the Vendor Coordinator, **a new Vendor Coordinator and an additional seasonal staff person of the Assistant Booth Manager will be necessary to run the market.** There will be increased marketing needs with the new site as well as operational adjustments to operating in the new location. 2017 will be the first year DCM will operate on city-owned property.

The Board of Directors, now composed of seven people, is essential for the DCM operations and for guidance on policy and staff changes. The Board also brings social capital. Two board members are UNT professors that have provided their own expertise as well as provided volunteers from UNT to assist with the DCM through student class activities. The DCM members (vendors) also bring connections from Denton and within the vendor community to inform Board decisions and bring viewpoints on artisan, craft, and farm producers.

iii. Social capital trends: The DCM has a growing amount of social capital as it continues to expand its influence in Denton. The DCM received 2<sup>nd</sup> Place in 2016 for the *Denton Record-Chronicle's* Best of Denton Community Event. This position is an increase in status from the past two years when the DCM won 3<sup>rd</sup> Place. The DCM only trails behind the Arts and Jazz Festival, a well-established yearly event that is in its 36th year, compared to the market's 7<sup>th</sup> year in operation. At the same time, the DCM's reach on Facebook and social media continues to grow. The Facebook page has nearly 9,000 followers and our content reaches more people than ever before.

#### c. External Trends

#### **Regional Competition and Best Practices**

The Denton Community Market has a reputation as a unique market in the region in terms of growth, ambience, and its local Denton character. Vendors report that the "sense of community" among customers and vendors is very important in their choice to sell their products at DCM.



*Community:*

*"I love the community, the interaction with vendors and customers, and talking about my art. I also have good sales results."*

*"The market represents a win-win for the community and its vendors. I believe the market's values, beliefs, and culture will grow and become a long standing asset for all Denton residents to enjoy."*

At the same time, DCM has a growing regional disadvantage in terms of permanent facilities to attract and maintain quality vendors as well as to attract visitors from outside of Denton. Other cities recognize the importance of providing building structures and other amenities for their markets. As the Market Manager of the Dallas Farmers Market who was formerly with Coppell stated (more than 10 years of experience), it is not possible to fund a market based upon the vendor fees from start-ups and small farms. The Dallas Farmers Market offers benefits to the business community and city beyond a "return on investment" by supporting local farms and new start-ups that would not otherwise have a consistent venue for their products. The additional support of the City and developers are essential for facilities and staffing.

There are a growing number of farmers markets in the DFW Metroplex, The major listings are approximately 30, and some are being reinvented or expanded. Here are some major competitors and upcoming markets near Denton that have substantial support from their municipality.

## Selected Regional Competitors in Comparison with DCM

Market	City Support: Infrastructure	City Support: Staff	Total Vendors (as of April 2016)
Coppell Farmers Market	City-funded Pavilion, public rest rooms, splash pad.	City-funded full-time Market Manager (50K per year), Parks Maintenance crew for site, City staff for support.	45 ( 26 agricultural)
Farmers Branch Market (brand new market opening May 2016)	City-owned, tree-covered lot. Plans for city-funded building next year on city-owned property next to tree lot if successful. Significant City support for a brand new market. They have already built them a small building for the market's opening day. <a href="http://www.farmersbranchmarket.com/">http://www.farmersbranchmarket.com/</a>	Parks Department Staff Person and Park Staff for Maintenance, City Hired part-time Market Manager	12 (one agricultural)
Frisco (upcoming 2017)	Developer funded, indoor and outdoor stall areas, large redevelopment, high-end amenities for vendors <a href="http://communityimpact.com/dallas-fort-worth/development-construction/2015/10/07/city-aims-to-unite-downtown-with-new-development/">http://communityimpact.com/dallas-fort-worth/development-construction/2015/10/07/city-aims-to-unite-downtown-with-new-development/</a>	Developer funded	unknown
Dallas Farmers Market Year-round market held 3 days per week, have shade screens and heaters	Public-private partnership. City Owned Large "Shed" for farmer market/artisan Market. The Market pays rent for the shed, but the Market does not generate this rent from vendor fees—developer funded. Another building, the 26,000 SF food hall, holds restaurants and artisanal food vendors and with permanent space, refrigeration, and display areas. There are communal seating areas.	Developer funds three staff persons and additional maintenance persons for facilities. "Friends of Farmers Market" also contributes some money, such as the marketing photos on large shade screens.	46 in Shed with capacity for 105 vendors. Food shed for food vendors and restaurants (15 agricultural) (26,000 square feet, 23 vendors open)
McKinney Farmers Market	City-owned property on Saturday, private development (Adriatica) on Thursdays. The City of McKinney is a sponsor (unknown amount). <a href="http://www.chestnutsquare.org/farmers-market/vendors-farmers/">http://www.chestnutsquare.org/farmers-market/vendors-farmers/</a>		Approx. 60 (51 agricultural -- they allow resale—this is different from other markets, vendors are not all producer-only, (only 60% must be producer only products per vendor)
Denton Community Market	Future city-owned property, no buildings or bathrooms planned yet.		148 (15 agricultural on average Market Day, 17 total agricultural members)

As of April 24, 2016, the Dallas Farmer's Market had 46 vendors in the "Shed" with 15 agricultural producers. Most of these do not offer fresh produce, and one farmer includes a DCM vendor, Earthwise Produce. There is a stark contrast between Dallas, a large market with substantial facilities, and Denton, a market with no permanent facilities. The DCM offers much of the same quality and diversity of agricultural products as the Dallas market. The 2016 DCM, for instance, included 18 agricultural producers out of 80 vendors on the April 23, 2016 Market day. Yet, all food is produced within 100 miles of DCM and is sustainably-produced (organic or chemical-free).

**The DCM has more vendors than the more established farmers markets in DFW, including Dallas and Coppell, and yet has no permanent facilities. The Dallas Farmers Market has funded staff, a "Shed" facility and restrooms. The Shed is a large pavilion with heating and some means of cooling for year-round operations. Coppell has funded staff, a pavilion facility and restrooms.** Also, in contrast to Denton, the City of Farmers Branch is fully supporting the creation and development of a brand new farmers market this year. They are providing Parks Department staff, hiring a part-time vendor manager, providing a city-owned tree lot, and planning a permanent building for next year on an adjacent lot near the DART station. They have already built a small building for the opening. Farmers Branch staff visited our Market in April to ask about our best practices and outreach to new vendors.

Some of our most long-term farmers also now have booths at other regional farmers markets in Dallas and Coppell—Earthwise Produce and Cardo's Sprout Farm. Also, the farm manager of Cardo's Farm Project (different from Cardo's Sprout Farm) is now the market coordinator for Coppell Farmers Market.

**DCM talent and vendors are being exported to other markets in the region, given their facilities and funding for staff pay, placing DCM at a regional disadvantage in its home city. The DCM two market coordinators and the booth manager combined make less than one full-time staff person at the other markets. This is not a sustainable model for maintaining staffing to operate the DCM non-profit organization. In fact, there is need for at least one additional staff person to assist with setting up and management of the Market each week.**

DCM does not foresee significantly increasing vendor fees. No further increases are possible for the farmer vendors. As our farmers and other vendors report, at least 4 or 5 other regional markets are contacting them on a regular basis to leave the DCM and become vendors at their markets. This attempt at vendor "poaching" is a reflection of the highly competitive nature of the markets in DFW, and especially for attracting and maintaining farmer vendors. It may be possible to increase non-farmer vendor fees slightly, but not enough to offset ongoing staff and operational costs, and certainly not enough to pay more than nominal rent to the City.

In one analysis, about 9% of total revenue is paid in vendor fees to the DCM. If the total projected revenue of maximum 170 vendors is \$800,000, then 9% of this would be \$72,000, or \$470 each. We would have to raise the membership fee to \$150 with a \$15 day fee to obtain this. The \$72,000 would not be sufficient to pay budget deficits of new staffing needs and the loss of USDA grant funding.

### Comparison of Vendor Fees in Selected DFW Markets

Market	Farmer Fee	Non-Farmer Fee	Application Fee	Membership Fee
Coppell	\$10/day	\$10/day	0	0
Dallas	\$10-\$15/day	\$25-40/day	\$30	\$30
McKinney	\$25/day	\$10/day	\$20 returning/\$35 new	0
Frisco	Not available	Not available	Not available	Not available
<b>DCM (Denton)</b>	<b>\$5 or \$15/day</b>	<b>\$15/day</b>	<b>0</b>	<b>\$90 or \$25(farmer, option 2 package)</b>

### Best Practices at Other Markets

1. City support for permanent staff. Staff may be a combination of payroll staff or staff funded by the City.
2. City support for permanent facilities including a covered structure and restrooms.
3. Garnering community support of the non-profit organization to help sustain the market.
4. Partnerships such as community gardens (Dallas) for teaching about growing food, healthy eating, and to outreach to underserved communities (SNAP). DCM now has SNAP available.

### III. SWOT Analysis

Internal	External Forces
<p><b>Strengths</b></p> <ul style="list-style-type: none"> <li>• Visitor numbers increasing</li> <li>• Diverse vendor product mix</li> <li>• Producer only market values</li> <li>• 501c3 Status allows fundraising</li> <li>• Board of Directors provides expertise</li> <li>• Human capital of experienced staff</li> <li>• Expanding social capital of network, notoriety, and online presence</li> <li>• New website</li> <li>• Fundraising committee</li> <li>• Pet District and fundraising possibilities</li> <li>• SNAP outreach to expand reach and customer base</li> <li>• Partnerships with community organizations that provide kids' activities</li> </ul> <p>Partnership with Dentonradio.com to book live music every week</p>	<p><b>Opportunities</b></p> <ul style="list-style-type: none"> <li>• Add additional Market days on Thursday evenings or other days</li> <li>• New City-owned Location: new neighborhood, new customer base, new configuration tailored to Market needs</li> <li>• Additional opportunities to stimulate interest in the Market with new partnerships</li> <li>• Expanding creative community in Denton</li> <li>• Hi-tech incubation hub nearby on Hickory Street</li> <li>• Possibility to charge for premium parking at the new site and generate additional revenues for the DCM. This idea needs further discussion with the City.</li> </ul>
<p><b>Weaknesses</b></p> <ul style="list-style-type: none"> <li>• Need for new Vendor Coordinator in 2017 and additional staff, transition phase</li> <li>• Growth is somewhat limited by need for limits per vendor type or vendor product</li> <li>• No dedicated paid staff person for grant writing</li> <li>• No dedicated paid staff person for volunteer management</li> <li>• No indoor facility to have year-round market</li> <li>• Funding is an issue since vendor fees alone are not enough to sustain the market. This is quite common for most markets.</li> <li>• Limited ability to raise vendor fees further.</li> <li>• Parking is not sufficient, this will remain a problem in the new location</li> </ul>	<p><b>Threats</b></p> <ul style="list-style-type: none"> <li>• Reduced funding when USDA grant runs out</li> <li>• Increased staffing needs</li> <li>• Increased regional competition for vendors and customers</li> <li>• Unpredictability of weather, may affect Market days as well as farm crops (such as in 2015)</li> <li>• Unable to increase fees for vendors or else threaten viability of maintaining farmers and vendors</li> <li>• Regional competition for vendors with new upgraded facilities.</li> <li>• New location after seven years in the previous location</li> <li>• No marketing funding from the City or other sources for the move to the new site in 2017</li> </ul>

## IV. Marketing

The Denton Community Market provides services and benefits to both visitors and the vendors. These services will be the focus of marketing efforts.

### Services Provided

Visitors	Vendors
Free admission	Membership voting rights
Family-friendly	Annual vendor social
Children's activities	The TWU HUB for Women Entrepreneurship support for how to start and business
Pet District and pet-friendly activities and special events	Vendors help one another
Entertainment: Live music Eating Unique dining experience Yoga Tai Chi Face painting Caricature drawings Workshops—educational, water use, gardening, bee keeping, recycling, city planning activities	Get invitations to other events in the City
Promote the agricultural history of Denton and previous markets	Marketing for vendors from the market on social media
SNAP for low-income families to offer healthy food	The Market serves as a retail "store"
	Supportive community of vendors
	Blue Steele Marketing offers support on how to build a website and build your business online for vendors

## Profile of Target Audience

Visitors	Vendors
Appreciate locally-created products	Growth for their business
Get to meet the makers of the products	Low-cost of entry
Sustainability is a purpose and message	Denton local pride
	The “feeling” of community at vendor and customer levels
Being part of a community	Vendors enjoy interactions with customers
Denton pride	Product experimentation
Perceived community hub	
Information on healthy living: yoga, tai chi, organic, local	
A majority of Facebook followers are women in their 20s to 30s. There is opportunity to reach out to other age groups and to men.	

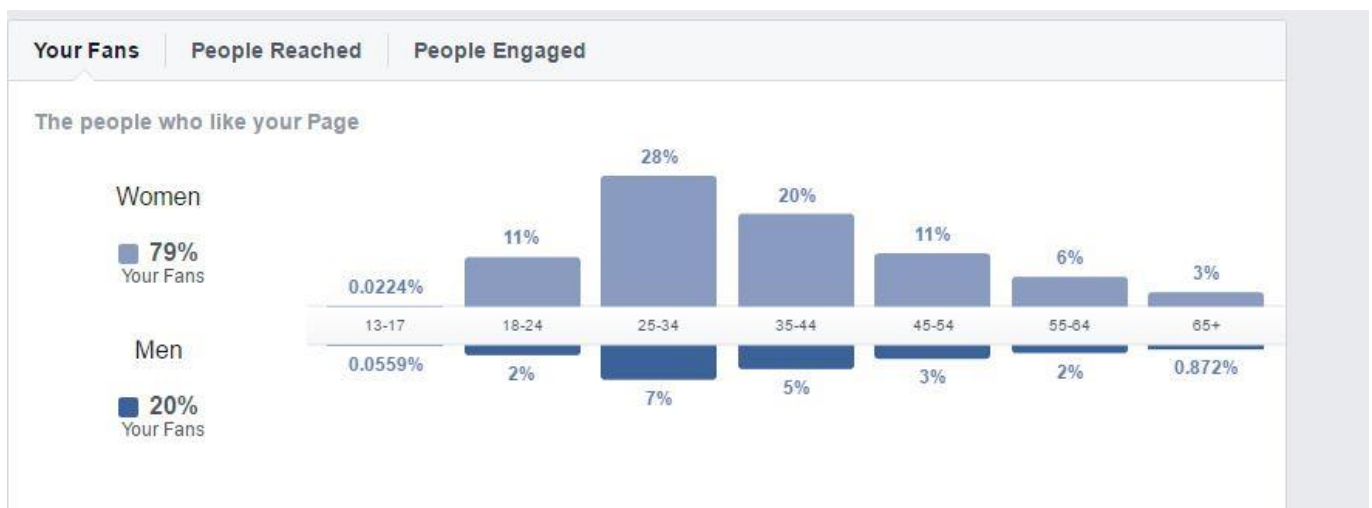


Figure 4: April 2016 Profile of Facebook Followers: A majority are women in the 25-44 age group.

## V. Management

The Denton Community Market will need financial support to continue to meet the management needs of the Market.

Weekly Tasks of DCM Staff:

A. Manage the weekly operations of the Saturday market day that includes management of vendor date confirmation, vendor fee payments and invoices, weekly vendor booth assignments, and vendor placement on the weekly DCM map

B. Manage other market days that may be added

B. Manage grants from the City of Denton or other entities

C. Organize vendor meetings and listen to their needs

D. Listen to the needs of farmers and other vendors to help them grow and run their businesses

E. Manage community partnerships to provide yoga, live music, and kids' activities each week

F. Manage volunteers to support market staff each market day

F. Organize special events to raise money and market the DCM

F. Manage sponsorship from local businesses to increase revenue

G. Manage administrative duties for operating a non-profit organization

G. Manage vendor promotion and social media content

H. Work with the City and other entities to obtain permits and legal documents needed to run the DCM

The vision of the type of individuals participating in the management of the Denton Community Market have a passion for creating a vibrant community gathering space, for working with entrepreneurs, for environmental, social, and economic sustainability, for outreaching to the Denton community, for working with people of various backgrounds, and for welcoming the Denton residents and visitors each week to the DCM.

## VI. Operations

**Physical Facility Needs:** The DCM needs a permanent site to continue market operations and provide predictability for the organization and customers. As the visitors and vendors continue to increase, there are greater needs for water, electrical, and bathroom infrastructure to accommodate thousands of people. DCM Vendors want a year-round facility to expand their businesses and provide a venue for a regular customer base. Visitors also express their disappointment that the DCM must close each year



because of a lack of shelter from the elements. The DCM is furthermore competing in a regional context, with more and more cities providing year-round facilities and improved infrastructure.

**Technical needs:**

The DCM needs website assistance and social media enhancement on a continuous basis. The DCM will need assistance in maintaining any equipment purchased, such as the trailer or computers. Wi-Fi internet is a technical need for the visitors and vendors of the DCM to enhance the visitor experience and for conducting business.

**Regulatory issues needing operational support:**

The DCM must deal with regulatory and legal issues in operating a large community event each week. Public safety, food safety, zoning and permitting, taxes, and liability and worker's compensation insurance are regulatory issues that many need legal advice, technical expertise, or policy adjustments.

## **VII. Financial**

**a. Vision of Financial Sufficiency for the Denton Community Market**

The DCM envisions an economically sustainable future with a combination of revenue sources and with expanded support by the City of Denton. Membership fees, Market day fees, fundraisers, grants, and merchandise are the sources of revenues. The DCM is currently looking for additional revenue streams, such as charging for close parking at the Community Event Center (new site), requesting support from local Denton businesses, or finding new ways to fundraise money on a regular basis. The DCM just formed a Fundraising Committee that has been meeting for 2 months to discuss and organize new fundraising events and sponsorship levels. The DCM does not have the ability to raise farmer vendor fees, and non-farmer fee raises are most likely limited.

The expanded City support is customary in the most successful and vibrant markets in DFW, as discussed in the Regional Competition section above. Currently, DCM does not generate enough income for rent, site capital improvements, or additional staff needs. The following table provides revenue, visitor estimates, and site limitations for the next three DCM seasons:

<b>Projected Revenues</b>	<b>Year 1 (2016)</b>	<b>Year 2 (2017)</b>	<b>Year 3 (2018)</b>
Vendors	148 current		
Projected per week	166 (maximum allowed at Historical Park)	140 (move transition)	160-80
Number of Members	148	140	170
Membership Fees @\$90	\$13,320	\$12,600	\$15,300
Daily Fees @ 60X \$15 per week	900 X 35=\$31,500	900 X 35=\$31,500	900 X35=\$31,500
Community groups@0\$ per week	\$500	\$500	\$500
Farmer Membership @ 20			
Farmer Day Fees @ 15 X \$5	75 X35=\$2,625	75 X35=\$2,625	75 X35=\$2,625
Total Projected Revenue from Fees	\$47,945	\$47,225	\$49,925
Total Projected Revenue from Merchandise	\$3,950	\$3,950	\$3,950
Total Projected Grants			
HOT Funds (music and marketing)	\$10,500	\$10,500	\$10,500
USDA (remainder)			
City Manager porta potty funds	\$3,500	\$3,500	\$3,500
Total Projected Fundraising	\$3,000	\$3,000	\$3,000
<b>Number of Visitors</b>	1,200-1,900 per week	2,000 per week	2,500 per week
<b>Projected Increase</b>	5%	5-20% (outreach to new neighborhood and DCTA trains)	5-20% Green space limitations
<b>Site Limitations</b>	Green Space and pavement limitations	Green space limitations	
Parking	Parking is often at capacity and visitors must walk many blocks to attend. Carroll Courts, DATCU, and on-street parking are often at capacity.	Parking will be limited, but there are municipal parking lots and on-street parking nearby.	Parking will be limited, but there are municipal parking lots and on-street parking nearby.
Vendor Spaces	Maximum <b>158 vendor spaces</b> per County permit. <b>Additional 8 spaces for Food Trucks.</b> Log Cabins and Related Construction Limit growth on green space  166 vendor spaces allowed at Historic Park	Onsite Vendor Spaces and maybe sidewalk vendor spaces with covered awning at storage building owned by Axis Realty (TBD).  160 spaces plus across the street? (10 more)	Onsite Vendor Spaces and maybe sidewalk vendor spaces with covered awning at storage building owned by Axis Realty (TBD).  160 spaces plus across the street? (10 more)

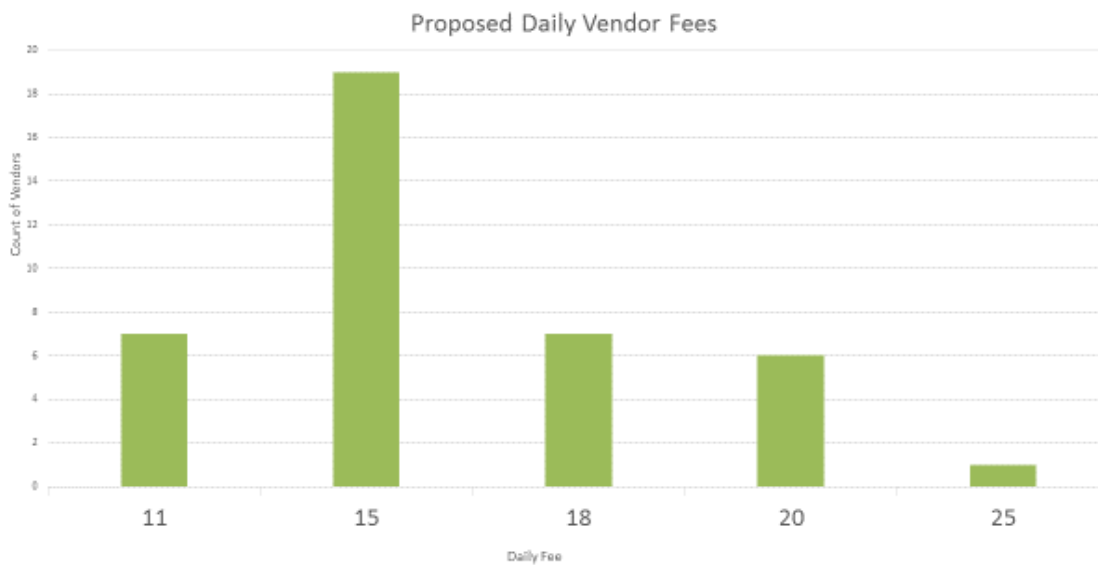
### Projected Staff (2017): Additional Staff Person from 2016

1. Market Manager \$20@ 20 hours per week (would be \$25/hr. or more to be comparable with other DFW markets)
2. Vendor Coordinator \$17 @20 hours per week
3. Booth Manager \$12@10 hours per week
4. Assistant Booth Manager (new Staff Position) \$11@10 hours per week

The DCM anticipates that an additional \$8,300 will be needed for staff payroll in 2017.

### 2015 Summary of Revenue and Expenses (not including USDA grant)

	Revenue	Expense	Net Income/Loss		Revenue	69,119.00
January	-	3,738.00	(3,738.00)	Rental Exp		1,734.00
February	3,714.00	2,825.00	889.00	Payroll		37,524.00
March	8,354.00	7,726.00	628.00	Advertising		2,709.00
April	13,771.00	6,858.00	6,913.00	Office		2,739.00
May	3,479.00	5,474.00	(1,995.00)	Prof Expense		3,576.00
June	7,261.00	5,618.00	1,643.00	Penalties/Fees		264.00
July	3,254.00	6,518.00	(3,264.00)	COGS		2,116.00
August	3,965.00	5,550.00	(1,585.00)	Supplies		3,203.00
September	4,747.00	7,632.00	(2,885.00)	Insurance		2,004.00
October	11,652.00	4,660.00	6,992.00	Performers		4,755.00
November	2,217.00	7,389.00	(5,172.00)	Board Members		450.00
December	6,705.00	4,103.00	2,602.00	Taxes		3,314.00
			1,028.00	Utilities		681.00
				Repairs/Maint.		3,026.00
					69,119.00	68,095.00



*Figure 5: 2014 Vendor Survey on Fee Changes, \$15 is the average fee that was acceptable and feasible for a majority of Vendors. Farmer fees have since then been reduced to accommodate their specific needs.*

#### b. Past Performance and Projected Performance of the Denton Community Market

A majority of visitors who attend the DCM spend money at the Market. We estimate an average expenditure of \$15 per customer. Big spenders of over \$100 are a minority.

**1. Estimated Revenue Generated by Vendors in 2015:** With an average of 1200 visitors per day, we project that 1020 people will spend money. Even if they spend an average of \$15, that is \$15,300 per day, or **\$535,500 per year for 35 Saturdays**. This figure appears to be reasonable, given that projected sales have been in the 400,000 range from past vendor surveys in 2014 with lower visitor counts.

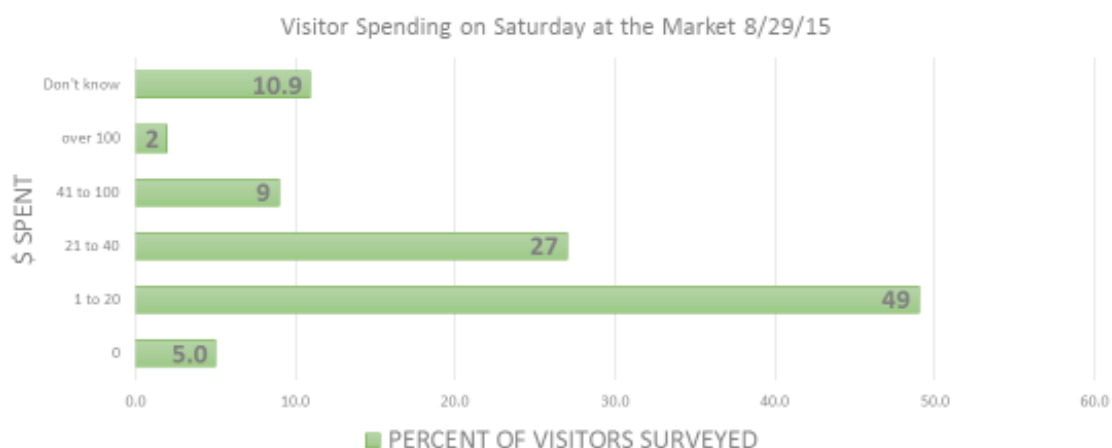
**2. Projected Revenue in 2016.** It is estimated that the revenues will increase with increased visitor counts as high as 1920 for a typical day as of April 2014. If 15% do not spend money, 1632 people would spend \$24,480 per day or **\$856,800 per year for 35 Saturdays**. Further visitors surveys will be conducted in 2016 to determine the average expenditure per customer and the percentage who spend money. SNAP benefits will also attract customers who do not currently shop at the DCM. This number may increase the farmer sales revenues.

**3. Conversions to Main Street Brick and Mortar:** If out of a projected 184 vendors, **1.3% convert to brick and mortar businesses** (average of 2 per 150 per year), the City of Denton would gain at least another 2 or 3 brick and mortar businesses from the DCM vendor base in 2016. The Juice Lab was the most recent Brick and Mortar business to successfully open this year in 2016.

4. **Conversions to Full Time Businesses:** Many businesses become full-time businesses online or with special orders. There are many examples of vendors with great success. Lion Bear Naked is a vendor, for example, that does not have a storefront, but has business online and at the DCM.

5. **Sales for Downtown Businesses on Market Days:** DCM recorded in a one-day visitor survey in 2015 that 49% of DCM visitors spend money in the downtown before or after their visit to the DCM. About 25% of DCM visitors are from outside of Denton (from several zip code surveys). If each visitor from outside of Denton who visits downtown spends an average of \$20, we estimate that at a minimum, **visitors to DCM from outside of Denton** spend \$100,000 to \$200,000 per year downtown. This number could be significantly higher if the average family dines out and then shops. Denton residents also report visiting downtown businesses before and after the DCM. There is a significant impact on downtown tourism and business. Further visitor surveys with larger samples and business surveys would be needed to generate more accurate estimations.

## DCM Visitor Spending at the Market 8/29/15



From 2010-2015, the DCM had an **average percent growth of 20%** of the total number of vendors between the current year and the previous year. This trend is leveling off since 2014. The DCM currently has 148 vendors as of April 2016, and it would be expected that the total number of vendors would surpass the 2015 total of 154. If 20% is used as the average increase, we would expect 30 more vendors this year compared with 2015, with 184 as the total. Space limitations may inhibit growth beyond 166 vendors.

## **VIII. Risk Management/Legal**

### **a. Ordinances**

The DCM must comply with all City, County, State, and Federal regulations. The new site will have specific City requirements for the operation and expansion of the DCM. The SNAP program has specific federal regulations also.

b. Copyrights: The DCM logo and website are important graphics and content to protect for merchandise distribution and the identity of the DCM.

c. Patents: none

d. Forms/agreements: The DCM must comply with HOT Funds requirements, USDA grant requirements, and any other grant or funding requirements. The DCM also has a policy to provide levels of service to donors or significant amounts of money, such as logo placement at the music venue each week.

The DCM will have a Lease Agreement with the City of Denton for operation at the new Community Event Center. The terms of this agreement are still under discussion.

### **e. Possible concerns**

As the DCM continues to grow, there may be more risk for legal issues related to public safety and operations.

## **Conclusions**

The DCM started as an all-volunteer organization in 2010 with about 15 vendors on Opening Day. In 2016, the DCM has about 150 vendors who regularly participate on a regular basis, with a total of 70-80 vendor per week. The remarkable growth and popularity of the DCM and the many business success stories deem the DCM as one of the premier events and amenities in Denton.

The DCM has significant regional competition, and requests further support from the City to have facilities that are equal and surpass those of other cities. The DCM vendor base is more diverse and larger than the largest markets in DFW. The Board of Directors envisions a successful market at the Community Events Center with eventual permanent infrastructure that will place DCM on a level playing field with other large regional markets. The DCM will continue to promote economic development, business development, the arts, local culture, sustainability, and local food.

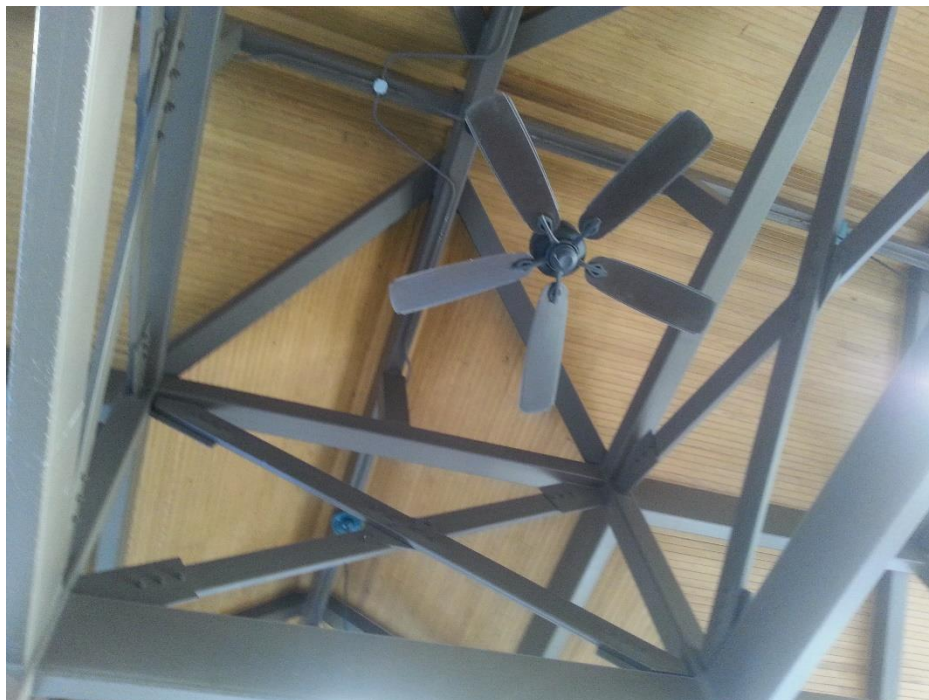
## Appendix: Photographs of DFW Regional Markets

### Coppell Farmers Market



*Figure 6: Coppell Farmers Market*











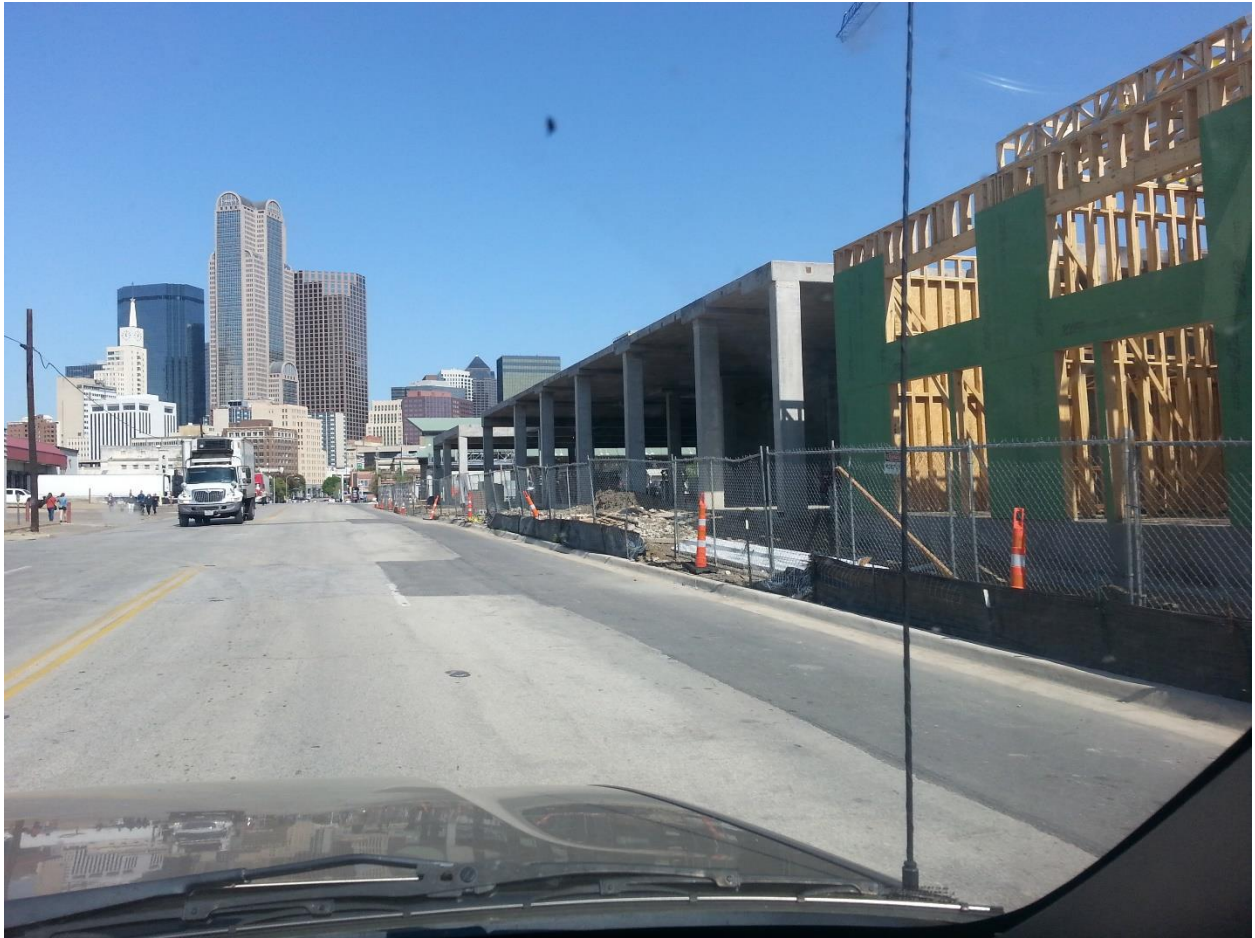
*Figure 7: Side of Coppel Pavilion with All Weather Side Panels. A new high-end residential development surrounds the new Pavilion.*



*Figure 8: Bathrooms at Coppell Farmers Market*



## Dallas Farmers Market



*Figure 9: New Construction for Development at Dallas Farmers Market*





*Figure 10: Food Shed at the Dallas Farmers Market for Food Vendors and Restaurants*











*Figure 11: The "Shed" at the Dallas Farmers Market for farmers and artisans. This is similar to the size and purpose of Denton Community Market and no larger in total capacity.*



*Figure 12: Kati and Vicki with Amanda Vanhoozier, Market Manager of Dallas Farmers Market and formerly with Coppell*





*Figure 13: Teaching Garden at the Dallas Farmers Market*









*Figure 14: Wayfinding Signage on Major Roadways in Dallas*





## Farmers Branch Market (New Market Opening in May 2016)





Figure 15: Farmers Branch Market Small Building Prepared for Opening Day.