City of Northfield

Legislation Details (With Text)

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Title:	Riverwalk Market Fair Contract Review - FY 2023 - 2025		
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Attachments:	1. 1 - RMF services contract 2023 -2025		

Date	Ver.	Action By	Action	Result
11/28/2022	1	Economic Development Authority	approve	Pass

DATE: November 28, 2022

TO: Members of the Economic Development Authority

FROM: Nate Carlson, Economic Development Coordinator

Riverwalk Market Fair Contract Review - FY 2023 - 2025

SUMMARY AND ACTION REQUESTED:

The EDA Board shall review and make a motion regarding the proposed contract with Riverwalk Market Fair.

BACKGROUND:

The current contract with Riverwalk Market Fair (RMF) expires on December 31, 2022. The Riverwalk Market Fair presented to the EDA Board on April 28, 2022 requesting an amendment to the current contract. The Board approved the funding request by amending the contract fee levels to $15,000 base and $5,000 matching.

At this time, economic development staff and RMF leadership have negotiated new terms for a three-year contract for services starting in 2023. Staff will present the general framework of the contract during the meeting.

RMF leadership will be in attendance to answer questions regarding the structure of the new contract.

ANALYSIS:

The EDA currently has a contract fee of $15,000 in base fee with the addition of $5,000 in matching fees should the Market Fair grow revenues from the prior year. The EDA 2023 budget assumes a total contract fee of $20,000.

The Riverwalk Market Fair has requested for 2023 fees that the EDA maintain the existing base fee and matching fee structure for a total of $20,000. For the two subsequent years of the contract (i.e. 2024 and 2025)

the RMF Board has suggested increasing the base fee by $5,000 each year. This would total $25,000 for FY 2024 and $30,000 for FY 2025.

RMF and City staff have also suggested that the match structure be based on matching additional sources of revenue other than increased vendor fees. RMF has demonstrated that the market can garner other sources (i.e. grants, sponsorships, etc.) so that a one-to-one match from the EDA would be sustainable. In its current form, the matching structure relies on increased vendor fees over the prior year. This structure is unsustainable as vendor fees cannot grow increasingly year over year. The market is capping out on space that makes increased vendor fees unachievable.

As the market grows into winter markets, the proposed contact offers RMF an opportunity to grow more sustainably. Staff has prepared a chart that demonstrates the financial impact of the future increased costs of the contract.

2023 Projects	Budgeted Funds	Totals	Line Item
MCCD Contract	$20,000		292 - Partnership
RWMF Contract	$20,000		292 - Partnership
	$40,000	**$40,000**	**292 - Partnership**
Riverfront Program	$50,000		290 - Other Projects
Property Acquisition Exploration	$25,000		290 - Other Projects
BR & E Program (U of M extension)	$15,000		290 - Other Projects
	$95,000	**$95,000**	**290 - Other Projects**
2024 Projects	Budgeted Funds	Totals	Line Item
MCCD Contract	$20,000		292 - Partnership
RWMF Contract	$25,000		292 - Partnership
	$45,000	**$45,000**	**292 - Partnership**
Riverfront Program	$50,000		290 - Other Projects
TBD			290 - Other Projects
	$TBD	**$TBD**	**290 - Other Projects**
2025 Projects	Budgeted Funds	Totals	Line Item
MCCD Contract	$TBD		292 - Partnership
RWMF Contract	$30,000		292 - Partnership
	$30,000	**$30,000**	**292 - Partnership**

Façade/Riverfront Program	$TBD		290 - Other Projects
	$TBD	**$TBD**	**290 - Other Projects**

OPTIONS:

The EDA Board has the option to direct staff to change the contract, if necessary.