

LACE:
Local Agricultural Community Exchange
Evaluation Report, FY I-III



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INTRODUCTION

The Center for Rural Studies (CRS) at the University of Vermont (UVM) was the third-party evaluator of the *Local Agriculture Community Exchange (LACE) project: A community revitalization project*, as a subcontractor of Central Vermont Community Action Council (CVCAC) for the three year grant period. The evaluation report presents the cumulative findings of data collected over the course of the grant, from October 1, 2007 to September 31, 2010. For more information about this study or to request additional copies of this report, please contact Michele Cranwell Schmidt, Evaluation Coordinator, at (802) 656-0256 or mschmidt@uvm.edu.

Grant Goals and Objectives

The primary objective of this partnership was to create 68 new jobs for low-income individuals through business development and expansion. Subordinate objectives include:

- To partner with the Local Agricultural Community Exchange (LACE)—a private sector supported community revitalization project—in reinvigorating economic activity in a distressed central Vermont community, Barre City.
- To renovate retail space within the LACE facility (a farm fresh market and community café) to accommodate vendor spaces that would showcase value-added agricultural products, crafts, and other products created for sale by micro business enterprises.
- To renovate commercial kitchen space within the LACE facility to accommodate small scale commercial food processing production runs for food producer-businesses.
- To provide training and technical assistance to vendors and newly formed microenterprises in sales techniques, marketing, pricing, production, business operations, business plan development, and more.
- To offer technical assistance “on the road” through business consultants who would work with farmers and other producers on-site during growing and harvesting seasons when they cannot afford to leave their place of operation.
- To facilitate the creation of networks of the farmers, producers, vendors, and other business owners connected with LACE through which they could more efficiently purchase needed supplies, market their products, and produce goods.

Evaluation Framework

The evaluation of the LACE project focused on both process and outcome strategies; evaluating the effectiveness and efficiency of the program's development and interventions, such as improvements to the LACE space and the presence of CVCAC staff on-site at the LACE location to provide services for entrepreneurs. The evaluation also examines strategies to recruit and retain vendors, the quality of technical assistance provided, and client outcomes such as increased sales, earned income, and job creation. These outcomes were anticipated to result from connecting local producers and entrepreneurs to a viable market. The outcome evaluation provides an assessment of project results as measured by collected data that define the net effects of the interventions applied in the project. The outcome evaluation produces and interprets findings related to whether the interventions produced desirable changes and their potential for being replicated, answering the question of whether or not the program worked. The process evaluation component is an ongoing examination of the implementation of the LACE investment and project, including collaboration among project partners. The results of the process component were provided as a management tool to facilitate continuous project improvement. In documenting project development, the process evaluation also served to help staff identify challenges or barriers, strategies to resolve them, and provided recommendations for future implementation. The process and outcome evaluations utilize both qualitative and quantitative methods, such as telephone and intercept surveys, focus groups, in-depth interviews, and review of database information.

Community Economic Development and Revitalization Projects

Revitalization and economic development projects have occurred in urban and rural downtown and city center communities throughout the United States over the past 50 years (Duany, Plater-Zyberk & Speck, 2000; Faulk, 2006; Mitchell, 2001). Many renewal projects have been largely financed by federal grants and generally encompassed large scale development projects such as traffic thoroughfares, building construction, and the designation of federal empowerment zones and business improvement districts (McGovern, 1999; Mitchell, 2001; Norquist, 1998). Gratz and Mintz (1998) state that more recent implementation of these projects is financed by local businesses and residents and initiated by public-private partnerships seeking innovative ways “to reinvigorate and build on existing community assets in order to stimulate a place-based rejuvenation” (p. 61).

Revitalization projects vary and may include construction and development, enhancement and improvement, and preservation depending on the overall goals, reasons for the downtown decline, size of the city, and constituents involved (Francaviglia, 1996). Commonly cited phenomena that contribute to the socio-economic decline of downtown communities are urban sprawl, decentralized employment to surrounding areas, decline or loss of traditional downtown business districts, and poorly maintained buildings, infrastructure and public services (Duany, Plater-Zyberk & Speck, 2000; Faulk, 2006; Ipsen, Seekins, Arnold & Krayne, 2006; Mitchell, 2001). Multiple stakeholders including business owners, municipal government, nonprofit organizations, and private citizens often collaborate on these efforts to invigorate local economies, maintain historic and cultural attributes associated with downtown areas, and encourage more pedestrian traffic by making downtown areas more attractive and friendly to visitors, workers, and residents.

Economic Development and Revitalization Strategies of LACE

LACE, a non-profit organization located in Barre, Vermont, is a community revitalization initiative with a multi-faceted approach centralized around the renovation of a previously vacant storefront located in an economically distressed downtown community. This innovative and comprehensive project is carried out by the public-private partnership of LACE, which includes the artisan Gallery and commercially licensed shared-use community kitchen facility, Central Vermont Community Action Council (CVCAC), a nonprofit community action agency that provides poverty alleviation programs and services in central Vermont, and a private business enterprise, the Farm Fresh Market and Café.

Beginning in the 1980s, Barre area local business owners and community leaders initiated several efforts to revitalize Barre's downtown and surrounding communities in response to corporate disinvestment and business closures in the area coupled with growing competition from commercial shopping centers in adjacent communities (Seidman, 2005). Barre was once a commercial center for central Vermont because of its rich industrial past in the granite industry; however Barre is now an economically distressed community with vacant storefronts, declining demand for agricultural and granite products, and high poverty and unemployment rates.

With an estimated population of approximately 8,900, 13.8% of Barre residents have an income that places them below the federal poverty level, compared to 10.1% statewide, with 71% of poor families in Barre headed by single females (U.S. Census Bureau, 2007). Additionally, 17.5% of Barre's children and 15% of seniors who are 65 years old or older are living below the poverty level. The area also has a high concentration of disabled persons affected by poverty, as 45.2% of poor males and 31.7% of poor females are living with a disability. Factors contributing to poverty in Barre include a low median household income of \$35,985 (U.S. Census Bureau, 2007) and a 2010 unemployment rate of 9.4% because of business closures, which is higher compared to the statewide rate of 5.8% (VT Dept of Labor, 2010).

Building upon the efforts put forth by the business community and local government over the past thirty years, LACE's public-private partnership is working as a catalyst to foster community revitalization by: 1) connecting local producers to consumers at a central storefront location; 2) supporting the business needs of local producers; 3) creating opportunities for individual growth, empowerment, and income generation, 4) increasing community cohesion; and 5) supporting the area's local economy. LACE's community revitalization model draws from economic development theories discussed by Blakely and Bradshaw (2002) including: human resource development, microenterprise development and business incubation (see also Clark & Kays, 1995, 1999; Lindenfeld, 1998, Edgcomb & Klein, 2005; Edgcomb, Klein & Clark, 1996), tourism promotion (Mitchell, 2003), shopsteading, vendor cooperatives, and reuse of local materials including discarded furniture, lighting fixtures and building materials. LACE exemplifies the "homegrown economy" theory (McKibben, 2007; Mitchell, 2003; Shuman, 2000) and subscribes to the more recent "sustainable food retail" movement that is occurring nationwide in impoverished and underserved communities with declining family farms and agricultural based economies (Laurison & Young, 2009; Unger & Wooten, 2006).

Supporting entrepreneurs

Vendors who sell products at the Market and Gallery and utilize the community kitchen are small and micro businesses (with five or fewer employees) or sole proprietorships that employ only the business owner. Living in rural Vermont, these business owners face the common threat of closure and income loss during their start-up because they lack adequate access to markets and customer foot-traffic as well as sufficient capital to purchase or rent space that would provide this access. Food based businesses also lack access to adequate kitchen space to prepare food in a way that meets Vermont regulations. The private-public partnership of LACE helps to address these challenges by providing vendors with affordable, newly renovated retail space and a commercial grade kitchen to develop, refine, test-market, and sell their products in an established storefront that is located in a high traffic area in the downtown community. Utilizing the “vendor cooperative” approach (Blakely & Bradshaw, 2002), the Gallery and kitchen operate in a cooperative style with vendors paying a “membership” rental fee to support the management and upkeep of the shared space.

The Farm Fresh Market purchases farm products and produce wholesale at a fair market value to the farmer that still allows for products to be affordably priced for working class consumers. Food-based businesses also sell prepared and packaged foods at LACE’s Market and Café. These entrepreneurs, including food processors, caterers and farmers, often use the commercially licensed kitchen and cold storage facility to test and refine recipes, process raw ingredients into value-added products, store large quantities of food, and eventually increase production for distribution and sale beyond the Market and Café.

The private-public partnership also helps offer vendors critical micro business development and support services through CVCAC’s Micro Business Development Program (MBDP) (Clark & Kays, 1995, 1999; Lindenfeld, 1998, Edgcomb & Klein, 2005; Edgcomb, Klein & Clark, 1996). MBDP has on-site business counselors working out of the Gallery and kitchen space, who have expertise that match the needs of artisan and food-based vendors. MBDP also has off-site business counselors and a vast network of resource and referral services to provide vendors with more extensive assistance. Vendors are assisted in technical areas such as product development, display, recipe refinement, food safety, packaging, and pricing. MBDP also supports vendors to write a business plan, improve financial management skills, and gain access to capital by applying for a business loan or grant seed money. Vendors garner support systems and social capital through networks of local business owners with similar characteristics and shared needs that are formed as the result of participating in a shared-use and cooperatively rented space (Cranwell & Kolodinsky, 2003a, 2003b; Schmidt & Kolodinsky, 2006; Schmidt, Kolodinsky, Flint & Whitney, 2006).

Supporting the community

LACE has supported community members through enhanced food security, social outlets, educational programs and employment and job skills training (Laurison & Young, 2009; Unger & Wooten, 2006). Until LACE was established, many of central Vermont’s poor, seniors, and disabled persons, who are concentrated in this community, had limited access to local, fresh, and nutritious foods. Many residents lack transportation and downtown Barre previously did not have a grocery store within walking distance. The Farm Fresh Market and Café provide a conveniently located grocery store in the heart of Barre City’s downtown area to help improve

community members' access to fresh and local foods (Blakely & Bradshaw, 2002). Residents also have benefitted from the commercial kitchen where staff have hosted workshops, demonstrations, and educational programs on topics such as preparing healthy meals with seasonal, fresh, and local ingredients.

Additionally, the storefront location has included a multi-purpose community space with seating space for work, dining, or socializing and a children's play area. This space has provided residents of all ages with opportunities to commune and connect with one another over lunch, community dinners, and events in a family friendly environment. LACE also has utilized this space to host free workshops, discussion groups, lectures, and youth programs, such as the School of Rock music education series, where young people have developed music skills with borrowed instruments from a local musician.

In efforts to counter Barre's high unemployment rate, LACE has fostered individual empowerment and human resource development by providing employment and work training and skills development opportunities to area residents (Blakely & Bradshaw, 2002). LACE, the Farm Fresh Market and Café, and the Gallery have employed between two and five employees at a given time and has also been a job placement site for Vermont's Reach Up program, the state's federal welfare program that helps economically disadvantaged individuals transition to the workplace through time limited cash assistance and job skills training. This project has also been a job placement site for the Return House, a transitional living program targeted specifically towards young male offenders returning from prison to Barre City. Because LACE has employed area residents, who work, eat, and shop at the Market, the venue has begun to break through the community's initial negative perception of LACE as an expensive store with high end and organic products.

Supporting local economic development

Connecting local consumers with producers and providing the area with employment and job training opportunities, LACE is a grassroots based community economic development effort that enhances the multiplier effect of dollars exchanged locally (Shuman, 2000). LACE has provided an affordable outlet for entrepreneurs to sell their products, many of whom in turn use local resources to carry out business operations, such as purchasing raw materials, transporting products, sub-contracting with other businesses for such purposes as bookkeeping, construction, equipment repair and cleaning/maintenance services, and providing jobs for community members. LACE also has supported conservation of farms and the working landscape, important facets of Vermont's tourism industry, by helping farmers to stay in business through the exchange of raw and value-added products. Employment at LACE also has provided income to area residents and job skills that they can use to work elsewhere, which ultimately increases the community's purchasing power to further support local initiatives.

EVALUATION RESEARCH QUESTIONS

CRS evaluation strategies were designed to answer the following research questions in efforts to evaluate the effectiveness of the LACE project in meeting grant goals and objectives.

Project Development and Implementation

- What services and resources were used to effectively develop LACE to its full potential? What were the lessons learned in the process to develop LACE, including storefront opening, Farm Fresh Market and Café, the Gallery, and shared kitchen space?
- How did project staff and partners identify and recruit vendors to sell product in the space? What strategies did staff use to coordinate and manage working with vendors, such as inventory control and pricing?
- What were the roles and responsibilities of key staff, including counselors from CVCAC's Micro Business Development Program (MBDP), the vendor liaisons, and the LACE executive director? How did these roles change over the course of the grant?
- What were the strengths and challenges faced in this grant, specifically with the construction and development of the LACE space and with the partnership between CVCAC and LACE organizations?
- How will this project be sustainable beyond the funds of the grant?

Vendor Outcomes

- What types of services did vendors use and to what extent? How was on-site CVCAC staff utilized and what impact did their services have on vendors' businesses?
- How many vendors started or expanded businesses, including full and part time work, because of services used and access to a downtown, centralized market?
- How many jobs were created through the development of the LACE building and infrastructure? Did vendors' businesses create jobs for others, specifically other low-income individuals? If so, what were the average wage rates and did the businesses provide medical and health benefits?
- What were vendors' sources of income? Did the vendors experience any changes in income and/or income sources? Did the vendors' reliance on public assistance change?
- What were the annual gross revenues and, to the extent possible of measuring, annual expenditures of vendors' businesses?
- What were vendors' gains in human, social, and financial capital? How were these gains, if any, impacted by CVCAC services and/or the use of shared space?
- What kind of support did project Partners provide towards vendors' businesses?

Community Outcomes

- What impact did the implementation of the LACE project and market have on the downtown Barre City area, including revitalizing the downtown area through a multiplier effect, connecting local producers to a viable market, and improving the access and security disadvantaged citizens have to fresh and nutritious food?
- What was the customer perception of LACE, satisfaction with products and prices, and the extent LACE met stated goals and the needs of downtown Barre citizens?

METHODOLOGY

This evaluation utilized a mixed methods approach to capture data on project implementation and outcomes, based on the research models of Weiss (1998), Patton (2002), and related research (Cranwell & Kolodinsky, 2003a, 2003b; Schmidt & Kolodinsky, 2006; Schmidt, Kolodinsky, Flint & Whitney, 2006; Clark & Kays, 1995, 1999; Klein, Alisultanov & Blair, 2003). Specific areas examined include the LACE project implementation, the dynamics of partner relationships, impact on vendors and customers, and ways LACE contributed to supporting larger community revitalization and economic development efforts in Barre. Mixed methods were employed to collect data including focus groups with project partners, interviews with key staff, an in-store customer intercept survey, a telephone survey and focus groups with Gallery vendors, and community data collected from a statewide public opinion poll.

Vendor Intake Data

Intake data was collected from Gallery and Kitchen vendors to generate baseline data including annual income earned and sources of income, receipt of public assistance including TANF (Vermont's Reach Up), Food Stamps, and housing assistance, and personal demographics including gender, age, race, ethnicity, and disability status.

Surveys, Interviews and Focus Groups with Vendors

Vendors from the Gallery and LACE Community Kitchen were invited to participate in the evaluation through telephone surveys, in person interviews, and focus groups.

Telephone survey

Telephone surveys were conducted with Gallery vendors by trained interviewers from July to September 2009 and October to November 2010. Contact information for active and non-active vendors (n=71) was provided to the researchers with vendor permission. Vendors were informed of the survey by in person and mail communications from the Gallery manager and business counselor. Verbal consent to participate was obtained either by the business counselor or the interviewer at the time of the call. Interviewers utilized Computer-Aided Telephone Interviewing (CATI) Ci3 software to conduct the 10 to 20 minute survey. Calls were made during daytime and evening hours from 10:00am to 9:00pm and up to 20 attempts, including scheduled call backs, were made to reach vendors. The survey instrument was developed in collaboration with the project staff using the models of similar research (Clark and Kays, 1995, 1999; Cranwell and Kolodinsky, 2003a, 2003b; Klein, et al., 2003) where self-reported vendor outcomes are collected at least four months post selling products in the Gallery. A total of 47 vendors completed the survey for a response rate of 66%. A telephone survey was conducted with food-based vendors that use the LACE community kitchen in October and November 2010. Contact information for nine vendors was provided and three participated in the survey. The remaining vendors were not able to be reached despite numerous attempts to contact them over varying days and times. Interviewers left two messages for kitchen vendors, providing them with information about the survey and a number to call to schedule an interview time.

In-Depth Interviews

Four food entrepreneurs and one farmer entrepreneur that use the LACE Community Kitchen participated in in-person interviews at LACE in April 2010. Interviews took between 30 and 40 minutes to complete.

Focus Groups

Additionally, eight Gallery vendors participated in focus groups held in April and August 2009 and May 2010 to capture in-depth information on outcomes realized because of the Gallery and feedback to improve business counseling services received. The final session with Gallery vendors focused on sustainability of the Gallery after the grant funding period.

Gallery Sustainability Survey

Vendors of the Gallery at LACE were surveyed in mid July 2010 by Gallery staff to gather their opinions on strategies for keeping the Gallery open. Thirty-seven vendors were invited to complete the survey. Thirty respondents or 81% completed the survey through telephone interviews, in person interviews, and paper surveys. Three vendors (8%) refused to complete the survey and four (11%) did not have a working phone number.

Interviews and Focus Groups with Staff

Focus groups with CVCAC and LACE staff (n=8) and individual/small group staff interviews (n=1 to 3) distinguished by staff roles were conducted annually or every six months, in person or by telephone for one to two hours per session (Glesne, 1999; Patton, 2002). Periodic electronic mail communication between staff and the researcher was also incorporated into this evaluation. These methods provided rich qualitative data that informed how the project was carried out, challenges encountered and overcome, lessons learned, and partner relationships.

In-Store Intercept Survey with Customers

An intercept survey of Market, Café and Gallery customers was conducted in the store for five days over a one week period in August 2008 and again in September 2009. The survey was not completed in 2010 due to the closing of the Market and Café and limited hours of Gallery operations. In 2008, the survey was conducted for five days (Tuesday through Thursday, Saturday and Sunday). In 2009, the survey occurred over six days (Thursday through Tuesday) (see Table 1). In the second year, a few questions were slightly altered, deleted, or added purposefully to gather a variety of data on customer opinions. Research staff surveyed for three-hour time frames that varied during business hours, 10:00 a.m. to 7:00 p.m., to maximize respondent variation. Fliers and signs were also displayed to inform customers about the survey.

Table 1 Day, date and time frames of in-store customer survey

2008	2009
Tues 8/26/08 12-3pm	Thurs 9/24 12-3pm
Wed 8/27/08 3-6pm	Fri 9/25 5-8pm
Thurs 8/28/08 4-7pm	Sat 9/26 10-1pm
Sat 8/30/08 12-3pm	Sun 9/27 10-1pm
Sun 8/31/08 10-1pm	Mon 9/29 10-2pm
	Tues 9/29 12-3pm

Research staff approached customers individually at an opportune moment, such as when they were waiting in line to pay for their groceries or for food from the Café, or sitting in the eat-in area. Following an introductory script, surveyors introduced themselves and described the purpose and the sponsor of the survey. Interested customers were provided with a clip board, survey and pen to complete the survey on their own. Customers who were unsure of participation were informed where the survey team was located and that they could choose to participate at another time. Surveyors made a point to not approach people who appeared busy, were conversing, or in a hurry. Surveys took customers 10 minutes to complete. Participants placed completed surveys in a closed box to ensure anonymity. Participants were offered a voucher for a cookie or cup of coffee from the Café and to enter their name into a raffle for a gift basket of store items. In 2008, 175 people were approached and 125 completed (response rate of 71%). Almost a quarter (22%, 27) lived in Barre, of whom 39% (9) were low-income. In 2009, 153 people were approached and 132 surveys were completed (85% response rate). Consistent with 2008, 24% (31) of respondents in 2009 were Barre residents of whom 26% were of low-income based on their income range and household size.

Statewide Opinion Poll

The Vermonter Poll is a statistically representative, statewide annual public opinion survey of Vermont residents who are 18 years of age and older, conducted by CRS to gauge Vermonters' opinions on current issues. Responses were limited to randomly selected Vermont households with a listed telephone number and do not include cell phones¹. Questions on Vermonters' awareness of and shopping patterns at LACE were asked on the 2009 Vermonter Poll. The Poll was conducted between 4:00 p.m. and 9:00 p.m. over a ten day period in February 2009. The survey was conducted from the University of Vermont using computer-aided telephone interviewing (CATI). A total of 615 respondents completed the survey producing a margin of error of plus or minus four percent and a confidence interval of 95 percent.

Data on Gallery Sales and Rent and Community Kitchen Rent

Monthly data on Gallery product sales and rent paid by vendors were collected by Kym Maynard, the Gallery Vendor Liaison. Data on rent paid by food and farmer vendors to use the kitchen space was collected by Jeff Dutton, Kitchen Vendor Liaison, and Ariel Zevon, LACE Executive Director. These data were provided to the evaluator annually.

Data Analysis

Quantitative data were analyzed using Statistical Package for the Social Sciences (SPSS/PASW) 18.0. A thematic analysis of qualitative data was conducted using common techniques associated with this research (Glesne, 1999; Patton, 2002). Key concepts were coded based on the existing framework of research questions and common and divergent themes that emerged from review of notes. Validity was verified through investigator triangulation and multiple independent reviews of data and analyses as well as informant feedback on preliminary findings.

¹ According to the most recent estimates, 5.1 percent of Vermont households have at least one wireless cellular phone, but no landline telephone. As a state, Vermont has the lowest level of "wireless-only" households in the country. Blumberg et al. (2009). Wireless Substitution: State-level Estimates from the National Health Interview Survey, January – December 2007. National Health Statistics Report, 14.

FINDINGS

SECTION. I PROJECT IMPLEMENTATION

Focus groups and interviews were conducted annually with staff from LACE and CVCAC to document the project's implementation. Discussions concentrated on: project management and LACE infrastructure development; working with and providing support for Gallery and Market vendors; community impact; and collaboration. The information collected provided qualitative data on project process, best practices, and lessons learned for the future of the project.

I.1 Development of LACE Infrastructure and Staff Roles

Subordinate objectives met:

- To renovate retail space within the LACE facility (a farm fresh market and community café) to accommodate vendor spaces that would showcase value-added agricultural products, crafts and other products created for sale by newly formed micro business enterprises.
- To renovate commercial kitchen space within the LACE facility to accommodate small scale commercial processing production runs for home-based producer-businesses.

Research question addressed:

- What services and resources were used to effectively develop LACE to its full potential? What were the lessons learned in the process to develop LACE, including storefront opening, Farm Fresh Market and Café, the Gallery, and shared kitchen space?
- What strategies did staff use to coordinate and manage working with vendors, such as inventory control and pricing?
- What were the roles and responsibilities of key staff, including counselors from CVCAC's Micro Business Development Program (MBDP), the vendor liaisons, and the LACE executive director? How do these roles change over the course of the grant?
- What were the strengths and challenges faced in this grant, specifically with the construction and development of the LACE space and with the partnership between CVCAC and LACE organizations?

LACE grant activities, highlighted as follows, have met these grant goals. Physical renovations and improvements to daily business operations were realized within the Market, Café, Gallery, and kitchen operations by combining the business expertise of CVCAC's MBDP and the expertise, social capital, passion, and commitment of LACE staff. Infrastructure changes and renovation to the facility provided a crucial foundation for additional project activities that served other grant objectives, such as addressing barriers faced by newly formed microenterprise businesses. Such barriers include: 1) a lack of low-cost processing facilities to safely and efficiently process local foods and develop and refine recipes for value-added products for retail sale; and 2) a lack of affordable storefront retail space in high traffic areas for low-income microentrepreneurs to showcase and sell their products.

Renovations to LACE Infrastructure

The original concept of LACE was the result of Barre resident Ariel Zevon's research, planning, and actions taken in response to her desire for local alternatives to feed her family healthy and nutritious foods. Zevon's initial vision was to create an accessible, community-centered place filled with affordable local foods and an array of products to meet a family's daily consumption needs. To meet these needs, even with Vermont's short growing season, Ariel wanted a facility where farmers could package and process foods on-site with a commercial kitchen facility and provide ample cold storage and freezer space. This commercial kitchen space, in combination with a community dining space, would also support educational opportunities for families on how to make delicious and nutritious meals year-round from locally grown foods. The presence of the Market and Café allowed for local shoppers to learn about LACE and begin incorporating its products and offerings into their every day routines, prior to the subsequent infrastructure changes including the construction of the Gallery, completed in March 2008, and the commercial kitchen, completed in March 2009.

An initial challenge to building renovations was the physical condition of the building at the project onset. When LACE first occupied the current space on Main Street in Barre, staff were not aware of the energy efficiency issues of the building, such as being cold during the winter because of a dysfunctional heating system, lack of insulation, and holes in the ceiling. To address this issue, staff had an "energy walk through" completed and a "full energy audit" was conducted in July 2008 to understand what building changes needed to be made to improve the energy efficiency of the building, which would help LACE save money on heating and cooling costs and be more environmentally responsible. In 2009 LACE added and improved the store's signage located on the front of the building, hanging over the sidewalk, and in the window space. A Gallery vendor lent his talent to constructing some of this signage to help the marketing and outreach of LACE.

The Farm Fresh Market and Café

The Farm Fresh Market and Café were originally conceived to be critical components of LACE, providing a market outlet for farm fresh and value-added products, job training opportunities, and educational activities. However, LACE's tax exempt status did not include the Market and Café, thus they were opened as for-profit businesses to work in partnership with LACE. The Market and Café were managed and operated by Ariel, LACE's founder and Executive Director, in addition to kitchen support staff. Ariel's job encompassed tasks such as ordering products from vendors and suppliers, preparing food for the Café, and managing day to day operation including supervising employees and Reach-Up volunteers. She also developed plans for several community education initiatives with local schools and nonprofit organizations such as Food Works. Further, she planned to add programming and support for farmer vendors who use the LACE Community Kitchen (LCK) to process value-added foods for winter markets. LACE Board members interviewed, including [former member] Sarah Adelman and Ela Chapin, played an integral support role for Ariel by lending skills and expertise in directing the nonprofit initiative. Ela stated that she has been "hands on since mid-2007" as a volunteer at LACE and has taken on projects such as budgeting, board management, grant writing, and hiring of staff. An additional asset is Ela's social capital to support LACE's mission as she is "well-connected to farms, the state government, and programs that serve farmers."

In part because of Ela and Sarah's grant writing efforts, in 2009, LACE was awarded additional grant funding (discussed later in this report), which provided a salary for Ariel as the Executive Director of LACE, a Business Manager position, and other support staff and consultants. With these changes, the Board members hoped that Ariel would be alleviated of daily business operation tasks (like cooking in the kitchen for the Café) and could focus on her Director role including overseeing operations, grant reporting, and developing education and outreach programs that focus on LACE's mission.

Barriers and challenges

Limited cash flow and staffing Main challenges faced by the Market and Café throughout the grant period were limited funds to support staff positions and the frequent turnover of staff, especially two longer term staff that left in the fall of 2009. Staff turnover increased the workload for Ariel and remaining Café staff. Vacant positions, including a full time cook, part time prep cook, and part time market, produce and counter assistant, were filled in September 2009. Ariel noted that another ongoing challenge she faced, as owner of the private enterprise and director of the nonprofit, was managing different legal and financial requirements of the private-public partnership and how they coexist and support one another within federal and state guidelines.

Closure of the Market and Café Due to financial challenges and limited staffing, the Farm Fresh Market and Café closed in the summer of 2010. Ariel acknowledged that she was "spread too thin" in managing both the Market and Café and being the full-time executive director for LACE. Staffing shortages within the Market and Café placed more demand on Ariel's time to manage the co-existing businesses, which ultimately took away from her ability to focus on her role within LACE.

The Gallery

With an established Market and Café at LACE, the Gallery space was constructed during the winter of 2007-08 and its grand opening was held in March 2008. Kym Maynard, onsite MBDP Business Counselor and artisan vendor liaison, noted that most materials that went into the Gallery's construction, such as display cases and wood for shelving are recycled and refurbished fixtures that were donated from within the community.

Before the Gallery was finalized, artist and craft vendors placed products for sale in the Market space. Once Gallery renovations were completed, these products were transferred to the Gallery space and vendors worked directly with Kym Maynard. Kym worked on site at LACE to provide business assistance to artist and crafters who sold products in the Gallery, managed Gallery policies and procedures, and supervised staff that oversees day to day operations. Initially, Kym's position included working with contractors who remodeled the Gallery space and addressing security issues that led to theft of Gallery items, such as the store's back entrance and limited round the clock staffing to monitor the Gallery during evening hours. Both of these issues were resolved

"The Gallery gives vendors a cohesive place to showcase their work, get their business off the ground, and sell their product."

through Kym's ingenuity. Once the Gallery was in full operation, Kym turned her focus to managing contracts with vendors, inventory control, product layout and aesthetic design of the space, and supervising and training Gallery volunteers/staff. With the closing of the Farm Fresh Market and Café in July 2010, the Gallery moved its location to the front of the storefront space in efforts to fill the front space and encourage customers to continue visiting LACE while use of the space was redefined. Kym noted that while the front space had more window exposure, the Gallery lost rental space for higher end items, such as shelves and locked cabinets that were built into the back space. Pictures and paintings were also not easily displayed on the front cement walls.

Successful Gallery operations

Improved inventory tracking and control One of Kym's accomplishments in early 2008 was to overhaul inventory management, pricing and marketing of Gallery products. Kym and other MBDP business counselors established policies and procedures for management of inventory and sales transactions of Gallery items. Vendors were "members" of the Gallery at LACE and paid a rental fee to place their products in a booth. Kym noted that payment of rent was affordable and flexible as vendors had until the 15th of the month to pay their rent. If they did not pay their rent by that time, they would get a reminder phone call. Many vendors with less cash flow, such as senior citizens who live off a fixed income, were waived the rental fee for their first six months to test out their product in the Gallery. Some vendors also worked in the Gallery in lieu of paying rent, which allowed for more staff coverage, especially in the evening, and met the needs of lower income vendors. This nominal rental fee provided a consistent revenue stream for the nonprofit of LACE, in addition to the 15% commission on Gallery product sales. In addition to vendor rental agreements, inventory was tracked in a more systematic way. Each vendor had a distinct ID number that corresponded with all of their inventory and items sold. On a regular basis, Kym or a Gallery volunteer would review the sales log and issue an invoice for payment to vendors who sold products, minus a 15% commission fee. This system was both computerized and maintained in paper records.

Ariel Zevon noted that Kym's revamped system benefitted LACE overall. Prior to having an up-to-date inventory list, Ariel noted, "Gallery vendors would come to the register and ask for money from sales of their products." Kym agreed saying, "Vendors would ask for cash for sales of their products and we had no way of checking their inventory and if sales were actually made. We realized that we overpaid people, so we now have inventory check points." Sales reports and inventory control provided LACE with a systematic way to track inventory and sales so vendors were paid accurately and fairly and LACE did not lose out on sales commission or by overpaying people. In addition to inventory management, Kym also developed a vendor intake form to gather baseline data of vendors to compare with data collected during annual follow-up surveys over time. Kym stated that "many vendors see their work as a 'hobby' and this formality gave them a reason to see Cecile [Johnston, Intake Specialist at CVCAC]. This meeting gives them a chance to understand what it means to be an entrepreneur, their rights and responsibilities, and services available to them as members of the LACE Gallery."

Management of sales In 2009, Kym noted several additional steps she took to improve Gallery sales. Kym worked with well-trained staff that was exceptionally personable in assisting customers find items to meet their needs within their budget. Kym stated, “Customers can buy something for a \$1 to \$400 and can walk out with a gift or a card that is of high quality, affordable, and supports local artists.” Kym also described the Gallery sales process as “relationship building” between staff and customers, which takes skilled and confident staff. For instance, some customers will look at an item for two weeks before they make a purchasing decision, especially if a product is a more expensive item.

In the spring of 2010, Kym commented that staff had a good system in place for inventory and sales tracking. Staff reviewed sales records and inventory three times a week and this process was completed by hand. Staff reviewed each vendor’s inventory sheet and confirmed if products were still for sale or had been sold. Staff signed and dated when they reviewed each item in the Gallery’s inventory and filed this paperwork for the next inventory review. Vendors received payment for sales on the 15th of every month. Inventory and sales tracking has been a tedious process, in part, because Galley sales transactions were handled by Market and Café staff using their register.

Barriers and challenges

Vendors’ initial resistance to change In 2008, organizing and improving inventory management helped the Gallery and LACE. However, this change was a challenge for some vendors and was met with resistance by those who were used to the more casual way of doing business with LACE. Kym noted that two vendors pulled out of the Gallery because they did not like the new system. Regardless, many vendors remained at LACE and many new ones added their products under this new management system. Having vendors complete a vendor intake form was also a challenge. New vendors could complete this form during their orientation session. However, vendors who already had product in the Gallery were harder to track down to get them to complete this form. By the end of 2009, Kym noted that all vendors had completed their intake form and were in compliance with the inventory management system. Vendors who participated in the focus groups expressed appreciation for being a part of the Gallery and desired to see the Gallery succeed because it is an important outlet for artists to showcase and sell their product and earn extra income.

Lack of staffing plan Limited staffing was another challenge faced by the Gallery. Kym noted that grant money was not allocated to adequately cover staffing costs and there was no initial staffing plan in place. Kym was the sole paid staff person for the Gallery and initially managed all operations. However, through creative thinking and resourcefulness she turned this challenge into an opportunity for distressed community members to gain work experience and job skills. Kym recruited, trained, and managed a staff of volunteers that were paid through social service programs in exchange for working up to 20 hours a week in the Gallery. In 2009, Kym stated that she and staff had “tightened things up and the Gallery team works really well together.” She felt the Gallery staff coverage was adequate, including the need for backup staff and coverage of evening shifts. Adequate coverage was especially important because of unforeseen theft issues that the Gallery faced when the store was open but understaffed.

Kym expressed confidence in her staff and involved them in key decision making around Gallery operations and product placement. Margaret Ferguson, a CVCAC staff who helped supervise Kym's work, notes that ideally Kym should have adequate resources, from grant funding, Gallery revenue, or revenue generated from all enterprises operating at LACE, to hire a management position that could be sustained over time. This position would help ensure that the Gallery remained open. It would also alleviate the management-level work that Kym needed to do for the Gallery because of limited staff so she could "move out of the day to day management and focus on organizing events, craft shows, and additional outreach." Margaret felt that because of limited staffing resources, Kym talents as a business counselor, artist and educator were 60% to 70% utilized.

Limited funds to support paid staff positions was an ongoing challenge to the daily management and operations at LACE. Community volunteers were utilized; however they work at LACE as part of their job skills training program and therefore require more time, supervision, and oversight from management than other employees who are hired based on credentials. Additionally, volunteers from the Board lent their expertise, time, networks, and resources to support LACE and Ariel in her role. However, funds to fairly and adequately compensate current staff and create additional support positions have been badly needed.

Responsibility for the cash register Galley sales transactions were handled by Market and Café staff using their register. Not having control over the register was been problematic for Gallery staff. Kym noted that LACE asked Gallery staff to purchase their own register. However, she did not want to have a register in the Gallery section of the store. As a CVCAC staff member, Kym did not want responsibility for managing financial transactions that were ultimately LACE's responsibility. The Gallery was also staffed by economically disadvantaged volunteers and trainees from local social service programs. Theft by customers and former staff had been a problem in the past. Kym felt that it would not be appropriate to place staff that was often in a "desperate financial situation" in charge of handling and monitoring the Gallery cash flow. In place of having a register in the Gallery, Kym submitted sales invoices to the Market and Café on a monthly basis and Ariel wrote vendors a check, less sales commission.

Not breaking even When the Market and Café closed in July 2010, the Gallery was moved to the front of the store space. It was Kym's hope that sales revenue would eventually cover Gallery overhead costs of staff and supplies. While the Gallery had good sales in January and February of 2010, sales had dropped by the spring of that year. At the time of this reporting, the Gallery was not yet breaking even. Lack of cash flow was due, in part, because all rent and sales revenue that the Gallery earned since its opening was invested into supporting the nonprofit of LACE and to cover rental costs for the larger storefront.

A decrease in sales The Gallery also had reduced sales in the summer and fall of 2010, which Kym explained happened for several reasons. Customer traffic to the storefront decreased because the Market and Café closed in the summer of 2010. Since the Gallery was housed inside the larger, shared space and its transactions were operated through the Market and Café register, the Gallery's hours of operation were greatly reduced to the dismay of staff and vendors when the Market and Café closed. The two departments had mutually benefitted each other by increasing foot traffic from a variety of customers and exposing them to all food and retail

offerings at LACE. Thus, when the Market and Café closed, customer traffic to the Gallery declined. The Market and Café closing also received a fair amount of local media coverage, some of which reported inaccurate information. As a result, community members perceived that the entire store operation had closed rather than just a part.

Loss of vendors Because of issues associated with the Market and Café closing, the poor economy, and the impending loss of Kym’s grant funded position, about 35% of vendors pulled their products out of the Gallery by September 2010. Loss of vendors equated to reduced rental income and sales commission. Some vendors pulled out because they no longer wanted to rent a business space that had limited hours of operation. Kym explained, “vendors are hobbyists and for them to pay rent and the Gallery is not open 40 hours a week during peak business times...it’s detrimental.” Others vendors lacked the time and money needed for product development because their own financial hardships forced them to work extra hours or take an additional job to help make ends meet. During her final interview, Board member Ela Chapin acknowledged that the limited number of hours that LACE was open conflicted with the needs of the Gallery. She noted that LACE hopes that the Gallery will transition into its own business and then rent space from LACE in the winter of 2010/2011. As a separate entity, the Gallery can house its own cash register and set its own hours of operation. Ariel and Gallery staff are trying to work out security issues with the space so that the Gallery items are secured, similarly to how the Community Kitchen is secured in a locked area.

The LACE Community Kitchen

The LACE Community Kitchen (LCK) was renovated in 2008 and passed inspection in February 2009 for its grand opening in March 2009. Jeff Dutton is the onsite MBDP Business Counselor and food/farmer vendor liaison for the LCK.

Space and equipment

The kitchen space houses commercial grade appliances and equipment and is currently used regularly by eight food-based and one farmer vendor to process and package food that is sold in the prepared foods section of the Market and elsewhere. The LACE Board’s “Kitchen Committee” developed kitchen usage policies, the fee structure, hours of operations, and job descriptions that clarified staff roles. Fees for using the kitchen are calculated by the hour and priced according to kitchen usage: basic tabletop usage (at \$12/hr); tabletop plus gas (at \$15/hr); and full kitchen usage (\$20/hr). Additionally, refrigerator storage is priced by cubic feet. When rented out fully to vendors, the kitchen would be self-sufficient in covering all kitchen expenses, including lease, utilities, staffing, and other facilities costs. According to Board member Ela Chapin, the current clients that utilize the kitchen facilities generate income but not sufficient income to cover all current expenses.

The kitchen equipment includes:

- Stainless steel tables/work spaces
- Sinks
- Six burner stove
- Double-deck ovens
- Fryolator

- Dough sheeter (for rolling dough into sheets)
- Mixer and food processor
- Tabletop commercial microwave/convection oven
- Heat sealer
- Two stand-up refrigerators and freezers
- Walk-in cooler

These appliances have sufficed for the initial development of the kitchen, but there are several other pieces of equipment that should be obtained in order to create an optimal workspace for farmers and caterers. These include: canning equipment, a tilt skillet, a steam kettle, and a pressure cooker. Vendors interviewed for this evaluation noted that the kitchen should have additional tools and equipment for shared use so they do not have to purchase and bring their own. Ela Chapin noted during her final interview that “there is still equipment they would like to get but [LACE] wants to have clients who need it before [it is purchased].”

Services for food and farm based entrepreneurs

In addition to accessing space, food and farmer entrepreneurs have received as-needed business and technical assistance from Jeff Dutton. His primary role as vendor liaison was to provide food and farmer vendors with support in areas such as recipe development, packaging and labeling, product storage/shelf life, food safety, taste testing, and determining product price points based on cost of ingredients. Jeff also coordinated workshops and training on sanitation, food safety and meeting health regulations, and dedicated a great deal of time to daily management of the kitchen.

With the loss of Jeff’s grant funded position in the Fall of 2010, Ariel took over as the primary contact for food and farmer vendors who wished to use the LCK. She commented that she supports vendors that are new to the kitchen by providing them with an orientation of using a commercial kitchen, which includes making efficient use of the kitchen and cleaning and sanitation. She has also advised vendors on product packaging and referred them to companies for packaging materials, such as paper products and labels.

Management and supervision of the kitchen

Ariel addressed several management and supervision issues related to the kitchen when she took over this responsibility from Jeff in the fall of 2010. Ariel increased her level of supervision over the kitchen to make sure that the kitchen was cleaned properly after each use and that tools and equipment are stored properly. She also ensured that cleaning solutions, such as dish soap, were available in the kitchen so that vendors had the resources needed to maintain this cleaning standard. She also added shelving to the walk-in cooler and lockers outside of the cooler to better organize and secure products and items that vendors stored in the kitchen.

In addition to the organization of the space, Ariel instituted several new policies and processes to improve financial management of the kitchen. She instituted an annual membership fee of \$120 for all kitchen users, which vendors could pay up front or in increments of \$12/month. This membership fee helps support overhead costs of the kitchen and includes the cost of dry and freezer storage space for each vendor. She also created a usage tracking system where each vendor completes a time sheet of hours that they used the kitchen space per day and

differentiated by type of kitchen use (i.e. tabletop only, gas, cold/frozen storage, etc.). Ariel provides a weekly total of this information to LACE's contracted bookkeeper, who then invoices vendors. With this new system in place, vendors pay for actual use of the kitchen rather than pre-paying for an estimated use that may not reconcile with actual time used. Additionally, in the summer of 2010, Ariel held the first of planned quarterly meetings with all kitchen vendors to foster a sense of community and forge a personal connection among vendors to share resources and expertise.

Additional uses of the kitchen to promote local economic development and education

Multi-farm, value-added product An initiative that was explored in 2009 and 2010 was the packaging of multi-farm value added products as an income generating business venture. Grant funding of \$5,000 was awarded for this project from the Vermont Farm Viability Project to hire two consultants. Jeff commented that about 15 farms expressed interest in supplying product to be processed at LACE and sold under a cooperative label. Potential items include frozen broccoli, green beans, carrots/puree, and a vegetarian and a meat stir fry mix. The Vermont Food Bank also offered to distribute the products throughout the state as part of their regular food shelf delivery route. By the end of the grant period, Jeff reported that he and six farmers produced several test variations of this product, including a beef and vegetable stir-fry mix and a vegetable only stir-fry mix. With Jeff's position ending, he noted that the test products were stored in the LCK freezer for Ariel Zevon to determine the next steps. His recommended next steps for this initiative include: determining cost per product, price, portion sizes, packaging and labeling.

During the final interview with Ariel in 2010, she stated that the John Merck grant funded workforce development and training project (discussed later in this report) would build on this preliminary feasibility and product testing study. Ariel plans to start a workforce development program of 10 to 15 participants who would gain skills by learning to process farm produce into value-added products through the use of the LCK. This training would occur both at farms, with trainees learning about growing and harvesting raw products, and in the kitchen, focusing on safe handling, cooking, preservation techniques, packaging, and cost analysis. Ariel commented that the stir-fry test product developed in 2010 had a high price point because it was labor intensive to make. However, support from this volunteer/training program will help reduce price points to be more affordable.

Ariel stated that she also tested out this concept of processing a value-added product in the Café kitchen using green beans and tomatoes supplied by a local farm. LACE purchased this produce wholesale from the farm and processed them into jarred goods that can sell year round. Ariel noted that this is a mutually beneficial partnership for LACE and farmers because "farmers are not interested in being in the kitchen and making a product themselves." Ela Chapin agreed in stating that "farmers tend to be more interested in having LACE process their produce than processing it themselves."

Meat processing Another initiative in the kitchen is the renovation of part of the space for processing meat for wholesale. CVCAC made a grant of \$5,200 to LACE from ARRA Stimulus funds to enable LACE to turn part of the kitchen into a meat processing area. Farmers and food based business owners had expressed a need for HACCP certified space in which they could process raw meat, make sausage, and cuts of meat. The renovation required the installation of foot pedals on one of the sinks so that its operation would be hands free and the isolation of the preparation area from the rest of the space. Meat processors were instructed to keep records about cleaning before and after their usage of the kitchen space, in addition to periodic environmental inspections as required by state regulations.

Education programs Education programs held in the LCK have reached a variety of audiences, targeting youth, families, and adults within low-income communities to give them practical, hands on cooking skills with affordable and locally grown ingredients. The ultimate goal is to encourage community members to improve their health and lifestyle through healthier eating choices.

Barriers and challenges

Delayed opening of the kitchen The renovation and opening of the kitchen took longer than expected for several reasons cited by interviewees: turnover of the kitchen vendor liaison and MBDP business counselor; lack of clarity around federal requirements for reviewing and accepting construction/renovation bids; differences of opinions on the kitchen's layout and equipment needed; time needed to carry out an informed bidding process and review of three construction bids; and additional time and expense associated with unanticipated building repairs needed before renovation could take place. The delayed kitchen opening caused strife between project partners and individual staff. Staff were disappointed that the delayed opening limited the window of time farmers had to preserve product to extend the life of their short growing season. Staff was also unclear on what exactly caused the points of delays, most likely because there were many factors and multiple decision-makers that compounded this issue. Kitchen construction also placed strain on the Café's kitchen, which accommodated food vendor needs such as use of storage space and cooking equipment until the commercial kitchen was completed.

Concerns over sanitation and cleanliness Another challenge addressed within the community kitchen is one inherent in communal and shared spaces: kitchen upkeep, cleanliness, and sanitation. With multiple food producers using the community kitchen, including LACE Café chefs, issues surfaced around the condition of the kitchen and the level of cleanliness that is maintained by each cook after each use. To address this challenge, Jeff Dutton held workshops in conjunction with the Vermont Department of Health to train kitchen users on proper sanitation and cleaning procedures that everyone must follow when using the kitchen. These practices were also transferrable to any other kitchen that vendors may use. Additionally, Jeff had a local health inspector perform an inspection of the kitchen space after a kitchen use, which provided tangible evidence that cleaning and sanitation standards were being met by vendors.

Purchasing equipment An additional challenge was the purchasing of equipment for the kitchen, specifically what money would pay for equipment and who would purchase it. Initially the OCS grant was budgeted to pay for a large array of kitchen equipment, which was an expectation shared by LACE staff and Board members. However, because the cost of the kitchen renovations exceeded available funds (as previously discussed) money was not available to purchase additional equipment as planned. This challenge was addressed in part by new grant funds from the USDA awarded to LACE in May 2009 that specifically supported the kitchen and food/farm businesses.

With new funds available to buy equipment, a tandem issue encountered was determining whose role it was to seek out and purchase this equipment. Because Jeff worked with vendors on a regular basis, he understood their specific needs and what additional equipment and supplies would support them. However, the second round of purchasing equipment was funded by a grant made to LACE and Jeff did not have the authority to spend those funds. Jeff expressed frustration that he “had a list of equipment and a bank account of money” yet no authority to purchase equipment. Jeff researched available equipment, browsed items for sale on the Internet, compared prices, and located high quality equipment that vendors needed. Ultimately, LACE’s Board and staff held the authority to make final purchasing decisions. Thus LACE staff, including Business Manager Lorraine McBride and Ariel, worked on outfitting the kitchen with the use of the new grant funds.

Nonpayment of rent In 2009 and 2010, a major challenge faced by the LCK was nonpayment of rent for use of the kitchen. Ariel noted that a few kitchen vendors owed back rent while a few had never paid rent for their usage. In an effort to not lose vendors, LACE worked with these vendors on remedying the situation. Part of the issue was that the use of the kitchen was not always sufficiently tracked. All staff involved stated that this issue stemmed from poor to no communication around how vendors should track their time in the kitchen, who was responsible for invoicing vendors and collecting payment, and procedures to follow if vendors were late in making a payment or missed a payment. Ariel is currently working with vendors under her new time management system (described above) to hopefully recover all back payment of rent.

I.2 The Public-Private Partnership

Subordinate objective met:

- To partner with the Local Agricultural Community Exchange (LACE)—a private sector supported community revitalization project—in reinvigorating economic activity in a distressed central Vermont community, Barre City.

Research question addressed:

- What were the strengths and challenges faced in this grant, specifically with the partnership between CVCAC and LACE organizations?

LACE and CVCAC initiated this grant-funded partnership based on common goals of supporting local businesses, connecting consumers with high quality, local products, and addressing economic development and revitalization needs of downtown Barre. Staff benefitted from the expertise and resources of each other, such as the business expertise of CVCAC’s MBDP counselors and the expertise, social capital, passion, and commitment of LACE staff. By working through partnership struggles, all staff acknowledged two key learning experiences: 1) have open and clear communication up front and ongoing and 2) have clearly stated and agreed upon expectations and understandings of roles, processes, and structures of the project.

Any partnership is not without challenges, especially during the first few years of working together. Challenges faced during the first year reflected the “growing pains” of the newly formed partnership, which focused on communication, developing a shared understanding and expectation of staff roles and project outcomes, building mutual trust, and adapting to the working styles and procedures of the organizations and individual staff. Critical issues addressed during the second year were in line with those faced by a growing organization and maturing partnership, including: improving onsite staff relations increasing staff support through the addition of positions, and streamlining operations, leveraging new funding, and discussing project sustainability. During the third and final year of grant funding, communication among certain staff was maintained or improved. However, interviews reveal that communication among other staff became minimal to nonexistent due to personality conflicts, a lack of trust, lack of clarity on responsibilities, and a series of misunderstandings and miscommunications.

“A strong partnership between LACE and CVCAC is imperative to meeting the grant goals of vendor training and technical assistance, job creation through business development and expansion, the creation of sustainable networks among entrepreneurs, and reinvigorating economic activity in a distressed central Vermont community, Barre City.”

Strengths of the Partnership

Both organizations shared the common desire to work as a partnership toward common goals of supporting local business, connecting consumers with high quality, locally produced produce, and addressing economic development and revitalization needs of downtown Barre. Before Ariel Zevon was a business owner, she was a CVCAC client who sought assistance to start a business, which became LACE. As a client of CVCAC's MBDP program she gained insight into how the agency and program operates and had firsthand experience of being a burgeoning entrepreneur.

Leveraging collective expertise

LACE staff appreciated the business expertise that CVCAC brought to the partnership and found it beneficial to consult with them when making business decisions. However, based on information from interviews, MBDP staff sometimes offered opinions about LACE business operations that were made with good intentions but were interpreted as critical or negative feedback and as overstepping boundaries of LACE's autonomy. Overall, Ariel notes, "I have learned a lot from CVCAC and being a part of the grant writing process – even though there has been a learning curve. The end result of the project is beneficial for everyone." In addition to shared learning and serving common goals, Ariel and LACE Board members acknowledged that LACE could not have afforded to renovate the Gallery and kitchen space without assistance from grant funds and the partnership. Despite some miscommunication and administrative process issues, LACE staff appreciated that CVCAC was the fiscal agent of the project.

It is important that this partnership respects the autonomy of LACE, expertise from both organizations, grant goals and outcomes, and the administrative process of approving projects that are financed by grant funds.

Maintaining good working relationships

Though some staff were not able to maintain good working relationships, as discussed in the next section, Kym Maynard and Ariel Zevon developed a good working relationship that was mutually beneficial and complementary. Kym appreciated that if she faced issues, she could rely on Ariel to brainstorm a resolution and vice versa. Kym stated that she included Ariel in almost every decision she made to maintain communication and trust and benefit from her expertise. Kym also provided business advice to the Market and Café side of the operation and lent her artistic skills to designing and updating the front window display. Both women shared a strong commitment to the mission of LACE and their role within the project and put in a tremendous amount of time and energy, paid and unpaid, to foster this project. They were able to build and maintain a level of trust because of their shared goals, demonstrated commitment, and open communication. Kym noted that she kept clear communication with Ariel throughout the project and was a "straight shooter" when it came to discussing something or addressing an issue, even if the topic was one that might cause tension. Because they understood each other's communication and work styles, they were able to adapt and maintain a good working relationship.

Good working relationships were also maintained by having a CVCAC staff represented on the LACE Board, demonstrating a commitment for and ownership of the project's success. Board members also stepped in to facilitate communication between LACE and CVCAC staff when it was needed, such as when determining how to address vendor nonpayment of kitchen usage or sustainability of the Gallery beyond grant funding. In addition, CVCAC staff consulted with Kym to determine options available for sustaining the Gallery after the grant term.

Challenges of the Partnership

Challenges are inherent in any partnership. Critical to the success of the public-private partnership was to have open, consistent and clear communication among staff who worked onsite at LACE, and off site, including directors, managers, staff, volunteers, and business counselors. A challenge that was commonly noted during interviews over the course of the grant was communication breakdowns between project partners, staff and the Board and the management of relationships. Interviewees identified several reasons for breakdowns in communication and ways they continuously tried to address these issues.

Overextended roles

Several staff roles were overextended, especially during the project's start-up phase, because of limited funds to pay qualified staff and the training and mentoring associated with volunteer staff from community service programs. The project's start-up stage required additional time to organize and determine the business processes of the Market and Gallery and establish vendor relationships. For instance, Ariel took on multiple roles of managing the Market and Café, cooking for the Café, and handling customer transactions, in addition to her LACE director role. The time required for these tasks often took away from her flexibility to attend project meetings and were a distraction during meetings. Kym also worked multiple hours when the Gallery lacked coverage for evenings and weekends. Once she had secured coverage for the Gallery, she continued to spend time training and mentoring staff as well as supporting them through personal issues. To support onsite staff, the majority of project meetings were scheduled on days or during times when the Market, Café and Gallery were closed. Meetings were also held on site at the LACE location to make attendance more convenient.

Interpersonal conflicts

Staff worked through interpersonal conflicts that occurred during the course of the grant, which resulted in communication breakdowns between staff. Issues between staff stemmed from different personalities and opinions concerning how "things should be done." Interviewees felt that "personalities and egos" sometimes got in the way of decision making; however, staff noted that their differences of opinions usually ended up being "a case of no one person being more right than another." Specifically in the third year of the grant, a few staff faced issues in their personal lives that often encroached on the workplace and negatively impacted working relationships. Working relationships were further strained by a series of miscommunications and misunderstandings. CVCAC staff on site at LACE as well as a Board member helped facilitate communication, mediate issues, and provided a "third party" perspective for decision making and reaching common grounds.

Different agency structures and processes

LACE and CVCAC also operated differently based on work styles, different policies and procedures, and experience and size of the organization. LACE was a newly formed grassroots nonprofit when it entered into partnership with CVCAC, a well-established organization with a large staff and formal policies and procedures in place. Ariel noted that LACE did not have formal systems in place and was naive and trusting of CVCAC's longer standing systems. Ariel explained, "This grant is the first time LACE is working closely with another organization and the grant is administered through that organization. It took a bit of time to figure out how to meet project goals, within a timeline, while waiting for approval. It is frustrating to have to wait for things to get through and sometimes reasons for project delays are not clear. However, once we learned how things work under the grant, we have been more prepared to adapt to that."

Limited support and supervision for onsite staff

Staff that worked onsite at LACE would have liked more supervision and support from offsite CVCAC staff and the LACE Board. The vendor liaisons felt isolated from the larger CVCAC office and felt uncomfortable when placed in the middle of situations between staff. While CVCAC staff did provide support for Kym and Jeff to address certain challenges, such as determining the sustainability of the Gallery, they felt senior staff could have provided more hands-on supervision and leadership to help mediate interpersonal issues and make decisions for specific business operations. For instance, they felt senior management could have better facilitated partnership discussions on business operations, such as designation of Gallery revenue towards both a Gallery reserve fund and LACE's operating fund and establishment of a system to invoice and follow-up with nonpayment of rent issues.

Onsite staff also noted that with the exception of a few people, staff from CVCAC did not attend or were not involved in the extracurricular activities at LACE and rarely visited to shop or eat there. Some staff felt that this inaction sent a negative message to the community. Another CVCAC staff noted that colleagues in partnerships should maintain a level of professionalism, even in times of tension and that partners should adhere to the expectation that discussions held during staff meetings and with supervisors should be confidential and not brought into the context of public conversations.

Lack of transparency around supervising and decision-making

Onsite staff and Board members felt that interpersonal issues were also attributed to a lack of clarity around who was in charge of supervising and making decisions. Jeff Dutton summed it up stating, the program "needed a good contract or agreement on how the program is managed as a hierarchy. CVCAC and LACE both had a vision and did not reconcile their different interpretations of who would be the decision-makers and have responsibility." All staff agreed that relationships were strained in part because staff took directives from and reported to different supervisors; yet all staff needed to have a common understanding and work together to maintain daily operations. There were different areas of supervision in the project. Onsite business counselors were supervised by the CVCAC team leader and the project director; the LACE Executive Director is supervised by the LACE Board; volunteers were supervised by the manager of their respective department (and the Gallery, kitchen, Market and Café were managed separately); and paid Market and Café staff were supervised by the LACE Executive Director.

Furthermore, vendors worked with the vendor liaisons/business counselors specific to each program.

Because there were “many different bosses” that gave directives for daily operations, conflict arose when roles and expectations for staffing and operations were not clear or congruent across management. In describing this situation, several interviewees stated, “some managers overstepped their bounds” when they made decisions or gave instructions to volunteers or vendors who were not under their supervision. A fragmented leadership structure is somewhat inevitable in this type of public-private partnership where two separate agencies are involved and positions are funded from different grant and revenue sources. This structure, coupled with inherent crossover between departments (such as the community kitchen and the Café kitchen) and the use of a shared space led to confusion and tension. LACE Business Manager Lorraine McBride explained that “the internal operations of LACE is a microcosm of cross agency collaboration...there is confusion over who is in charge, who owns what, etc.” As a result, initiatives encountered bottlenecks such as outfitting the kitchen with commercial grade equipment and delegating daily tasks to volunteers and staff. It should be noted that staff who worked together within departments felt they worked as a team and supported each other. However, “gossiping and factioning off” between departments was counterproductive to regular communication and good relationships.

One strategy to address cross management issues was holding regular meetings with management staff. Kym Maynard explained that during the early fall of 2009 she organized regular management meetings for staff, including Ariel, Adam, Jeff, Kym and Lorraine. The “management team” met weekly in an effort to increase communication, reduce isolation, and create a support system. Though staff had good intentions behind regular meetings, this concept did not last because of busy schedules, nonattendance, and, ultimately, refusal of staff to continue working with certain parties.

SECTION. II PROJECT OUTCOMES

II.1 Supporting Local Entrepreneurs

Vendors at LACE were the cornerstone of the project; the primary objective of this partnership was to create 68 new jobs for low-income individuals through business development and expansion.

Subordinate objectives met:

- To provide training and technical assistance to vendors and newly formed microenterprises in areas such as sales techniques, marketing, pricing, production, business operations and business plan development.
- To facilitate the creation of networks of the farmers, producers, vendors, and other business owners connected with LACE through which they can more efficiently purchase needed supplies, market their products, and produce goods.

Research questions addressed:

- How did project staff and partners identify and recruit vendors to sell product in the space?
- What types of services did vendors use and to what extent? How was on-site CVCAC staff utilized and what impact did their services have on vendors' businesses?
- How many vendors started or expanded businesses, including full and part time work, because of services used and access to a downtown, centralized market?
- How many jobs were created through the development of the LACE building and infrastructure? Did vendors' businesses create jobs for others, specifically other low-income individuals? If so, what was the average wage rate and did the businesses provide medical and health benefits?
- What were vendors' sources of income? Did the vendor experience any changes in income and/or income sources? Did the vendor's reliance on public assistance change?
- What was the annual gross revenue and, to the extent possible of measuring, annual expenditures of vendors' businesses?
- What were vendors' gains in human, social, and financial capital? How were these gains, if any, impacted by CVCAC services and/or the use of shared space?
- What kind of support did project Partners provide towards vendors' businesses?

Serving local entrepreneurs and self-proclaimed “hobbyists”, LACE featured local produce and products for sale in the Farm Fresh Market and Cafe (while open) and the artisan Gallery. Food-based entrepreneurs and farmers used the commercially licensed community kitchen to develop and test recipes and prepare and store larger quantities of food for distribution to wholesale and retail markets. The Gallery gave vendors “a cohesive place to showcase their work” and receive assistance from Kym Maynard in product refinement, pricing, and display.

Recruitment of Vendors

A total of nine food and farm based businesses currently use the LCK and the majority were recruited directly by Jeff Dutton. A few clients also learned of the LCK through the Vermont Women's Business Center. Three vendors interviewed learned of the kitchen in other ways. One saw publicity materials around town, one was a former employee of the Market and Café and decided to use the kitchen to start her own food business, and one heard through word of mouth from friends and other vendors. Jeff met with interested vendors either at LACE, their home, or another facility to talk about their ideas and determine if using the community kitchen was a good option for them. Jeff also visited farmers' markets and networked with food and farm associations to recruit vendors.

Likewise, artists found the Gallery mostly through Kym Maynard's outreach at farmer's markets and craft shows throughout the state, as well as word-of-mouth from other vendors. Brochures, newspaper articles, press releases, and grand openings/open house events also advertised the business opportunities available to vendors. Of the 47 Gallery vendors who participated in an interview for the evaluation, 36% (17) heard about the Gallery through word-of-mouth from other vendors or friends and 32% (15) learned about the Gallery while visiting or shopping at the Market and Café or through LACE or Market and Café staff. Six people specifically saw publicity materials around town or in the newspaper, four vendors were referred by CVCAC, and two already had artisan products for sale at the Market. Though there was a decline of Gallery vendors in 2010, as previously discussed, overall Kym stated that, "there was no shortage of clients," in describing the high level of interest vendors had in being part of the Gallery.

Cecile Johnston, MBDP Intake Specialist, along with other business counselors, provided new vendors with an intake/orientation, either individually or as a group. This orientation provided vendors with information on renting space, LACE sales commission, contracting with vendors, payment schedule, and other policies/procedures for vendors. Vendors were also informed of the LACE mission and the role of the grant funding. Vendors completed an intake form during this meeting to provide demographic information and establish their record as a CVCAC client.

Gallery Vendor Demographics

At its peak, the Gallery had 107 artisan and craft vendors with products in the Gallery. The Gallery exceeded the grant goal of providing 103 vendors with space in the Gallery. Gallery vendors were primarily from the Barre, Montpelier, and Northfield, VT areas, however, the demographic reach grew as vendors from smaller surrounding towns and larger cities like Rutland, VT and Danbury, CT were also Gallery members. Three quarters of vendors were female and the average age of vendors was 46 years; however, vendors' ages ranged from 11 to 80 years of age. Vendors' annual income (self-reported when they joined the Gallery) ranged from \$0 to \$84,000, with an average annual income of \$20,422 and median of \$14,400. Fifty-eight percent (62) of Gallery vendors earned an income that placed their household at or below 100% of the federal poverty level. Vendors who fell into this low-income category reported an average annual income of \$7,975. Additionally, 13% of vendors had a disability, 12% were receiving Food Stamps at intake, 4% were receiving housing assistance, and 2% were receiving TANF benefits.

Kitchen Vendor Profiles

Nine vendors currently use the LCK. Four or 44% of these vendors earned an income that places their household at or below 100% of the federal poverty level. Seven of these businesses are owned by women and two are owned by men. Five of these vendors live in Barre, VT and four live in neighboring town of Berlin, VT (1) and Montpelier, VT (3). The owner of Pakistani Foods initially used the Café kitchen, but shifted to using the community kitchen once it opened. She used the kitchen to prepare and store packaged ethnic foods and meals. Lalitha Cuisine and Delna's Kitchen are vendors that also produce prepared ethnic foods that are sold locally. Another vendor is a farmer who used the kitchen to process produce grown on his farm (and purchased from other farmers) into soup, which is sold to customers directly through the farm's community supported agriculture program and wholesale to retail markets.

Other vendors focus on making a specific product. The owner of Syp Pirogues produces pirogues that are sold at farmer's markets and other food stores. The owner of Dreuxmanna Crackers also worked with kitchen staff to refine his recipe for a cracker made out of spelt flour from Quebec. Demand for these crackers has been high enough to warrant an increase in production through the LCK. He has since expanded his product line to include cookies and a variety of flavored crackers. Burrito Mountain prepares burritos for sale through her food cart; this vendor has expanded to producing burritos for sale to wholesale accounts. La Cucina Sweets makes delicious decorated chocolates that are sold at local shops and farmers' markets and Mocean Pocean is producing bottled beverages such as natural sodas.

Business Assistance and Other Services Provided to Vendors

Vendors were introduced to LACE, the Gallery, LCK, and MBDP services in two ways. Some clients initially worked with MBDP and then decided to sell items in the Gallery or use the LCK to produce their products. Others approached Kym initially about selling products in the Gallery or Jeff about using the LCK and then worked with MBDP afterwards. One to one technical assistance, classes, seminars, and workshops were open to all vendors who were income eligible. The MBDP newsletter and fliers that advertised upcoming classes were given to vendors regularly to keep them informed of services available. It is important to note that Kym and Jeff both agreed that some vendors did not need or want technical assistance while others sought out this service. The vendor liaisons provided clients with the level of support that they needed, ranging from very minimal to extremely hands on, depending on the stage of their business.

Training and technical assistance

When vendors had questions or sought assistance, they could talk to Kym, Jeff, or any other MBDP business counselors. Kym and Jeff worked mostly one to one with vendors on an ongoing and as needed basis, depending on their business stage and needs. Kym noted that in addition to working with people in the Gallery, she also made site visits to vendor studios to view their full array of products and help them create, refine, and improve products prior to putting them on display at the Gallery. Jeff would also work with food vendors both at the LCK and at their homes or business location. Examples of technical assistance provided to vendors included:

- Registering a business with the State of Vermont
- Developing a business plan

- Developing a cash flow analysis to understand business finances and determine if grant or loan financing was needed
- Learning about state regulations, such as food safety, labeling, and sanitation
- Assisting with product pricing, display, and marketing such as developing vendor profiles, business cards and hang tags that are found next to each product to personalize the display
- Assisting vendors with finding affordable and, when possible, local or regional wholesale suppliers, such as the use of local chicken in prepared foods or local wool and fabric for craft, knit and clothing items

Jeff and Kym as well as other MBDP business counselors also held workshops at LACE and other community locations as another resource to vendors. Workshops facilitated informal networking groups where vendors shared and learned from each other's experiences. Workshop topics included:

- Marketing on a shoestring
- Improving customer service skills
- Business Building Blocks
- Business finances and tax preparation
- Regulations of the Vermont Agency of Agriculture
- Sanitation and Cleaning procedures for food based businesses held in collaboration with the Vermont Department of Health
- Starting a food-based business held with the Vermont Women's Business Center

Services specific to food and farm-based vendors Use of the community kitchen equipment, supplies and storage space provided a fundamental stepping-stone for new and less experienced food-based businesses, such as farmers, chefs, caterers, and bakers, to start up, refine and expand their production. The kitchen was also used by established food vendors to expand production. Jeff Dutton provided technical and business assistance to most of the kitchen vendors; however, there were vendors who simply needed access to a commercial kitchen and did not want or need assistance. Technical assistance for many vendors began with helping them upscale their recipe to produce a product in wholesale volume using a commercial kitchen. He also helped vendors understand sanitation guidelines, storing, chilling, heating, and other safety regulations concerning food products. MBDP business counselor Don Padgett also worked with several vendors to develop cash flow analyses and help them obtain financing for their businesses. Jeff noted that if vendors chose to expand their production beyond the capacity of the kitchen, he would assist them in locating other kitchen space that is shared, rented, or owned. Jeff also provided business assistance to food-producers who did not use the LACE kitchen. These clients sought out Jeff's assistance through the Vermont Women's Business Center.

Ariel Zevon noted that the Farm Fresh Market purchased products from small to large scale farms to provide them with an additional outlet for their produce. Market staff facilitated wholesale purchasing by picking up stock at farm sites. The Market was also amenable to purchasing bulk orders when farmers had excess quantities of an item. The Market would also aggregate products from several farms to meet customer demand if a single farm could not fill this order.

Services specific to artisan vendors Half of Gallery vendors surveyed (52%, 24) said they received business assistance from Kym Maynard. Two thirds of vendors (15) that worked with Kym found her services to be “extremely helpful” and a third (8) said she was “somewhat helpful.” Only one person said that her work with them was “not that helpful.” Four vendors specifically commented on Kym’s availability to support vendors as a great asset. In expressing why she found Kym helpful to work with, one vendor commented, “she was very kind and helped with whatever was needed.” Another vendor echoed this sentiment, stating “She was very encouraging, positive and available.”

A quarter (24%, 11) of vendors surveyed worked with business counselors from MBDP’s Barre office location. Five worked with MBDP *before* entering the Gallery and six worked with MBDP *after* entering the Gallery. All vendors who received assistance from other MBDP counselors found it to be somewhat (46%, 5) to extremely (54%, 6) helpful in meeting their needs. Six of these vendors said they took a class or seminar that was led by an MBDP business counselor on starting and managing a business. Others worked individually with counselors to brainstorm ideas and gather feedback on product development, a business concept, budgeting, marketing and networking, preparation of business taxes, and accessing local markets. Clients also worked with MBDP to develop websites and brochures and a few said they wrote marketing or business plans with the help of a counselor.

- Types of business services received by 24 vendors:
 - 71% Enhancing product display
 - 38% Encouragement and support
 - 33% Pricing of products
 - 25% Developing marketing materials/advertising
 - 17% attended an MBDP class
 - 13% Improving an existing product
 - 4% Inventory management

Product development

68% (24) of Gallery vendors surveyed agreed or strongly agreed that working with MBDP business counselors aided in their product and business development. When Kym worked with vendors to determine and/or refine products to sell in the Gallery, she would only put items on display that were marketable in the Gallery so that vendors were not paying rent without generating some level of sales income. The cooperative nature of the Gallery’s shared space provided a market for vendors to test the “seasonality” of sales without experiencing a major financial loss. Gallery entrepreneurs felt tremendous support and encouragement from business counselors and gained confidence in themselves and their work. The LCK and Jeff Dutton helped food-based vendors develop, test, and refine recipes. Two kitchen users interviewed said that Jeff helped them develop and refine their product, including the taste and texture of a spelt-flour cracker and taste and quality of bottled beverages. Vendors also developed their product labeling and packaging.

A Gallery vendor who participated in both focus groups noted that sales of her clothing and knit items have increased over the past two years, particularly because Kym Maynard provided advice on how to slightly refine her original concept to better market and showcase her product.

Professional networks

Gallery vendors who participated in focus groups said that they benefitted from networking and sharing ideas with other vendors. The Gallery built a nice community of like-minded artists that was non-threatening and provided a place for people to get feedback on ideas and hear positive and constructive criticism from their peers. A quarter (10) of vendors surveyed agreed or strongly agreed that the Gallery helped them to network with other artists and craft persons.

Marketing and visibility

The Gallery provided vendors with an opportunity to “get their product out there” through access to an affordable sales venue. 62% (28) of vendors surveyed agreed or strongly agreed that having their products for sale in the Gallery increased their access to markets and customers. Vendors benefited from the marketing and publicity from working with larger and well known organizations in Barre. Showcasing products at the Gallery required vendors to think about the visual appeal of their product and how to encourage customers to buy it. Vendors, such as a wool spinner, often held demonstrations at LACE to showcase their work and skills to the community. Kym also submitted several articles to local newspapers, such as the *Montpelier Bridge*, which helped generate traffic to the Gallery. Kym and Gallery staff also regularly rearranged the store layout and window display to keep customers interested in browsing. Additionally, many food-based vendors who produced prepared or frozen products in the kitchen sold them initially at the Market and Café to test out product sales.

Referral to resources

16% (7) of Gallery vendors surveyed commented on resources that they were referred to by Kym or MBDP business counselors. Business-focused resources included:

- Vermont Women’s business Center (2)
- The Volunteer Income Tax Assistance program (2)
- Consumer credit counseling services (2)
- Another CVCAC program (2)
- Specialty workshops (2)
- Small Business Administration (1)
- Small Business Development Center (1)

It should be noted that one out of the 43 Gallery vendors surveyed was interested in applying for a loan but had not yet done so. The remaining Gallery vendors did not want or need to apply for loan money. Food based businesses were referred to Vermont Health Department for food safety and licensing and Vermont Food Venture Center for product development. Food vendors were also referred to a variety of local food stores and cooperatives as places to sell their products, such as the Hunger Mountain Cooperative. Food vendors were also referred to financial institutions to apply for a business loan, the Vermont Women’s Business Center, the Small Business Development Center, and University based small business services. When needed, Kym and Jeff referred clients to social service programs, such as other Community Action services, health insurance, and other state programs.

Minimizing Barriers to Success

While discussing services provided to vendors, staff talked about common barriers that vendors faced and how this project helped minimize these barriers. Kym stated that a lot of Gallery vendors face multiple issues such as unemployment or underemployment, lack of affordable housing, health issues, disabilities, and family crises. In response, Kym referred vendors to social service programs. From a business standpoint, many Gallery vendors did not think of themselves as business people. Vendors had a hard time pricing their product and found it challenging to place a value on their work that fairly incorporated their time, effort, and materials yet was reasonably priced to a “blue-collar” market in Barre. Additionally, many vendors did not have strong marketing and organizational skills and lacked access to financial resources and cash flow. Kitchen vendors, on the other hand, did have more of a business mindset. Yet their primary barriers were accessing resources to make and produce their products. The LCK and business assistance helped food-based businesses access resources such as start-up capital, a commercial grade kitchen, equipment, ingredients, and certification of food safety.

Starting and Supporting Farm and Food-Based Businesses

- **Number of businesses started – 4**
- **Percent of businesses retained – 100% (9 businesses including 4 start-up and 5 established businesses)**

Most food vendors that use the LCK sought out use of the kitchen to develop, test, refine, and scale up a product concept or a product that was already in production but sold to a limited market. Five vendors used the kitchen to scale up production of an already developed recipe to reach a larger market. Four vendors came to the kitchen with a recipe that was in development and now have a final product for sale. The LCK provided all vendors with access to a licensed, commercial grade kitchen that was affordable and provided them with more space to produce their product. Interviewees use the kitchen to process ingredients and cook or bake food or products using the following equipment in the kitchen:

- Use of 6 burner stove and counter top space
- Use of walk-in cooler and freezer space
- Use of mixer, dough sheeter and deck oven

All nine kitchen vendors remain in business and continue to use the kitchen, on either an ongoing or seasonal basis, to make their products. Several vendors credited LCK staff as having helped them connect to sales venues or markets, with two vendors interviewed specifically noting that Jeff gave them contact information and resources and introduced them to people to help get their products into stores.

- The kitchen has enabled many of these vendors to increase the quantity of products made, develop a value-added product, and expand their product line.
- Food-based businesses sell their products at many venues, ranging from 2 to 23 venues. Their products are sold at farmer’s markets and other fairs, food carts, natural food stores and cooperatives, a community supported agriculture/business share program, and other retail locations.

Kitchen use statistics

Food and farmer vendors have gained access to affordable commercial kitchen space and equipment, with rent paid according to usage of space, including basic tabletop usage (\$15/hr), tabletop plus electric (\$20/hr), tabletop plus gas (\$25/hr), and full kitchen usage (\$35/hr). Refrigerator storage is \$3 per cubic feet and freezer storage is \$4/cubic feet. [Note that rates were increased effective January 1, 2010 based on the Board and ED's decision to return to the original rates set for kitchen usage rather than maintain at reduced rates. This decision was made so that rates would better cover overhead costs of the kitchen]. Starting in September 2009, members of the kitchen were also charged a monthly fee of \$10, which increased to \$12 in January 2010.

Table 2 presents the summary statistics for vendors' use of LCK over the course of the grant. For the 16 month time frame, from June 2009 to September 2010, between three and eight vendors used the kitchen per month. The total amount of rent invoiced for kitchen usage was \$21,131, averaging \$1,324 in rent invoiced per month and averaging \$317 of rent paid per vendor, per month. The total amount of membership fees invoiced over 13 months is \$788. It should be noted that the LCK has faced issues of nonpayment of rent by a few vendors. Therefore figures presented in this report reflect what was invoiced and not actual payments received. Actual payment data were not provided for this evaluation.

Table 2 Summary statistics from use of LCK, June 2009-Sept 2010

Months and Vendors	
Number of months that vendors used the kitchen	16 months
Total number of vendors that have used kitchen	9 vendors
Range of vendors per month	3 to 8 vendors/month
Average number of vendors/month	5 vendors/month
Hours	
Total number of hours vendors used kitchen	1,236 hours
Average number of hours per month	77 hours/month
Range of hours per month	20 hours to 104 hours/month
Range of monthly hours per vendor	3 hours to 70 hours/vendor/month
Fees and Rents invoiced	
Total membership fees invoiced (over 13 months)	\$788
Total rent invoiced	\$21,131
Average rent invoiced per month	\$1,321/month
Average monthly rent invoiced per vendor	\$317/vendor/month
Range of monthly rent invoiced per vendor	\$190 to \$519/vendor/month

Number of vendors, rents invoiced, and hours that the kitchen was used are broken down by month in Figures 1-3. Figure 1 shows that the number of vendors using the kitchen has increased over time, with a few dips in February and June 2010. Figures 2 and 3 show that the amount of rent invoiced and hours used over time have somewhat fluctuated. In line with a drop in the number of vendors using the kitchen, notable dips rent and hours per month occurred in February and June 2010.

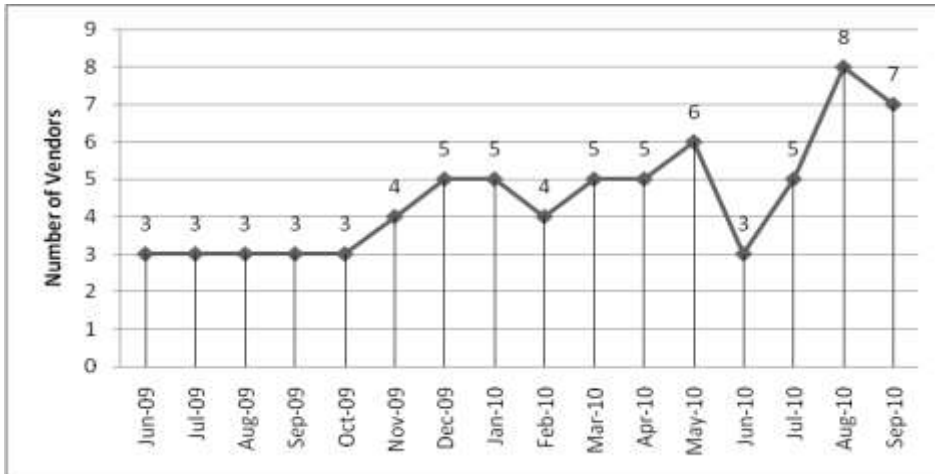


Figure 1 Number of vendors using the LCK per month



Figure 2 Monthly rents invoiced for LCK usage

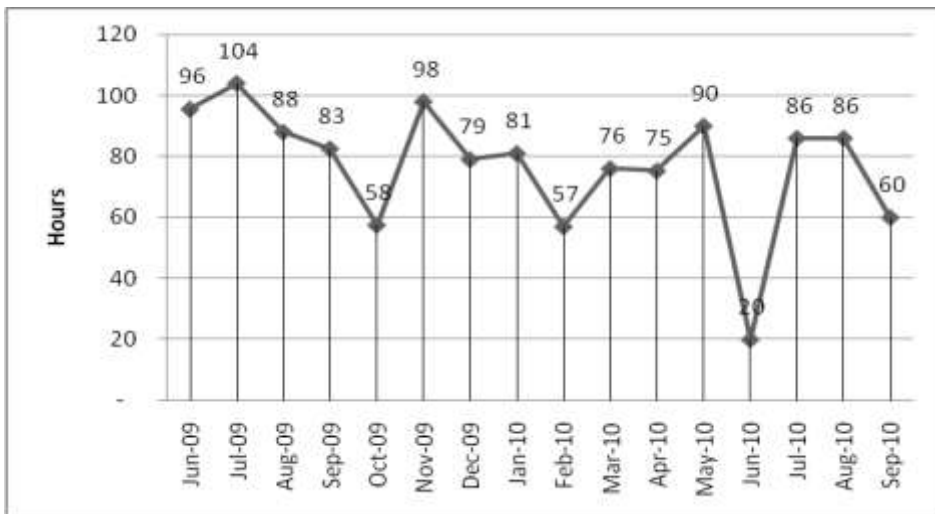


Figure 3 Hours of LCK usage per month

Profiles of two food vendors

Two vendors who use the LACE Kitchen, including a food based and farm based vendor, completed an in-depth interview, describing how use of the kitchen has positively impacted their respective business. One vendor uses the kitchen on a part time basis of 20 hours per week. The kitchen is conveniently located in walking distance to her house. She sells a frozen product prepared in the kitchen at the Market at LACE, the Plainfield Cooperative, Hunger Mountain Cooperative, Healthy Living, and at farmers' markets in Barre, Plainfield, and Montpelier. She credits the LACE kitchen as the reason for business start and continued success. Over time, her business has grown and she would not have been able to make that happen without the community kitchen. Her business is her primary employment and it provides supplemental income to her family in addition to receiving SSDI benefits. She states that "It is great to not have to work at a low paying job" in commenting on the importance of her business as an income generating opportunity. As a result of her work with the LACE kitchen, she has connected with Black River Produce to supply her with raw ingredients such as eggs or cheese. She has also purchased raw ingredients from the Market at LACE.

Another vendor uses the LACE kitchen to process produce from his farm and other local farms into fresh and frozen soups. He notes that his farm has a lot of "seconds" or produce for which he does not easily have a market due to physical imperfections. Prior to using the kitchen these seconds would be composted, generating no revenue for this product. Because of his value-added soup business, his usable farm yield has increased to between 90% and 100% of his harvest. For instance, he was able to make a cream of spinach soup out of 20lbs of spinach that had harmless, small marks on the leaves. While this raw produce would not sell in a market, he was able to cook it down for inclusion in this soup that sells for \$20-\$40/gallon. This product generates revenue from produce that otherwise would not. The use of the LACE Kitchen to process value-added soups has increased his farm's revenue by 40% to 50%. This extra income has enabled him to hire one full-time (40 hours/week) and two part-time (15-20 hours/week) farm employees.

Starting and Supporting Artisan Businesses

- **Total number of artists supported by the Gallery – 162**
- **Highest number of artists in Gallery at one time - 107**
- **Number of businesses started of survey respondents – 27**
- **Percent of businesses retained by survey respondents – 100% (44 businesses surveyed including 27 start-up and 17 existing businesses)**

With the opening of the Gallery, artisan vendors gained access to affordable rental space to collectively sell their products at a store front venue. Figure 4 displays the rents paid by vendors for space in the Gallery from September 2008 through September 2010. Overall, the Gallery brought in steady monthly rent from September 2008 through July 2010. Data from the Kym Maynard shows that no rent was paid in August 2010 due to the closure of the Farm Fresh Market and Café and the impact this had on the Gallery (as previously discussed in this report). Rent picked back up again in September 2010 and was about half of what was earned during an average month. Excluding the last two months, rent paid by vendors averaged \$979. Including

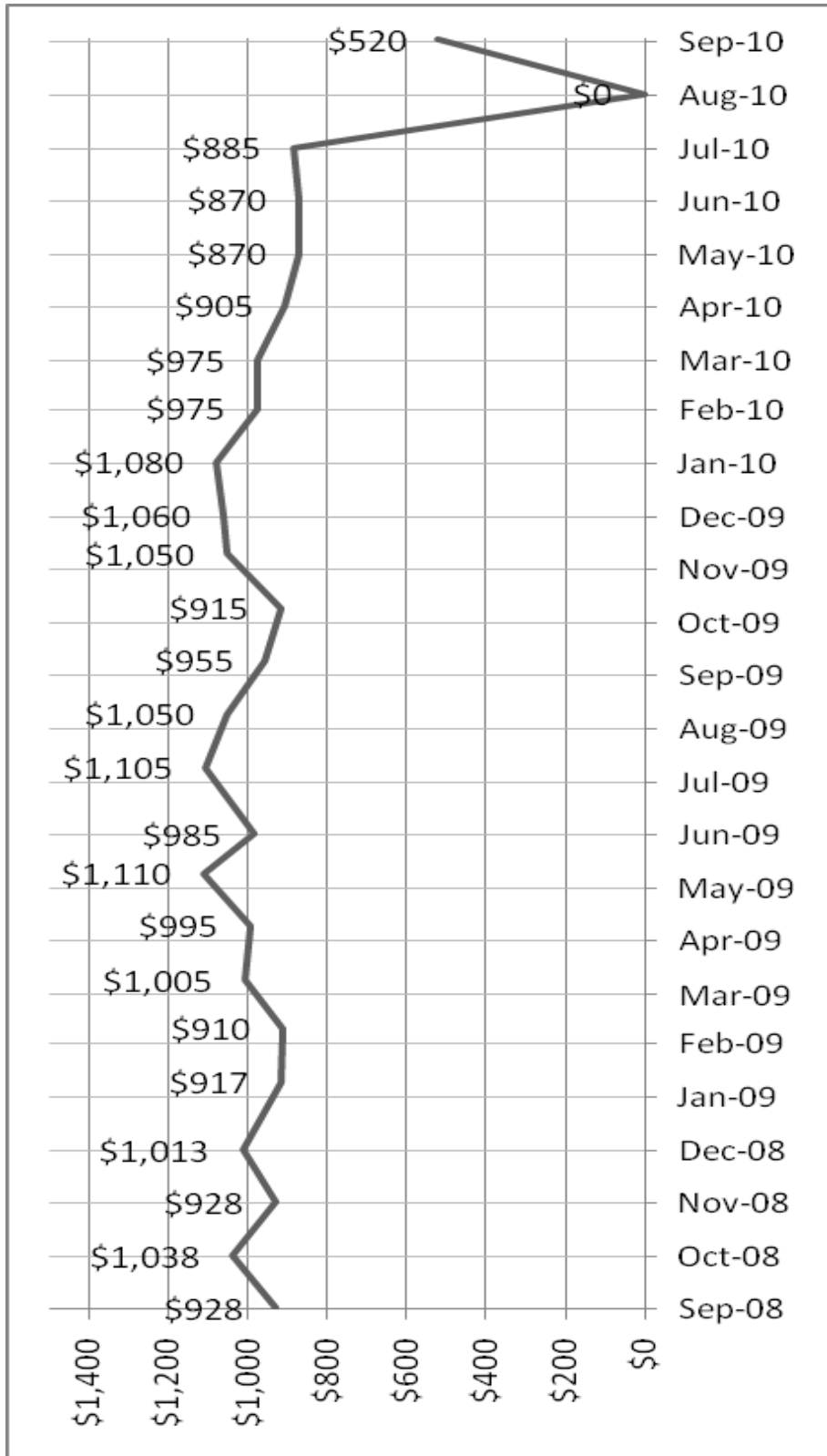


Figure 4 Gallery rents paid per month

the full time period of the grant, the Gallery earned a total of \$23,044 in rent paid by vendors. This rent money went directly to LACE to cover the rent for the storefront space.

Table 3 presents the summary statistics for the Gallery from September 2008 through September 2010. The number of vendors that were members of the Gallery per month ranged from 35 to 107 vendors, with an average of 64 vendors renting space per month. Vendors paid between \$5 and \$125 per month to rent space in the Gallery, which is a monthly average of \$15 to rent Gallery space. Vendors paid a total amount of rent ranging from \$10 to \$1,875 to rent space over the course of the grant period. The average total amount paid by vendors in rent was \$211.

Table 3 Summary statistics for the Gallery, September 2008-September 2010

Statistic	Gallery
Number of months that vendors paid rent	25
Range of vendors per month	35 to 107 vendors
Average number of vendors per month	64 vendors
Total rent paid	\$23,044
Average rent paid to Gallery per month	\$979/month
Range of total rent paid per vendor	\$10-\$1,875 total
Average total rent paid per vendor	\$211 total
Range of monthly rent per vendor	\$5-\$125/vendor/month
Average monthly rent per vendor	\$15/vendor/month

Importance of the Gallery to vendors

Gallery vendors participated in a survey in July 2010 regarding the sustainability of the Gallery. Table 4 shows that half of vendors surveyed (50%) felt that the Gallery is important and should remain open because it provides artists in the community with a place to exhibit and sell their products. The second most commonly given response by 19% was that the Gallery adds to downtown Barre and attracts people to shop in the area because they can purchase affordable, locally made gifts at the Gallery. The Gallery is also important because it exposes the Barre community to locally made art (15%). It also provides vendors with an affordable space to showcase and sell their work (15%) and sales provide Vermont artists with a source of income (15%).

Table 4 Reasons why the Gallery is important and should remain open

Reason	N	%
Artists can exhibit and sell products	13	50%
Adds to downtown shopping area/place to buy unique gifts	5	19%
Exposes Barre community to local art	4	15%
Affordable space for artists	4	15%
Supports/provides income to Vermont artists	4	15%
Helpful staff work at Gallery	1	4%

Vendors were asked to rank their first, second, and third priority areas for the purpose of sustaining the Gallery. Respondents were given four general purpose areas to rank, shown in Table 5, and could also indicate and rank another area. Consistent with reasons why the Gallery is important to vendors, 46% listed “giving vendors’ access to an affordable market” as their top priority for the purpose behind the Gallery. Additionally, 38% ranked the “opportunity to market products with similar artists” as their top priority for the purpose of the Gallery. The remaining two areas were more often ranked as second and third priority areas for the Gallery. A few vendors noted other purposes of the Gallery, including attracting shoppers into the LACE market space and showcasing local Vermont artwork.

Table 5 Ranked purposes of the Gallery

Purpose	1st Priority	2nd Priority	3rd Priority
Give vendors access to an affordable market	46% (13)	31% (2)	23% (6)
Opportunity to market products with similar artists	38% (9)	17% (4)	45% (11)
Support vendors to develop their business and products	16% (3)	42% (8)	42% (8)
Help vendors build a community and network of other artists	19% (4)	38% (8)	43% (9)

Uniqueness of the Gallery

Vendors who responded to the sustainability survey indicated that the Gallery is unique in comparison to other area Galleries or arts/crafts marketplaces for reasons presented in Table 6. Many respondents provided more than one way in which the Gallery is unique. One of the top three categories given, which is consistent with responses throughout the survey, is that the Gallery charges artists an affordable rental fee for the space and takes a reasonable 15% commission on item sales. Other galleries are more expensive for artists to rent and take a higher percentage commission. Vendors also feel the physical space of the Gallery is more appealing. Specific comments include that the space is “homey,” has a “good presentation of crafts,” staff do a good job of changing the display every few weeks, and the space is more open and larger than other galleries. Vendors also feel the Gallery offers a better variety of items (20%) and price range (17%). The Gallery is also unique because it is located in downtown Barre and is more convenient to residents. Vendors also feel that Gallery staff is friendlier and the Gallery is overall more inclusive to artists. A quarter of respondents (23%, 7) were not sure how the Gallery was unique because they were not involved or familiar with other gallery locations.

Table 6 Reasons why the Gallery is unique over other galleries

Reason	N	%
Affordable rent and commission on sales	6	20%
Nice physical space	6	20%
Variety of crafts	6	20%
Price range	5	17%
Located in downtown Barre/convenient	5	17%
Friendly staff at Gallery	4	13%
More inclusive to artists	4	13%

Access to Additional Markets

Being members of the Gallery and using the kitchen have also helped vendors to access additional markets to sell their products. Part of the vendor liaison's responsibilities was to support vendors in finding other avenues to sell their products, such as Internet sales, retail or wholesale venues. Kym also noted that when several larger area galleries closed in 2009 she reached out to about 200 displaced vendors and invited them to become a part of the Gallery at LACE. Survey results that 62% of Gallery vendors sell their products in locations other than the Gallery, with the number of other venues ranging from one location to 50 locations. Excluding the one business that has 50 sales venues, Gallery vendors have between one and 10 sales venues and an average of 4 venues in addition to the Gallery. Other sales venues include (N=21):

- 19% Out of a home or business location
- 15% online and internet sales
- 35% farmer's markets
- 15% craft fairs
- 15% another gallery
- 31% retail location

Compared by vendor's status when entering the Gallery, 50% (14) of start-up vendors sell their products in an average of 4.6 locations, while 71% (12) of existing Gallery vendors sell their products at an average of 6.2 locations. Many vendors attributed their work with the Gallery as having helped them access additional markets. One person stated, "Just being a vendor in the Gallery and being in business helped me get my products into other places." Several gained confidence in their work and the marketability of their product because of Gallery sales.

A few others noted that being a part of the Gallery helped their work gain exposure to customers who seek out artisan items elsewhere. Additionally, several vendors with larger product lines were also referred to other local venues to sell their product, based on the recommendations of their business counselor. Three vendors who completed the telephone survey and two who participated in focus groups commented that customers contacted them directly to order custom-made products based on something they saw for sale in the Gallery. One vendor explained the satisfaction she feels by having community members purchase her product. She commented, "It feels good when people come up to you and say I just bought one of your sweaters or when you see someone walking down the street wearing one."

Jobs Created and Supported

The primary objective of this partnership was to create 68 new jobs for low-income individuals through business development and expansion. Table 7 shows that a total of 21 full-time equivalent positions have been created and filled by JOLI eligible individuals because of this grant funding. Positions filled include:

- 8 FTE artisan businesses (17 individuals)
- 1.75 FTE food-based businesses (2 individuals)
- 3 FTE staff from the Gallery staff training program (3 individuals)
- 5 FTE staff from LACE (6 individuals)
- 3.17 FTE staff from the Farm Fresh Market and Café (4 individuals)

Table 7 shows the number of full-time equivalent jobs created and supported by this grant funding as distinguished by clients’ income status (JOLI eligible or above JOLI eligible). In total, 61.5 full-time equivalent jobs were created and supported by this grant funding, with 34.84 FTE of these positions held by 76 JOLI eligible individuals and 26.66 FTE positions held by 92 low to moderate income individuals.

Table 7 Numbers of jobs created and supported by income status

	JOLI		Above JOLI	
	New Jobs	Existing jobs	New Jobs	Existing jobs
Gallery	8	9.34	5	2.5
Community Kitchen	1.75	4.5	5	14.16
LACE	5	-	-	-
Farm Fresh Market and Café	3.17	-	-	-
Gallery training program	3	-	-	-
Total	21	13.84	10	16.66

Because of Barre’s high unemployment rate of 9.4% and the impact of the sluggish U.S. economy, the evaluator felt it was important to report on low-income held jobs that were supported and retained because of this project as well as new and retained jobs held by people who are above the JOLI eligibility guidelines. Table 8 shows that, in total, almost 35 JOLI eligible positions have been created and/or supported by grant funding, in addition to 26.66 positions held by individuals above this poverty threshold. In total, this project has created and supported 61.5 full time equivalent positions in an impoverished area, which is a positive finding for this community economic development and revitalization project.

Table 8 Number of FTE jobs created and supported by OCS funding

	JOLI Positions	Other Positions	Total Positions
New jobs created	21	10	31
Existing jobs supported/retained	13.84	16.66	30.5
Total jobs created and supported	34.84	26.66	61.5

Household income and sales revenue

Gallery vendors’ monthly incomes ranged from \$400 to \$5,000 and averaged \$2,500 (median \$2,200) (n=21). Average monthly income of low-income clients was \$2,300 compared to the average of \$2,700 for moderate-income clients. 11% (5) of vendors reported that product sales provide the majority of their household income. For the remaining vendors, product sales provide supplemental income. The sources that provided the majority of income for these vendors included:

- 38% wage employment
- 34% fixed income from social security or disability income
- 13% spouse or partner’s income
- 2% unemployment

Four of the food vendors interviewed earn income from other sources in addition to their food business. Monthly household income of food vendors (n=3) ranged from \$2,000 to \$8,000 and averaged \$4,500. One farmer vendor runs his farm operation full-time with value-added products developed at LACE providing a portion of this revenue. The owners of Pakistani Foods and Syp Brand Pirogues operate family-run businesses that provide a substantial portion of their household income.

Public assistance

26% (11) of Gallery vendors and one kitchen vendor interviewed have relied on public assistance at some point. The majority or 64% (7) of vendors said their reliance on public assistance has not changed, 18% (2) reported a decrease in reliance, and 18% (2) reported an increase. Of all persons surveyed from the Gallery and LCK, 89% (41) do not currently receive Food Stamps or TANF, 4% (9) receive Food Stamps, and 2% (1) receive TANF money.

Sales and revenue

Table 9 shows that a little over a third of Gallery and kitchen vendors surveyed have observed an increase in their sales income (39%) and business cash flow (41%) since they started working with the Gallery. A smaller portion saw a decrease in revenue and cash flow and the majority observed no change. Additionally, 16% of vendors observed an increase in their average monthly household income after joining the Gallery, 8% saw a decrease, and 76% saw no change.

Table 9 Change in sales, cash flow and monthly household income since joining the Gallery/LCK

	Increased	Decreased	No change
Change in sales revenue (n=36)	39%	17%	44%
Change in cash flow (n=31)	41%	12%	38%
Change in average monthly household income (n=25)	16%	8%	76%

Gallery vendors retained 85% of their product sales on a monthly basis while LACE commissioned 15% of Gallery sales to cover overhead costs. Vendors in the focus groups commented that 15% is a low commission rate compared to other area venues that charge a commission of up to 60%. Figure 5 plots Gallery sales revenue from March 2008 (the opening month) to September 2010. Product sales over the course of the grant totaled \$65,859, of which

\$55,980 went back to the vendors. Monthly sales average was \$2,125 over the course of the grant, \$2,010/month in 2008, \$2,569/month in 2009, and \$1,658/month in 2010. Individual vendor sales revenue earned throughout the grant ranged from \$4 to \$7,188 and averaged \$375 in total sales per vendor. The vendor who generated the most sales revenue averaged \$231 per month over the course of 31 months. The vendor who earned \$4 had products for sale in the Gallery only for the first month of operation.

Based on the vendor follow-up survey, 56% (18) reported that their products sell on an occasional basis, 34% (11) have regular sales, and 9% (3) said their products rarely sell. 68% (22) were somewhat to very satisfied with their Gallery sales, 6% (2) felt neutral about their sales, and 25% (8) were somewhat to very dissatisfied with their product sales. Vendors who participated in the focus groups noted that though Gallery sales show promise of providing entrepreneurs with a steady income flow, with the struggling economy they have seen a slow decline in sales more recently. Regardless, the vendors are “committed” to the Gallery and LACE and were willing to risk a short-term profit loss while the venue rides out the troubled economy. The vendors are grateful for the opportunity to sell their products in the Gallery and have benefitted from the business assistance and support services they received from MBDP business counselors. Thus, they felt invested in LACE and wanted to see it succeed by staying in business.

Use of sales revenue

71% (33) of Gallery vendors surveyed said that reinvesting sales revenue into their business is their primary source of business capital. Additionally, 40% (16) said a portion of product sales contributes to their household income. Monthly household income earned from product sales (for 11 vendors) ranged from \$30 to \$3,000. Excluding two vendors who reported over \$1,000 in monthly sales, average sales income earned by vendors is about \$160 a month.

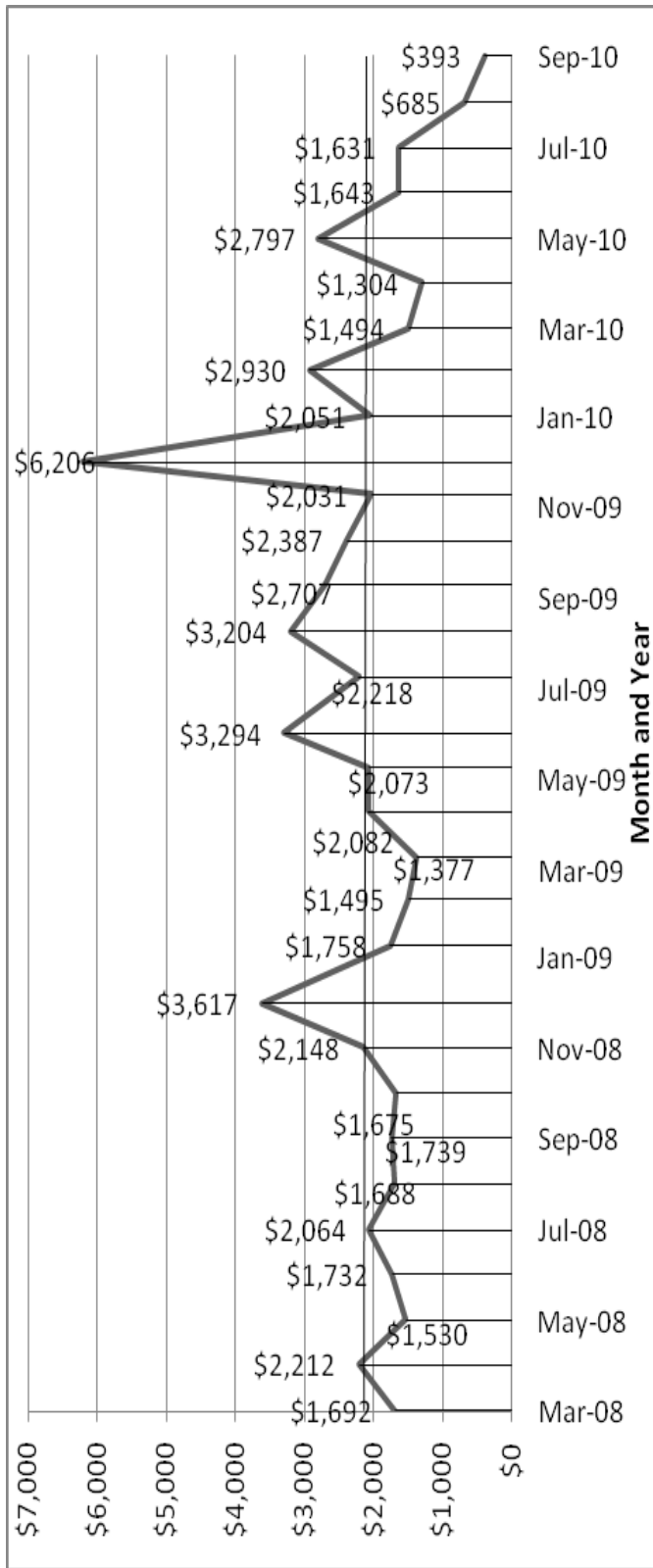


Figure 5 Monthly sales from the Gallery, March 2008-Nov 2009

II.2 Connecting Producers to Consumers

Research question addressed:

- What impact did the implementation of the LACE project and market have on the downtown Barre City area, including revitalizing the downtown area through a multiplier effect, connecting local producers to a viable market, and improving the access and security disadvantaged citizens have to fresh and nutritious food?

Another goal of LACE was to fill a vacant storefront with a much needed grocery store in downtown Barre. To begin to understand public perception of LACE, the researchers surveyed customers to gather their feedback on LACE and the impact it has had on their community. Intercept surveys were conducted in August 2008 and September 2009 with customers at LACE over the course of five days in 2008 and six days in 2009 during different time frames to capture variation in customers. *This survey was not repeated in 2010 due to the closure of the Market and Café.*

Demographic Profile of Customer Respondents

The diverse demographic profile of customers who completed the intercept survey in 2008 and 2009 is consistent over time and suggests that LACE drew a variety of market segments to shop.

- Slightly more than half or 57% (74) of customers surveyed in 2009 were female (66% in 2008) and 43% (55) were male (34% in 2008).
- Respondents' ages ranged from 13 to 78 years old (minors completed the survey only with parental permission) with an average and median age of 45 years (range of 19 to 78 years in 2008), indicating that LACE had a draw for a variety of age groups.
- Two thirds of respondents or 63% (77) (79% in 2008) did not have children under the age of 18 living at home while 37% (46) had between one and five children with the majority having only one child (range of 1 to 4 children in 2008). Household size ranged from one to seven members (same in 2008) with a median of two household members and a majority living solo.
- Respondents (n=121) had the option of self-reporting their annual household income range on the survey. Eight percent reported earning less than \$10,000, 7% earned between \$10,000 and \$19,999, 23% earned between \$20,000 and \$39,999, 31% earned between \$40,000 and \$59,999 and 31% earned \$60,000 or more per year. Consistent with 2008 data, the majority of respondents (80% in 2008 and 85% in 2009) earned a household income of \$20,000 or more. Data show that 22% (26) of survey respondents had an annual household income and family size that placed them at or below 200% of the federal poverty level while 78% (92) were above this threshold.

Distance Travelled to Storefront

Figure 6 shows the approximate distance that respondents' travelled to get to LACE, compared over time. A slight shift in data over time was observed as 56% (73) of shoppers who completed the survey in 2009 travelled five miles or less to get to the store compared to 46% who travelled this distance in 2008. This finding suggests that LACE was potentially attracting more local area residents to shop there. A quarter (24%, 31) of shoppers who responded in 2009 lived less than a mile from LACE or in the downtown Barre area, which was slightly higher than 22% from 2008.

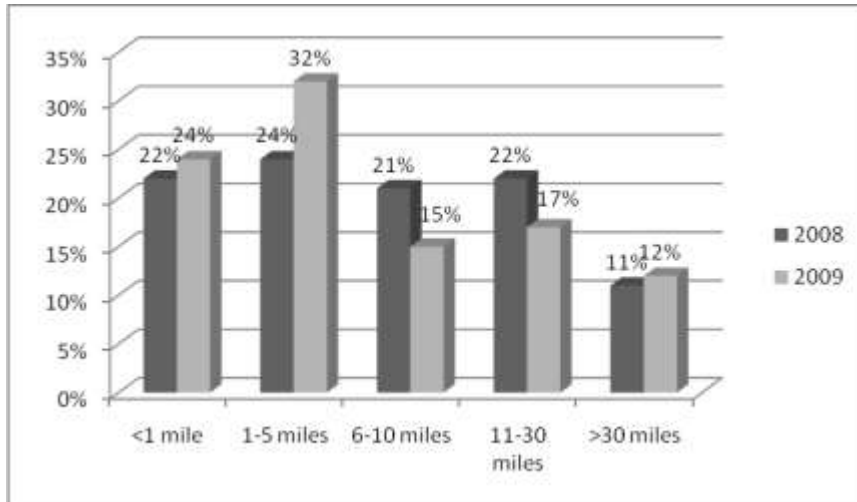


Figure 6 Approximate distance respondents' travelled to market, 2008-2009

Slightly more women may shop at LACE than men, however LACE drew a mixture of customers, with and without children and from various income backgrounds. In addition, shoppers came to LACE from down the street and LACE drew in customers beyond the local radius of 5 miles (44% of respondents in 2009), with 12% of people traveling more than 30 miles to shop there, most of whom were tourists from Canada. These findings suggest that LACE's customer base was much wider than residents living in the downtown area; however there seems to be a potential shift of more customers coming from the local area.

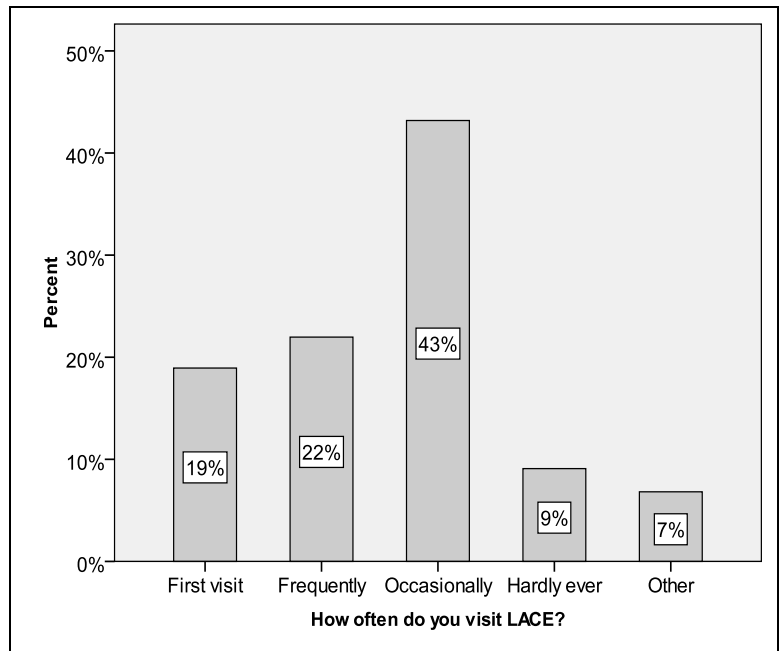


Figure 7 Frequency of visiting LACE overall, 2009

Frequency of Visits

Almost a quarter (22%, 29) of respondents in 2009 indicated that they visited LACE frequently, with 90% or 26 of these customers living five miles or less from the storefront, as shown in Figure 7. Additionally, 43% (57) of customers surveyed shop at LACE occasionally, of which 53% (30) lived five miles or less from the storefront. A total of 19% (25) of respondents were first time shoppers at LACE, none of whom live less than one mile. However, 48% of first time shoppers lived one to ten miles away, 16% lived 11-30 miles, and 32% lived more than 30 miles away. These results are interesting as in 2008 first time shoppers were significantly more likely to have travelled a distance to LACE.

Another shift noted was that the proportion of repeat customers who shopped frequently to occasionally at LACE increased from 1 in 3 respondents in 2008 to 2 of 3 respondents in 2009! These findings suggest that more Barre and nearby area residents were taking advantage of LACE's downtown proximity and offerings on a fairly regular basis.

Frequency of visit by store section

In 2008 only, the customer survey asked respondents to report their frequency of visiting each section of the store (Figure 8). The Farm Fresh

Market had many repeat customers who visited the grocery section, as 61% (76) or almost one in three customers surveyed reported occasionally (39%) to frequently (23%) visiting this section. While slightly more than a quarter (27%, 34) said it was their first time at the Market. More than half (55%) of respondents visited the Café for sit down and convenience foods on a fairly regular basis (41% occasionally and 15% frequently) and, similarly, a quarter (25%, 31) reported it was their first visit to the Café. Customers reported less frequently visiting the Gallery, as 31% (38) occasionally (22%) to frequently (8%) visit the Gallery, while 41% (50) said they hardly ever to never visited the Gallery. Almost 30% (35) reported visiting the Gallery for the first time the day of the survey. Overall, roughly a quarter of all respondents or 1 out of 4 customers surveyed were in the store visiting the three areas for the first time.

Purchasing Patterns by Store Section

In 2009, customers were simply asked to report from which section (department) of LACE they most often make purchases. More than half of respondents, 52% (65) made purchases from the Café, 44% (54) from the Market, and 4% (5) from the Gallery. It should be noted that although Gallery customers were approached equally (and surveys were placed on the counter in that area) the majority of survey completers came from the front of the store and surveying occurred during several prime meal times. Thus, data may not accurately reflect the proportion of customers that actually make purchases from the Gallery in general.

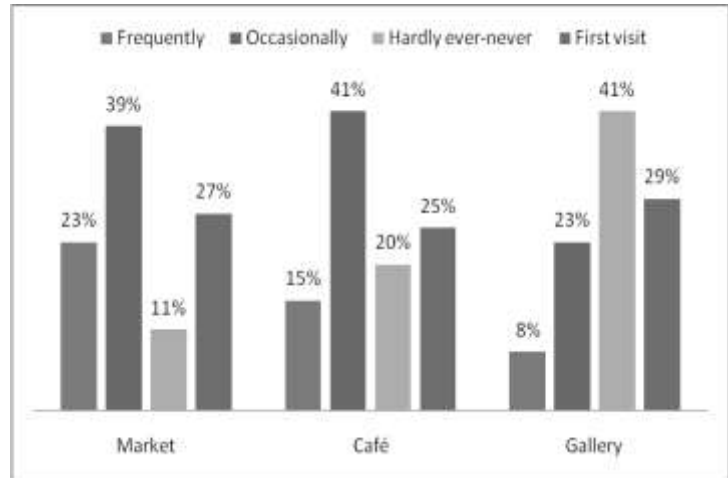


Figure 8 Frequency of Shopping at Market, Cafe and Gallery at LACE, 2008

In 2008, questions focused on what people were more likely to do in each section of the store, such as browse or buy items in the Gallery and grocery or eat-in or takeout food from the Café (all questions also had “neither” options, which is the balance of the percentages reported below). In the Market, 81% of customers surveyed in 2008 said they were more likely to buy items, while 19% just look (n=108). Whereas in the Gallery, 11% said they would purchase items while 79% would just browse (n=85). In the Café, 68% preferred eating food while sitting at the café seating area, while 26% would purchase items to go.

Amount spent by store section

Table 10 shows the dollar range respondents usually spent by store section and over time. A few notable shifts in the data were observed. Grocery item shoppers seemed to have shifted to spending slightly more money on groceries overall, even though the mode in 2008 was to spend \$11-\$20 with 43% and the mode in 2009 was \$.01-\$10 with 32%. A more even proportion of respondents were spending money on grocery items ranging from \$.01 to \$50 with a few spending over \$50. Gallery purchases showed a strong shift from 70% spending \$0 in 2008 to only 44% spending \$0. Likewise, the majority of purchases made by 44% of Gallery shoppers range from \$.01 to \$20, and 12% were spending more money ranging from \$21-\$100, compared to only 4% last year who said they generally spent \$21-\$50.

Table 10 Range of dollar amount spent on items by store location, 2008-2009

<i>Dollar range</i>	<i>Groceries</i>		<i>Gallery items</i>		<i>Café food</i>	
	2008	2009	2008	2009	2008	2009
\$0	10%	6%	70%	44%	11%	4%
\$.01-\$10	27%	32%	15%	24%	56%	57%
\$11-\$20	43%	26%	12%	20%	32%	25%
\$21-\$50	17%	27%	4%	8%	1%	13%
\$51-\$100	3%	4%	0	4%	0	1%
>\$100	0	5%	0	0	0	0
N	113	111	86	79	112	115

Reasons for Shopping at LACE

Main reasons why customers shop at LACE included the café foods, community space and family friendly environment and purchasing local products that were of high quality.

Café foods, community space and family friendly environment

According to respondents, the Café was the most commonly visited and purchased from section of the market at LACE. More specifically, café patrons continued to express preference for purchasing food to eat in the café over taking out foods to go. Café products also consistently received high proportions of good to excellent ratings and, comparing 2008 data to 2009, the percentage of patrons that highly rated café and to-go items increased. In 2008, 84% rated to-go items as good to excellent compared to 94% in 2009. Likewise, 85% highly rated café items compared to 93% in 2009. Based on open responses, café foods are one of the top three reasons customers entered LACE and were exceedingly popular amongst people looking for a healthy, reasonably-priced meal-to-go. The breakfast menu, a major draw for many customers, included

fresh eggs, French toast with nutrient-rich Vermont maple syrup, and the acclaimed “Barre Burrito.” There was also a high volume of praise for quality of the daily soups, salads, and deserts. The excellence of the café cooking was one of LACE’s most successful features.

In addition to delicious food, with soft lighting and light background music, LACE provided a non-intrusive, comfortable atmosphere in which to eat lunch, use the internet, or mingle with friends. Based on open response data, 22% of customers reported that the most enjoyable aspect of the store was the atmosphere, which they described as “homey” and “cozy,” and even brought one customer “back to her childhood.” Of course, there was more to LACE’s pleasant ambience than just physical aesthetics; “atmosphere” was frequently mentioned in conjunction with “friendly employees,” “friendly people,” and “sense of community.” The aura of community spirit which LACE aspired to cultivate was evidently tangible amongst customers, and contributed greatly to their overall satisfaction and dedication to the store.

Customer ratings supported these findings as 82% in 2009 found LACE very helpful in providing a family friendly environment followed by 78% each that found the store very helpful in providing Barre residents with a place to hang out and a café (Table 11). These attributes helped foster community social interactions and cohesiveness, specifically focused around food and family. Open responses showed that customers like the large seating area with various sized tables, chairs, and couches available for their use. The children’s play area that was located in between the seating area and the grocery section of the store was also an attraction for many customers, as consistently noted over both years. Though the concept was on target with customer needs and LACE’s mission, cleaning the children’s area was repeatedly mentioned as a suggestion to improve the overall store. One customer strongly advocated replacing the yellow rug, the dinginess of which tarnished the otherwise pleasant, kid-friendly surroundings. LACE’s executive director and other staff specifically designed the layout of the store to provide a comfortable and family friendly environment for customers to buy food from the Café and dine in a relaxed and social environment. Given customer feedback, LACE was providing this intended environment for customers.

Table 11 Ratings of overall store atmosphere

	Very helpful	Somewhat helpful	Somewhat not helpful	Not at all helpful
Providing family friendly environment	82%	17%	2%	0
Providing a place to hang out	78%	20%	3%	0
Providing Barre residents with a café	78%	18%	4%	0

Although contentment with the general ambience of LACE was widespread, a few customers did suggest that the layout of the store somehow be improved. The store has an “over-extended feel” with a design that was too spread out. When prompted for ideas to improve LACE, one customer remarked, “It always seems dark and empty,” and suggested adding something that would “break the space up.” Another customer mentioned the empty feel in a more intuitive and indirect manner, indicating that LACE needs “more customers,” presumably to fill the bare space of the store. Three customers overtly recommended that LACE improve its publicity and increase

advertisement. A suggestion was made to create an email list, which could notify customers of upcoming community events, classes, Friday night dinners, new inventory, and markdowns.

Purchasing local products

Open responses from 2009 customer respondents indicate that the vast majority of LACE customers liked shopping at the market because they wished to

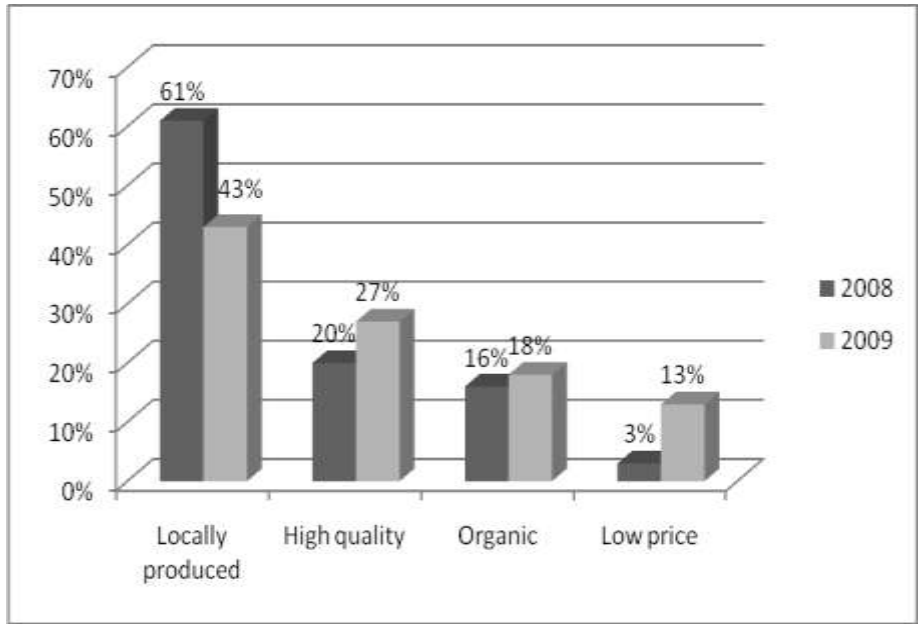


Figure 9 Most important quality when purchasing a food product

“keep money in Vermonters’ hands” by supporting the local economy, a “neighborhood” market and friends’ businesses, as opposed to big-brand supermarkets. Shopping at LACE was an experience both personally satisfying and outwardly rewarding for customers; by purchasing food that was fresh, organic, and local, customers felt that they were keeping the local economy, as well as their bodies, in good condition. As one customer earnestly commented, “the general concept [of LACE] is excellent and worthy of support.” In support of this general notion, results over time consistently showed that customers valued that a product is locally produced when making a decision to purchase, as shown in Figure 9. When asked to rate the helpfulness of LACE in providing Barre residents with locally produced products, 99% of respondents over time rated LACE as somewhat to very helpful in providing local products.

High quality products

Figure 9 shows that customers also value products that are of a high quality, followed by being organic. When asked to rate the quality of main grocery items, 91% or more of 2009 respondents gave high ratings of good to excellent, which was consistent with findings from 2008. Products in Table 12 are sorted by the percentage of “excellent” ratings, showing that customers felt meat and poultry were of the highest quality, followed by dairy items, bakery items, and fruits and vegetables.

Table 12 Ratings of quality and freshness of grocery items

Quality/freshness of products	Excellent	Good	Average	Fair	Poor
Meat and poultry	63%	34%	2%	2%	0
Dairy products	58%	33%	6%	2%	1%
Bakery items	56%	36%	5%	3%	0
Fruits and vegetables	52%	40%	5%	3%	0

II.3 Impact on the Downtown Barre Community

Research question addressed:

- What impact did the implementation of the LACE project and market have on the downtown Barre City area, including revitalizing the downtown area through a multiplier effect, connecting local producers to a viable market, and improving the access and security disadvantaged citizens have to fresh and nutritious food?

Customer survey results, data collected from Gallery and LCK vendors, interviews with staff members of LACE and CVVAC, and results from a statewide public opinion poll provide information on the larger impact LACE has had on the local community.

Support of political figures and local nonprofit partnership, 2007-08

LACE has also improved its standing in the community and gained the support of influential councils and politicians, local, and statewide. LACE opened in July 2007 with a high profile opening, given the grant award received, the project partnership with CVVAC, and the benefit concerts held by musician Jackson Browne to raise funds for LACE. Vermont's Congressperson and Senators, Governor, and Secretary of Agriculture, among other political figures also personally visited LACE. LACE's Director is a Board member of the Barre Partnership and feels that LACE had the support of that organization. The Barre Partnership is a 501(c) (3) nonprofit that coordinates activities to maintain and improve civic pride and the economic, social, and cultural quality of life in Barre, with a particular concentration on the downtown area where LACE is located.

Community Outreach and Events, 2008-09

In 2008 and 2009, almost all survey respondents (99%) indicated that LACE was somewhat to very helpful in providing events for children, adults and families. Ariel, Kym, and Crystal Zevon, with the assistance of other staff, coordinated various events to welcomed people to the store. LACE hosted community dinners on Friday evenings as well as weekend brunches. One theme to a series of Friday dinners was "Foods from a Small World", which featured different ethnic foods prepared by local chefs from backgrounds such as Asian, Indian, Latin, Caribbean and African. By featuring guest chefs, these dinners drew a diverse group of people to LACE, from friends and family members of the chef or simply community members who enjoyed that type of cuisine. LACE also hosted Sunday brunches that featured live music from area musicians, to foster community interaction and fellowship through music.

Another event hosted by the Gallery during the 2008 winter season was the "Cabin Fever Flea Market," which was held one Saturday a month to draw customers into the store during the winter months to support local vendors and have a social outlet. On Saturdays throughout December 2009, the Gallery hosted a holiday craft market that included artist demonstrations and discussions, live music, and a visit from Santa. The Gallery also sponsored the ongoing children and youth program, the "School of Rock." Kym noted that many kids in Barre who did not have anything else to do would come and hang out at LACE. She coordinated a local musician to teach music lessons for these kids using his many extra instruments that they can play during the

sessions. Kym also secured \$1,000 in scholarships through CVCAC so that the youth could attend at no cost.

Improved Public Perception, 2008-09

In addition to generating mutual trust between the two partners, in 2008 and 2009, LACE and CVCAC staff and Board members commented that LACE faced a tough challenge of opening what is traditionally stereotyped as a high end, expensive niche market and gaining the buy-in, acceptance, and respect of Barre citizens to the intentions of the concept. Ariel stated, “People hear the term ‘organic’ and they think of expensive food, tree huggers, and hippies. Barre is a closed community that does not easily welcome change or something this is perceived as outside of the norm there.” Initial media coverage of LACE did not accurately portray LACE’s relationship with CVCAC and the role of the grant funding; staff felt that LACE was misquoted often in newspaper articles and information was deleted or taken out of context, depicting a negative image of LACE. This less than positive media coverage left many local people “suspicious” about the concept of LACE. Many community members were initially resentful of the grant money LACE received as well as money raised through several benefit concerts by a Zevon family friend, renowned musician Jackson Browne. Board members commented that community members misinterpreted the receipt of grant money as wealth, whereas the reality is that all of the money has supported infrastructure and project development. One staff member commented, “Everyone here is looking for a handout and they were wondering why they were not getting some of the money, even though all funds were invested into LACE and the majority of ‘employees’ who keep LACE going volunteer their time and are not paid.” LACE staff also worked hard to gain trust and buy-in from local producers and farmers who have lived in the area for generations and were apprehensive about working with LACE.

To address and counter this misguided public perception, Kym noted, “Ariel stayed strong and kept a positive attitude of ‘just keep doing what we do’ and eventually public reception changes.” In addition, CVCAC’s Project Director Mary Niebling submitted several press releases to other published media in the area, which were printed verbatim and portrayed LACE in a very positive light. Press releases were also made on a weekly basis to highlight the work of local artists that was for sale in the LACE Gallery and Market. This strategy helped community members understand that LACE was serving to bolster local businesses as a place to get their business off the ground and sell their products. LACE also hosted community centered events such as dinners, farmers’ markets, and children’s educational series, which brought people into LACE who did not initially give LACE a chance. As discussed later in this report, by hiring local employees and Reach Up volunteers to work at LACE, community members were more receptive to the store and customers who would not initially shop there were visiting more frequently.

Access to Fresh and Local Foods, 2008-09

In 2008, LACE hosted a weekly Farmers' Market on Wednesday evenings from 3:00-6:00 pm throughout the growing season. This market provided residents with an additional source for purchasing fresh and local produce and opportunity to directly support local farmers. The market's two established produce vendors received positive customer feedback as 76% (86) of those surveyed in 2008 indicated appreciating that LACE provided a sidewalk farmers' market in Barre one day a week. Customers also rated LACE as being very helpful in providing a place for farmers (89%, 103) and artists (78%, 84) to sell their products. In 2009, downtown Barre hosted a weekly farmers' market instead of LACE; yet LACE continued to sell local produce through the Farm Fresh Market. Almost all survey respondents from 2008 and 2009 felt that LACE was somewhat to very helpful in providing a grocery store in downtown Barre with reasonably priced products. Customers also valued that LACE provided them with reasonably priced local foods and high quality items such as meat and poultry and fruits and vegetables. These findings suggest that LACE was addressing community food security issues stemming from the previous lack of a grocery store in the downtown area.

Prior to the closure of the Market and Café, conversations with project staff showed that LACE provided different types of food – farm fresh, whole foods, raw and bulk ingredients – that had not been available in Barre for some time. Based on customer survey results and anecdotal observations of LACE staff, Barre residents appreciated the increased availability of this type of food. LACE developed a clientele of people who came to the store every day for food, either prepared or fresh ingredients. This trend was seen anecdotally by Market and Café staff as well as evidenced by the survey results, which showed that many respondents frequently visit LACE. People who initially were not familiar with the concept of farm fresh and wholesome foods shopped at the Market more frequently. To educate customers about these foods and how to use them in meals, LACE chefs provided recipes and product demonstrations in the community kitchen. Ariel felt that increasing their target market was a function of “getting people in the door.” Once they came to LACE, they were more receptive to it and product offerings.

Community Revitalization and Economic Development, 2008-09

Even though LACE was faced with initial distrust and suspicion of the local community, customer and statewide feedback on the extent that LACE helped local revitalization and economic development showed these feelings were shifting. Additionally, LACE supported residents in gaining job skills and work experience by being a work placement site for several social service organizations.

Customer perspectives, 2008-09

Table 13 shows customer ratings of LACE's helpfulness in improving economic and community revitalization in downtown Barre. A majority of customers felt that LACE was very to somewhat helpful in providing farmers and artists with a place to sell their products and a farmers' market. Additionally, 100% of those surveyed in 2008 and 2009 felt that LACE was very to somewhat helpful in improving the overall image of downtown Barre. To a lesser extent, though still positively rated, customers felt that LACE provided events for adults, children and families and

attracts more people to shop in the downtown area. This survey was not repeated in 2010 because of the closure of the Market and Café.

Table 13 LACE and community revitalization and economic development, 2008-09

	Very helpful	Somewhat helpful	Somewhat not helpful	Not at all helpful
A place for farmers to sell products	81%	19%	0	0
A place for artists to sell products	81%	17%	2%	0
Improving overall image of downtown Barre	78%	23%	0	0
Providing a farmer’s market	74%	23%	3%	0
Providing events for adults, children and families	59%	40%	1%	0
Attracting more people to shop in downtown Barre	52%	36%	2%	0

Attracting customers to Barre, 2008-09

Corroborating these findings, people visited LACE from neighboring towns, other states, and Canada who otherwise would not have travelled to Barre, VT. For instance, customers surveyed in 2008 and 2009 were part of tour groups from Texas and Canada and stopped at LACE to eat and shop. Additionally, because LACE was a job placement site for many Reach Up volunteers, lower income people felt more comfortable to visit and shop at the store. This finding was evidenced in the variety of economic backgrounds of customer survey respondents in 2009, which was an interesting finding considering the survey was conducted over a one week time frame. Local community members also recognized that Barre residents worked at LACE, which helped foster community support.

Vendor perspectives, 2008-09

Vendors who sold their products at LACE also commented that they felt LACE made living in Barre more “palatable.” Five of the six vendors interviewed moved to Barre because of the affordability of homes in the area rather than their affinity for the community or the downtown area. They expressed concern over the negative image of Barre that they have felt while walking down Main Street and how this deters visitors. However, all felt that LACE, along with other locally owned venues in downtown Barre, was ahead of the curve when it came to improving the downtown’s image. They felt that if LACE could ride out the recession and residents slowly warmed up to LACE and became familiar with its products and offerings then hopefully the community culture would shift to better match and support LACE’s mission.

Providing work opportunities for Reach-Up and other volunteers, 2008-09

LACE, the Market, Café, and Gallery served to improve the economic conditions of Barre residents by providing employment to area residents and being a popular work placement site for local Reach-Up recipients and other work placement program volunteers to gain job skills and experience in exchange for their benefits. Reach Up recipients are required to work between five and 20 hours a week in order to earn their Reach-Up award and other benefits such as a childcare stipend. In 2008, LACE’s director stated, “We have the highest number of volunteers from the Reach Up program working here. People who work at LACE through this program recruit other volunteers to seek work here.” Volunteer staff also benefitted from attending MBDP workshops covering topics of managing personal finances and budgeting, and improving customer service

skills. Kym noted that most of her staff lived off a fixed income and greatly benefitted from this education.

Work opportunities at the Market and Café included cooking in the kitchen, serving customers at the Café counter, and operating the register to ring up purchases. In 2008, two of the three part time paid employees who worked in the kitchen and Café were formerly Reach Up volunteers. Reach Up volunteers also work closely with Kym Maynard in the Gallery, getting on-the-job training as they shadowed Kym through her day. Trainees assisted with inventory management, vendor coordination, and creating and interpreting sales reports. At project end, the Gallery had two Reach Up volunteers who worked 30 and 21 hours a week, respectively, to receive their benefits. A former Gallery volunteer from the Reach Up program gained the skills, experience and references she needed to obtain permanent, full time employment that paid \$15/hour; she no longer was receiving Reach Up benefits. Prior to working at the Gallery, this person did not have the job skills to qualify her for her new job.

The Gallery also provided part-time work (20 hours per week) for a volunteer who was referred through the Vermont Associates for Training and Development onsite job training and placement program for persons over 50 years old. People who completed this six month program at LACE built their references and gained skills in work ethic, taking direction, social interactions at work, confidence and self-esteem. Kym hoped that Gallery staff from this program would either be hired by the Gallery after program completion or assisted with finding a job using their acquired skills. Additionally, a Gallery vendor volunteered his time four nights a week in lieu of rent. Kym explained why he is a great fit for this sales position, “He is so good about marketing products and getting the word out. He is a very social and well-known person in the Barre area and has a great business background.” During the vendor focus group, this person said he enjoyed working in the Gallery because he got to talk with customers about the artists who make the products so customers leave with a greater appreciation for supporting local businesses and a stronger connection to their purchase.

LACE was also the job placement site for the Return House program of the Washington County Youth Service Bureau, a transitional living program targeted specifically towards male offenders between the ages of 18 and 22 who were returning from prison to Barre City. In 2008, a program that these young men participated in was the “Bad Boy Bistro”, helping to prepare and serve food for community dinners at LACE. This program rotated different kinds of food preparation and service including: Farm Fast, casual fare such as burgers and sweet potato fries; Farm Family, offering buffet style dining; and Farm Fine, or fine dining. This program gave participants experience and job skills in different types of food service. Ariel noted that two chefs employed at the Café kitchen were previously involved in this program.

While LACE has informally provided these employment training and skill building opportunities, LACE Business Manager Lorraine McBride said that there is no official program in place and managing volunteers takes a lot of paid staff time. Part of Lorraine’s role was to develop a more structured and organized job skills training program, which would more efficiently and effectively benefit participants and provided subsidized workers for LACE. Ariel aimed to incorporate community youth into this volunteer program, such as partnering with the

New Directions of Barre youth program to encourage young people to get involved in their local community and gain work skills and experience.

Statewide perspectives, 2009

Supporting the finding of a growing public awareness of LACE outside of the area were the results from a statewide telephone survey conducted of Vermonters in February 2009 at the University of Vermont (N=615). Results showed that 16.4% (98) of Vermonters polled had heard of LACE in Barre and 41% (40) of those respondents had been to LACE. Of those who had heard of or been to LACE, 74% (52) felt that LACE attracted more people to shop in the downtown Barre area and 91% (74) thought LACE improved the overall image of downtown Barre. Responses from customers surveyed were consistent with the findings at the statewide level. Overall, shoppers had a very positive perception of the impact LACE had on the Barre community. Eighty four percent of all people surveyed and, more specifically, 100% of Barre residents felt LACE was very helpful in improving the overall image of Barre. This finding was very positive as customer feedback speaks to the desire for LACE to be a catalyst to revitalize the downtown Barre area including its image.

Educational Programs, 2009-2010

Education programs at the LACE kitchen have reached a variety of audiences, targeting youth, families and adults within low-income communities to give them practical, hands on cooking skills with affordable and locally grown ingredients. The ultimate goal was to encourage community members to improve their health and lifestyle through healthier eating choices. Community programs that worked with the LACE kitchen have included:

- Head Start, a program serving pre-school aged children and families from the Barre area
- Cityscape Afterschool Program, serving low-income, at risk youth ages 10-12 in grades 5 and 6
- FoodWorks, a Vermont food and education center used the kitchen to hold workshops on family nutrition, local food, easy recipes, and food handling for community members and students from Barre City Middle School for their Farm-to-School program.
- Spaulding High School
- LACE hosted workshops for kitchen users on sanitation, food safety, and regulations
- Meeting the multiple purposes of community outreach, marketing, education, and connecting local producers to consumers, LACE also held demonstration and cooking classes in the kitchen that were open to the general public for a nominal fee. For instance, in December 2009, LACE held a class called “Holiday Cooking 101: Breads, Pies, and Cookies.”
- For Thanksgiving 2009, LACE opened the kitchen up for the community to prepare a holiday dinner.

The evaluation of LACE Kitchen education programs focused on the Cityscape Youth program, “Cooking at LACE”, which is an afterschool program of the Washington County Youth Service Bureau that serves Barre City Middle School students. From January to June 2010, approximately 7 to 10 students accompanied by a Cityscape program counselor visited LACE every Wednesday over the course of three program sessions (Jan-Feb, March-April, May-June)

for a total of 15 weeks. Seven students completed a paper survey at the end of the final session to evaluate the program. The evaluator also completed on-site observations during the March-April session. Students reported that they enjoyed the cooking program at LACE because it gave them an opportunity to do something afterschool with their friends that they enjoyed -- learning how to cook. All students surveyed said that they learned something new from the cooking program at LACE, that they enjoyed the activity and tried to attend it as often as they could. All of the students also agreed that staff from both LACE and the Cityscape program encouraged students to participate in the cooking process, such as measuring and mixing ingredients, cooking, and tasting the food that they cook. During an observation of the Cityscape program at LACE, students expressed awareness of the use of healthier ingredients, such as whole wheat flour and oat flour in pancakes, and local ingredients, such as local frozen blueberries, in the cooking process. Students liked working with their peers and adults as a team and also enjoyed watching others cook if they were not comfortable in participating, such as using the stove.

Uses of the Kitchen Space to Promote Local Economic Development, 2010

A new initiative taking place in the Community Kitchen at LACE is the packaging of multi-farm value added products as an income generating business venture. Grant funding of \$5,000 was awarded for this project from the Farm Viability Project to hire two consultants. Jeff Dutton from CVCAC commented that about 15 farms expressed interest in supplying product to be processed at LACE and sold under a cooperative label. Potential items included frozen broccoli, green beans, carrots/puree, and a vegetarian and a meat stir fry mix. The Vermont Food Bank offered to distribute the products throughout the state as part of their regular food shelf delivery route.

Another initiative in the kitchen was the renovation of part of the space for processing meat for wholesale. As mentioned previously, CVCAC supplied LACE with an additional \$5,200 grant to renovate part of the kitchen space to allow for the processing of meat items. Farmers and food based business owners had expressed a need for HACCP certified space to process raw meat, make sausage, and cuts of meat. This area was completed in September 2010 and the effects of adding this area have yet to be seen.

II.4 Challenges to Reaching Project Outcomes

Research question addressed:

- What are the strengths and challenges faced in this grant, specifically with the construction and development of the LACE space and with the partnership between CVCAC and LACE organizations?

The model of LACE as a business incubator space, test market outlet, and affordable rental space had huge potential to support local entrepreneurs and create new jobs in the community. However, vendors and project staff identified several obstacles to the full fruition of the private-public model. CVCAC staff perceived that the Market and Café should have placed more emphasis on improving marketing, advertising, and business management practices to increase customer flow and revenue generation for this core business. By making this business sustainable and profitable, the Gallery and community kitchen could have diverted some revenue into savings for their own sustainability.

The project director and MBDP business counselors agreed that the project's goal of creating full time employment for low-income people in rural areas was a challenge to achieve. This is partially due to Vermont and Barre's poor economy and high unemployment rates. Additionally, the delayed construction of the kitchen resulted in a delay in attracting food vendors to use the kitchen and thus limited the number of food vendors that are currently using the kitchen. Mary indicated that the kitchen has the potential to create a great number of full time jobs; whereas, results indicate that 73% of Gallery vendors surveyed were not looking to expand their business into full-time self-employment. It should be noted that 27% (9) of Gallery vendors and all kitchen users surveyed (3) had a goal of turning their work into full-time self-employment. Additionally, 19% (8) of Gallery vendors and all kitchen users surveyed (3) had a goal to grow their business to the point of hiring others.

Staff and vendors identified other obstacles faced by the private-public partnership. These include: limited advertising of the Gallery and LACE to attract more customers, issues inherent in the impoverished community that impacted sales, local politics, and stresses and strains involved in operating the public/private partnership. Gallery vendors expressed concern that although they bought into something larger, they were not benefitting from a larger number of customers frequenting LACE largely because of limited advertising. They were frustrated that procedures to review and approve advertisement materials resulted in a several month delay of the Gallery brochure. Local media was also slow to pick up human interest stories about the vendors.

Vendors and project staff also noted the adversity that LACE faced because the storefront was located in the heart of a working class, economically distressed community. LACE's market base was limited due to: lack of foot traffic because of the perceived "bad element" of people who hang out downtown; low-income residents or those living on a fixed income perceived Market products to be expensive and lacked discretionary income to purchase Gallery items; a town entrenched in a culture of poverty was not readily open to change; and misconception of the Market as being negatively associated with "hippies" and wealthy people that are direct contrasts to Barre's working class.

SECTION. III PROJECT SUSTAINABILITY

Research question addressed:

- How will this project be sustainable beyond the funds of the grant?

L.A.C.E.

Procurement of additional grant funds

To explore the feasibility of producing a multi-farm, value-added product that would be processed in the LCK and sold under a cooperative LACE label, a \$5,000 grant was secured from the Vermont Farm Viability project to hire two consultants. In addition to this smaller injection of funding, LACE Board members wrote and received other grant funds that provide salaries for Ariel's position of Executive Director and also a Business Manager position. This funding helped streamline Ariel's already complex role at LACE and added a staff person to support her position. The Business Manager hired in 2009, Lorraine McBride, held that position for only a short period of time due to personal reasons. Her responsibilities at LACE included administrative duties, building and infrastructure management, staff/volunteer training, grant writing, program development, and coordination of staff across departments. At the time of this reporting, Board member Ela Chapin reported that LACE had recently hired a person to fill this Business Manager position. The newly hired person will take on responsibilities of budgeting, bookkeeping, fundraising, and developing policies and procedures. She will work directly with project partners to streamline and improve communication and these relationships.

Funds from the USDA grant obtained by LACE in May 2009 were also used to hire a bookkeeping contractor, Shannon Blais, who manages the finances of both the non- and for-profit entities. This position fosters regular reporting and tracking of cash flow and profit/loss and supports budget development associated with grant writing. Previously, this information was not provided to the Board on a regular basis to help them achieve a balanced budget and determine fundraising goals for future sustainability. In 2010, Shannon took on the task of invoicing clients that used the LCK according to actual hours used. Ela Chapin reported that Shannon's consultant position will be absorbed by the recently hired Business Manager position for LACE to create a full-time position that is focused solely on LACE.

In late summer of 2010, a new position added to support the work of LACE was an AmeriCorps volunteer position, in charge of outreach and marketing for LACE events, educational programs and recruiting community kitchen vendors. This staff person also is helping Ariel with program management and administrative tasks, such as maintaining and posting the weekly schedule for the LCK and coordinating schedules. Also in 2010, LACE was awarded a grant from the John Merck Fund to develop a workforce development and training program that specifically focuses on food processing and preparation in the LCK. At the time of this reporting, LACE had also submitted for another two-year USDA Community Food Project grant, which included CVCAC as a grant partner to provide technical and business assistance to entrepreneurs.

Additional recommendations to sustain LACE include:

- Continue to improve nonprofit and business operations to support the growth of LACE, including records and financial management, marketing, fundraising and outreach.
- The Partnership should ensure that LACE Board members are kept informed of grant funded operations. Additionally, the Board should be provided with all financial information on the nonprofit and for profit enterprises because they have fiduciary responsibilities for the nonprofit and need to plan budgeting and fundraising goals to ensure operations are sustainable.
- Ensure staffing of the Business Management position so that the entire LACE operation uses best business management practices to sustain the enterprise.
- Perform a cash flow and profit and loss analysis of all LACE operations to determine how money is moving through the operation.
- Further examine the feasibility and profitability of developing a brand of LACE products. If determined feasible, develop a brand of LACE products, such as canned, jarred and frozen produce and value-added products, which includes purchasing raw ingredients from farmers, processing them in the kitchen (possibly as a demonstration project), and selling them at the Market and elsewhere to generate revenue.
- Formalize an operations manual and policies and procedures that document all LACE operations. For instance, kitchen use policies should require vendors to attend the Vermont Health Department training on cleaning and sanitation procedures and implement these procedures regularly. The Gallery operations procedures should include strategies and protocols for inventory control and theft management. Market and Café policies should include staff training in customer service such as increasing customer check-out time management.

Staff recommendations to improve future partnerships

In 2010, final interviews with staff shared the common theme that future partnerships should set clear guidelines for how the partnership should operate. Specifically, partnerships should set clear expectations of roles, job descriptions, and staff management and supervision systems. There should also be systems in place for helping staff make necessary corrections within their job and repercussions if people are not doing their job sufficiently over time. Additionally, staff recommended that partnerships determine a set schedule for how often the project director and staff are in communication with each other, such as expectations on how often to communicate in person, by telephone, and email. All staff felt that these processes and systems need to be in place up front, mutually agreed upon, and periodically revisited and amended when necessary.

Staff worked to continually address the reasons behind communication breakdowns. A crucial element that supported good working relationships was for staff to earn and uphold a mutual level of respect and trust. Staff recommends that Board members and supervisors should be kept fully informed about issues, projects, and outcomes so they may provide a third perspective. The autonomy and growth of LACE must be respected, with consideration for the expertise of both organizations. Staff also needs to be open to giving and receiving constructive criticism and feedback that is backed up by facts and/or rational explanations. Staff also needs to be willing to compromise on decisions, solicit external opinions when needed, and perhaps simply agree to disagree and move on. The partnership should also ensure that everyone understands the reasons

for different perspectives and organizational operations that impact decision making and timely completion of projects.

Strong communication was a common theme related to successful completion of projects. Areas that lead to communication breakdowns should be continually addressed by the partnership in various ways.

- A crucial element is to have mutual respect and trust between agencies and staff and recognize equality of ownership towards the project and grant goals. This respect and trust can be facilitated by keeping the Board members fully informed about issues, projects, outcomes, and business finances so they may provide a third perspective for decision-making.
- The autonomy and growth of LACE must also be respected, with consideration for the expertise brought from both organizations.
- Staff needs to be open to giving and receiving constructive criticism and feedback that is backed up by data and/or rational explanations. Staff also needs to be willing to compromise on decisions, solicit external or Board opinions and advice to inform decision making, or perhaps simply agree to disagree and move on. The partnership should ensure clarity around reasons for different perspectives and organizational operations that impact decision making and timely completion of projects.
- Key decision makers should meet or speak on a weekly or semi-monthly basis to update each other on project activities, issues, and outcomes.
- Continue to hold weekly to monthly meetings of management level staff that work onsite at LACE to facilitate team building and communication.
- Clarify supervisory roles and expectations within the partnership and within the onsite staff.
- Continue to utilize neutral “third parties” such as the Business Manager, evaluator, an outside consultant, and Board members to facilitate communication between LACE and CVCAC staff and mediate where needed.

The Gallery

Recommended best practices for Gallery management

Kym’s final interview in September 2010 provided her perspective of and insight into best practices for managing the Gallery’s operation.

- **Staffing** - The Gallery needs a staffing plan in place to continue working with vendors, manage operations, and ensure that an accurate sales and inventory system is kept in place. Management level staff is needed to recruit and train other staff and provide daily supervision. Adequate staffing will also help minimize theft of items. The Gallery needs a designated product manager who is the main point person to work with vendors, especially vendors working at a start-up stage.
 - Have experienced staff available to train new staff and to search for staff replacements with turnover.
 - Have a designated manager with whom artists can work.
 - Management level staff should oversee daily inventory control of items in the Gallery. This person should also be responsible for managing Gallery finances, collecting rent, and daily sales reports.

- Management level staff needs to supervise other staff and keep them motivated.
- Staff should continue networking with artists and craft persons at town, regional, and state level events (e.g. craft shows and farmers' markets) to recruit vendors and promote awareness of the Gallery.
- **Funding** - Funds are needed for advertising and marketing of the Gallery within the Barre community and beyond.
 - The Gallery should have an advertising fund to support advertisement costs. The Gallery should also have a reserve fund to cover overhead costs in cases when rent is not paid in a timely fashion or sales are down. If the Gallery is to move out of the current location, funds are needed to pay for this move.
- **Space and Policies** - The Gallery needs autonomy from LACE to make decisions and have control over the space. The Gallery should have its own Board to set its own policies. The Gallery should be able to set its own business hours and should be open during peak daytime, evening, and weekend shopping hours.
 - Have adequate space, including shelves and locked cabinet space to enhance security for higher end items
 - Have an adequate number of vendors that provide a consistent and fresh supply of inventory to the Gallery. At peak capacity, the Gallery had about 108 vendors that were members of the Gallery and a list of people waiting to join the Gallery. If items do not sell after a period of time, vendors need to remove and replace these items.
 - The Gallery could thrive as part of a larger venue that includes hobby and start-up businesses with larger businesses or more well-known artists. This mix of experience levels among vendors also provides great mentoring opportunities for vendors to network and learn from each other.

Vendor suggestions on Gallery management

Project Director Mary Niebling formed the Gallery Sustainability Committee during the final year of the three year project. The committee was comprised of Gallery staff, a vendor, a LACE board member, and CVCAC and LACE staff. This committee brainstormed strategies to keep the Gallery open and had the evaluator and Gallery staff conduct a survey of Gallery vendors in the summer of 2010, before the closing of the Market and Café, to test their interest in remaining a part of the Gallery under a different management or operation structure once OCS grant funding ended. Through the survey, vendors were asked who they felt should be in charge of the Gallery space, including management of sales, arrangement of items, and cleaning the space. Overall, vendors felt that the Gallery should be managed by paid staff and a set of criteria or guidelines for product selection should be set by professional staff or a committee of artists. Responses included:

- Paid staff (70%, 21)
- One, a few, or a cooperative of vendors (17%, 5)
- Volunteers (17%, 5)
- Kym Maynard or another qualified person like Kym (17%, 5)
- A combination of a vendor cooperative, paid staff and volunteers (13%, 4)

Vendors were also asked who should be in charge of managing the Gallery inventory and quality control of Gallery products. Responses include:

- Paid staff (77%, 23)
- One, a few, or a cooperative of vendors (17%, 5)
- Kym Maynard, alone or with a few senior staff or vendors (17%, 5)
- Volunteers (10%, 3)

Vendor suggestions for improving the Gallery

As part of the Gallery Sustainability Survey conducted in the summer of 2010, vendors surveyed provided many suggestions for keeping the Gallery open related to increased advertising, improved location, and altered fee and ownership/membership structure.

- **Advertising (48%, 10)**
 - Increase advertising of Gallery; more aggressive advertising (6)
 - Outreach and advertise at community events, such as farmer's markets, concerts, etc. (2)
 - Improve signage (1)
 - Improve/expand front window display (1)
- **Location (33%, 7)**
 - More visible location (3)
 - Move Gallery to front of LACE market (2) [Note that the Gallery moved to the front of the storefront after the closing of the Market and Café.]
 - Relocate to along route 2 (1)
 - Gallery should stand alone (1)
- **Fee structure (29%, 6)**
 - Vendors pay an annual membership fee (2)
 - Seek out grant funding or private investment (2)
 - Vendors should pay an increased commission (1)
 - Do not change current fee structures or will discourage members to stay with Gallery (1)
- **Ownership/management structure (24%, 5)**
 - Hold a vendor meeting/potluck to discuss ideas (2)
 - Artists cooperative (1)
 - Artists council (1)
 - Vendors volunteer in Gallery weekly (1)

Vendor suggestions on product selection and criteria

More than half (52%, 14) of respondents felt that the current variety of product available in the Gallery was adequate. A third of vendors (33%, 9) was not sure or did not think that the Gallery needed more or less of anything specific. Three vendors provided suggestions, including selling fewer higher priced items, more cards, and showing more paintings shown on the walls. Additionally, one vendor suggested that inventory staff should inform vendors of "gaps" in the products available at the Gallery so that they could make products to fill specific needs.

All but one of the vendors surveyed (97%, 29) felt that having a set of criteria or guidelines for Gallery products to determine what can be sold in the Gallery was a good idea and favorably supported the notion. The remaining person was not opposed to such a system but was simply not sure if they liked the idea or not. A third of vendors provided suggestions for guidelines that should be followed. Two vendors specifically noted that members should be solicited for specific guideline suggestions and then vote to determine the main criteria or priority areas. Other specific suggestions for guidelines include:

- Good quality
- Appearance
- Retail price
- Restriction on number of similar items
- Handmade
- Made locally
- Length of time item has not sold in store

Table 14 shows the various suggestions for who or what groups of people should set the Gallery criteria or guidelines according to the survey. Twenty-eight percent felt that Kym Maynard should continue to set the Gallery criteria and an additional 14% indicated that the “current system” (i.e. Kym) works and should be continued. A quarter of vendors would like to have a peer/vendor/artists review system in place. Similarly, 14% would like items to be juried by a committee or panel of artists.

Table 14 Suggestions for who should set Gallery criteria or guidelines

Suggestion	N	%
Kym Maynard	8	28%
Peer/vendor review	7	24%
Current system works	4	14%
Juried by committee of artists	4	14%
Gallery staff	2	7%
Random community members	1	3%

Vendor opinions on Gallery relocation and cooperative structures

All Gallery vendors surveyed were willing to stay with the Gallery if it relocates, but 44% were interested only if the Gallery is located near or in Barre. More specifically, 56% (14) of vendors surveyed said that they would be willing to remain a vendor in the Gallery if it relocated, regardless of location. A third of respondents (36%, 9) were interested in staying with the Gallery but depending on the distance of the new location from Barre (most Gallery vendors live in close proximity or walking distance to the current location). A total of 8% (2) were interested in staying in downtown Barre only. Vendors are willing to work weekly and monthly in the Gallery in various roles, including:

- 39% (9) Marketing and promotion
- 39% (9) Event planning
- 30% (7) Gallery sales/retail
- 26% (6) are interested in helping but are not certain of their schedule
- 17% (4) Gallery arrangement/cleaning

- 9% (2) are not interested
- One person already conducts spinning demonstrations at the Gallery

The hours per week vendors are willing to work in the Gallery include:

- None (26%, 7)
- 1 to 2 hours/week (22%, 6)
- 3 to 4 hours/week (22%, 6)
- Up to 5 hours/week (7%, 2)
- Any (7%, 2)
- Not sure, need to discuss further (7%, 2)
- Need to be able to volunteer from home due to commute or disability (7%, 2)

More than half of vendors surveyed (54%, 15) were willing to participate in the Gallery if they were required to work 4 hours per month in some capacity for the Gallery. Two out of three or 64% (18) were willing to work in the Gallery if they were required to work only two hours per month. A portion of vendors (roughly a quarter) were not willing to work in the Gallery at all due to various constraints. Vendors willing to work in the Gallery were interested for a variety of reasons. Reasons included: it is important to help keep the Gallery open; because the Gallery supports artists; to receive more customer feedback; and to be more actively involved in sales of products. Vendors who were not interested in working at the Gallery stated that they could not due to conflicting work schedules, concern over the time commitment, and distance to travel to the Gallery more frequently. One person also commented that their current low sales volume would not justify their time spent working in the Gallery.

Slightly more than half of vendors (54%, 14) were in favor of earning a commission on items sold during their shift at the Gallery, whereas slightly less than half (46%, 12) were not interested. Of those in favor, four people would work regardless of earning a commission and would not expect to or need to earn a commission for their time. One person who was opposed to this idea felt that the artist should retain the sales from their item rather than a person working in the Gallery. Half of vendors (50%, 13) were willing to work in the Gallery if they could pay the Gallery a reduced percent commission on items sold during their shift. One interested person suggested that the Gallery simply charge volunteers and non-volunteers different commission rates for their time overall rather than based on items sold during a shift. Three vendors who were opposed to this idea specifically noted that the current commission was fair and that the Gallery needed this commission to support overhead costs.

More than half of vendors (56%, 15) were in favor of the idea that if vendors chose to not work in the Gallery than they could pay a higher rental cost in place of working. Vendors agreed with this idea because “time is money.” If vendors could not or were not willing to work than they could still be involved in the Gallery at a higher cost. One person commented that this idea would “make the Gallery stronger” by providing additional cash flow to support operations. A few suggestions were made on how to determine this cost. One person suggested increasing non-working members’ rent based on what it would cost to “pay” a volunteer to work in the store at a fair wage rate. Another felt that non working vendors should pay 50% more per month than working vendors. A third person suggested that this topic should be discussed cooperatively with all members. On the other hand, a third of vendors were opposed to this idea (33%, 9) and 11%

(3) were not sure. A few people noted that they were against this idea because they feel that all vendors should be able to help out the Gallery in some capacity.

Vendor opinions on sales commission and rent structures

Vendors were open to changing the payment/fee structure of the Gallery, with consideration of equity and fairness to vendors and Gallery overhead costs, and sales volume. Two thirds of vendors were willing to pay a yearly membership fee to be a part of the Gallery ranging from \$30 to \$150. A quarter (25%) would like to keep the current sales commission rate, while 39% were willing to pay an increase ranging from 20% to 25% or 30% to 40% of product sales. The remaining 36% were not sure what level of increase they would be willing to make, with four people specifying that this increase would need to depend on their product sales. The breakdown of responses included:

- 15% commission (25%, 7)
- 20%-25% commission (25%, 7)
- 30%-40% commission (14%, 4)
- Depends on sales (14%, 4)
- Not sure (21%, 6)

Almost half of vendors (44%) would like the Gallery to keep the current rental costs, with three people noting that they did not pay rent because they are senior citizens. A little more than a quarter of respondents provided a dollar value ranging from \$5 to \$10 and \$15 to \$20. Further, 15% of vendors felt that rent should depend on the sales of their products. The remaining vendors were either not sure or would prefer to pay either rent or a commission on sales and not both. The breakdown of responses included:

- Keep current (44%, 12)
- \$15-\$20 (15%, 4)
- \$5-\$10(11%, 3)
- Depends on sales (15%, 4)
- Not sure (7%, 2)
- Would pay rent OR commission (7%, 2)

Approximately a third of vendors surveyed (32%, 8) were not willing to pay a yearly membership fee, while two thirds (68%, 17) were willing to pay this fee. Three vendors said that they would be willing to pay between \$30 and \$50, while three others were willing to pay \$100 to \$150. A few people said they would consider paying an annual membership fee if this was in place of a monthly rental charge or if the percent commission was lower. Another vendor asked whether or not their money would be refunded if they decided to leave the Gallery.

LACE Community Kitchen

Renovating a part of the current kitchen space to enable raw meat processing was a project unanimously supported by CVCAC and LACE staff. There were at least two vendors who want to process meat, as well as LACE itself under this brand and other potential vendors who would be attracted by this ability. At Jeff's invitation, a meat inspector from the Vermont Agency of Agriculture's Meat Inspection Services determined that the space could be outfitted for meat processing. The kitchen was to be sealed off from the rest of the LACE store to prevent transfer of bacteria and a wall sink with foot pedals was installed. The state's chief meat inspector highly supported LACE adding this function to the kitchen so that small businesses could start out processing meat at LACE and expand to open their own facilities. He noted that additional meat processing facilities are a needed resource in Vermont. Depending on the level of licensing sought by LACE, vendors could process raw meat to sell at the LACE Market and Café and for wholesale distribution.

With the grant-funded infrastructure in place, the LCK continues to be used by approximately eight food vendors and one farmer vendor (as of this reporting time). More recently, catering businesses have also rented out the kitchen space for one-time usage. In 2010, Ariel discussed ideas of future projects that would involve using the kitchen space. She would like for the LCK to serve as a "restaurant incubator" so that catering businesses or chefs could feature their food one or two nights a week in the LACE space. Vendors that use the kitchen could also collaboratively feature their food items during lunch or evening meals as a way to advertise their product and test the feasibility of transitioning from a farmer's market or food cart to a restaurant space. Additionally, the Merck funded workforce development and job training program, to start in 2011, could subsidize the labor needed to process aggregated products from multiple farms to be sold under a cooperative label, generating revenue for farmers and LACE.

Recommended best practices for managing the LACE Community Kitchen

Jeff's final interview in September 2010 provided his perspective and insight into best practices for managing the LACE community kitchen operation.

- Staff should be hired to manage the kitchen.
- The increased rent amounts charged for kitchen usage were a little high for an incubator space that is not sufficiently well-equipped.
- Clarify the billing process for kitchen usage. Invoicing vendors should be the sole responsibility of LACE and not the vendor liaison/business counselor because billing for kitchen usage is in conflict with being an advocate and counselor for a client.

Vendor suggestions for improving the kitchen

- Better equip the kitchen and provide adequate storage space.
- Better organize the management of the kitchen.
- Improve the scheduling of kitchen usage. If a vendor has scheduled and paid for use of the kitchen then another person should not be allowed to use the space at the same time.
- Ensure that all kitchen users maintain food safety standards and meet regulations. One vendor not in compliance poses a risk to the quality of all other products produced in the kitchen space.

The Farm Fresh Market and Café

At the time of this reporting, Ela Chapin reported that LACE is operating a “Farm Stand” in place of part of the Market and Café space to continue to provide customers with access to a selection of local foods. Products sold through the Farm Stand include farm produce, value-added farm products, products produced by vendors in the LCK, baked goods, coffee and tea. Ela also noted that LACE is moving in the direction of partnering with other local organizations, and/or renting the space to area businesses or partner organizations, to use the space in a more cooperative and efficient manner. In whatever format the market continues, LACE will need to place more emphasis on improving marketing, advertising, and business management practices to increase customer flow and revenue generation from the enterprise in order for it to be a revenue generator rather than a subsidized market.

Customer suggestions to improve the Farm Fresh Market and Café

Customers provided several constructive suggestions on ways LACE might improve its markets. Suggestions revolved around product cost, selection, and customer service areas. Customer survey results consistently show that ratings of price, sales, and coupons fall in all categories from poor to excellent, suggesting improvement is warranted. Although LACE customers have valued purchasing local products, by limiting inventory to solely local products the market sacrificed the convenience of “one-stop” grocery shopping, which was noted as appealing to most customers. In fact, 75% of survey respondents stated that they also shopped at other chain and locally owned grocery establishment on a weekly basis. Please note that these results are from the 2008 and 2009 surveys conducted prior to the market’s closure in July 2010.

- LACE could increase Market sales by improving product/brand selection and price of grocery items. Offering coupons, sales and other specials would also draw in customers.
- Customers suggested adding a wider variety of household items and staples, such as diapers and feminine hygiene products. This addition would not diminish sales of local food or artisan work, but would greatly convenience customers and lend the store a more well-rounded and versatile feel.
- Other recommendations include: add a fresh salad bar, expand the bulk section, add a wider variety of cheeses, and offer sliced deli meat for sale. Offer specialized products such as gluten-free items, fresh-made candies, bagels, and low-carbohydrate or low-sugar food and drink options.
- 8% of customers surveyed wanted to see a more expansive and consistent selection of fruits and vegetables, which may not be feasible if out-of-state produce was not added to inventory.
- Improve customer service areas by having a faster customer checkout system and longer hours of operation.

The children’s play area that was located in between the seating area and the grocery section of the store is also an attraction for many customers, as consistently noted over both years. The children’s play area is on target with customer needs and LACE’s mission and should be kept well-maintained and clean.

CONCLUSIONS

The Local Agriculture Community Exchange (LACE) is a community revitalization project, through collaboration between LACE and CVCAC. The LACE project was funded by the US Department of Health and Human Services, Office of Community Service for three years, from October 1, 2007 to September 30, 2010. The following narrative summarizes the major findings of the LACE project evaluation report.

LACE's public-private partnership effort has contributed to the area's revitalization and economic development. The replicable model at work through LACE is a multi-faceted approach similar to theories discussed by Blakely and Bradshaw's (2002), including 1) connecting local producers to consumers at a central storefront location, 2) supporting the business needs of local producers, 3) creating opportunities for individual growth, empowerment, and income generation, 4) increasing community cohesion, and 5) supporting the area's local economy. A main economic development theory that LACE successfully tapped include microenterprise development and business incubation (see also Clark & Kays, 1995, 1999; Lindenfeld, 1998, Edgcomb & Klein, 2005; Edgcomb, Klein & Clark, 1996) and the use of vendor cooperatives to support the cost of shared space. Vendors gained access to markets and resources to start and expand their businesses and product development/refinement, which enabled them to expand into additional markets. Though revenue from product sales was not a sole source of income for Gallery vendors, micro business development enabled artisans and food entrepreneurs to operationalize their skills and passion into important supplementary income.

The project's employment and workforce development program for Reach Up, Return House, and other volunteers from job placement programs encompassed human resource development theory by providing underserved populations with workplace skills and experience to move onto other permanent employment. These training opportunities are critical in a community plagued with high unemployment and poverty rates. LACE also exemplified the "homegrown economy" theory (McKibben, 2007; Mitchell, 2003; Shuman, 2000) by purchasing local products wholesale, providing start-up entrepreneurs with business development assistance, incubation space and access to a market, and recirculating revenue by contracting Vermont businesses to renovate the physical space.

The mission of LACE also subscribed to the more recent "sustainable food retail" movement that is occurring nationwide in impoverished and underserved communities with declining family farms and agricultural based economies (Laurison & Young, 2009; Unger & Wooten, 2006). LACE's Farm Fresh Market embodied the "good food" value defined as "stores in underserved, low-income communities in locations that are easily accessed by foot or public transportation and provides a selection of culturally appropriate, fresh, and healthy food that is affordable for all residents in the community" (p.8). The Market, Gallery, and community kitchen also fostered the value of "local wealth" by offering locally-sourced food and other products. The Café, seating area, and family/educational programming supported a "strong community" value. LACE also utilized environmentally friendly practices of recycling, composting, and reusing refurbished materials.

Supporting entrepreneurs

The primary objective of this partnership was to create 68 new jobs for low-income individuals through business development and expansion. A total of 21 full-time equivalent positions have been created and filled by JOLI eligible individuals because of this grant funding. Positions filled include:

- 8 FTE artisan businesses (17 individuals)
- 1.75 FTE food-based businesses (2 individuals)
- 3 FTE staff from the Gallery staff training program (3 individuals)
- 5 FTE staff from LACE (6 individuals)
- 3.17 FTE from the Farm Fresh Market and Café (4 individuals)

Vendors who sell products at the Market and Gallery and utilize the community kitchen are small and micro businesses (with five or fewer employees) or sole proprietorships that employ only the business owner. Living in rural Vermont, these business owners face the common threat of closure and income loss during their start-up because they lack adequate access to markets and customer foot-traffic as well as sufficient capital to purchase or rent space that would provide this access. Food based businesses also lack access to adequate kitchen space to prepare food in a way that meets Vermont regulations. The private-public partnership of LACE helped to address these challenges by providing vendors with affordable, newly renovated retail space and a commercial grade kitchen to develop, refine, test-market, and sell their products in an established storefront that is located in a high traffic area in the downtown community. Utilizing the “vendor cooperative” approach (Blakely & Bradshaw, 2002), the Gallery and kitchen operated in a cooperative style with vendors paying a “membership” rental fee to help support the management and upkeep of the shared space.

The private-public partnership also helped offer vendors critical micro business development and support services through CVCAC’s Micro Business Development Program (MBDP) (Clark & Kays, 1995, 1999; Lindenfeld, 1998, Edgcomb & Klein, 2005; Edgcomb, Klein & Clark, 1996). MBDP placed on-site business counselors working out of the Gallery and kitchen space, who had the expertise to match the needs of artisan and food-based vendors. MBDP also has off-site business counselors and a vast network of resource and referral services to provide vendors with more extensive assistance. Vendors have been assisted in technical areas such as product development, display, recipe refinement, food safety, packaging, and pricing. MBDP also supports vendors to prepare a business plan, improve financial management skills, and gain access to capital by applying for a business loan or grant seed money. Vendors garner support systems and social capital through networks of local business owners with similar characteristics and shared needs that are formed as the result of a participating in a shared-use and cooperatively rented space (Cranwell & Kolodinsky, 2003a, 2003b; Schmidt & Kolodinsky, 2006; Schmidt, Kolodinsky, Flint & Whitney, 2006).

Supporting the community

In addition to assisting area businesses, LACE has supported community members through enhanced food security, social outlets, educational programs, and employment and job skills training (Laurison & Young, 2009; Unger & Wooten, 2006). Until LACE was established, many of central Vermont's poor, seniors, and disabled persons, who are concentrated in this community, had limited access to local, fresh, and nutritious foods. Many residents lack transportation and downtown Barre previously did not have a supermarket within walking distance. While open, the Farm Fresh Market and Café provided much needed access to fresh and healthy foods in the heart of Barre City's downtown area to help improve community food security, health, and nutrition (Blakely & Bradshaw, 2002). Barre residents also benefitted from the shared kitchen space where LACE has hosted hands-on workshops, cooking demonstrations and educational programs that have covered topics such as healthy eating and nutrition, and cooking with seasonal, fresh, and local ingredients.

Additionally, the storefront location included a multi-purpose community space that was equipped with wireless internet service, comfortable seating for work, dining or socializing, and a children's play area. This space provided residents of all ages with opportunities to commune and connect with one another over lunch, community dinners, and events in a family friendly environment. LACE also used this space to hosts free workshops, discussion groups, lectures and youth programs, such as the School of Rock music education series, where young people develop music skills with borrowed instruments from a local musician.

Because of Barre's high unemployment rate of 9.4% and the impact of the sluggish U.S. economy, the evaluator felt it was important to report on low-income held jobs that were supported and retained because of this project as well as new and retained jobs held by people who are above the JOLI eligibility guidelines. In total, almost 35 JOLI eligible positions have been created and/or supported by grant funding, in addition to 26.66 positions held by individuals above this poverty threshold. In total, this project has created and supported 61.5 full time equivalent positions in an impoverished area, which is a positive finding for this community economic development and revitalization project.

Aside from creating and supporting employment for community members, LACE fosters individual empowerment and human resource development by providing work training and skills development opportunities to area residents (Blakely & Bradshaw, 2002). LACE has been a job placement site for Vermont's Reach Up program, the state's federal welfare program that helps economically disadvantaged individuals transition to the workplace through time limited cash assistance and job skills training. LACE has also served as a job placement site for the Return House, which is a transitional living program targeted specifically towards young male offenders who are returning from prison to Barre City. These young men are continuing to work with LACE staff to develop their own venture, the Bad Boy Bistro, to help prepare food for community dinners at LACE and potentially develop a brand of packaged and prepared foods under this label. Because LACE employs area residents, who have worked, eaten, and shopped at the Market, the venue began to break through the community's initial negative perception of LACE as an expensive store with high end and organic products.

Supporting local revitalization and economic development

Connecting local consumers with producers and providing the area with employment and job training opportunities, LACE is a grassroots based community economic development effort that enhances the multiplier effect of dollars exchanged locally (Shuman, 2000). LACE has provided an affordable outlet for entrepreneurs to sell their products, many of whom in turn use local resources to carry out business operations, such as purchasing raw materials, transporting products, sub-contracting with other businesses for such purposes as bookkeeping, construction, equipment repair, and cleaning/maintenance services, and providing jobs for community members. LACE also has supported conservation of farms and the working landscape, which are important facets of Vermont's tourism industry, by helping farmers to stay in business through the exchange of raw and value-added products. Employment at LACE also has provided income to area residents and job skills that they can use to work elsewhere, which ultimately increases the community's purchasing power to further support local initiatives.

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