

LACE:  
Local Agricultural Community Exchange  
*Evaluation Report, FY II*



October 2009

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## INTRODUCTION

The Center for Rural Studies (CRS) at the University of Vermont (UVM) is 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 findings of data collected during the first two fiscal years, from October 1, 2007 to September 31, 2009. 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 is 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 will 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 will 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 can more efficiently purchase needed supplies, market their products, and produce goods.

## **Evaluation Model**

The evaluation of the LACE project focuses on both process and outcome strategies. The overall evaluation focuses on 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, quality of technical assistance provided, and client outcomes such as increased sales, earned income, and job creation. These outcomes are 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 will produce and interpret 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 are intended to be a management tool to facilitate continuous project improvement. In documenting project development, the process evaluation also serves to help staff identify challenges or barriers, strategies to resolve them and provide recommendations for future implementation. The process and outcome evaluations will 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 Model 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 (2007) and a 2009 unemployment rate of 10.1% because of business closures, which is higher compared to the statewide rate of 7.1% (VT Dept of Labor, 2009).

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 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*

LACE supports 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 benefit from the commercial kitchen where staff hosts workshops, demonstrations, and educational programs on topics such as preparing healthy meals with seasonal, fresh, and local ingredients.

Additionally, the storefront location includes a multi-purpose community space with seating space for work, dining, or socializing and a children's play area. This space provides 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 utilizes this space to host 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.

In efforts to counter Barre's high unemployment rate, LACE fosters individual empowerment and human resource development by providing employment and work training and skills development opportunities to area residents (Blakely & Bradshaw, 2002). LACE employs between two and five employees at a given time and is also a job placement site for Vermont's Reach Up program, which is 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 been 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. Because LACE employs 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 provides 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 supports 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 provides 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 are 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 are used to effectively develop LACE to its full potential? What are the lessons learned in the process to develop LACE, including storefront opening, Farm Fresh Market and Café, the Gallery, and shared kitchen space?
- How do project staff and partners identify and recruit vendors to sell product in the space? What strategies does staff use to coordinate and manage working with vendors, such as inventory control and pricing?
- What are 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 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?
- How will this project be sustainable beyond the funds of the grant?
- What is the customer perception of LACE, satisfaction with products and prices, and the extent LACE meets stated goals and the needs of downtown Barre citizens?

### Vendor Outcomes

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

## 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, dynamics of partner relationships, impact on vendors and customers, and ways LACE contributes 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 group with Gallery vendors, and community data collected from a statewide public opinion poll. Future evaluation activities that have not yet been completed are to follow-up with Kitchen vendors through interviews and/or focus groups, survey community business partners such as area businesses and the Barre Partnership, and interview store employees and volunteers through the work placement program.

### 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.

### Gallery Vendor Survey

Telephone surveys were conducted with Gallery vendors by trained interviewers from July to September 2009. Contact information for active and non-active vendors (n=71) was provided to the researchers with 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 40 vendors completed the survey for a response rate of 56%. Additionally, five vendors participated in focus groups held in April and August 2009 to capture in-depth information on outcomes realized because of the Gallery and feedback to improve business counseling services received.

### Staff Interviews and Focus Groups

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 and two hours each (Glesne, 1999; Patton, 2002). Periodic electronic mail communication between staff and the researcher was also incorporated into this evaluation. These methods provided information and rich qualitative data that informed how the project is

being carried out, challenges encountered and overcome, lessons learned, and partner relationships.

### **In-Store Customer Intercept Survey**

Community member data was captured through a customer intercept survey and an annual telephone poll of Vermonters. 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. In 2008, the survey was conducted over a five day period from Tuesday through Thursday, Saturday and Sunday and, in 2009, the survey was conducted over six days from Thursday through Tuesday (Table 1). Additionally, a few questions were slightly altered, deleted or added purposefully to gather a variety of data on customer opinions. One to two research staff approached customers at varying three hour time frames during business hours from 10:00 a.m. to 7:00 p.m. to maximize the variation of respondents. Additionally, fliers and signs were displayed around the store to inform customers about the survey, invite them to participate and indicate the dates and times when surveyors would be at LACE.

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

<b>2008</b>	<b>2009</b>
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

During the actual surveying time, CRS staff approached customers 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. Based on wording from an introductory script, surveyors introduced themselves and described the purpose and the sponsor of the survey. Once introduced, the surveyor would either hand the customer the survey (on a clip board with a pen) or, if they seemed reticent, inform them that the survey team was located in the seating area and that they could stop back to complete the survey at another time. Surveyors made a point to not approach people who appeared to be busy, conversing, or in a hurry. Surveys took customers approximately 10 minutes to complete. Completed surveys were returned to the research team and customers were offered a voucher for a cookie or cup of coffee from the Café that was redeemable during the survey time frame and to enter into a raffle for a gift basket of store items.

In 2008, a total of 175 people were approached and 125 completed the survey for a response rate of 71%. Almost a quarter (22%, 27) of survey respondents lives in Barre, of whom 39% (9) are low-income. In 2009, a total of 153 people were approached and 132 surveys were completed for a response rate of 85%. Consistent with 2009 findings, a similar proportion of survey completers are Barre residents (24%, 31) and 26% of Barre residents who completed the survey fall into a low-income category 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 of interest to non-profit agencies, government officials, and researchers. Questions on Vermonters' awareness of and shopping patterns at LACE were asked on the 2009 Vermonter Poll. Responses are limited to randomly selected Vermont households with a telephone number listed in the state directory and do not include cell phones<sup>1</sup>. 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 Analysis**

Quantitative data were analyzed using Statistical Package for the Social Sciences (SPSS) 17.0. Bi-variate analyses, including T, F, and Chi Square ( $\chi^2$ ) tests, were also conducted to further understand relationships between two variables. P values less than or equal to .10 were deemed significant. 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 repeated review of field notes. Validity was verified through investigator triangulation and multiple independent reviews of data and analyses as well as informant feedback on preliminary findings.

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<sup>1</sup> 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

The following report summarizes the findings of the LACE project evaluation for the second project year. This report begins with an overview the project's implementation, as documented through partner focus groups and interviews with key staff. This section is followed by a description of Gallery vendor characteristics to present a profile of clients served by the LACE project to date. Finally, results from the customer intercept survey are presented to understand the impact the LACE Market, Café and Gallery has had on the local community. Finally, conclusions from the evaluation results and recommendations for program improvement are presented.

### PROJECT IMPLEMENTATION

To document project implementation staff focus groups and interviews were conducted annually with staff from LACE and CVCAC. Discussion 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 provides qualitative data on project process, best practices, and lessons learned for continuing the project over the next year.

#### *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 will 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.*

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 provide a crucial foundation for additional project activities that serve 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 is 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 in Vermont, 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 will help LACE save money on heating and cooling costs and be more environmentally friendly.

#### *Gallery construction*

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. Ariel Zevon, the Executive Director of LACE and owner of the for-profit Market and Café, noted that the construction of the Gallery did not disrupt “business as usual” for the Market and Café. Even though the Gallery and Market/Café are separate entities, there is a cooperative spirit between the two, as they are both part of a larger structure and help fulfill the mission of LACE. Ariel and Kym feel that the two departments, with different market bases and diversified product offerings, mutually benefit the other by increasing foot traffic from a variety of customers and exposing them to all food and retail offerings of LACE.

#### *Commercial kitchen construction*

The community kitchen was renovated in 2008 and passed inspection in February 2009 for its grand opening in March 2009. Jeff Dutton is also an onsite MBDP Business Counselor and food/farmer vendor liaison for the community 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 did cause 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. Now that the community kitchen is fully operational, these issues have worked themselves out.

#### *Additional signage*

In addition to the completion of the commercial kitchen, in 2009 LACE also 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 their talent to constructing some of this signage to help the marketing and outreach of LACE.

#### *Current store layout*

Post interior remodeling, the storefront is divided into three distinct spaces to house the departments of the Market and Café, the Gallery and community kitchen. Cash registers, pre-packaged cold products and produce are conveniently located at the front entry of the store, which is next to the community/dining space and children's area and in front of the Café. The Café has its own kitchen that is privately operated by Market and Café staff. Beyond the Café counter is the Market area filled with typical items such as personal and household products, dry, bulk, and canned goods, and refrigerated and frozen items; the majority of these items are Vermont-made products. Beyond the grocery section, customers pass through an arched doorway to enter into the Gallery space that is filled with artisan products. The space immediately next to the Gallery and behind the Café's kitchen is the commercial, multi-use kitchen and storage space at LACE, along with restrooms, additional storage, office space and a second exit.

#### **Farm Fresh Market and Café**

The Market and Café were the original components of LACE and are managed and operated by Ariel, LACE's founder and Executive Director, in addition to kitchen support staff. Ariel's job encompasses 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. More recently, she has developed plans for several community education initiatives with local schools and nonprofit organizations such as Food Works. She also plans to add programming and support for farmer vendors who use the community kitchen to process value added foods for winter markets. LACE Board members interviewed, including Chair Sarah Adelman and Secretary and Acting Treasurer Ela Chapin, have played an integral support role for Ariel by lending skills and expertise in directing the nonprofit initiative. Ela states 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, LACE recently received new grant funding (discussed later in this report), which provides a salary for Ariel as the Executive Director of LACE and funds a new Business Manager position held by Lorraine McBride among other support staff. With these changes, the Board members hope that Ariel is alleviated of daily business operation tasks (like cooking in the kitchen for the Café) and can focus on her Director

role including overseeing operations, grant reporting, and developing education and outreach programs that focus on LACE's mission.

### *Challenges addressed*

One challenge addressed by the Market and Café is limited funds to support staff positions and turnover of two longer term staff that left in the fall of 2009. Staff turnover increased the workload for Ariel and the Café Chef, Adam Woogmaster, until a full time cook, part time prep cook, and part time market, produce and counter assistant were hired in September 2009 to fill this void. Ariel noted that another ongoing challenge she faces, as owner of the private enterprise and director of the nonprofit, is managing different legal and financial requirements of the private-public partnership and how they coexist and support one another within federal and state guidelines.

### **The Gallery**

The Gallery space at LACE was constructed during the first fiscal year of the grant after the Market and Café portion of LACE was in operation. Customers now pass through an arched doorway to enter into the separate Gallery space filled with a variety of artisan products. Before the Gallery was finalized, artist and craft vendors placed products for sale in the Market space. These products have since been transferred to the Gallery space and vendors work directly with Kym Maynard, the Gallery vendor liaison and business counselor from MBDP. Kym works on site at LACE to provide business assistance to artist and crafters who sell products in the Gallery, manages Gallery policies and procedures, and supervises 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 areas are no longer an issue. With the Gallery in operation for about a year and a half, Kym focuses on managing contracts with vendors, inventory control, product layout and aesthetic design of the space, and supervising and training Gallery volunteers/staff.

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

### *Improvements to Gallery operations*

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 a standard set of policies and procedures for inventory management and sales of Gallery items. Vendors are "members" of the Gallery at LACE and pay a rental fee to place their products in a booth. Kym noted that payment of rent is affordable and flexible as vendors have until the 15<sup>th</sup> of the month to pay their rent. If they do not pay their rent by that time, they will get a reminder phone call. Many vendors with less cash flow, such as senior citizens who live off a fixed income, are not charged a rental fee for the first six months to test out their product in the Gallery before committing to paying rent. Also, some vendors work in the Gallery in lieu of paying rent, which allows for more staff coverage, especially in the evening, and meets the needs of lower income vendors. This nominal rental fee provides a consistent revenue stream for LACE, in



addition to its 15% commission on Gallery product sales. Kym anticipates that eventually this revenue will help pay for Gallery activities and supplies, however at the time of this interview all of the revenue was being reinvested back into supporting the nonprofit of LACE. In addition to vendor rental agreements, inventory is tracked in a more systematic way. Each vendor has a distinct ID number that corresponds with all of their inventory and items sold. On a regular basis, Kym or a Gallery volunteer will review the sales log and make payments to vendors who sold products, minus a 15% commission fee. This system is both computerized and maintained in paper records.

Ariel noted that Kym's revamped system has 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 provide LACE with a systematic way to track inventory and sales so vendors are paid accurately and fairly and LACE does 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 states 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.

In 2009, Kym specifically noted several action steps she took to improve Gallery sales. Kym works with well-trained staff that are 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 Gallery sales 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.

#### *Challenges addressed*

In 2008, organizing and improving inventory management helped 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 working within the parameters of the new system. Regardless, many vendors remained at LACE and many new ones added their products under this new management system. Regarding the use of the vendor intake form, new vendors could easily complete this form during their orientation session. However, vendors who already had product in the Gallery were harder to track down for them to complete this form. At 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 desire to see the Gallery succeed because it is an important outlet for artists to showcase and sell their product and earn extra income.

During the first year of Gallery operation, limited staffing was a challenge that Kym has worked hard to overcome by recruiting, training and retaining staff that are paid through social service programs in exchange for work experience and skill building. In 2009, Kym stated that she and staff have “tightened things up and the Gallery team works really well together.” She now has adequate staff coverage if she or others cannot make their scheduled shift and has staff who works in the evenings. Kym is confident in her current staff and involves them in key decision making around Gallery operations and product placement. Margaret Ferguson, a CVCAC staff who helps 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 can be sustained over time. This position would help ensure that the Gallery remains open. It would also alleviate the management-level work that Kym needs 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 feels that because of limited staffing resources, Kym talents as a business counselor, artist and educator are 60% to 70% utilized.

### **Commercially Licensed Community Kitchen**

The community kitchen was renovated in 2008 and opened in March 2009, in conjunction with the Gallery’s first year anniversary celebration. The kitchen space houses commercial grade appliances and equipment and is currently being used regularly by four 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 kitchen is also used for preserving local foods, such as canned, jarred and frozen products that are sold at the Market and incorporated into Café meals to extend Vermont’s growing season and provide additional income for farmers. Staff interviewed would like to see LACE expand its current processing and packaging operation of products, such as jarred stewed tomatoes and frozen pesto sauce, under this brand. Fees for using the kitchen are calculated by the hour and priced according to the specific appliance used. Ideally, when rented out fully to vendors, the kitchen will be self-sufficient in covering program expenses. According to Board member Ela Chapin, the current five clients that utilize the kitchen facilities generate income but are not enough to guarantee financial stability in the future.

The primary role of the MBDP business counselor and kitchen vendor liaison, Jeff Dutton, is providing food and farmer vendors with business assistance such as recipe development, packaging and labeling, product storage/shelf life, food safety, and taste testing. Jeff also has coordinated workshops and training on sanitation, food safety and regulations, and also dedicates a lot time to daily management of the kitchen. Board members Ela and Sarah are actively involved in kitchen operations and policy development. Ela served on the Board’s “Kitchen Committee,” with fellow board member Dave Rubin from CVCAC, CVCAC’s Project Director Mary Niebling, LACE’s Executive Director Ariel Zevon, Crystal Zevon, and Jeff Dutton who joined once hired. The committee worked during 2008-2009 prior to and around the time of the opening of the facility, to develop kitchen policies, the fee structure, regulations around use, hours of operations, and job descriptions that clarify staff roles. Now staff from LACE and CVCAC involved in the kitchen continues to meet regarding ongoing kitchen operations and needs.

*Kitchen equipment*

The kitchen equipment currently includes:

- Stainless steel tables/work spaces
- Sinks
- Six burner stove
- Double-deck ovens
- Frialator
- 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 others 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. In the summer/fall of 2009, Ariel Zevon and Jeff Dutton developed and finalized plans for the construction of a large walk-in cooler that has since been installed in the back corner of the kitchen. Expansion of storage space serves the needs of vendors and will hopefully help ameliorate tension that inevitably arises in a communal kitchen space.

*Potential projects*

Renovating a part of the current kitchen space to enable raw meat processing is a future project unanimously supported by CVCAC and LACE staff. There are two vendors who would like to process meat, as well as LACE itself under this brand. After examining the area, 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 would have to be sealed off from the rest of the LACE store to prevent transfer of bacteria and a wall sink with foot pedals would be installed. The state's chief meat inspector highly supports 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.

Meeting the multiple purposes of community outreach, marketing, education, and connecting local producers to consumers, LACE plans also uses holds demonstration and cooking classes in the kitchen that are open to the general public for a nominal fee, such as the upcoming "Holiday Cooking 101: Breads, Pies, and Cookies." Food Works, a Vermont food and education center, also has 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.

*Challenges addressed*

A 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 have 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 a workshop 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 are 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.

An additional challenge has been the purchasing of equipment for the kitchen, specifically what money will pay for equipment and who will 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 has been addressed in part by new grant funds from the USDA awarded in May 2009 that specifically supports the kitchen and food/farm businesses.

With funds available to buy equipment, a tandem issue encountered was determining whose role it was to seek out and purchase this equipment. Because Jeff works with vendors on a regular basis, he understands their specific needs and what additional equipment and supplies would support them. However, purchasing high quality equipment is time consuming and Jeff cannot allocate staff time away from his role of providing business counseling and assistance. Jeff expressed frustration that he “has a list of equipment and a bank account of money” yet was concerned that purchasing would not be done properly to find specific, high quality equipment that vendors need. Equipment purchasing requires time to do the appropriate research, compare prices, make a decision, and travel to make a purchase because Barre does not have stores that sell these types of products. Jeff has browsed items for sale on the website Craig’s List, which required travel to pick up purchased items as near as the Vermont cities of Montpelier and Burlington and as far as the State of Massachusetts. Ultimately LACE’s Board and staff hold authority to make final purchasing decisions. Thus LACE staff, including Lorraine, is working on outfitting the kitchen with the use of the new grant funds awarded in May 2009.

## ***Public-Private Project 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.*

LACE and CVCAC have a synergistic 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 benefit 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, staff has learned the importance of respecting the autonomy of LACE and the private enterprise of the storefront, expertise from both organizations, shared goals, and the administrative processes required of a nonprofit and business partnership to attain these goals.

However, any partnership is not without challenges, especially during the first few years of working together. Challenges addressed 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 are in line with those faced by a growing organization and maturing partnership. These issues include: improving onsite staff relations increasing staff support through the addition of positions, and streamlining operations, leveraging new funding, discussing project sustainability.

*“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 Interagency Collaboration**

Both organizations are pleased to collaborate with the other to achieve 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 is now LACE. As a client of CVCAC’s MBDP program she gained insight into how the agency and program operates and has firsthand experience of being a burgeoning entrepreneur. LACE staff, in general, appreciates the business expertise that MBDP counselors bring to the partnership and find it beneficial to consult with them when making business decisions. However, based on information from interviews, MBDP staff can sometimes offer strong opinions about LACE business operations that are made with good intentions but are interpreted as critical or negative feedback and overstepping the autonomy of LACE. Overall, Ariel notes that “the partnership is working and 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. Both organizations are quickly figuring out how to work together and learn from the other's expertise." In addition to shared learning and serving common goals, Ariel and LACE Board members acknowledge 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 appreciate that CVCAC is the fiscal agent of the project.

Kym Maynard and Ariel also have developed a good working partnership that is mutually beneficial and complementary. Kym appreciates that if she faces issues, she can rely on Ariel to brainstorm a resolution and vice versa. Kym stated that she includes Ariel in almost every decision she makes to maintain communication, trust, and benefit from her expertise. Kym also provides business advice to the Market and Café side of the operation and lends her artistic skills to designing and updating the front window display. Both women share a strong commitment to the mission of LACE and their role within this and put in a tremendous amount of time and energy, paid and volunteer, to foster this 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.

### **Improving Interagency Communication and Collaboration**

Challenges are inherent in any partnership. One challenge commonly noted during interviews over time is communication breakdowns between project partners, staff and the Board. Interviewees identified several reasons for breakdowns in communication and ways they continuously address these issues.

- Coordinating schedules is a challenge for individuals who have job descriptions that extend beyond the work of LACE. However, interagency communication is facilitated by the vendor liaisons who are paid staff from CVCAC but work on-site at LACE. In addition, Board member Ela Chapin has facilitated communication between CVCAC, Ariel and the Board and offers a "third party" perspective on decision making and reaching common grounds.
- Communication breakdowns also stem from different personalities and opinions concerning how "things should be done." Interviewees feel that "personalities and egos" can get in the way of decision making, yet differences of opinions usually end up being "a case of no one person being more right than another."
- The two organizations also operate differently based on work styles, policies and procedures, and experience. CVCAC is a well-established organization with policies and procedures in place that can be hard for a new organization with little experience in this area to digest. 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.”

Areas that lead to communication breakdowns are continually addressed by the partnership in several 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 the reasons for different perspectives and organizational operations that impact decision making and timely completion of projects.

### **Improving Onsite Staff Relations**

Critical to the success of the public-private partnership is to have open, consistent and clear communication among staff who work onsite at LACE, including directors, managers, staff, volunteers and business counselors. Interviewees including onsite staff and Board members state that these relationships are sometimes strained because staff take directives from and report to different supervisors yet need to work together to maintain daily operations. Some variation of supervisors include: onsite business counselors are supervised by CVCAC; the LACE Executive Director is supervised by the Board; volunteers are supervised by the manger of their respective department (and the Gallery, kitchen, Market and Café are managed separately), and paid Market and Café staff are supervised by the owner of the private enterprise. Furthermore, vendors work with and report to management and business counselors specific to each department.

Because there are “many different bosses” that give directives for daily operations of the public-private partnership, conflict arises when roles and expectations for staffing and operations are not clear and congruent across management. In describing this situation, interviewees have stated that “some managers overstep their bounds” in reference to managers making decisions or giving directives to volunteers or vendors who are not under their supervision. This 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 sources such as grant funds and revenue generated. This structure, coupled with inherent crossover between departments and the use of a shared space has lead to confusion and tension at times. Lorraine 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 can encounter bottlenecks such as outfitting the kitchen with commercial grade equipment and delegating daily tasks to volunteers and paid staff. It should be noted that staff who work together within departments feel they work well together, support each other, and have balancing and complementary strengths. However, interviewees commented that “gossip and factioning off” within departments is destructive to regular communication.

One strategy implemented to address cross management issues is 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. This management team meets on a weekly basis to increase communication, reduce isolation of departments, and improve cohesion of the entire operation. The LACE management group is also working on team building strategies so that all staff views each other as part of a larger support system.

### **Addition of LACE Staff Positions to Support and Improve Operations**

Limited funds to support paid staff positions has been an ongoing challenge to the daily management and operations at LACE. Community volunteers are 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 have 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.

To help address this issue, LACE Board members wrote and received other grant funds that provide salaries for Ariel's position of Executive Director, Lorraine McBride's position of Business Manager, and Crystal Zevon's Fundraising and Outreach position. This funding helped streamline Ariel and Crystal's already complex roles at LACE and added staff support for their positions. Lorraine supports LACE by covering areas such as administrative duties, building and infrastructure management, staff/volunteer training, grant writing, program development, and coordination of staff across departments. Board members Ela and Sarah note that "Lorraine and Ariel will work well together because they have complementary skills. The two will make a dynamic team and improve staff communication and business organization and financial management."

Some of Lorraine's work will also alleviate the hands-on work of Board members who volunteer their time to keep LACE running, such as budgeting and grant writing. Lorraine also supports community kitchen operations and fundraising and outreach efforts for LACE. In addition to facilitating internal dialogue among staff, Lorraine implemented protocols to improve filing and record keeping and trained staff to use this new system. Additionally, funds from this new grant were used to hire a bookkeeping contractor, Shannon Blaise, 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. This information should be provided to the Board on a regular basis to help them achieve a balanced budget and determine fundraising goals for future sustainability.

### **Addressing Project Sustainability through Additional Grant funds and Income from Vendor Rent and Sales Commission**

OCS funding for the LACE project and the foundation built over the past two years helped the nonprofit receive other grant funding, which specifically supports food and farm based vendors and outfits the kitchen with additional equipment. Board members Sarah Adelman and Ela Chapin note that staff and the Board are discussing ideas for project sustainability beyond OCS funding, specifically if and how to sustain the Gallery and support artisan and craft vendors. The



new grant focuses mainly on supporting food and farm based vendors. Even though the Board views the Gallery as a good program and a nice space within LACE, with limited resources post OCS funding they are not sure if they can justify use of funds to support artists and craft persons. Ariel Zevon and Lorraine McBride both addressed the value of the Gallery in terms of supporting and subsidizing both private and public LACE operations and providing a diversified product offering to expand LACE's customer draw. The public-private partnership between the nonprofit, mission driven LACE and for-profit enterprise is essential to sustain both entities and keep operations running. Income generated from the rental of Gallery space and use of the kitchen goes directly to support the nonprofit.

#### *Gallery and kitchen rental fees and sales commission to support LACE*

Gallery members pay a reasonable monthly rental fee or "membership" to the Gallery. The total amount earned in rent from Gallery membership is displayed in Figure 1. From September 2008 through November 2009, the Gallery brought in steady monthly rent averaging \$985/month and totaling \$14,774 over this time period. This rental income has covered the cost for the Gallery, Market and Café to rent their space in the building. Food and farmer vendors have also gained access to affordable commercial kitchen space and equipment, with rent paid according to usage of space such as basic tabletop usage (at \$12/hr) or tabletop plus gas (at \$15/hr), full kitchen usage (\$20/hr), and refrigerator and freezer storage priced by cubic feet. Starting in June 2009 through November 2009, Figure 2 shows that a total of \$8,443 in rent was paid for using the kitchen with an average of \$1,407/month. Gallery and kitchen rent have showed consistency over time, which is a positive finding to support the sustainability of the operations.

Additionally, LACE earns a 15% commission from Gallery sales revenue. Over the 21 months of Gallery operations, vendor sales have totaled \$44,723 and averaged \$2,129/month (See Figure 3 on page 29 of this report. LACE earned \$6,708 from total sales and an average of \$319/month. At the time of this report, commission figures from food products sold in the Market and Café that were developed by food and farmer vendors and/or produced using the community kitchen were not available.

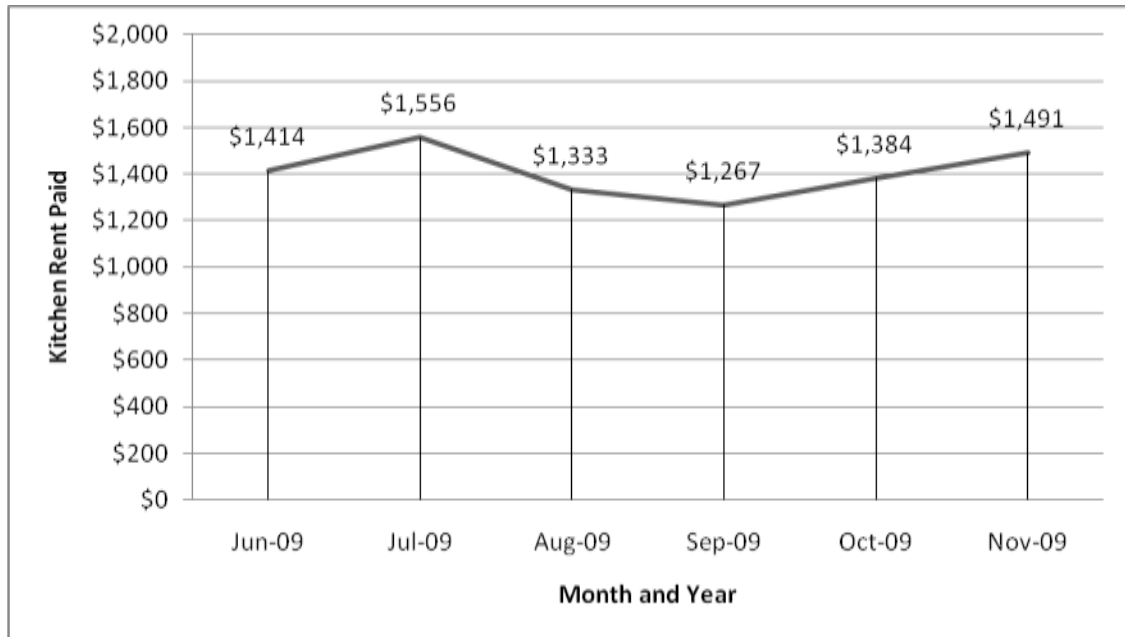
#### *Sustaining the Gallery*

In addressing LACE's sustainability, the Board continues to discuss if and how the Gallery will be sustained post OCS funding. MBDP business counselors noted that a critical issue for sustainability of the Gallery is to divert some of the Gallery's rental and revenue income to pay a staff person to do Kym's job once the OCS grant is over. However, Board members Ela and Sarah note that there is an "information gap" between the Board and Gallery revenue figures. Board members interviewed noted that they do receive reports of Gallery income and rents; however the Board is not well-informed and is not currently playing a role in making decisions regarding how the Gallery operates, its cash flow and profit margin statistics, and how supporting artist vendors fits into the original LACE mission of supporting farmers and connecting local foods to community members. During the final year of OCS grant funding, advocates of sustaining the Gallery should communicate this information to staff and Board members and provide data that exemplifies why the Gallery should continue or not. Mary Niebling also noted that Kym is in the process of developing a Gallery operations manual that will help inform future work. It is noteworthy that the Board members are also unclear on the cash flow and profitability of the Market and Café. Overall, the Board should be provided with

this critical information because they have fiduciary responsibilities for the nonprofit and need to plan budgeting and fundraising goals to ensure operations are sustainable.



**Figure 1 Rental income paid by Gallery vendors, 2008-2009**



**Figure 2 Rental income paid for use of community kitchen, 2009**

## PROJECT OUTCOMES

### *Supporting Local Entrepreneurs*

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

- Supporting this goal, the collaborative provides 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.
- LACE also serves 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.

Serving local entrepreneurs and self-proclaimed “hobbyists”, LACE features local produce and products for sale in the Farm Fresh Market and Cafe and the artisan Gallery. Food-based entrepreneurs and farmers use 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, including the Market and Café. While the Gallery gives vendors “a cohesive place to showcase their work” and receive assistance from Kym Maynard in product refinement, pricing and display. The majority of vendor outcome data presented in this section focuses on Gallery vendors because this department opened a year before the kitchen, giving vendors time to experience outcomes. Both kitchen and Gallery vendors will be followed-up with during the final year of the project through telephone surveys and focus groups.

### **Recruitment of Vendors**

Food-based vendors have found out about the community kitchen at LACE through word of mouth, having a previous association with LACE and being referred by MBDP business counselors. Likewise, Gallery vendors have found LACE through social networking, including word-of-mouth, customer recommendations and business counselor outreach such as participating in artists and food network groups and visiting farmer’s markets and craft shows. Newspaper articles, press releases and grand openings/open house events featuring LACE, the Gallery and kitchen have also advertised to vendors about opportunities available to them. Overall Kym notes, “there is no shortage of clients,” in describing the high level of interest vendors have shown to be a part of the Gallery space.

There are four food-based businesses and one farmer who utilize the community kitchen to produce value-added products; in the Gallery, there have been up to 103 artisan and craft vendors supported with 80 to 90 active vendors. Forty-five percent of Gallery vendors served have an income that places their household at or below 100% of the federal poverty level. Cecile Johnston, MBDP Intake Specialist, along with other business counselors, provide new vendors with an intake/orientation, either individually or as a group. This orientation provides vendors with information on renting space, LACE sales commission, contracting with vendors, payment schedule, and other policies/procedures for Gallery vendors. Vendors are also informed of the LACE mission and the role of the grant funding. Vendors also complete an intake form to provide demographic information and establish their record in a database and paper files.

*Gallery vendor demographics*

Since the Gallery's opening in March 2008, approximately 103 artisan vendors have gained access to affordable rental space to collectively sell their products at a store front venue, which meets the grant goal of providing 103 vendors with space in the LACE Gallery. Gallery vendors are primarily from the Barre, Montpelier, and Northfield, VT areas. However, the demographic reach is growing as vendors from smaller surrounding towns and larger cities like Rutland, VT and Danbury, CT are also Gallery members. The Gallery manager/business counselor notes, "there is no shortage of vendors," in describing the high level of interest vendors have shown to be a part of the Gallery space and, thus, demonstrates a need for a sales outlet among micro entrepreneurs. Eighty percent (82) of vendors are female and their average age is 46 years; however, vendors' ages range from 18 to 80 years of age. Vendors' annual income (self-reported when they joined the Gallery) ranges from \$0 to \$64,000, with an average annual income of \$21,168, median of \$ 14,400 and mode of \$0. Forty-five percent of vendors have an income that places their household at or below 100% of the federal poverty level. Vendors who fall into this low-income category reported an average annual income of \$8,180. Additionally, 11% of vendors received Food Stamps at their intake, 7% were receiving housing assistance and 2% were receiving TANF benefits.

*Kitchen vendor profiles*

Currently, six vendors are using the kitchen and receiving business support services from Jeff. The owner of Pakistani Foods was an original user of the Café kitchen and has shifted to using the community kitchen. She uses the kitchen to prepare and store packaged ethnic foods and meals. Another vendor is a farmer who uses the kitchen to process produce grown on his farm (and purchased from other farmers) into value-added products like soup, which is sold to customers directly through his farm's community supported agriculture share as well as wholesale. Two other vendors focus on making a specific product. The owner of Syp Brand Pirogues produces pirogues that are sold at farmer's markets and other food stores; this vendor is also an artist with products for sale in the Gallery. The owner of Dreuxmanna Crackers also worked with Jeff to refine his recipe for a cracker made out of spelt flour from Quebec. Demand for these crackers has high enough to warrant an increase in his production through the use of the kitchen. Still another vendor, Burrito Mountain, prepares burritos for sale through her food cart; this vendor has expanded to produce the burritos for wholesale accounts.

**Access to Markets**

Table 2 presents the summary statistics of Gallery and commercial kitchen usage, including the number of vendors served and rents paid for space/usage.

**Table 2 Summary statistics of Gallery and commercial kitchen usage and rent paid**

<b>Statistic</b>	<b>Gallery</b>	<b>Commercial Kitchen</b>
Number of months that vendors paid rent	15	6
Range of vendors per month	35 to 52 vendors	3 to 5 vendors
Average number of vendors	44 vendors	3 vendors
Total rent paid	\$14,774	\$8,443
Average monthly rent	\$985/month	\$469/month
Average monthly rent per vendor	\$22/vendor	\$469/vendor
Range of monthly rent per vendor	\$5-\$125/vendor	\$24-\$1,109/vendor

With the opening of the Gallery, artisan vendors gained access to affordable rental space to collectively sell their products at a store front venue. From September 2008 through November 2009, Table 2 shows that the Gallery brought in steady monthly rent paid by vendors for space, which averaged \$985/month and totaled \$14,774 over this time period (see also Figure 1 on page 26). The number of vendors that paid rent each month ranged from 35 to 52, with an average of 44 vendors who paid monthly rent for Gallery space. Vendors pay approximately \$22 per month for space in the Gallery and have paid a range of \$5 to \$125 per vendor per month. Vendor rent paid equates to income earned by the private-public partnership to sustain operations, specifically to cover the cost for the Gallery, Market and Café to rent their space in the building.

Food and farmer vendors have also gained access to affordable commercial kitchen space, equipment and storage. Food vendors pay rent according to what space they use and for how long, such as basic tabletop usage (at \$12/hr) or tabletop plus gas (at \$15/hr), full kitchen usage (\$20/hr), and refrigerator and freezer storage priced by cubic feet. Starting in June 2009 through November 2009, Table 2 shows that a total of \$8,443 in rent was paid by vendors for use of the commercial kitchen with an average total rent of \$1,407/month (see also Figure 2 on page 26). The number of food vendors that use the kitchen ranged from three to five vendors per month. With an average of 3 vendors using the kitchen each month, vendors pay an average monthly rent of \$469 to use the commercial kitchen space. Monthly kitchen charges have ranged from as low as \$24 to as high as \$1,109 paid per vendor per month. Gallery and kitchen rent have showed consistency over time, which is a positive finding in regards to supporting the sustainability of operations, specifically covering the cost of the buildings rent (rental costs for the entire LACE operation and building space were not provided to the evaluators).

#### *Additional markets*

Being members of the Gallery and using the kitchen have also helped vendors' access additional markets to sell their products. Part of Kym and Jeff's positions are to support vendors in finding other avenues to sell their products, such as Internet sales, other galleries, and wholesale and retail venues. Kym noted that with the poor economy in 2009 the Gallery helped vendors gain access to space at LACE after having lost space due to the closing of several larger and well-known Vermont galleries. Kym inquired about and received a list of 300 vendors who were displaced from the closing of Vermont's Frog Hollow gallery and invited them to join the Gallery.

Based on survey results, almost three quarters (72%) of businesses that started while working with the Gallery also currently sell their products at other venues, with almost half (46%) attributing their membership to the Gallery as having helped them get in the door of these 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 also commented that because of Gallery sales, they gained confidence in their work and the marketability of their product. 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. Gallery staff also connects customers directly to vendors if they would like to place a special order for a product variation or quantity that is not available through the Gallery. Jewelry makers and specialty crafters specifically benefit from taking special orders

placed by clients who initially purchased an item from the Gallery. Start-up food vendors who use the community kitchen to develop and prepare their value-added products gain access to markets by having a product that is produced safely and efficiently to sell wholesale or retail to different markets. Established food vendors who expand their production by using the kitchen gain access to additional markets or are able to expand sales to current markets.

### **Access to Resources and Infrastructure**

Use of the community kitchen equipment, supplies and storage space provides 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 is also used by established food vendors to expand production. Jeff noted that if vendors choose to expand their production beyond the capacity of the kitchen, he will provide support to help them do that and will assist them in locating other kitchen space that is shared, rented or owned. This situation is the potential case of a current food vendor whose business growth and expansion may begin to interfere with other start-up vendors' use of the kitchen. Jeff also commented that he provides business assistance to food-producers who do not use the LACE kitchen, thus using the kitchen is not a requirement to receive micro business services in the food sector.

### **Reducing Barriers to Success**

While discussing the services the grant and LACE provide vendors, staff talked about common barriers that vendors face. MBDP business counselors interviewed commented that Gallery vendors often don't think like business people because they don't view themselves as one. However the kitchen vendors do think like business people. Additionally, many vendors do not have strong marketing and organizational skills when they come to LACE and, in general, lack financial resources and cash flow. Vendors also face a common fear about selling their products in a storefront location, because they are uncertain if they will not be able to produce enough product quantity to fulfill orders. Vendors also have a hard time pricing their product, especially artesian based vendors. It is challenging for them to place a value on their work that incorporates their time, effort, and materials yet is reasonably priced to a "blue-collar" market in Barre. These and other barriers clients face will be addressed through training and technical assistance services from MBDP business counselors over the next year.

Additionally, 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 want to see it succeed by staying in business.

### **Business Assistance Services Provided to Vendors**

Vendors are introduced to LACE and MBDP services in two ways: some clients initially work with MBDP and then decide to sell or produce their products at LACE, while others approach LACE to sell or produce their products and then work with MBDP afterwards.

#### *Training and technical assistance*

MBDP individual technical assistance, classes, seminars, and workshops are open to all vendors who are income eligible. The MBDP newsletter and fliers that advertise upcoming classes are given to all vendors on a regular basis to keep them informed of services available to them; when vendors have questions or seek assistance, they can talk to Kym, Jeff, or go to any MBDP business counselor directly to receive services. Kym and Jeff work 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 make 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. Examples of technical assistance provided to vendors include:

- Registering a business with the State of Vermont
- Developing a business plan
- Developing a cash flow analysis to understanding business finances and determine if grant or loan financing is needed
- Applying for a business loan with Community Capital of Vermont
- 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 with finding affordable and, when possible, local or regional wholesale supply options to support local vendors, such as the use of local chicken in prepared foods or purchasing local wool and fabric for craft, knit and clothing items

MBDP business counselors also hold group-based workshops that are either on site at LACE or in another community location. Business counselors also facilitate informal networking groups where vendors share and learn from each other's experiences. Workshop topics include:

- Customer service skills
- Marketing, publicity and outreach
- 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 (This class was fully attended and a subsequent class was planned for November 2009).
- A class will also be held this winter that is geared towards educating farmers in preparing, preserving, and packaging food, so that they may extend their season.

*Marketing and visibility*

Vendors benefit from the free marketing and publicity they gain from working with large and well known organizations in Barre. Vendors might not otherwise get this publicity if they did not sell their products in a larger venue that already has recognition in the community. Gallery vendors, such as a wool spinner, have held demonstrations at LACE as a way to showcase their work and skills. Several Gallery vendors have also formed a committee to determine marketing related events that will benefit the entire Gallery. Kym noted that she has submitted several articles about vendors and the Gallery to local newspapers, such as the *Montpelier Bridge*, which have helped generate traffic to the Gallery. Additionally, Kym and Gallery staff regularly rearranges the Gallery layout and product placement and the front window display to keep customers interested in products, window shopping and browsing. Additionally, Crystal Zevon commented that LACE plans to increase product branding and merchandising, such as selling t-shirts, aprons, a cook book and a calendar under LACE's logo as a social entrepreneurship venture.

*Referral to resources*

MBDP business counselors referred vendors to a variety of resources. Business-focused resources include: Vermont Women's business Center, Small Business Development Center, tax assistance programs, and Vermont Secretary of State for business registration. Food based businesses are referred to Vermont Health Department for food safety and licensing and Vermont Food Venture Center for product development. Referrals are also made for social services, such as other Community Action services, health care and other state programs. Another type of support service that the Market at LACE offers farmers is to connect them with other farmers and retail outlets such as institutions and caterers. LACE also connects farmers directly with consumers, such as a home canner who purchased a bulk order of cucumbers directly from a farm after inquiring about ordering cucumbers for pickling at LACE. Market customers also occasionally inquire about working on farms and Ariel directs them to local farmers who are looking for work volunteers.

*Gallery specific business services*

More than half of Gallery vendors surveyed (55%, 21) have worked with Kym Maynard as a business counselor and a quarter (24%, 9) have worked with business counselors from MBDP's Barre office location. Of the nine people who have worked with other MBDP counselors, four worked with MBDP *before* entering the Gallery and five worked with MBDP *after* entering the Gallery. All vendors who received this assistance found it helpful to meeting their needs and were somewhat to very satisfied with services. Business assistance focused on improving products and enhancing displays (73%), adequately pricing products (19%), and developing marketing materials (19%). Some vendors have expanded their product line with Kym's support and cash flow from sales earnings. Kym notes that when she works with vendors to determine and/or refine products to sell in the Gallery, she will only put items on display that are marketable in the Gallery so that vendors are not paying rent without generating some level of sales income.

*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.*



Showcasing products at the Gallery has required vendors to think about the visual appeal of their product, which encourages a customer to buy it. The Gallery also provides a place for vendors to learn about the seasonality of sales without experiencing a financial loss that other business owners face who are not supported by a larger venue. Gallery entrepreneurs also feel tremendous support and encouragement from business counselors, have gained confidence in themselves and their work from Gallery membership, benefit from networking and sharing ideas with other Gallery vendors, and appreciate the opportunity to “get their product out there,” and have increased customer awareness of their product. Vendors also benefit from networking with other vendors; Gallery members have built a strong sense of community that is non-threatening and provides a place for people to get feedback on ideas and hear positive and constructive criticism from their peers about their ideas and products. Vendors also appreciate receiving regular updates from business counselors and net sales revenue checks in a consistent manner.

*Jeff Dutton explained that he does “test runs with people working on business plans to make a big batch of a recipe to determine the portions of ingredients needed.” Once this data is collected, Jeff “creates spreadsheets to figure out cost and price points for products.” This information is then plugged into a formula to make an accurate prediction of what a product will cost to make, which can determine loan financing needed and pricing for different outlets.*

#### *Community kitchen specific business services*

Jeff Dutton and another MBDP business counselor, Don Padgett, work closely with each vendor. Don provides financial assistance by developing cash flow analysis and helping them to obtain micro-grants. LACE has a set fee schedule and CVCAC will pay 50% of the fees if the vendor meets income standards. Jeff helps clients to develop business ideas, strategies, and plans, as well as aiding in scaling up recipes and utilizing the shared space.

#### *Services for food and farmer vendors supported by the Market and Café*

In addition to supporting food and farmer businesses with the community kitchen and business counseling, Ariel Zevon notes that the Farm Fresh Market consistently works closely with and purchases products from farms ranging from small to large scale farms, providing farmers with an additional outlet for selling produce. Market staff facilitates wholesale purchasing by often picking up stock at the farm site rather than farmers having to deliver to LACE. The Market is also amenable to purchasing bulk orders when farmers have excess quantities of produce available and smaller quantities of an item from several farms to meet customer demand when an order cannot be filled solely by one farm. Ariel has also considered the idea of providing space for “bulk clubs” or community supported agriculture programs to use LACE as a storage, drop-off and pick-up site for product exchange.

*The Farm Fresh Market supports farmers in conjunction with the community kitchen. Ariel Zevon explained that the “newest hot topic with the kitchen is for LACE staff to package value-added and processed products with produce purchased directly from local farms.” This coming winter season, Ariel will meet with farmers to develop plans for bulk product storage, freezing and canning for retail sale in the Market and other outlets.*

### Estimated Jobs Created

The primary objective of this partnership is to create 68 new jobs for low-income individuals through business development and expansion. Table 3 shows that a total of 18.25 full-time equivalent positions have been created and filled by JOLI eligible individuals because of this grant funding. Positions filled include:

- 8 artisan businesses
- 1.75 food-based businesses
- 3 staff from the Gallery staff training program
- 5.5 staff from LACE and Farm Fresh Market and Café

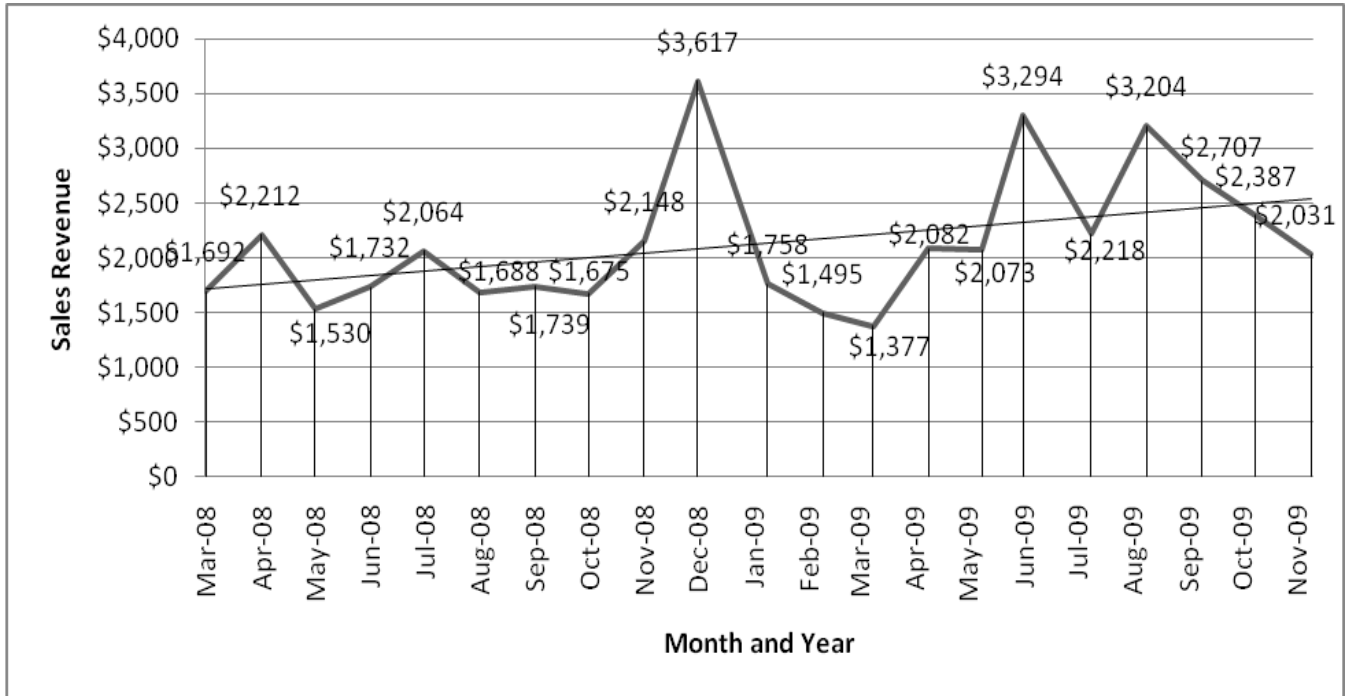
Because of Barre's high unemployment rate of 10.1% and the impact of the sluggish U.S. economy, the evaluator felt it was important to report on low-income held jobs that were supported and retained because of this project as well as new and retained jobs held by people who are above the JOLI eligibility guidelines. Table 3 shows that, in total, almost 26 JOLI eligible positions have been created and/or supported by grant funding, in addition to 9.5 positions held by individuals above this poverty threshold. In total, this project has created and supported 35.25 full time equivalent positions in an impoverished area, which is a positive finding for this community economic development and revitalization project.

**Table 3 Number of FTE jobs created and supported by OCS funding**

	<b>JOLI Positions</b>	<b>Other Positions</b>	<b>Total Positions</b>
New jobs created	18.25	5.5	23.75
Existing jobs supported/retained	7.5	4	11.5
<b>Total jobs created and supported</b>	<b>25.75</b>	<b>9.5</b>	<b>35.25</b>

### Sales and Revenue

Vendors retain 85% of their product sales on a monthly basis while LACE commissions 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 3 plots Gallery sales revenue from March 2008 (the opening month) to November 2009 (last month available at time of report). The linear trend line displayed across the plots demonstrates a general upwards trends in Gallery sales over time. Product sales from the opening month of March 2008 to December 2008 totaled \$20,098, of which \$17,083 went back to the vendors. Gallery sales from January 2009 to November 2009 (latest available at the time of reporting) totaled \$24,625, of which \$20,931 went back to vendors in sales revenue. Monthly sales average was \$2,010 in 2008 and increased to \$2,238/month in 2009. Over the entire time frame of Gallery operation, sales total \$44,721 and average \$2,130/month. Individual vendor sales revenue earned from March 2008 to November 2009 (21 months) ranges from \$4 to \$5,244. The vendor who generated the most sales revenue averaged \$262 per month over the course of 20 months. The vendor who earned \$4 had products for sale in the Gallery only for the first month of operation.



**Figure 3 Monthly sales revenue from the Gallery, March 2008-Nov 2009**

Based on the vendor follow-up survey, two out of three vendors reported that their products sell on an occasional basis and 26% have regular sales. Sixty-five percent are satisfied with their Gallery sales and reported earning an average of \$290 per month (median/mode of \$100) in gross revenue from these sales. Vendors estimated that Gallery sales represent an average of 50% of total monthly product sales (median of 40% and mode of 100%) with a range of 0% to 100% of monthly sales from all venues. Forty-two percent noted that their sales income had increased since joining the Gallery, 39% felt this income had not changed and 19% noticed a decrease in sales income.

#### *Active and former vendors*

Seventy-one percent (28) of Gallery vendors surveyed currently have products for sale in the Gallery. The Gallery assisted 64% of these vendors to start their business and gain access to the market at the Gallery, as the artist either had a concept prior to the Gallery but no developed product or had a product but no place to sell it. The remaining 36% came to the Gallery with an established business and product for sale elsewhere but gained access to an additional market by selling at the Gallery. Current vendors have had their products for sale at the Gallery for an average of ten and a half months and ranging from one month to 21 months. Vendors who participated in the focus groups commented that when they first heard about LACE, mostly through word-of-mouth and press releases about the store's opening, they wanted to be a part of the Gallery as a way to test out the market for their products and earn some extra income. The majority operated their sole-proprietorship business on a shoestring budget and sold product out of their homes or at craft fairs, or simply made items to give away as gifts.

Twenty-nine percent (11) of vendors surveyed no longer sell their products at the Gallery. The primary reasons for pulling out of the Gallery are that their sales were low or not profitable given the membership/rental fee and commission. A few former vendors noted that because they make their products as a hobby, they did not have time to develop new stock. Vendors who left the Gallery were members for an average of almost eight months. LACE assisted six of these former vendors to start-up and gain access to a market, while five of these vendors were already established. After leaving the Gallery, six or 54% of the former vendors, including two start-up businesses, said they continue to sell their work at other venues. A few vendors who sold their products at the Market prior to the Gallery's opening pulled out of the Gallery because they did not like the more structured and formalized inventory and sales management system instituted by Maynard shortly after the Gallery's opening. However, the new inventory tracking system ensures accurate and timely distribution of revenue earned to vendors and LACE.

### **Income Earned from Gallery Vendor Businesses**

Sales at LACE markets provide supplemental income for most vendors. More than three quarters (77%) work part time on crafting products and 70% sell their work at one to 10 other places in addition to the Gallery, such as at farmers' markets, other retail locations, and out of their home. One vendor sells her well-known pottery at approximately 50 other locations. Vendors who sell products at multiple locations estimate that Gallery revenue represents an average of 40% of their total monthly sales, median of 30%, and mode of 100% of all monthly sales. All food vendors earn income from sources in addition to their food business. However, the 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. Actual income figures from food vendors were not available at the time of reporting.

### ***Connecting Producers to Consumers***

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Another goal of LACE is 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 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.

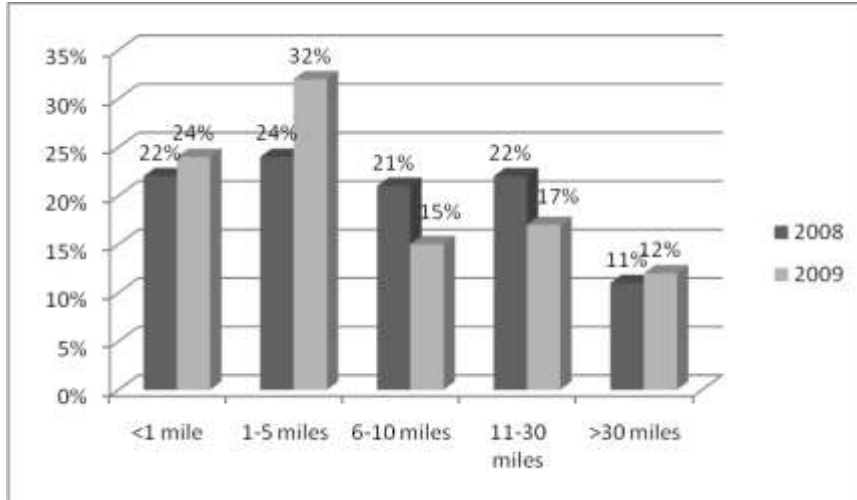
#### **Demographic Profile of Customer Respondents**

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

- Slightly more than half or 57% (74) of customers surveyed in 2009 are female (66% in 2008) and 43% (55) are male (34% in 2008).
- Respondents' ages ranged from 13 to 78 years old (minors completed the survey only with parent permission) with an average and median age of 45 years (range of 19 to 78 years in 2008), indicating that LACE has a draw for a variety of age groups.
- Two thirds of respondents or 63% (77) (79% in 2008) do not have children under the age of 18 living at home while 37% (46) have 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% earn between \$10,000 and \$19,999, 23% earn between \$20,000 and \$39,999, 31% earn between \$40,000 and \$59,999 and 31% earn \$60,000 or more per year. Consistent with 2008 data, the majority of respondents (80% in 2008 and 85% in 2009) earn a household income of \$20,000 or more. Data approximately shows that 22% (26) of survey respondents have an annual household income and family size that places them at or below 200% of the federal poverty level while 78% (92) are above this threshold.

#### **Distance Travelled to Storefront**

Figure 4 shows the approximate distance that respondents' travelled to get to LACE, compared over time. A slight shift in data overtime 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 is potentially attracting more local area residents to shop there. A quarter (24%, 31) of shoppers who responded in 2009 live less than a mile from LACE or in the downtown Barre area, which is slightly higher than 22% from 2008.

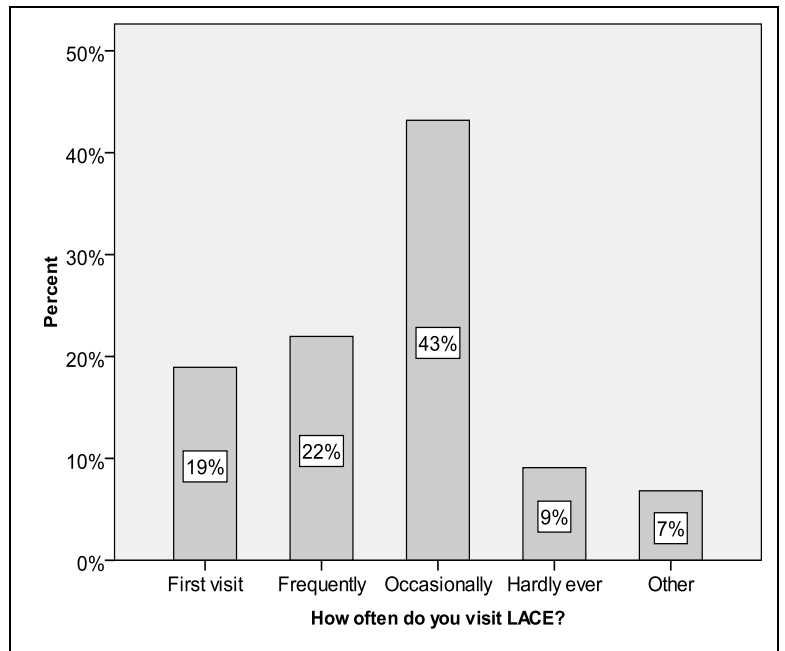


**Figure 4 Approximate distance respondents’ travelled to market, 2008-2009**

Slightly more women may shop at LACE than men, however LACE draws a mixture of customers, with and without children and from various income backgrounds. In addition, shoppers come to LACE from down the street and LACE draws 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 is 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.

**Frequency of Visiting LACE**

Almost a quarter (22%, 29) of respondents in 2009 indicated that they visit LACE frequently, with 90% or 26 of these customers living five miles or less from the storefront, as shown in Figure 5. Additionally, 43% (57) of customers surveyed shop at LACE occasionally, of which 53% (30) live 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 live one to ten miles away, 16% live 11-30 miles and 32% live 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.



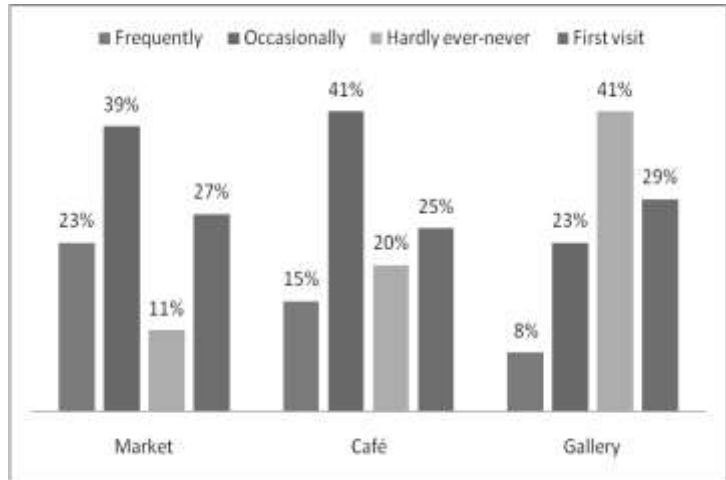
**Figure 5 Frequency of visiting LACE overall, 2009**

Another shift noted is that the proportion of repeat customers who shop 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 are taking advantage of LACE's downtown proximity and offerings on a fairly regular basis.

#### *Frequency of visits by store section*

In 2008 only, the customer survey asked respondents to report their frequency of visiting each section of the store (Figure 6). The Farm Fresh Market has many repeat customers who visit 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 visit 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 visit 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.



**Figure 6 Frequency of Shopping at Market, Cafe and Gallery at LACE, 2008**

#### **Purchasing Patterns by Store Departments**

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) make 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.

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 4 shows the dollar range respondents usually spend by store section and over time. A few notable shifts in the data are observed. Grocery item shoppers seem 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 is \$.01-\$10 with 32%. A more even proportion of respondents are spending money on grocery items ranging from \$.01 to \$50 with a few spending over \$50. Gallery purchases show 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% are spending more money ranging from \$21-\$100, compared to only 4% last year who said they generally spend \$21-\$50.

**Table 4 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>	
	<b>2008</b>	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>	<b>2009</b>
\$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 include the café foods, community space and family friendly environment and purchasing local products that are of high quality.

*Café foods, community space and family friendly environment*

According to respondents, the Café is the most commonly visited and purchased from section of the market at LACE. More specifically, café patrons continue to express preference for purchasing food to eat in the café over taking out foods to go. Café products have 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 enter LACE and are exceedingly popular amongst people looking for a healthy, reasonably-priced meal-to-go. The breakfast menu, a major draw to many customers, includes 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 is one of LACE’s most successful features.

In addition to delicious food, with soft lighting and light background music, LACE provides 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 is the atmosphere, which they describe as “homey” and “cozy,” and even brings one customer “back to her childhood.” Of course, there is more to LACE’s pleasant ambience than just physical aesthetics; “atmosphere” is frequently mentioned in conjunction with “friendly



employees,” “friendly people,” and “sense of community.” The aura of community spirit which LACE has aspired to cultivate is evidently tangible amongst customers, and contributes greatly to their overall satisfaction and dedication to the store.

Customer ratings support 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 5). These attributes help foster community social interactions and cohesiveness, specifically focused around food and family. Open responses show that customers like the large seating area with various sized tables, chairs and couches available for their use. The children’s play area that is 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. Though the concept is 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 tarnishes 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 is providing this intended environment for customers.

**Table 5 Ratings of overall store atmosphere**

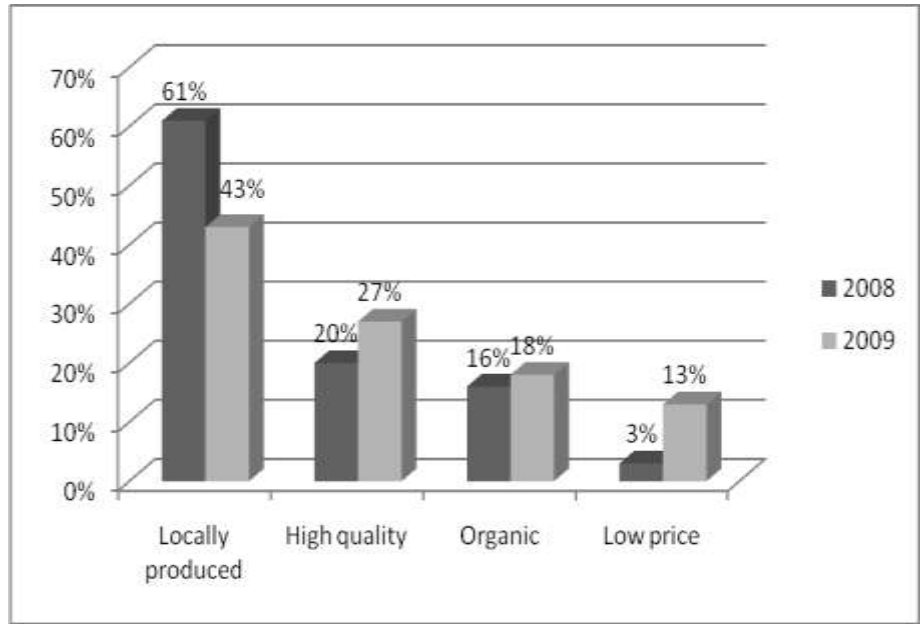
	<i>Very helpful</i>	<i>Somewhat helpful</i>	<i>Somewhat not helpful</i>	<i>Not at all helpful</i>
Providing family friendly environment	82%	17%	2%	0
Providing a place to hang out	78%	20%	3%	0
Providing Barre residents with a café	78%	18%	4%	0

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 is 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 like shopping at this market because they wish to “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 is an experience both personally satisfying and outwardly rewarding for customers; by purchasing food that is fresh, organic, and local, customers feel that they are 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 show that customers value that a product is locally produced when making a decision to purchase, as shown in Figure 7. 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.



**Figure 7 Most important quality when purchasing a food product**

*High quality products*

Figure 7 shows that customers also value that products 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 is consistent with findings from 2008. Products in Table 6 are sorted by the percentage of “excellent” ratings, showing that customers feel meat and poultry are of the highest quality, followed by dairy items, bakery items, and fruits and vegetables.

**Table 6 Ratings of quality and freshness of grocery items**

<i>Quality/freshness of products</i>	<i>Excellent</i>	<i>Good</i>	<i>Average</i>	<i>Fair</i>	<i>Poor</i>
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

**Suggestions to Improve LACE Markets**

Customers provided several constructive suggestions on ways LACE may improve its markets. Suggestions revolve around product cost, selection and customer service areas.

*Product cost*

Customers have consistently noted that product cost is the least important attribute when deciding to purchase a product (see Figure 7). However, the proportion of respondents indicating price as being important increased from 3% in 2008 to 13% in 2009, possibly because of current economic conditions. Given the increased emphasis on low prices, results show that the Market may not be meeting customer needs. Slightly more than a third (36% in 2009; 44% in 2008) rated LACE as being very helpful in providing residents with reasonably priced

products; however the remaining majority rated LACE as somewhat helpful (52% in 2009; 48% in 2008) to somewhat not helpful (12%). Table 7 shows that customer ratings of price, sales, and coupons fall in all categories from poor to excellent, suggesting that these areas could be improved upon or added as customer shopping incentives.

**Table 7 Ratings of product price, sales and coupons**

	<i>Excellent</i>	<i>Good</i>	<i>Average</i>	<i>Fair</i>	<i>Poor</i>
Coupons	21%	29%	29%	13%	8%
Sales or price specials	20%	32%	21%	15%	12%
Price of items	18%	38%	31%	12%	1%

*Limited selection*

Although LACE customers value purchasing local products, by limiting inventory to solely local products the market sacrifices the convenience of “one-stop” grocery shopping, which was noted as appealing to most customers. One customer noted, “For a mother of multiple children, the necessity for convenience and lower prices of a large grocery store can supersede my desire to support local agriculture.” Table 8 shows customer ratings of brand variety in the grocery section and product selection available in the Gallery. Compared to other ratings of quality measured on this survey, customers show mixed reviews of the availability of brands in the grocery store, with the majority rating selection as good (45%) followed by average (21%). The Gallery received more favorable ratings with half of respondents rating product selection as good and over a quarter rating selection as excellent.

**Table 8 Ratings of product variety**

	<i>Excellent</i>	<i>Good</i>	<i>Average</i>	<i>Fair</i>	<i>Poor</i>
Several brands to choose	13%	45%	21%	13%	8%
Product selection in Gallery	26%	50%	16%	5%	3%

When asked why customers choose to shop at another grocery store, 26% of customers specified that they look for a wider variety and a “fuller grocery selection” of brands, while another 15% said that they shop for out-of-state items and staples that are not available at LACE at all. Also, the high price of shopping local is another factor which deters shoppers with limited budgets. In fact, only 2 out of 132 respondents (2%) noted that LACE is the only place at which they shop. All other customers supplement their shopping needs at major grocery chains such as Shaw’s (54%), Hannaford’s (40%) and Price Chopper (34%) and other local venues including the Hunger Mountain Cooperative (52%), farmer’s markets (50%) and a local corner market (31%). Three quarters of survey respondents said they shop at these locations on a weekly basis and sometimes daily or a few times a week. These findings suggest that LACE could be missing out on more frequent customer sales because of product/brand selection and price of grocery items.

It is difficult to determine whether adding generic or “mainstream” grocery items would improve or subtract from LACE’s ultimate mission. Presently, customers feel they are given no choice but to buy local foods at LACE, unless they wish to make another stop for groceries. Adding name-brand items would certainly be more convenient and affordable for customers, but it may take away from LACE’s image as a purely “local” haven. Some 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.

In addition to staples and generic grocery items, LACE customers had a few more suggestions of ways in which to increase inventory variety. Expanding the bulk section, adding a wider variety of cheeses, and selling deli meat were frequent recommendations. Among other ideas were to add gluten-free items such as tortillas, fresh-made candies, bagels, low-carbohydrate or low-sugar food and drink options, and a salad bar. Also, 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 is not added to inventory.

#### *Customer service*

Customer service areas presented in Table 9 received a variety of ratings. The most favorably rated area receiving 56% of responses is LACE employees being courteous and friendly. Store cleanliness received slightly lower ratings, yet a strong majority of 83% rated cleanliness as good to excellent. It should be noted that customers with children living at home were significantly more likely to rate store cleanliness as average or fair compared to customers without children. This finding echoes the suggestion previously noted to clean and improve upon the children's play area, which was noted as a major attribute by parents. Other customer service areas that LACE's has the authority to improve are a faster checkout and hours of operation.

**Table 9 Rating of customer service areas at LACE**

	<i>Excellent</i>	<i>Good</i>	<i>Average</i>	<i>Fair</i>	<i>Poor</i>
Courteous/friendly employees	56%	34%	8%	2%	0
Cleanliness of store	43%	40%	14%	2%	0
Fast checkout	32%	33%	15%	10%	10%
Convenience of parking	30%	38%	23%	5%	5%
Hours of store operation	22%	65%	6%	6%	1%

### ***Impact on the Downtown Barre Community***

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It is still early in the project to gauge the impact LACE has had as a catalyst for revitalization of the downtown Barre area. However, customer survey results, interviews with staff members of LACE and CVCAC and results from a statewide public opinion poll provide preliminary information on the larger impact LACE has on the local community.

#### **Improving Community Outreach and Public Perception**

In addition to generating mutual trust between the two partners, 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 was printed verbatim and portrayed LACE in a very positive light. Press releases are also made on a weekly basis to highlight the work of local artists that is for sale in the LACE Gallery and Market. This strategy helps community members understand that LACE is serving to bolster local businesses as a place to get their business off the ground and sell their products. LACE also hosts community centered events such as dinners, farmers’ markets, and children’s educational series, which have 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 are more receptive to the store and customers who would not initially shop there are visiting more frequently.

*Community outreach and events*

Almost all survey respondents (99%) indicated that LACE is somewhat to very helpful in providing events for children, adults and families. Ariel, Kym and Crystal Zevon, with the assistance of other staff, have coordinated various events to welcome all people to the store. LACE hosts 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 draw a diverse group of people to LACE, from friends and family members of the chef or simply community members who enjoy that type of cuisine. LACE also hosts Sunday brunches that feature live music from area musicians, to foster community interaction and fellowship through music. Ariel also has a vision of developing a food and film festival or series during these community meals.

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 hosts a holiday craft market that includes artist demonstrations and discussions, live music and Santa. The Gallery also sponsors the ongoing children and youth program, the “School of Rock.” Kym noted that many kids in Barre who do not have anything else to do will 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 can attend at no cost.

Additionally, the community kitchen is used to host workshops and local foods cooking demonstrations with area institutions including schools, senior housing, and churches. Ariel’s ultimate goal is to help these institutions purchase and utilize more local foods during meal preparation, either in the community kitchen or their own commercial kitchens. The nonprofit FoodWorks has used the kitchen to provide programming for community members and the afterschool program, Cityscape, serving Barre City Middle School 5<sup>th</sup> through 8<sup>th</sup> grade students. An upcoming cooking demonstration is “Holiday Baking 101” where community members can learn how to make bread, pies and cookies with Farm Fresh Market chefs.

*Support of political figures and local nonprofit partnership*

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 CVCAC, 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 have also personally visited LACE. LACE’s Director is a Board member of the Barre Partnership and feels that LACE has the support of this 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.

### **Access to Fresh and Local Foods**

Almost all survey respondents feel that LACE is somewhat to very helpful in providing a grocery store in downtown Barre with reasonably priced products. Customers also value that LACE provides them with reasonably priced local foods and high quality items such as meat and poultry and fruits and vegetables. These findings suggest that LACE is serving to address community food security issues stemming from the previous lack of a grocery store in the downtown area.

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

In addition to products available at the Market and Café, in 2008 LACE hosted a weekly Farmers’ Market on Wednesday evenings from 3:00-6:00pm during the growing season in Vermont. 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 continues to sell local produce through the Farm Fresh Market.

### **Community Revitalization and Economic Development**

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

#### *Customer perspectives*

Table 10 shows customer ratings of LACE’s helpfulness in improving economic and community revitalization in downtown Barre. A majority of customers feel that LACE is very to somewhat helpful in providing farmers and artists with a place to sell their products and a farmers’ market, which supports the local economy and connects producers with consumers. Additionally, 100% feel that LACE is very to somewhat helpful in improving the overall image of downtown Barre. To a lesser extent, though still positively rated, customers feel LACE provides events for adults, children and families and attracts more people to shop in the downtown area.

**Table 10 Rating of LACE in helping community revitalization and economic development**

	<i>Very helpful</i>	<i>Somewhat helpful</i>	<i>Somewhat not helpful</i>	<i>Not at all helpful</i>
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

Corroborating these findings, Ariel Zevon noted that the opening of LACE attracted people to Barre who have never been there before. People came from the neighboring town of Montpelier, who otherwise do not visit Barre, because LACE gave them a purpose to go to downtown Barre. In addition, LACE is a job placement site for many Reach Up volunteers (as discussed in the following section). Reach Up recipients working at LACE have attracted lower-income people to the store who would not otherwise be likely to shop there. This finding is evidenced in the variety of economic backgrounds of customer survey respondents, which is an interesting finding considering the survey was conducted over a one week time frame. Local community members also recognize that Barre residents work at LACE, which has helped to foster community support.

#### *Statewide perspectives*

Supporting the finding of a growing public awareness of LACE outside of the area are 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 have heard of LACE in Barre and 41% (40) of those respondents have been to LACE. Of those who have heard of or been to LACE, 74% (52) feel that LACE attracts more people to shop in the downtown Barre area and 91% (74) think LACE improves the overall image of downtown Barre. Responses from customers surveyed are consistent with the findings at the statewide level. Overall, shoppers have a very positive perception of the impact LACE has on the Barre community. Eighty four percent of all people surveyed and, more specifically, 100% of Barre residents feel LACE is very helpful in improving the overall image of Barre. This finding is very positive as customer feedback speaks to the desire for LACE to be a catalyst to revitalize the downtown Barre area including its image.

Vendors who sell their products at LACE also commented that they feel LACE makes 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 feel while walking down Main Street and how this deters visitors. However, all felt that LACE, along with other locally owned venues in downtown Barre, is ahead of the curve when it comes to improving the downtown’s image. They felt that if LACE can ride out the recession and residents slowly warm up to LACE and become familiar with its products and offerings then hopefully the community culture will shift to better match and support LACE’s mission.



*Providing work opportunities for Reach-Up and other volunteers*

LACE serves 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 need 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 benefit from attending MBDP workshops covering topics of managing personal finances and budgeting, and improving customer service skills. Kym noted that most of her staff live off a fixed income and greatly benefitted from this education.

Work opportunities at the Market and Café have 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 shadow Kym through her day. Trainees assist with inventory management, vendor coordination, and creating and interpreting sales reports. Currently, the Gallery has two Reach Up volunteers who work 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 reference she needed to obtain permanent, full time employment that pays \$15/hour; she no longer receives 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 provides 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. People who complete this six month program at LACE build their references and gain skills in work ethic, taking direction, social interactions at work, confidence and self-esteem. Kym hopes that Gallery staff from this program will either be hired by the Gallery after program completion or assisted with finding a job using their acquired skills. Additionally, a Gallery vendor volunteers his time four nights a week in lieu of rent. Kym explains 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 enjoys working in the Gallery because he gets 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 has also been job placement site for the Return House program of the Washington County Youth Service Bureau, which is a transitional living program targeted specifically towards male offenders between the ages of 18 and 22 who are returning from prison to Barre City. A program that these young men have participated in is 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 who are currently 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 says that there is no official program in place and managing volunteers takes a lot of paid staff time. Part of Lorraine's new role is to develop a more structured and organized job skills training program, which will more efficiently and effectively benefit participants and provide subsidized workers for LACE. Ariel aims 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.

### ***Challenges to Reaching Project Outcomes***

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The model of LACE as a business incubator space, test market outlet, and affordable rental space has huge potential to support local entrepreneurs and create new jobs in the community. However, vendors and project staff identify several obstacles to the full fruition of the private-public model. CVCAC staff perceives that the Market and Café should place more emphasis on improving marketing, advertising and business management practices to increase customer flow and revenue generation from this enterprise. By making this business sustainable and profitable, the Gallery and community kitchen can divert some of their revenue to sustaining their own operations.

Mary Niebling also states that the project's goal of creating full time employment for low-income people in rural areas has been 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 has limited the number of food vendors that are currently using the kitchen. She indicated that the kitchen has the potential to create a great number of full time jobs; whereas, the results currently indicate that 78% of Gallery vendors surveyed are not currently looking to expand their business into full-time self-employment. It should be noted that four new business owners have the goal of being self-employed full-time; likewise three new businesses created and two existing businesses supported by the Gallery would like to expand to the point of hiring other employees.

Staff and vendors interviewed 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 impact sales, local politics, and stresses and strains involved in operating the public/private partnership. Vendors expressed concern that although they have bought into something larger, they are not benefitting from the customer draw behind a larger venue because of limited Gallery and LACE advertising. Vendors were frustrated that limited funds and CVCAC procedures to review and approve advertisement materials resulted in a several month delay of the Gallery brochure, which is now in print. In addition, Vendor profiles as human interest stories were only recently reported as press releases to local newspapers and news stations, almost a year and a half after the Gallery's opening.

Vendors and project staff also note the adversity that LACE faces and is working to overcome because the storefront is located in the heart of a working class, economically distressed community. Interviewees felt that LACE's market base is limited for several reasons: lack of foot traffic because of the perceived "bad element" of people who hang out downtown and deter visitors; low-income residents or those living on a fixed income who perceive LACE products to be expensive and lack discretionary income to purchase Gallery items; a town entrenched in a culture of poverty that does not easily warm up to change; and misconceptions of the market's local and healthy food options as being negatively associated with "hippies" and wealthy people that are direct contrasts to Barre's working class. The LACE executive director and market owner/manager feels that since July 2007 when LACE opened its doors to the public, she (along with others at LACE) has slowly but surely worked to counter the misconceptions and stereotypes behind the mission of LACE. Strategies to overcome these include hosting community events at LACE such as weekend dinners, hosting hands-on workshops in the community kitchen, providing space outdoors for a seasonal farmer's market, and holding children and teen classes such as the "School of Rock."

## CONCLUSIONS AND RECOMMENDATIONS

The Local Agriculture Community Exchange (LACE) is a community revitalization project, through collaboration between LACE and CVCAC. The LACE project is 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 for 2009.

### *Conclusions*

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With slightly over two years in operation, LACE's public-private partnership effort is contributing towards 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 has 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 have gained access to markets and resources to start and expand their business and product development/refinement, which has in part enabled them to expand into additional markets. Though revenue from product sales at LACE is not a sole source of income for vendors, micro business development enables artisans and food entrepreneurs with an opportunity to operationalize their skills and passion into important supplementary income.

LACE's employment and workforce development program for Reach Up, Return House and other volunteers from job placement programs encompasses 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 exemplifies 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 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). LACE's Farm Fresh Market embodies the "good food" value defined as a "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 foster the value of "local wealth" by offering locally-sourced food and other products. The Café, seating area, and family/educational programming supports a "strong community" value. LACE also utilizes environmentally friendly practices of recycling, composting, and reusing refurbished materials.

### Supporting entrepreneurs

The primary objective of this partnership is to create 68 new jobs for low-income individuals through business development and expansion. Employment records and self-reported data show that the LACE project has created 22 full-time equivalent positions filled by JOLI eligible individuals because of this grant funding. These 22 positions created include:

- 4 full time positions created from food-based businesses
- 9 full time equivalent positions created from artisan businesses
- 3 full time staff positions have been created by the Gallery staff training program
- 6 full time equivalent positions have been created by LACE and the Farm Fresh Market and Café

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 help support the management and upkeep of the shared space.

Rent paid to access space in Gallery and kitchen facility and Gallery sales commission also support the sustainability of the project. Gallery members pay a reasonable monthly rental fee or “membership” to the Gallery. From September 2008 through November 2009, the Gallery brought in steady monthly rent averaging \$985/month and totaling \$14,774 over this time period. This rental income has covered the cost for the Gallery, Market and Café to rent their space in the building. Food and farmer vendors have also gained access to affordable commercial kitchen space and equipment, with rent paid according to usage of space such as basic tabletop usage (at \$12/hr) or tabletop plus gas (at \$15/hr), full kitchen usage (\$20/hr), and refrigerator and freezer storage priced by cubic feet. Starting in June 2009 through November 2009, a total of \$8,443 in rent was paid for using the kitchen with an average of \$1,407/month. Gallery and kitchen rent have showed consistency over time, which is a positive finding to support the sustainability of the operations. Additionally, LACE earns a 15% commission from Gallery sales revenue. Over the 21 months of Gallery operations, vendor sales have totaled \$44,723 and averaged \$2,129/month. Thus, LACE earned \$6,708 from sales commission, averaging \$319/month. At the time of this report, commission figures from food products sold in the Market and Café that were developed by food and farmer vendors and/or produced using the community kitchen were not available.

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 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 supports 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. The Farm Fresh Market and Café provide a much needed grocery store in the heart of Barre City's downtown area to help improve community food security, health, and nutrition (Blakely & Bradshaw, 2002). Residents also benefit from the shared kitchen space where LACE hosts hands-on workshops, cooking demonstrations and educational programs that cover topics such as healthy eating and nutrition, and cooking with seasonal, fresh, and local ingredients.

Additionally, the storefront location includes a multi-purpose community space that is equipped with wireless internet service, comfortable seating for work, dining or socializing, and a children's play area. This space provides 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 utilizes 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 10.1% and the impact of the sluggish U.S. economy felt by this rurally located city, 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 from the Barre community who are above the JOLI eligibility guidelines. In total, 26 JOLI eligible positions have been created and/or supported in addition to

eight positions held by individuals above this poverty threshold. Creating and supporting 34 full time positions in an impoverished area 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 is a job placement site for Vermont's Reach Up program, which is 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 is also 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 in the process of working 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 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 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 provides 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 supports 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 provides 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.

### ***Recommendations***

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The following are recommendations developed from this evaluation report to improve the efforts of the public-private partnership and address future project sustainability. Specific recommendations are noted under each topic area as bulleted points.

#### **Strengthen the partnership**

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.

### **Project Sustainability**

- 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 meet to revisit grant goals and discuss sustainability, specifically management of the Gallery and support of artisan vendors once the OCS grant ends.
- The Partnership should ensure that LACE Board members are kept informed of grant funded operations, such as the operations protocols and profit margin statistics for the Gallery, so they may incorporate them into sustainability planning after the OCS grant ends. 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. To ensure sustainability of the Gallery without grant funding, revenue generated from rent and sales should go to support a paid management position and its portion of building rent and utilities.
- Further 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.
- The Market and Café should place more emphasis on improving marketing, advertising and business management practices to increase customer flow and revenue generation from this enterprise. By making this business sustainable and profitable, the Gallery and community kitchen can divert some of their revenue to sustaining their operations with paid staff and cash flow availability.



- 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.

### **Training and services for vendors**

Previous evaluation of MBDP conducted by the author shows that group-based learning fosters a strong support network among vendors, provides opportunities for learning and sharing ideas and receiving feedback, and builds a professional network among local entrepreneurs to support each other's businesses. Vendors interviewed in a group setting appreciated the opportunity to give feedback to one another on their products, share ideas, and give suggestions on product refinement and other venues at which to sell their product. The vendors also noted that their businesses benefitted from the individualized support and assistance provided by business counselors to improve, refine and expand their product line, pricing, and display. This interaction builds a personalized relationship between the client and counselor that supports and motivates the entrepreneur through the ups and downs of being self-employed. This relationship also fosters trust for MBDP, CVCAC, and LACE.

- To facilitate the creation of networks among all LACE vendors, such as farmers, producers, and other business owners, LACE and CVCAC staff should host informal networking sessions over dinner or coffee to allow vendors to showcase their work and exchange ideas and resources. Vendors enjoyed networking and exchanging ideas during their evaluation focus group so much that they requested to hold a follow-up group six months later.
- Continue to identify business and sector specific needs of LACE vendors and develop individual or group based programming to help meet these needs. MBDP services and their vast resource and referral network should be fully utilized to support microentrepreneurs.
- Continue to purchase high quality equipment for the kitchen to meet the needs of food and farmer vendors.
- Consider renovating a part of the current kitchen space to enable raw meat processing. The kitchen would have to be sealed off from the rest of the LACE store to prevent transfer of bacteria and a wall sink with foot pedals would be installed. This facility would need to pass inspection and attain a license from the state Meat Inspection Services

### **Develop a formal work training program to maximize use of volunteers**

Evaluation data show the importance and value of skilled and high quality employees to support and maintain ongoing operations of the Gallery, Market and Café. With limited funds available to sustain staff on payroll, LACE has greatly benefitted from being a popular work placement site for programs such as Reach Up and the Return House.

- Staff and the Board of LACE support and recommend developing a formal work training program that is more structured and organized than the current model. This program could more efficiently and effectively benefit from both work placement program participants and help sustain the public-private partnership.

### **Increase the marketing and advertising of LACE and each department**

LACE vendors pooled their creative and entrepreneurial talents and developed strategies for improving LACE and Gallery advertising.

- Place brochures in tourist information/Bed and Breakfast venues
- Send a bulk mailing to Barre residents about LACE that includes a coupon or discount on their purchase
- Collaborate with local art shops/galleries to have a "Gallery" tour with discounts or reduced prices offered after visiting a certain number of locations.
- Submit vendor profiles to local newspapers or a human interest story to the local news station to get media coverage
- Have vendors hold demonstrations and/or workshops that are open to the public.
- Create an email announcement-only listserve that notifies customers of upcoming community events, classes, dinner and brunch menus, new inventory, and markdowns.

### **Price and selection of products**

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 value purchasing local products, by limiting inventory to solely local products the market sacrifices the convenience of “one-stop” grocery shopping, which was noted as appealing to most customers. In fact, 75% of survey respondents shop at other chain and locally owned grocery establishment on a weekly basis.

- 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 is not added to inventory.
- Improve customer service areas by having a faster customer checkout system and longer hours of operation.

### **Cleaning the children’s play area**

The children’s play area that is 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. Customers recommended:

- Consistently cleaning the children’s area to improve the overall store.
- Replace the yellow rug in the play area, which tarnishes the otherwise pleasant, kid-friendly surroundings.

### **Store layout**

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 is too spread out. When prompted for ideas, one customer remarked, “It always seems dark and empty,” and suggested adding something to “break the space up.”

These recommendations are based on feedback received from stakeholders, including vendors, customers, staff, and Board members. The public-private partnership should consider implementing these recommendations, when feasible, to support the project in the final year of OCS funding and help further the discussion on sustainability. This evaluation report demonstrates that LACE is an important contributor towards supporting Barre’s local economy and community; making positive changes to improve and sustain operations can only improve the endeavor.

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The *Local Agriculture Community Exchange (LACE)* is a community revitalization project, through collaboration between LACE and Central Vermont Community Action Council (CVCAC) [Grant number 90EE0801/01].

This evaluation is funded by the US Department of Health and Human Services' Office of Community Service from October 1, 2007 to September 30, 2010.

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