



**Request for City Council Committee Action**  
**From the Department of Regulatory Services – Environmental Management & Safety**

**Date:** September 24, 2007

**To:** Council Member Scott Benson, Chair  
Health, Energy & Environment Committee

**Subject:** Local Produce Markets

**Recommendation:** Receive and file.

**Previous Directives:** Health and Family Support and Regulatory Services staff to develop distinct policies allowing for easier permitting of farm stands with fewer than five vendors. Staff are directed to report to the HE&E Committee in no more than 30 days. Regulatory Services staff are directed to report back with a cost recovery strategy for food stands (Health, Energy & Environment Committee - July 9, 2007).

**Prepared by/Presenters in Committee:** Lori Olson, Deputy Director, Environmental Management

**Approved by:** Burt Osborne, Director, Operations, Licenses & Environmental Management

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**Permanent Review Committee (PRC)** Approval \_\_\_\_\_ Not Applicable   
**Policy Review Group (PRG)** Approval  Date of Approval \_\_\_\_\_ Not Applicable

**Financial Impact (Check those that apply)**

- No financial impact (If checked, go directly to Background/Supporting Information).
- Action requires an appropriation increase to the \_\_\_\_\_ Capital Budget or \_\_\_\_\_ Operating Budget.
- Action provides increased revenue for appropriation increase (in 2007 Budget request).
- Action requires use of contingency or reserves.
- Business Plan: \_\_\_\_\_ Action is within the plan. \_\_\_\_\_ Action requires a change to plan.
- Other financial impact (Explain):
- Request provided to department's finance contact when provided to the Committee Coordinator.

**Community Impact (use any categories that apply)**

- Neighborhood Notification
- City Goals
- Comprehensive Plan
- Zoning Code
- Other

## Background/Supporting Information Attached

### I. New Process for Local Produce Markets

Increased access to healthy foods is an important issue for the community, as inner-city neighborhoods often have few grocery stores, leaving residents to purchase much of their food from corner stores, convenience stores, gas stations, and fast food restaurants. Farm stands in urban areas provide an important method of improving access to healthy fruits and vegetables in low-income communities. Access to healthy foods is critical to improving nutrition and preventing the conditions of overweight and obesity which are drivers of chronic health conditions such as diabetes and heart disease.

The Minneapolis Department of Health has been working with local farmers to identify barriers to selling locally grown produce in markets in Minneapolis, including the cost and process for gaining approval from the City. Health and Regulatory Services staff were directed by Council to review current requirements and fees and to develop a new process to make it easier for local farmers to sell produce.

The proposed process -- Local Produce Markets -- would make it simpler for local farmers markets to receive approval to sell locally grown products by:

- Eliminating business licensing requirements and fees;
- Reducing approval time from weeks to days; and
- Requiring only a one-time, start up payment (no annual fees).

To implement the new Local Produce Market process, **no ordinance amendments are required** because current zoning and environmental health requirements are not changing. The proposed process involves the following:

- Vendors are limited only to "local farmers" as defined by Minnesota Statute as 'persons selling the products of a farm or garden occupied and cultivated by them.' Farmers from Wisconsin and Iowa are included within this definition.
- Products are limited to only locally grown produce (fruits and vegetables) – no baked goods or other non-perishable items are allowed. No food distributors or food manufacturers would be permitted to sell at a Local Produce Market.
- The maximum number of vendors per market is five and a designated manager or "person-in-charge" must be on-site at all hours of operation.

Specifically, the steps to become a Local Produce Market are (see flow chart in Appendix A):

1. Application to Minneapolis Development Review
2. Approval of site plan by Zoning to obtain a Temporary Use Permit
3. Approval of food safety plan and standards by Environmental Health
4. Start-up cost \$100.00 (Temporary Use Permit), \$54.00 (Food Safety Plan Review)
5. Annual site and health plan review required only if market makes changes from initial application

All local farmers markets will receive an annual inspection. Non-compliance issues will result in enforcement action, fines and revocation of permit to operate.

## II. Cost Recovery of New Process

Below is the total staff hours and staff cost for the Local Produce Market proposal. Please note that there are only one time fees at the time of the initial application. The annual costs for review by zoning and the food safety inspection will not be recovered.

### Local Produce Markets

<u>First Year Cost</u>	
MDR	.5
CPED/Zoning	1.75
Food	3
<b>Total Hours</b>	<b>5.25</b>
Total Cost*	\$319
Fee**	\$154
<b>Difference First Year</b>	<b>(\$165)</b>

<u>Annual Cost</u>	
MDR	0
CPED/Zoning	.5
Food	1
<b>Total Hours</b>	<b>1.5</b>
Total Cost	\$91
Fee	\$0
<b>Difference Annual</b>	<b>(\$91)</b>

\*As set by the Director's Fee Schedule, the staff time cost allocation is \$60.75 an hour.

\*\*\$100 Temporary Use Permit and \$54 Food Plan Review

## III. Cost Recovery of Farmers Markets

At the July 9, 2007 Health, Energy & Environment Committee, Regulatory Services was directed to report the costs associated with all farmers markets in the city. Below is the calculation of the hours spent and the total staff cost per license type for Regulatory Services. CPED's zoning review hours and costs are also highlighted.

### Regulatory Service FIRST YEAR Costs

License Type	<u>Licensing Hours</u>	<u>Food Hours</u>	<u>Total Hours</u>	<u>Total Cost per Unit</u>	<u>Fee**</u>	<u>Cost Differential</u>
Municipal Markets*	-	-	-	-	-	-
Public Markets	3.25	8.50	11.75	\$714	\$328	\$(386)
Market Manufacturers	0.75	5.00	5.75	\$349	\$328	\$(21)
Market Distributors	0.75	5.00	5.75	\$349	\$328	\$(21)
License Exempted Farmers	0.25	1.00	1.25	\$76	\$0	\$(76)

\*There is only one Municipal Market, the Lyndale Farmers' Market

\*\*Annual fee = \$159 annual business license + \$115 new business license + \$54 health plan review

### Regulatory Services ANNUAL Costs

License Type	<u>Total Licensing Hours</u>	<u>Total Food Hours</u>	<u>Total Hours</u>	<u>Total Cost per Unit</u>	<u>Fee*</u>	<u>Cost Differential</u>
Municipal Markets	1	5.50	6.5	\$395	\$159	\$(236)
Public Markets	1	3.50	4.5	\$273	\$159	\$(114)
Market Manufacturers	1.5	2.00	3.5	\$213	\$159	\$(54)
Market Distributors	1.5	2.00	3.5	\$213	\$159	\$(54)
License Exempted Farmers	.25	1.00	1.25	\$76	\$0	\$(76)

\*Annual fee = \$159 annual business license

**CPED/ZONING Costs**

<b>Land Use Permit Type</b>	<b>CPED Total Hours</b>	<b>CPED Cost per Unit</b>	<b>CPED Fee</b>	<b>Cost Differential</b>
Temporary Farmers Market (535)	3.00	\$182	\$100	\$ (82)
Permanent Farmers Market	3.75	\$227	\$0	\$ (227)
License Exempted Farmers	1.75	\$106	\$100	\$ (6)

## **Attachment A -**

### **PROCESS OUTLINE FOR PROPOSED LOCAL PRODUCE MARKET**

1. Market applicant completes Joint Zoning/Environmental Health Application for Local Produce Market, provides Site Plan for the location of the market and submits two separate checks or money orders for the following fees:
  - \$100.00 for the Zoning Temporary Use Permit
  - \$54.00 for the Environmental Health Plan Review
2. Development Coordinator (DC) at Minneapolis Development Review counter reviews the completeness of the paperwork submitted and checks them against the checklist for Conditions of Approval for Local Produce Market, which includes:
  - Products limited to ONLY locally grown fruits and vegetables
  - Vendors limited to ONLY local farmers; no food distributors, food manufactures, meat processors, or other types of vendors
  - Maximum of 5 vendors per market
  - Conveniently accessible handwashing and toilet facilities
3. DC forwards completed paperwork and check/money order to Zoning
4. Zoning reviews the site plan and Temporary Use Permit (TUP) side of the application and approves them if all conditions of approval are met, then it forwards them to EHFS
5. EHFS reviews application and approves the market if all health & safety requirements are satisfied
6. EHFS then sends applicant a Local Produce Market Permit
7. The Local Produce Market Permits and Zoning Temporary USE Permits are renewable every year and there is NO COST as long as nothing has changed from the previously submitted plans.

**NOTE:** The Joint Zoning/Environmental Health Application for Local Produce Market will be a double-sided document with one page containing Zoning TUP required info and checklist, and the other containing EHFS required info and questions.

#### **Contact Information:**

*Environmental Health – Food Safety:* Carl Samaroo at 612-673-3693  
or Mohamed Yusuf at 612-673-2612

*Zoning:* Robert Clarkson at 612-673-5877 or Steve Poor at 612-673-5837

**PROCESS OUTLINE FOR PROPOSED LOCAL PRODUCE MARKET**

