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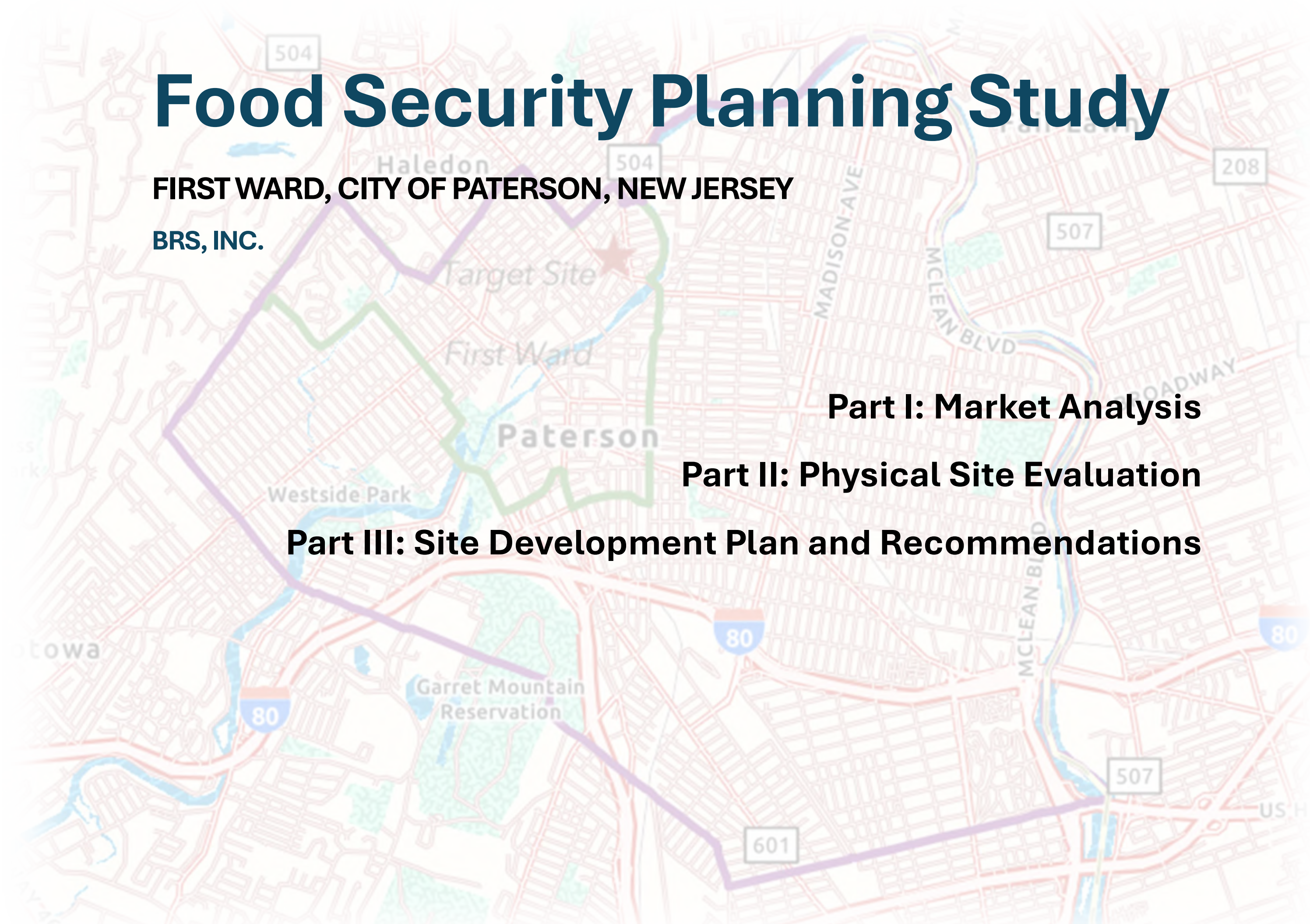

Food Security Planning Study

FIRST WARD, CITY OF PATERSON, NEW JERSEY

BRS, INC.

Part I: Market Analysis

Part II: Physical Site Evaluation

Part III: Site Development Plan and Recommendations

The Food Security Planning Grant Program competitively awarded grants to improve food access and food security by leveraging underutilized assets in New Jersey's Food Desert Communities.

This grant was awarded to the County of Passaic and its project planning partners. BRS, Inc. was contracted to complete the study.

2024

Market Analysis

MARKET ANALYSIS FOR THE FIRST WARD, CITY OF PATERSON, NJ

BRS, INC

Market Analysis

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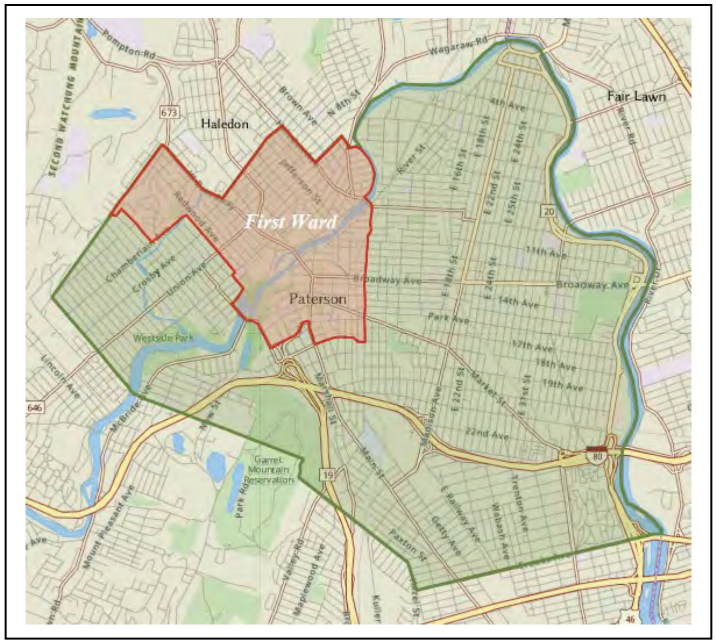
Executive summary

The City of Paterson, New Jersey is an urban community of about 158,000 people in Passaic County. Paterson's First Ward, located in the northwestern part of the city, has approximately 28,500 residents. It is a diverse, young population living in large households that tend to have more than one family member in the workforce, but median household income is low at $38,889, and one in three households is enrolled in the Supplemental Nutrition Assistance Program (SNAP, formerly known as food stamps). The population is expected to grow at a rate of 4% in the coming five years, with an increasingly large proportion of Hispanic residents.



The densely populated First Ward has been identified by the New Jersey Economic Development Authority (NJEDA) as a "food desert," meaning that residents of the area have limited access to nutritious foods. The Ward also qualifies as a food desert under the US Department of Agriculture (USDA) definition for urban areas: at least 33% of the population is greater than half a mile from the nearest supermarket, supercenter, or large grocery store that offers a wide selection of produce, fresh meat and poultry, dairy, dry and packaged foods, and frozen foods. However, this standard definition of an urban food desert is inadequate for the First Ward, where 35% of households do not have access to a vehicle. This limits the means of transportation for a significant portion of the population to walking or public transportation, and so the USDA considers that for low-vehicle-access communities such as the First Ward, the boundary limitation for a "reasonable" distance to a grocery store or supermarket is reduced to one-quarter mile.

Passaic County and its project partners received a New Jersey Economic Development Authority-funded Food Security Planning Grant to carry out a market analysis and development plan that will enable the City of Paterson and the County to transform underutilized land, improve food access, and promote economic development in the First Ward. A target site to be the object of this study was identified on Haledon Avenue between N. Main Street and N. 1st Street, including the vacant lots located between 144 and 158 N. Main Street.

This Market Analysis highlights slowly rising income and strong consumer demand and in the areas within ¼ and ½ mile from the target site. Specifically, demand for food consumed at home – i.e., groceries – is expected to increase by 14-15% in the coming five years. However, although there are several small convenience stores and bodegas in the area, there are no large grocery stores or supermarkets. The impact is not only inconvenience for households but also detrimental effects on the health and wellbeing of residents who are not easily able to access fresh, nutritious food.

Because of the inadequacy of current food retailers for the population, we reviewed three possible means of addressing food insecurity in the vicinity of the target site: a large grocery store, a supermarket, and a farmers market. The economic impact of each is analyzed in detail, with a focus on how each one would support local businesses. However, given the large body of evidence suggesting that a creative approach with deep community involvement is often most successful in addressing food insecurity in low-income urban communities, we reviewed a variety of ways communities similar to the First Ward have improved access to healthy food while promoting local economic development – while in many cases at the same time supporting local farmers' and healthy food entrepreneurs' expansion and sustainability.

The overall goal of this New Jersey Economic Development Authority-funded Food Security Planning Grant project is to carry out a market analysis and development plan that will enable the City of Paterson and the County of Passaic to transform underutilized land, improve food access, and promote economic development in the First Ward.

There are four components to this project:

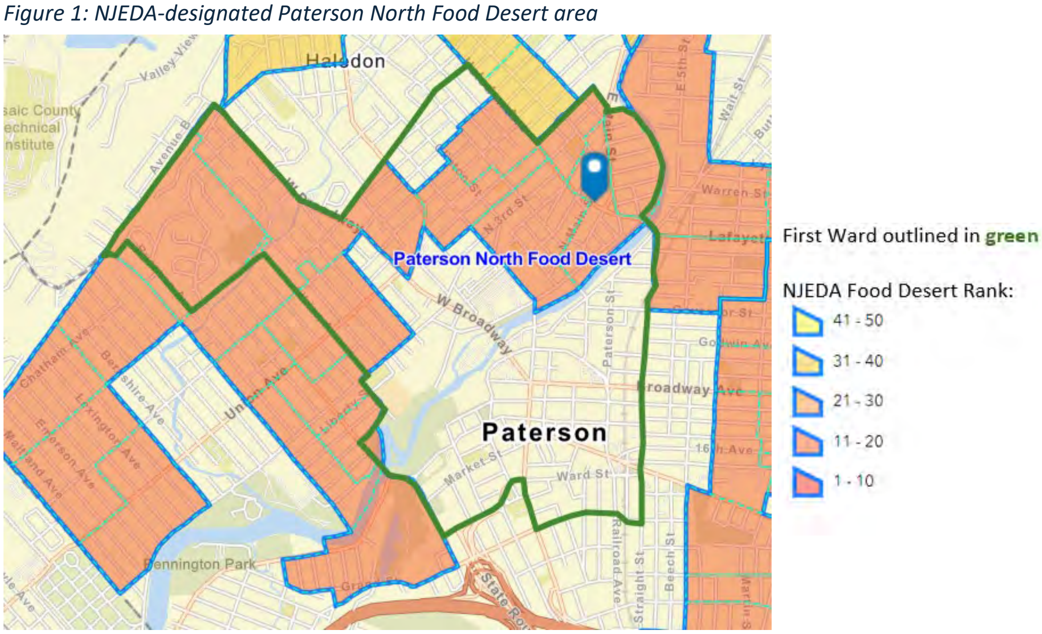
- Market analysis
- Physical site evaluation and recommendations
- Community engagement
- Site development plan and recommendations

The objective of this first component – the Market Analysis – is to assess the need for a supermarket, grocery store, or farmers market within the trade area in as much detail as possible. In order to do this, we will review the area's socioeconomic profile and household consumption patterns; provide an overview of the area's existing grocery-related businesses; detail the economic impact of various food retail businesses on the area; and finally, briefly review examples of strategies for mitigating food insecurity that have been successful in other urban, low- and moderate-income communities.

Food desert analysis

The New Jersey Economic Development Authority (NJEDA) identifies part of the First Ward as within the Paterson North Food Desert – one of 50 identified Food Desert Communities in New Jersey – due to residents' limited access to nutritious foods in the area.

Figure 1: NJEDA-designated Paterson North Food Desert area



Source: NJEDA Food Desert Relief Communities Map layer imported into ArcGIS Community Analyst

Among the 50 communities NJEDA designated as food deserts in 2022 – ranked from #1, which has the highest Food Desert Factor Scores – the Paterson North Food Desert ranks 15th. Determinations are made by the NJEDA on a census block group basis. These designations are based on a wide variety of variables, including not only geographic proximity to an array of food retailers but also factors affecting the ability to access and afford a variety of fresh, nutritious foods.[1]

Food retailers in NJEDA's designation include conventional supermarkets, limited assortment stores, natural/gourmet food stores, warehouse stores, and wholesale clubs, as well as superstores (such a Walmart) that offer a wide variety of groceries.[2] Block groups containing or adjacent to major supermarkets of at least 20,000 square feet are not designated as food deserts, even if other types of variables indicate challenges in food access – such as the ability for low-income residents to afford food. Additional factors include demographic, economic, health, and community variables:

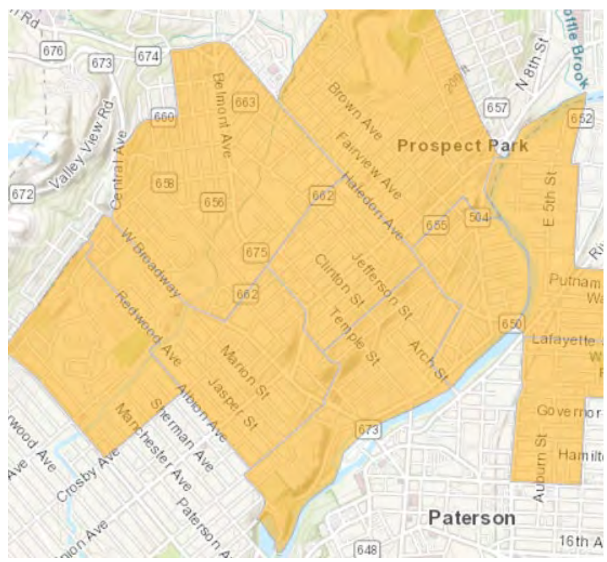
Figure 2: NJEDA Food Desert Factor Components

Demographics	Economic Factors	Health Factors	Community Factors
% of households with a single-mother head	Unemployment rate	% of adults that are obese	% of households with internet access
% non-Hispanic White	Poverty rate	% of adults rating health as poor or fair	% of non-seasonally adjusted vacant housing
% African American	Per capita income		% of households with no vehicle
% Hispanic	% of households receiving public assistance		NJ Department of Community Affairs Walkability Score
% of adults with a high school diploma	% if households receiving SNAP benefits		% of households that are housing-cost burdened
	WIC participation rate		Municipal violent crime rate, 2016-18
	Cost of living difference score		

Source: New Jersey Food Desert Community Designation Methodology

The US Department of Agriculture's (USDA) Food Access Research Atlas looks at food access and food deserts in a slightly different way. *Low access to healthy food* is defined as being far from a supermarket, supercenter, or large grocery store that offers a wide variety of healthful food options. Determinations are made by the USDA on a census tract basis, with a census tract considered to have low access if a significant number (or share) of individuals in the tract lives far from a supermarket. More specifically, a *food desert* can be defined as "low-income census tracts where a significant number (at least 500 people) or share (at least 33 percent) of the population is greater than one-half mile from the nearest supermarket, supercenter, or large grocery store."[3]

Figure 3: Low income and low access census tracts more than ½ mile from a supermarket (USDA designation)



Source: USDA Food Access Research Atlas, 2019 data

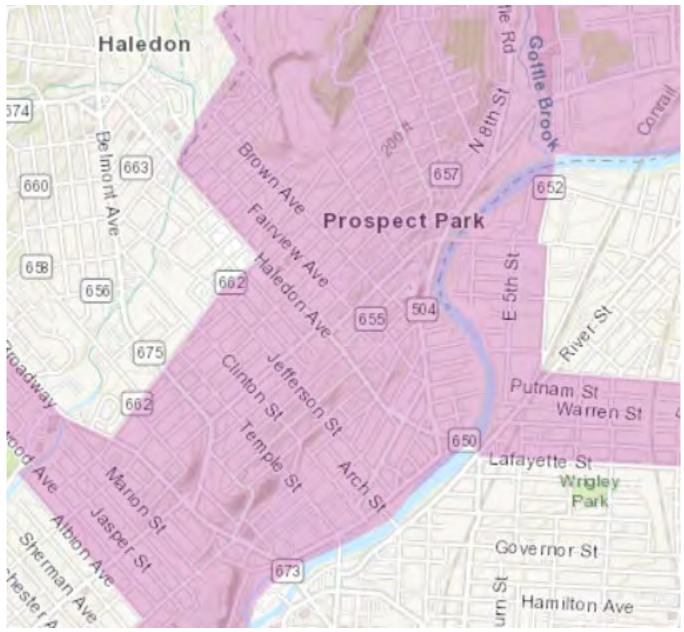
[1] For details on NJEDA's food desert designations, see New Jersey Food Desert Community Designation Methodology.

[2] *Measuring Supermarket Access* from New Jersey Food Desert Community Designation Methodology.

[3] USDA definition for urban areas. See https://www.ers.usda.gov/data-products/food-access-research-atlas/documentation/

Stores meet the USDA definition of a supermarket or large grocery store if they report at least $2 million in annual sales and contain all the major food departments found in a traditional supermarket, including produce, fresh meat and poultry, dairy, dry and packaged foods, and frozen foods.[4] According to a recent USDA study[5], the total number of grocery stores in the US increased between 2015 and 2019. In 2019 40% of the US population lived more than one mile from a food store, and 30% lived within ½ mile of a food store. Senior citizens tended to live more than one mile from a store and working-age adults tended to live within ½ mile. While both urban and low-income residents tended to live within one mile of a store, fewer low-income residents had access to a vehicle.

Figure 4: Census tract population with low access to vehicles



Source: USDA Food Access Research Atlas, 2019 data (most recent available)

Given that low-income populations are less likely to have access to a vehicle than middle- or high-income populations, the USDA considers that for low vehicle access communities, the boundary limitation for the "reasonable" distance of one-half mile from a supermarket can be reduced to one-quarter mile walking distance. It is important to note that the USDA Food Access Research Atlas specifies that access to supermarkets means supermarkets authorized to accept SNAP (Supplemental Nutrition Assistance Program, formerly known as food stamps) or WIC (Special Supplemental Nutrition Program for Women, Infants, and Children) benefits.

According to the USDA's Food Access Research Atlas, all of Paterson's First Ward is a low-income and low-food-access area, meaning that at least 500 people (or at least 33% of the population) are more than a half mile from a supermarket. In fact, the number of low-income, low-access census tracts in the Ward increased between 2015 and 2019.

In addition, the USDA Food Access Research Atlas identifies all five census tracts in the First Ward as having low access to vehicles. In fact, a greater proportion of households do not have access to a vehicle than was the case in 2015.

Because of this combination of factors, this analysis covers not only the one-half mile radius from the target site but also the one-quarter mile walking (or driving) distance.

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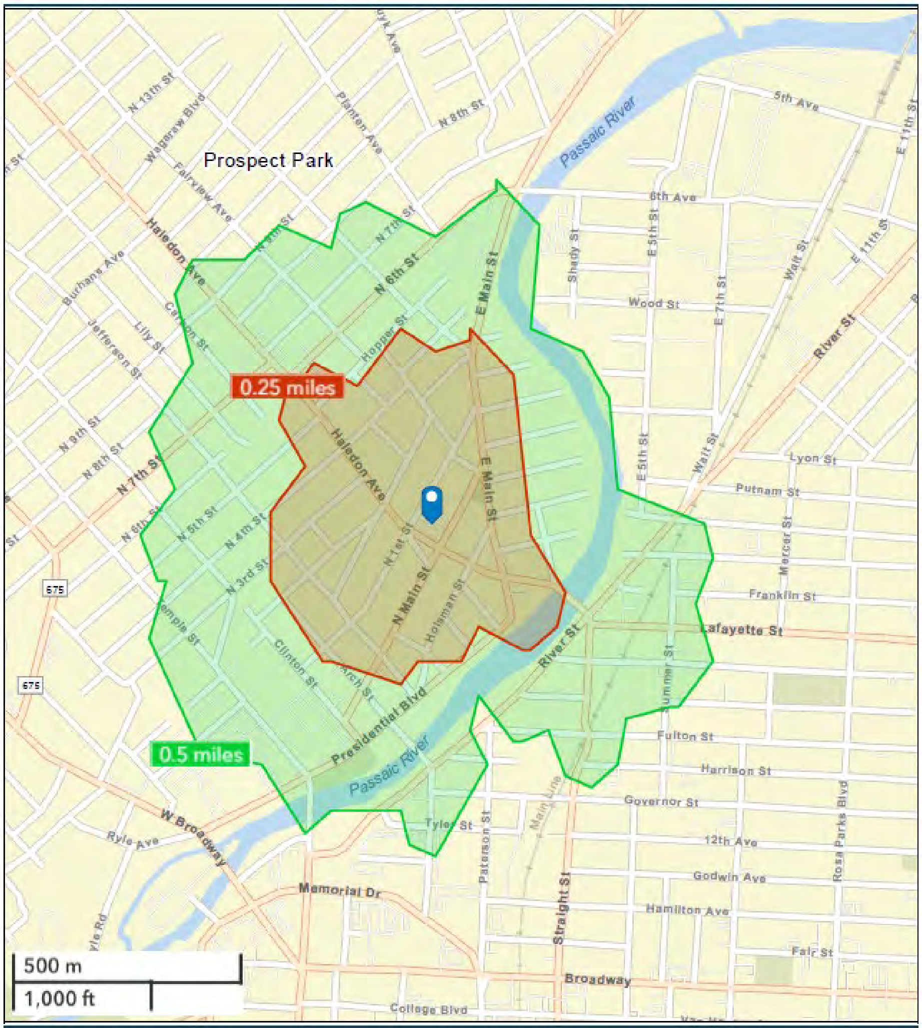
[4] USDA indicator definitions.

[5] Rhone, A., Williams, R., and Dicken, C. (2022). Low-Income and Low-Foodstore-Access Census Tracts, 2015–19. USDA Economic Research Service. Note that this study only included supercenters, supermarkets, and large grocery stores. It did not include club stores (such as Costco or Sam's Club), because they are only available to those who pay annual membership fees, or convenience stores, since their offerings vary so widely and because USDA Food and Nutrition Service estimates that 84% of SNAP redemptions were at supermarkets, supercenters, and large grocery stores in 2019.

Figure 5: Area of walking/driving distance from 144-158 N. Main Street



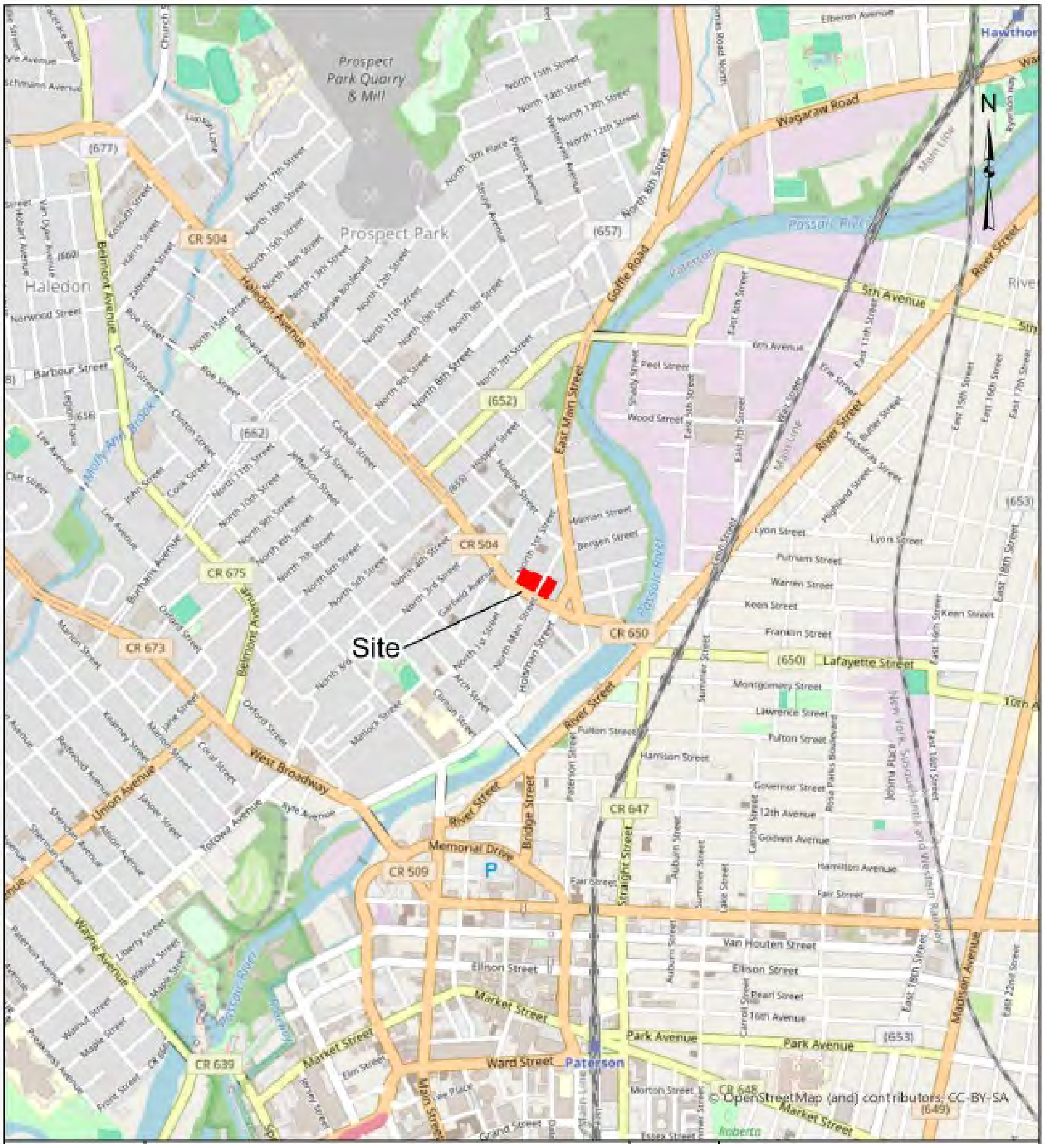
Source: ESRI Business Analyst, 14 December 2023

Throughout this study, we will analyze the immediate area of the target site (see below) – i.e., the area within ¼ mile – the slightly larger area of ½ mile distance, and the area of the entire First Ward. Given the small size of the target site, the food store or market would most likely be relatively small and consequently attract a significant proportion of its customer base from the ¼-mile area. The population within ½ mile – both those households with cars and those without access to a car – would make up most of the rest of the customer base. If additional land in the vicinity of the target site were to become available, development of a larger grocery store or supermarket could attract customers from the wider area of the First Ward and beyond.

Target site

The target site is located on Haledon Avenue between N. Main Street and N. 1st Street, and also includes the vacant lots located between 144-158 N. Main Street. These are Block 112, Lots 13-17 (the parking lot for Grace Chapel Baptist Church) and Block 113, Lots 13-16. The total land area is 1.16 acres, or about 50,000 square feet.

Figure 6: Target site



Methodology

Demographic and socioeconomic information for the community profile was derived from sources such as the U.S. Census Bureau, U.S. Bureau of Labor Statistics, and U.S. Bureau of Economic Analysis. In order to analyze data on a neighborhood level, we used ESRI's Community Analyst program, which is a web-based tool that combines mapping capabilities with socioeconomic information from a variety of government sources and enables analysis on a hyper-local level. We used another ESRI web-based tool – Business Analyst – to analyze consumption habits, household demand, and existing food retailers in the First Ward. Both of these ESRI applications provide five-year forecasts, as well. ArcGIS was used to create maps of the neighborhood and public transportation network.

In order to assess and compare the economic impact of the establishment of a new grocery store, supermarket, and farmers market, an economic input-output software platform called IMPLAN was used. IMPLAN combines an extensive set of databases, economic factors, multipliers, and demographic statistics with an input-output modeling system to generate insights into an industry's contributions on a regional scale, examine the effects of a new or existing business, model the impacts of expected growth or changes, and quantify any other event specific to the economy of a particular region and how it will be impacted. Economic "Input-Output" (I-O) models are estimates of average economic impacts as they affect broad geographic areas, typically on the state or county level, but – as was done to measure impact in this study – can be on the hyper-local level of the zip code area (07522). This is useful when it is important to understand impact at the neighborhood level. The government data pulled into the analysis is regularly updated, along with economic multipliers to simulate the action of the local economy of the geographic area under study and deflators to account for differences due to inflation between the year the data was generated and the year of the analysis.

Other important resources were the USDA's Economic Research Service and Food Access Research Atlas and annual US BLS Consumer Expenditure Surveys.

Community profile

Demographic profile

Paterson's First Ward is a densely populated urban area of approximately 1.4 square miles, located in the northwest area of the city and bordering the Passaic River. In 2021, the total population of the Ward was approximately 28,600 – and growing.[6] There were 9,448 households in the Ward in 2021, and median household income was just under $39,000.[7]

Despite the small overall size of the trade area, there are significant demographic variations between the ¼-mile and ½-mile rings around 144-158 North Main St. and the area of the First Ward. Within ¼ mile of the target sites, a greater percentage of the population is non-White, and a greater percentage is of Hispanic ethnicity. Population density is higher than in the surrounding area, and the per capita income is lower. Median household income, however, is higher within ¼ mile (and significantly higher within ½ mile) than the First Ward average.

Table 1: Selected indicators, 2023

	¼-mile radius	½-mile radius	First Ward
Percent non-White	90.1%	53.8%	59.4%
Percent Hispanic ethnicity (any race)	58.6%	49.9%	53.2%
Average size of household	3.23	3.3	2.89
Population density (population/sq. mile)	24,843	19,712	20,542
Median household income	$41,861	$49,073	$38,736
Per capita income	$17,051	$19,224	$19,798

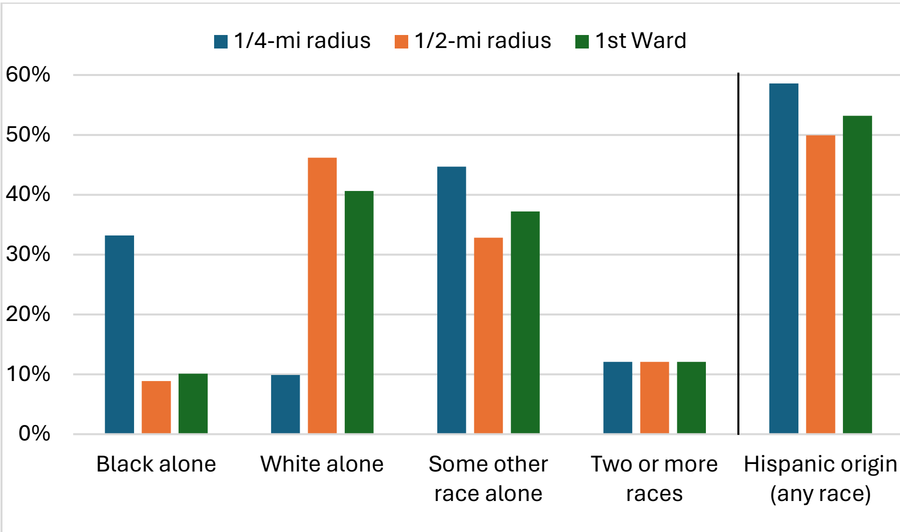
Source: ESRI Community Analyst

[6] After 2020 Census numbers were released, the City of Paterson began a process of Ward realignment in 2021. There had been significant population growth in the First Ward (and three others) since the last Census, and state law mandates less than 10% deviation between the lowest and highest populated Wards in a municipality in order to maintain balanced political representation. A draft Ward plan was approved in early 2022, reassigning 2,245 people from the First Ward to the Fifth Ward. Because a final realignment plan had not been published by the City as of December 2023, the census tracts used for this report are based on the City of Paterson 2012 Ward map.

[7] US Census ACS 2021 5-year estimates

Incomes and median age are low across the area of ½ mile from the target sites and the entire Ward, and percentage of the population of Hispanic origin is high, but the very high percentage of people of color (and particularly African American individuals) is notable in the area of ¼ mile.

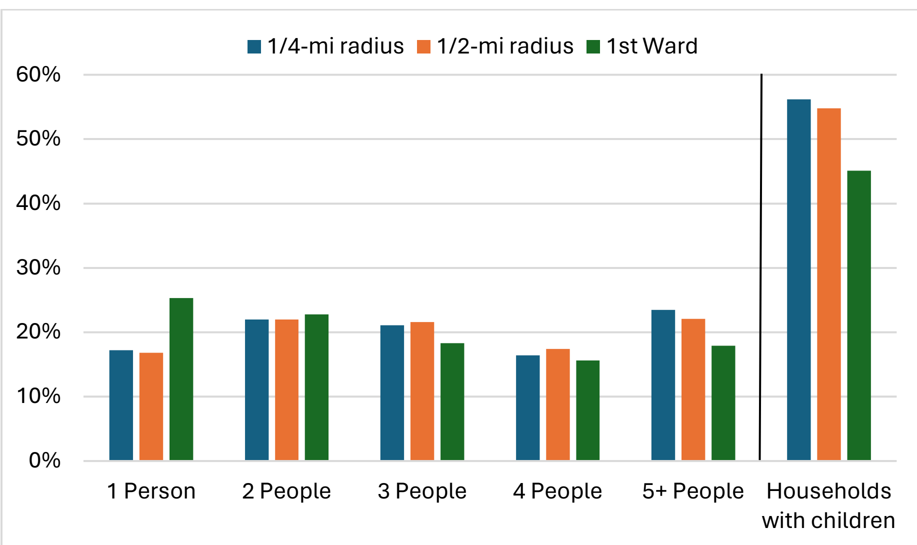
Figure 7: Population by race, 2023



Source: ESRI Community Analyst

The most recent data available (2020) show that households tend to be large, and the majority include children under 18. Of those households with children, 41% in the area of ¼ mile from the target sites are headed by single women, and 36% are in the area of ½ mile.

Figure 8: Households by size, 2020

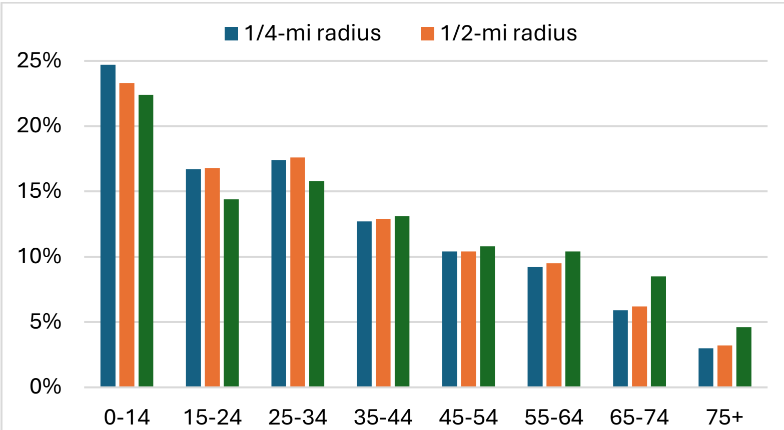


Source: ESRI Community Analyst

The median age in the trade area – 29.4 in the area ¼ mile from the target sites, 30 in the ½ mile area, and 33.2 in the First Ward – is very young compared to the US median of 38.2.[8]

[8] US Census ACS 2020 5-year estimates.

Figure 9: Population by age, 2023

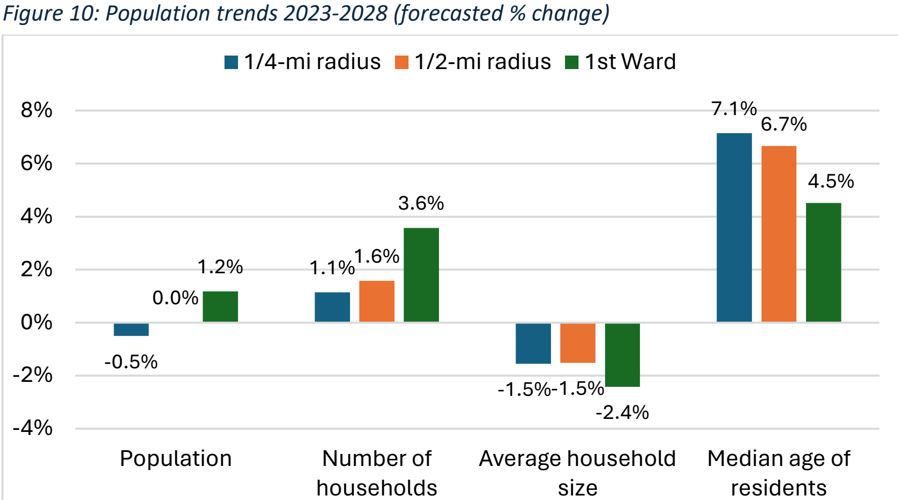


Source: ESRI Community Analyst

45% of the population over five in the First Ward speaks only English, 49% speaks Spanish, and 6% speaks another language. Of those who speak a language other than English, about 37% (or over 5,300 people) speak English "not well" or "not at all." This translates to about 20% of the overall population over five years of age in the Ward. In the ½- and ¼-mile radius from the target site, the percentage of the population that speaks only English is far higher – between 56% and 60% – and the proportion that does not speak English well or at all is much lower (about 12% of the total population over five).[9]

According to ESRI Community Analyst, population growth is expected to continue over the coming five years in the First Ward. The total number of households will increase by an even greater percentage, leading to a significant decline in the average household size. The population is expected to remain a young one, with the median age rising from 33.2 to 34.7 years by 2028.

Figure 10: Population trends 2023-2028 (forecasted % change)



Source: ESRI Community Analyst

Much less population growth is expected in the area ½-mile from the target site, and in the area within ¼ mile from the site, the population is expected to decline slightly. Like the First Ward overall, the number of households is forecast to rise and the size of those households to shrink. By 2028, ESRI

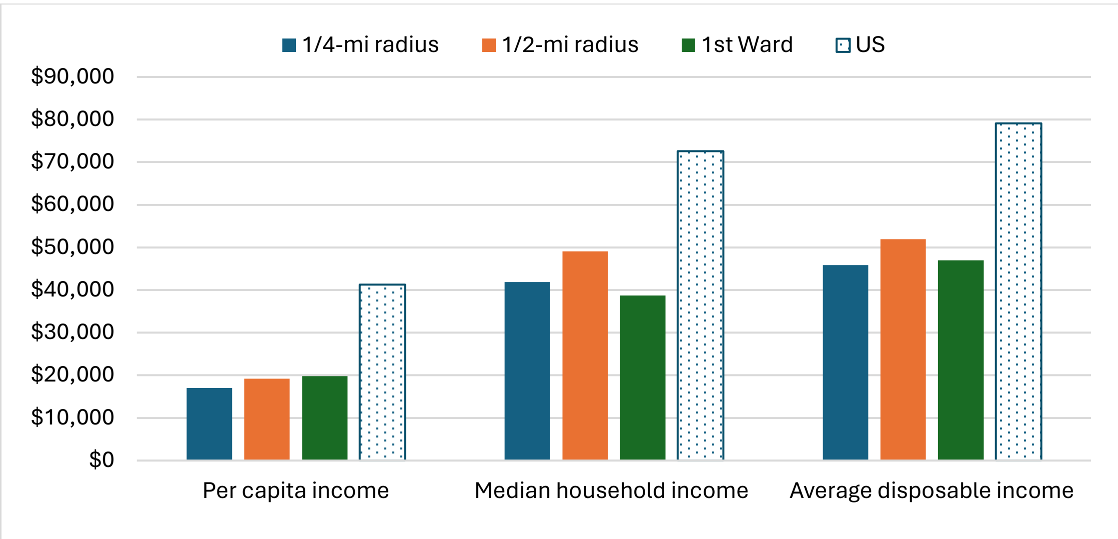
[9] US Census ACS 2021 5-year estimates and ESRI Community Analyst (2021 dataset).

forecasts a median age of residents of 31.5 years within ¼ mile and 32 within ½ mile – very young compared to the national average.[10]

Socioeconomic profile

While incomes are low in the study area compared to the US average, it is interesting that median household income and average disposable income[11] are higher within ¼ and ½ mile from the target site than in the First Ward overall. This is a function of their relatively larger household size and suggests that each household has multiple income earners.

Figure 11: Income indicators, 2023



Source: ESRI Community Analyst

Fewer households have income below the federal poverty level in the area closer to the target site than the First Ward, but more households within ¼ and ½ mile receive public assistance and food stamps.

Table 2: Household income indicators, 2021

	¼-mi. radius	½-mi. radius	First Ward
Income below poverty level in past 12 months	29.4%	27.0%	33.4%
Public assistance income in past 12 months	9.9%	8.2%	6.1%
Food stamps/SNAP benefits in past 12 months	49.1%	44.8%	40.9%

Source: ESRI Community Analyst

Paterson's First Ward has a labor force[12] of 12,227 people and an unemployment rate of 10.1% according to the US Census American Community Survey's five-year estimates for 2021. About 56.2% of the First Ward's population aged 16 and over was in the labor force in 2021. This proportion is slightly

[10] ESRI Community Analyst forecasts from December 2023.

[11] Average disposable income is after-tax income.

[12] The labor force is those in the civilian noninstitutional population, age 16 years or older, who are employed or who are currently unemployed but actively seeking employment.

lower than the US average of 63.6%. The percentages of the population 16 and over in the workforce within ½ and ¼ mile from the target site are higher than the Ward's at 59.7% and 57.3%, respectively. Adults between 25 and 54 make up the largest part of the labor force throughout the Ward, and young people aged 16-24 make up the smallest proportion – in line with state and national averages.

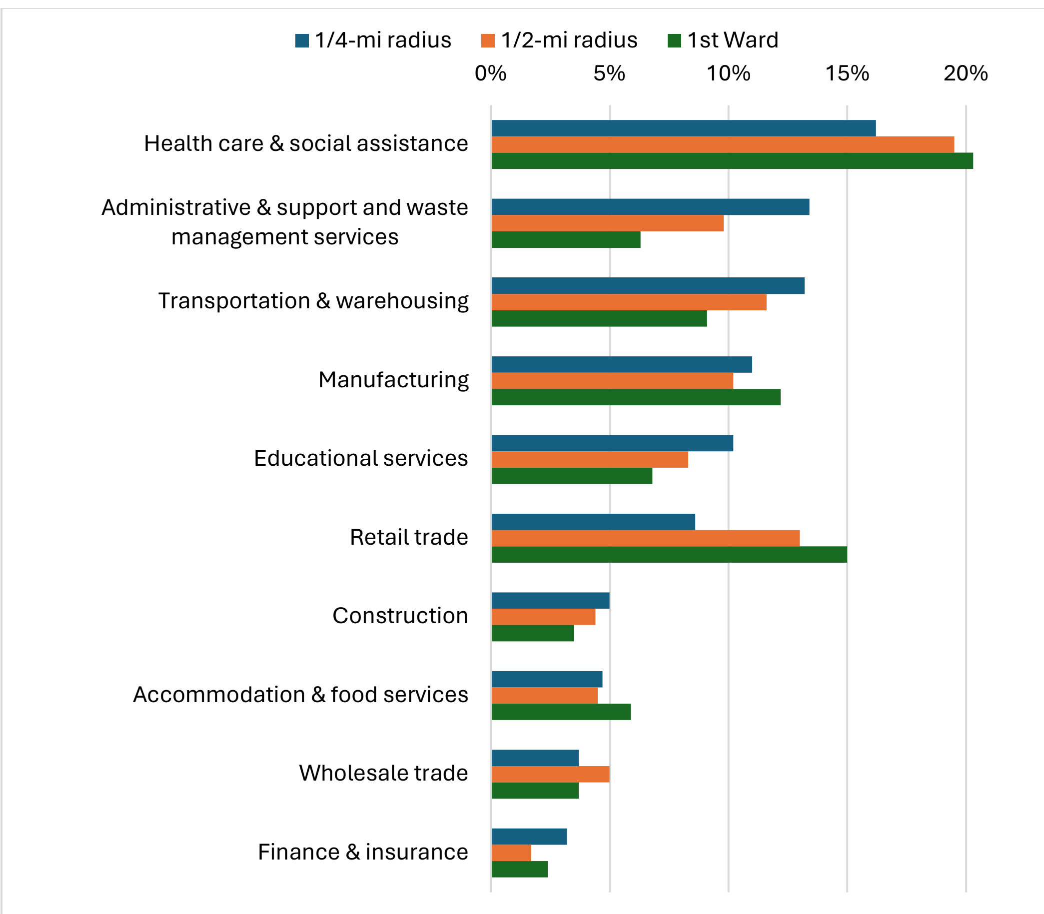
Table 3: Population in the labor force by age and gender, 2021

	¼-mile radius	½-mile radius	First Ward
16+	57%	60%	56%
16-24	37%	49%	54%
25-54	75%	75%	70%
55-64	59%	61%	60%
65+	9%	12%	15%
Male aged 16+	61%	65%	63%
Female aged 16+	54%	55%	50%

Source: US Census ACS 5-year estimates; ESRI Community Analyst

The largest proportion of the First Ward's labor force works in the healthcare & social assistance sector (20%), and the same is true of the labor force within ½ mile and ¼ mile from the target site. However, while the retail trade and manufacturing sectors have the second and third most employees in the Ward at 15% and 12% respectively, within ½ mile of the target site 13% works in retail trade and 12% in transportation & warehousing. Within ¼ mile, the top employment sectors are healthcare & social assistance (16%), administrative & support and waste management services (13%), and transportation & warehousing (13%).

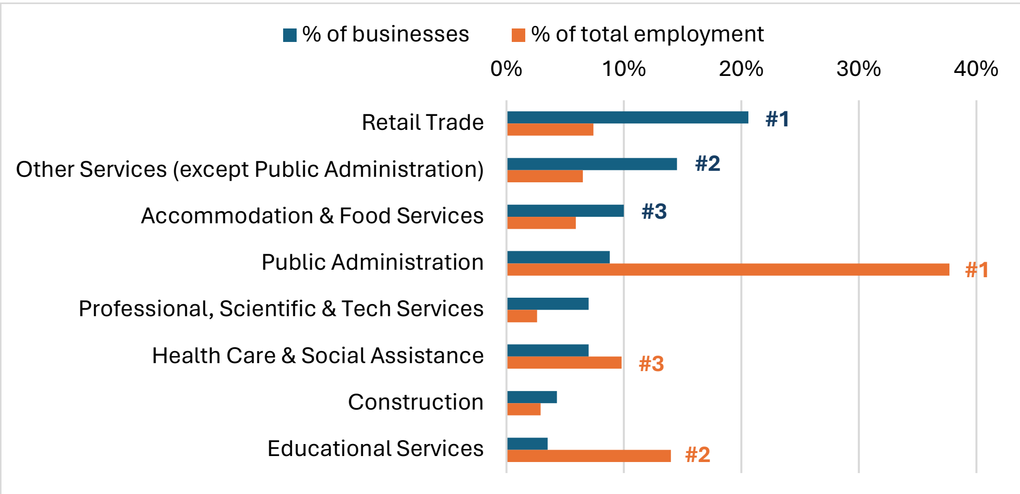
Figure 12: Percentage of labor force employed per industry



Data for top 10 economic sectors by percentage of labor force employed. Source: ESRI Business Analyst 2023

There are an estimated 1,049 businesses in the First Ward[13], employing 12,628 people. The top sectors in terms of number of businesses are retail trade, other services (not including public administration), and accommodation & food services – with all but one of the businesses in this third sector related to food services. However, retail trade businesses employ only 7% of all workers. The businesses that employ the most people are in the public administration, educational services, and healthcare & social assistance sectors.

Figure 13: Top sectors of business and employment in the First Ward



Source: ESRI Business Analyst 2023 data

Within ½ mile of the target site there were 159 businesses employing 1,622 workers, and within ¼ mile there were 36 businesses employing 368 people. For both areas, the greatest number of businesses is in the other services (except public administration) sector, but in both areas these businesses only employ 10% of workers. Within ¼ mile, educational services businesses are the biggest employer, while within ½ mile, food services – specifically, food services & drinking places[14] – employ the largest percentage.

Top sectors in terms of number of businesses and employment (% of total)

	¼ Mile		½ Mile	
	Businesses	Employment	Businesses	Employment
Other Services (except Public Administration)	**31%**	10%	**26%**	10%
Retail Trade	14%	3%	13%	4%
Construction	11%	2%	9%	2%
Educational Services	8%	**55%**	7%	16%
Health Care & Social Assistance	8%	19%	7%	3%
Accommodation & Food Services	8%	2%	6%	**39%**

Source: ESRI Business Analyst 2023 data

[13] ESRI Business Analyst data for 2023.

[14] All of the businesses that fall into the accommodation & food services sector in this area are food services & drinking places. None are accommodation.

Access to transportation

The majority of the labor force throughout the Ward works within Passaic County, but a significant proportion within ¼ and ½ mile works in another county in New Jersey (40% in the ¼-mile radius and 44% in the ½-mile radius). The labor force within a ½-mile radius has the longest average commute at 28 minutes, and those within ¼ mile have the shortest at 25 minutes. Although the limited data available makes it difficult to be precise, only between 0.5% and 4% of the labor force in the area of ¼ mile have a commute of less than five minutes, suggesting that very few both live and work within that area near the target site. This is relevant because it may mean that a significant number of working people have better options for grocery shopping near their places of employment than near where they live.

Within the area immediately surrounding the target site, about 30% of households do not have access to a vehicle. The proportion is slightly lower within ½ mile, but in the First Ward overall, over a third of households do not have access to a vehicle. As a result, a significant number of residents rely on public transportation, taxis, rideshares, or borrowed vehicles for transportation – or go by foot. In the First Ward and within ½ mile of the target site, 30% of employees made their way to work in one of these ways.[15] That number was a little lower in the area of the ¼-mile radius, but in all three areas, only about 9.5% of workers used public transportation to get to their jobs.

Household demand and consumption

Average household expenditures in the area within ¼ miles of the target sites are in total slightly lower than in the surrounding ½ mile and in the First Ward, but the top categories of expenditure are the same throughout the area. About 12% of household expenditures go to purchasing food, and the total amount of $6,055 in the ¼-mile radius is expected to increase by approximately 14% in the coming five years.

Table 4: Average annual household budget expenditures, 2023

	¼-mi radius	½-mi radius	First Ward
Housing & utilities ***(#1)***	$17,321	$19,541	$17,916
Food ***(#3)***	$6,055	$6,805	$6,251
Household operations	$1,262	$1,426	$1,308
Housekeeping supplies	$494	$552	$515
Household furnishings and equipment	$1,521	$1,705	$1,568
Apparel and services	$1,348	$1,500	$1,371
Transportation ***(#4)***	$5,222	$5,916	$5,500
Travel	$1,072	$1,224	$1,115
Health care ***(#5)***	$3,388	$3,810	$3,636
Entertainment and recreation	$1,875	$2,115	$1,949
Personal care products & services	$517	$584	$541
Education	$1,157	$1,248	$1,098
Smoking products	$253	$279	$276
Alcoholic beverages	$360	$408	$373
Shopping club membership fees	$32	$37	$34
Other expenditures ***(#2)***	$7,207	$8,127	$7,392
Total average household expenditures	**$49,085**	**$55,276**	**$50,845**

Source: ESRI Business Analyst 2023 data

Households within these immediate surroundings of the target site spend an average of $2,996 per year at grocery and specialty food stores and $2,140 at restaurants and other eating

[15] Note that lack of reliable transportation is in itself a barrier to finding and keeping work.

places.[16] In addition, households spend about $2,000 per year at warehouse clubs and supercenters (e.g., Walmart Supercenter) that carry grocery items, although there is no specific breakdown available on how much of this total is spent on groceries.

In the First Ward overall, residents spend on average $6,251 per year on food – more than residents in the ¼-mile radius but significantly less than those in the ½-mile radius. This amount expected to increase by about 15.3% in the coming five years in the First Ward and by almost 15% in the area of the ½-mile radius.

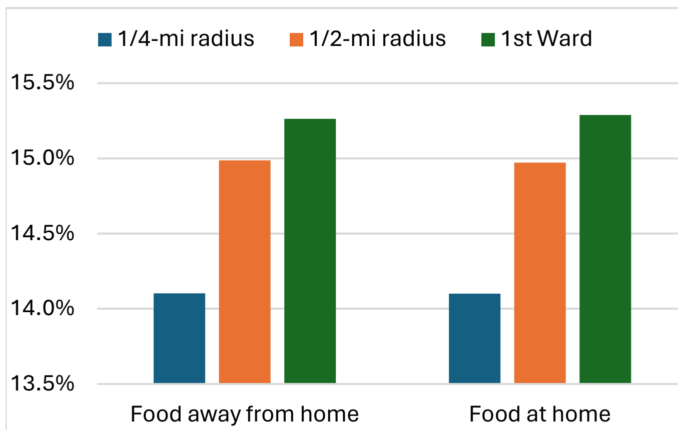
Table 5: Household retail demand: Average amount spent per year by location

	¼-mi radius	½-mi radius	1st Ward
Grocery Stores	$2,895	$3,250	$2,987
Specialty Food Stores	$101	$113	$104
General Merchandise Stores, incl. Warehouse Clubs, Supercenters	$2,091	$2,349	$2,165
Restaurants and Other Eating Places	$2,140	$2,430	$2,223

Source: ESRI Business Analyst

The general category "food at home" is an estimate of the total amount of food purchased from all types of stores for home consumption – as opposed to food consumed at restaurants. A slightly higher percentage of food was consumed at home than outside of the home in 2023 in the ¼-mile radius, although this does not answer whether the reason is a lack of grocery stores in the area. In the coming five years, the increase in food consumed at home – that is, food generally purchased from grocery stores and markets – is forecast to increase by just over 14%. This is a smaller increase than is expected in the ½-mile area and in the First Ward overall.

Figure 14: Forecast consumer demand growth 2023-2028 (% change)



Source: ESRI Business Analyst

Within the category of food consumed at home, the largest proportion for all three areas falls into the general category of "snacks and other food at home," although it is worth noting that this classification includes items such as baby food and certain prepared foods and salads.[17] Meat, poultry, fish, & eggs is the second-largest category, and fruits & vegetables the third.

[16] Expenditures at grocery and specialty food stores do not include purchases at beer, wine, and liquor stores, which averaged $104 per year. Expenditures at restaurants and other eating places do not include purchases at drinking places (i.e., bars). Source: ESRI 2023 Consumer Spending databases are derived from the 2019, 2020 and 2021 Consumer Expenditure Surveys.

[17] Snacks and Other Food at Home includes candy, chewing gum, sugar, artificial sweeteners, jam, jelly, preserves, margarine, fats and oils, salad dressing, nondairy cream and milk, peanut butter, frozen prepared food, potato chips and other snacks, nuts, salt, spices, seasonings, olives, pickles, relishes, sauces, gravy, other condiments, soup, prepared salad, prepared dessert, baby food, miscellaneous prepared food, and nonalcoholic beverages.

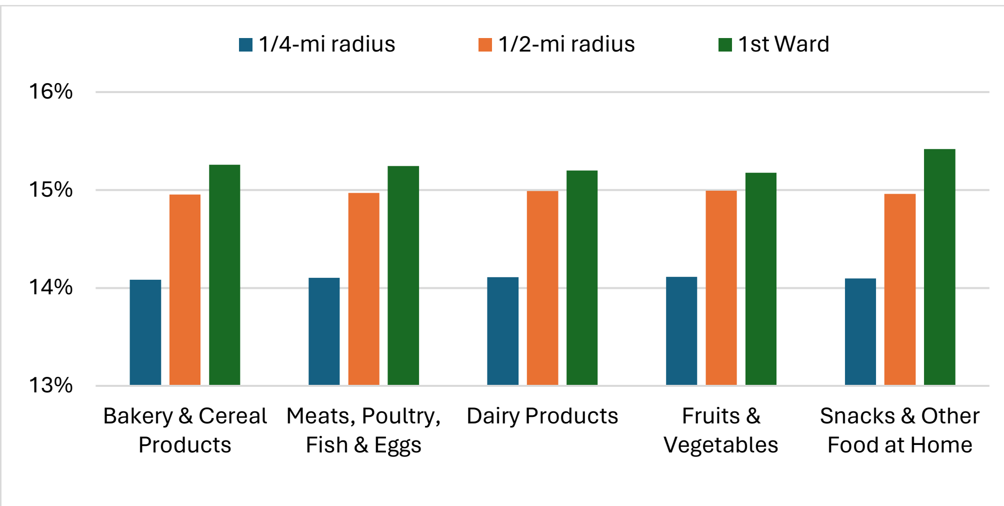
Table 6: Average totals spent by type of food consumed at home

	¼-mi radius	½-mi radius	1st Ward
Bakery and Cereal Products	$530	$588	$540
Meats, Poultry, Fish, and Eggs	$884	$990	$906
Dairy Products	$389	$435	$397
Fruits and Vegetables	$825	$923	$841
Snacks and Other Food at Home	$1,367	$1,538	$1,430

Source: ESRI Business Analyst

Expected growth in expenditures on these foods is expected to be in line with growth for the overall category of food at home in the coming five years.

Figure 15: Forecast demand growth for food consumed at home by category, 2023-2028



Source: ESRI Business Analyst

Within the area nearest to the target sites, households were about as likely to purchase bread, fresh fruit and vegetables, and fresh milk as the US average. They were less likely to buy poultry, but more likely to purchase fish or seafood.

Table 7: Product/Consumer behavior: Households within ¼ mile

In the past 6 months, have you used the following?

	Yes		
	# households	% households	MPI
Bread	980	94%	99
Chicken (Fresh or Frozen)	688	66%	94
Turkey (Fresh or Frozen)	118	11%	76
Fish or Seafood (Fresh or Frozen)	650	62%	103
Fresh Fruit or Vegetables	879	84%	95
Fresh Milk	824	79%	95

Note: The Market Potential Index (MPI) measures the relative likelihood of the adults or households in the specified trade area to exhibit certain consumer behavior or purchasing patterns compared to the U.S.
Source: ESRI Business Analyst

Within the ½-mile radius, food purchase categories were similar. Households were about as likely to purchase most products as the US average, and – like the ¼-mile radius – more likely to purchase fish or seafood.

Table 8: Product/Consumer behavior: Households within ½ mile

In the past 6 months, have you used the following?

	Yes			
	# households	% households		MPI
Bread	2,593	93%	▬	98
Chicken (Fresh or Frozen)	1,866	67%	▬	96
Turkey (Fresh or Frozen)	309	11%	▼	75
Fish or Seafood (Fresh or Frozen)	1,733	62%	▲	103
Fresh Fruit or Vegetables	2,368	85%	▬	96
Fresh Milk	2,196	79%	▬	95

Source: ESRI Business Analyst

In the First Ward overall, households were less likely to buy any kind of poultry or milk, about as likely to buy bread and fresh fruit or vegetables, and more likely to buy fish or seafood.

Table 9: Product/Consumer behavior: Households in the First Ward

In the past 6 months, have you used the following?

	Yes			
	# households	% households		MPI
Bread	9,090	93%	▬	99
Chicken (Fresh or Frozen)	6,360	65%	▼	94
Turkey (Fresh or Frozen)	1,142	12%	▼	79
Fish or Seafood (Fresh or Frozen)	5,967	61%	▲	102
Fresh Fruit or Vegetables	8,193	84%	▬	95
Fresh Milk	7,600	78%	▼	94

In order to see the full picture, it is useful to compare these consumption patterns with those in a similar income category throughout the state of New Jersey. Median household income for the First Ward is $38,889, corresponding most closely to the second-lowest income category for New Jersey ($44,864). First Ward residents spend on average 12.3% of total annual expenditures on food, compared to 14.2% for New Jersey residents with a slightly higher household income.

Table 10: Average consumer spending by category, 2nd-lowest household income category, 2019-2020

	New Jersey	**First Ward**
Expenditures on:		
Food	$7,571	$6,251
Food at home	$5,199	$4,113
Cereals and bakery products	$694	$545
Meats, poultry, fish, and eggs	$1,207	$915
Dairy products	$599	$401
Fruits & vegetables	$1,058	$849
Other food at home	$1,641	$1,445
Food away from home	$2,372	$2,138

Source: US BLS Consumer Expenditure Surveys (New Jersey) and ESRI (First Ward)

The next section explores existing options for purchasing food in the area – and how well those options fit residents' consumption habits and demand.

Relevant business summary

Options for fresh food in the trade area and suitability for demand

According to the most recent USDA data available, Passaic County has 243 grocery stores (0.48 stores per 1,000 residents), two supercenters and/or club stores, 65 specialized food stores, 111 convenience stores, and six farmers markets. Most grocery stores and supercenters accept SNAP, and a slightly lower percentage accept WIC, but only half of farmers markets accept SNAP and one third accept WIC. No information is available on the percentage of convenience stores that accept SNAP and/or WIC.[18]

Within the First Ward's retail sector, there are about 40 food and grocery stores, including convenience stores (such as 7 Eleven) and bodegas (see Figure 16). However, the vast majority of these options within the First Ward are small stores (less than 5,000 square feet) with limited or specialized food offerings. In fact, there are only five stores that are larger than 5,000 square feet in the Ward, and none at all within ½ mile of the target site (see Figure 17).

Figure 16: Food and grocery stores by location

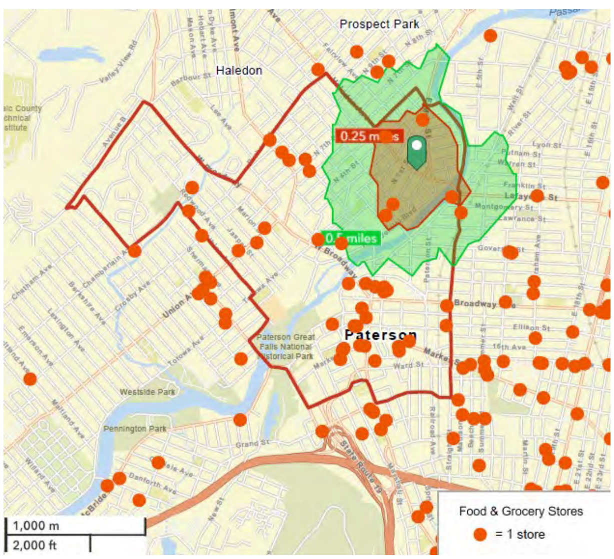
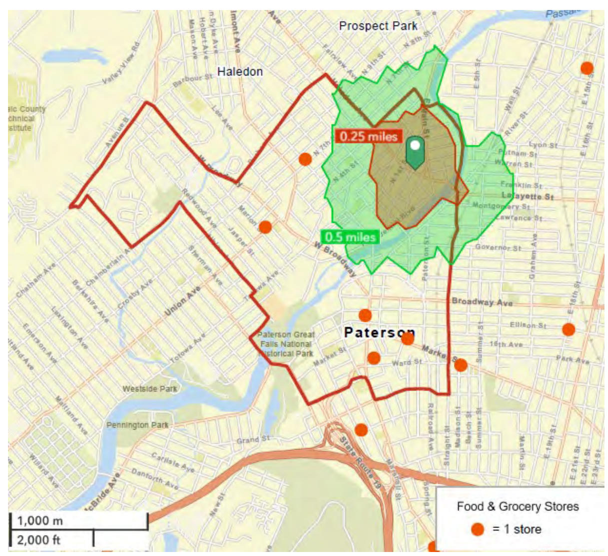


Figure 17: Food and grocery stores at least 5,000 SF in size



Source: ESRI Business Analyst, January 2024

For the 2,729 households (9,179 people as of the 2020 US Census) within the ½-mile radius from the target site, food stores in the area are clearly inadequate. While limited food options are available in small (less than 5,000 square feet) stores in the area, household demand does not align well with these existing options. The second-largest category of purchases for area households is meat, poultry, fish, & eggs, and the third-largest category is fruits & vegetables. Within the ¼ and ½-mile radii from the target site, there is strong demand for fish and seafood in particular; these are not items widely offered in

[18] USDA data from the Economic Research Service's (ERS) Food Environment Atlas. Data for all types of stores is from 2016, and data for farmers markets is from 2018.

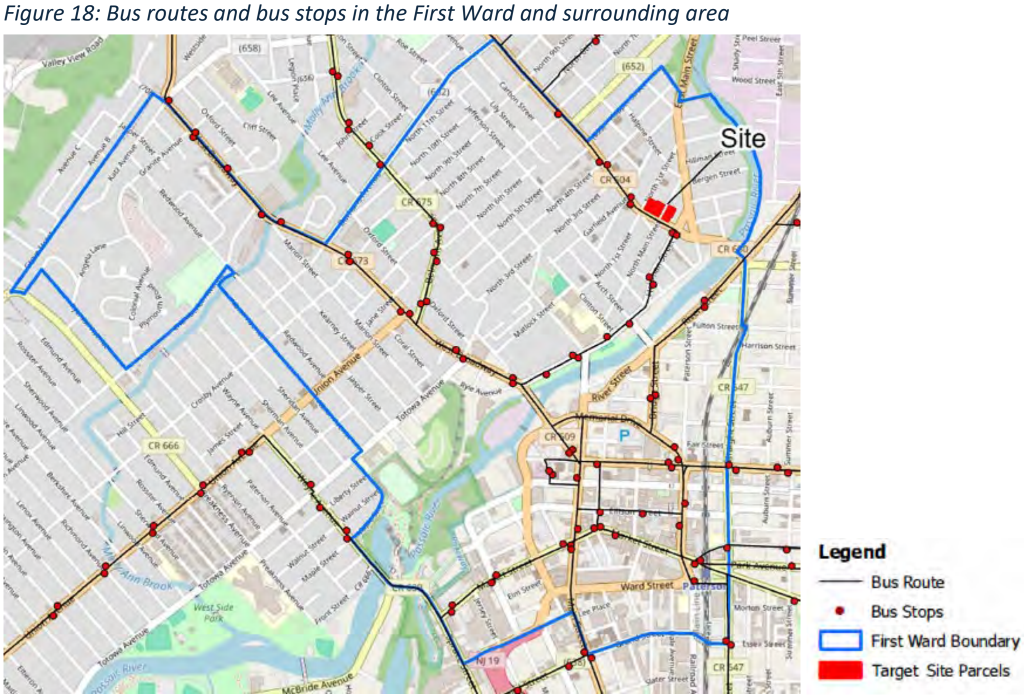
convenience stores and bodegas. With demand for food for home consumption forecast to increase in the coming five years, food stores that are inadequate now will become even more so.

Smaller stores – mainly bodegas and small corner stores – within ½ mile of the site offer convenience to residents with transportation challenges. However, this convenience often comes at the expense of quality and affordability according to both the community survey (see Appendix 2) and community members interviewed. Location and convenience are important to local residents, but the community survey showed that the cost and quality of food present the two greatest challenges in food shopping. The section on *Consumption/Household Demand* above noted that First Ward residents tend to purchase meat, poultry, fish, eggs, fruits, and vegetables when they shop. Finding these grocery items at small local convenience stores or bodegas is a challenge, and finding fresh meat or fish there may not be possible at all. Given that the average survey respondent tends to prepare meals at home about five days a week and shop for groceries weekly, the need for a local food retailer that offers a full selection of groceries is clear. A majority of survey respondents answered the question "Do current grocery shopping options in the First Ward meet your needs?" with "Not at all."

Accessibility

Low incomes, limited access to vehicles, and lack of adequate public transportation options all present challenges to accessing sources of healthy and affordable food in the First Ward. Area residents' income levels were discussed in detail in the *Socioeconomic Profile* section. Given that about 30% of households do not have access to a vehicle within ¼ mile of the target sites, and about 33% do not within the First Ward overall, a significant proportion of the population travels to food stores either by foot or by public transportation.

Figure 18: Bus routes and bus stops in the First Ward and surrounding area



Survey respondents currently buy their food at grocery stores (84%), supermarkets (61%), and farmers markets (23%), but they also noted that they travel outside the First Ward (about 10-20 minutes away) to shop. Generally, they use their own vehicle to travel to the places they shop, although some do use public transportation. As is clear in the map above, there are very few options for public transport in the First Ward, making it difficult for households to depend on city buses to travel to and from food stores.

Grocery store/supermarket structure & requirements

While food retailers come in all sizes, there are certain common elements of grocery store and supermarket operations. In this section we look briefly at what a grocery store or supermarket needs to survive, with an overview of size, sales & profits, and supply chain dynamics.

Size

Grocery stores and supermarkets have been generally increasing in physical size since 1994, when the average was 35,000 square feet (SF). The average size of a US grocery store was about 48,400 SF in 2022 – down slightly from the all-time high of 51,500 SF in 2021.[19] This includes only interior sales space, and additional space is necessary for storage, administration/offices, loading docks, and parking. Multi-floor retailers also need space for elevator bays and stairwells.

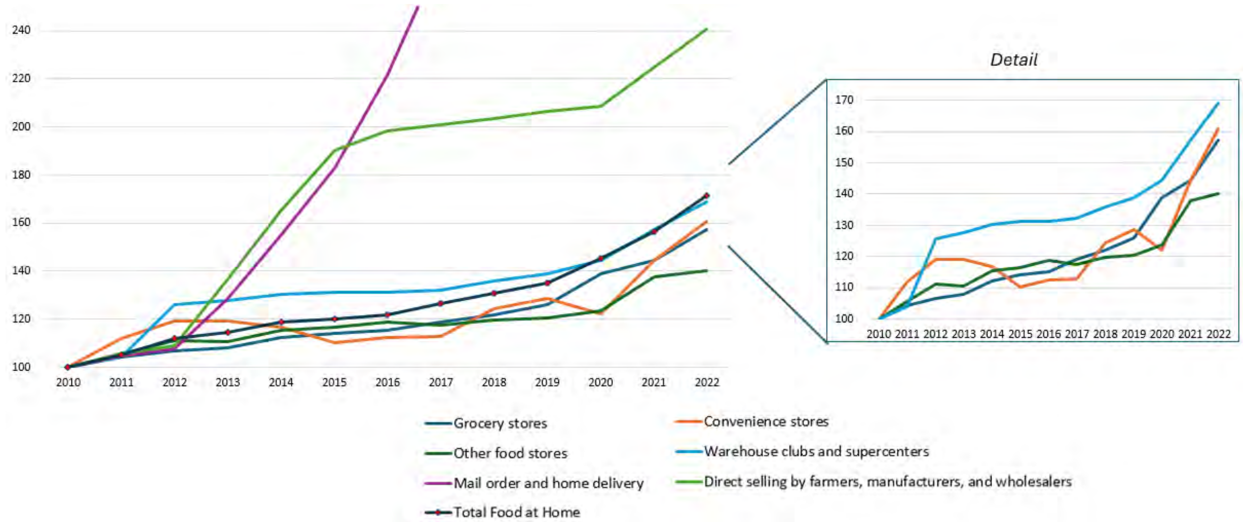
The average supermarket carried approximately 31,500 items in 2022.[20]

Sales and profits

According to the Food Industry Association (FIA), in 2022 average weekly sales per store were $595,987, and weekly sales per square foot of retail area were $19.32. The FIA's 2023 US Grocery Shopper Trends report showed that average weekly grocery spending per household was $155. Although data is not available for independent stores, food retailer chains had a net profit after taxes of 2.3% in 2022, which was significantly higher than 2010 levels (1.1%) but down from the all-time high of 3.0% in 2020. This profit data includes all types of food retailers, but it is important to note that the average size of those food retailers in 2010 was not much smaller than it was in 2022 (2010: 46,000 SF; 2022: 48,400 SF). [21] Part of the reason for the increase in profits is growth in online sales for brick-and-mortar retailers, which helped grocery stores and some other types of food stores weather the pandemic and other recessions (more easily than, for example, convenience stores), as well as the increase in warehouse clubs and supercenters after 2010. Growth in the number and sales volume of farmers markets also contributed, but it is difficult to be precise because USDA data combines direct sales from farmers with direct sales from manufacturers and wholesalers.[22]

[19] Food Industry Association data (https://www.fmi.org/our-research/food-industry-facts/average-total-store-size---square-feet)
[20] Food Industry Association data (https://www.fmi.org/our-research/food-industry-facts)
[21] Food Industry Association data (https://www.fmi.org/our-research/food-industry-facts)
[22] USDA ERS data on nominal food expenditures, 2010-2022

Figure 19: Nominal food expenditures by type of store (Index: 2010 = 100)*



*For all purchasers. Includes taxes and tips.
Notes: The index for "Mail order/home delivery" passed 250 in 2017 and rose to 531 by 2022. "Other food stores" includes establishments such as small health food and specialty stores, and "Direct selling by farmers, manufacturers, and wholesalers" includes (but is not limited to) farmers markets.
Source: USDA ERS

These slim profit margins for grocery stores took place against a backdrop of sales that were increasing in dollar terms but decreasing as a percentage of total food sales. In 2022, food purchased for consumption at home (i.e., groceries) made up 44% of total food sales. This is a decrease from 2010 levels, when expenditures were split evenly between food consumed at home and food consumed outside the home (e.g., in restaurants).[23] It is important to remember that for grocery stores (like all retailers) sales and profit are dramatically different numbers. While the average overall markup for individual products is 34.8%, the share for the retailer for each dollar of sales for domestically produced goods is only 12.4 cents. The remainder goes to paying for industry costs such as operations, processing, packaging, and transportation, among other cost categories, as shown in the USDA Economic Research Service diagram below.[24]

Figure 20: Industry costs per food dollar, 2022

Note: “Other” category is comprised of agribusiness and legal & accounting costs.
Source: USDA ERS Food Dollar Series, 2022

[23] Total sales by all purchasers at grocery stores, convenience stores, other food stores, warehouse clubs & supercenters, other stores & food service, mail order/home delivery, direct selling by farmers, manufacturers, & wholesalers, and home production & donations. USDA Economic Research Service, Food Expenditure Series 2010 and 2022.
[24] USDA ERS Food Dollar Series, 2022. https://www.ers.usda.gov/data-products/food-dollar-series/

Supply chain

No matter the size of a grocery store or supermarket, the structure of the store's relationships with suppliers is key to pricing and profitability – and therefore to sustainability. In 2018 the Food Industry Management Program of the Charles H. Dyson School of Applied Economics and Management at Cornell University reviewed case studies of 11 food retailers and their supply chains in low-income urban and rural areas of the US Northeast.[25] Ten of the 11 were supermarkets according to the US Census definition (business establishments "primarily engaged in retailing a general line of food, such as canned and frozen foods; fresh fruits and vegetables; and fresh and prepared meats, fish, and poultry"[26]), and one was a large convenience store that carried produce, fresh meats, dairy products, and frozen foods. The supermarkets ranged from limited-assortment retailers, to discount grocers offering food on "closeout", to standard supermarkets. Ten of the 11 stores were smaller than the average American supermarket in terms of total square feet. All 11 of the stores were independently owned.

These smaller, independently owned stores actually did better than the average US supermarket in weekly sales per square foot and weekly sales per full-time employee, and this combination of store characteristics made findings from the case study interesting and relevant to this project. Being small and independently owned has both advantages and disadvantages for a food retailer in a low-income community:

Advantages

- Most of the stores studied were able to tailor their product offerings to their consumer base, sourcing supplies from smaller distributors that offered specialty, diet-specific, ethnic, or culturally relevant foods.
- Sourcing directly from local farms and producers was also technically possible, although only one store studied did so. This was rare because of the economics of the supply side, which dictate that transportation costs are either divided among multiple stores in one area (cheaper for shoppers but requiring collaboration) or that those costs are passed directly on to consumers (simpler for the store but more expensive for shoppers).

Disadvantages

- Independently owned stores do not often have the means to own their own distribution centers and must therefore rely on large grocery wholesalers. Two of the stores reviewed were licensed under contracts with large chain store companies and therefore had very little choice in products or suppliers. In these cases, the parent company also dictated store layout and operations, further limiting proprietors' ability to tailor the retailer to local consumer preferences. However, other stores found ways to customize offerings without increasing costs: one joined a retail cooperative of independent stores that buys directly from food manufacturers, and another purchased deeply discounted products such as overstock and almost-expired foods.

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[25] Park, K., Gómez, M., Clancy, K. (2018). *Case Studies of Supermarkets and Food Supply Chains in Low-Income Areas of the Northeast: A Cross Case Comparison of 11 Case Studies*. https://agsci.psu.edu/research/food-security/publications/supply-chain-case-studies/cross-case-comparison-of-11-case-studies

[26] US Census Bureau. Industry Statistics Portal. NAICS definition. Both grocery stores and supermarkets fit this definition, with supermarkets generally being understood to be the larger of these food retailers.

- The small sizes of these stores (compared to the national average, and certainly compared to supercenters and club stores) affect operations costs such as food transportation to the store. Delivery of a smaller volume of goods from a wholesaler results in higher per-unit costs. Two stores opted to keep temperature-controlled storage/warehousing space (either on site or nearby) that allowed them to purchase in greater quantities and less frequently – and at lower unit costs – from a variety of wholesalers and "distribute" to their own store(s) over time. (Note that the case study examined cost savings with this strategy but not how product freshness was impacted.) The convenience store proprietor had a longstanding relationship with a local farmer who delivered fresh produce along an established route that included several area retailers, thus reducing transportation costs for each individual store.

The study noted that the distance each type of food travels to reach a retailer impacts pricing to consumers, with milk traveling the shortest distance and fresh produce the longest.

IMPLAN analysis

Economic impact

As an economic "input-output" modeling program, IMPLAN requires that at least one impact (or known quantity) be entered into the model to generate output estimations. For this analysis, the impact entered was industry output for the category "Retail – Food and Beverage Stores." All types of grocery stores (including supermarkets) as well as farmers markets fall into this category,[27] and this presents a challenge: while it is possible to distinguish the impact of a large grocery store from that of a supermarket based on their average annual sales because they are the same type of business in two distinct sizes, IMPLAN does not distinguish between a grocery store (of any size) and a farmers market. They all fall into the category "Retail – Food and Beverage Stores." The problem is that farmers markets are a very different type of business and therefore impact the local economy differently. For example, there would be much more impact expected to local farmers from a farmers market, and it is also possible that a variety of local artisans would benefit, depending on the types of businesses that rent stalls. Analysis of "Retail – Food and Beverage Stores" assumes smaller impact to local businesses in general than would be accurate for a farmers market, and employment estimates would also be inaccurate based on the very different types of independent sellers at a market compared to employees of a standard grocery store. Lastly, farmers markets generally only operate one or two days a week, and often only seasonally. This last difference, however, can be addressed effectively in IMPLAN by assigning accurate total sales and industry output values.

Because of these issues, this market analysis will consider IMPLAN results for farmers markets in less detail than for grocery stores and supermarkets, noting additional potential impacts drawn from other research.

[27] IMPLAN consolidates the 21,855 individual six-digit (i.e., level of highest specificity) 2022 NAICS codes for all types of business into 546 more generalized categories for the purpose of analysis. This is the reason that grocery stores, supermarkets, and farmers markets are all considered the same type of business.

Type of business	Total sales	Markup %	Retail margin $	Wholesale purchases	Industry output
Large grocery store[28]	$2,000,000	34.79%	$695,800	$1,304,200	$691,786
Supermarket[29]	$14,000,000	34.79%	$4,870,600	$9,129,400	$4,842,501
Farmers market[30]	$1,000,000	40%	$400,000	$0	N/A

Note that the markup includes not only profits but also transportation and building lease costs – or in the case of a farmers market, costs to lease the land on markets days plus the costs businesses pay to rent a stall. In reality, there is a lot more variation in the markups charged at farmers markets than at grocery stores, with stalls charging anything between 15% and 100% (or more) as markup for their products.[31] However, liability costs (e.g., insurance) that are part of the markup for grocery stores are not necessarily part of farmers markets' costs.

The results of an input-output analysis are broken down into direct, indirect, and induced effects. **Direct effects** refer to the initial change to the local economy in this analysis. IMPLAN then generates additional effects that occur because of this initial change. **Indirect effects** refer to the business-to-business purchases in the supply chain and depend on the industry selected (in this case, "Retail – Food and Beverage Stores"). Some examples for this industry are wholesalers, truck transportation, real estate, and legal services. **Induced effects** stem from household spending of labor income. A simple example would be when employees of a grocery store buy lunch at a deli near their place of work, pay for daycare, use the bank, or pay their rent. When enough workers continue to spend their money (i.e., their labor income) at businesses near the work site, those businesses in turn might decide to hire more workers. This would be induced employment that is hired in non-food-retailer industries.

Large grocery store: Economic impact

IMPLAN analysis shows that a new grocery store with $2 million in sales in the First Ward would create seven new jobs related to the store itself (direct impact) and a small portion of one real estate job related to a lease for a non-residential building (indirect impact). The very small induced employment impact (less than a hundredth of a job) is related to non-restaurant food and drinking places such as cafeterias and food trucks – perhaps meals purchased by grocery store employees during their shifts.

Direct labor income of $317,545 refers to both employee compensation ($260,964) and store proprietor income ($56,581). Indirect labor income of $610 accrues to real estate agents, employees of non-restaurant food and drinking places, and a variety of local businesses supplying services such as trash collection, auto repair, and truck transportation. Induced labor income of $104 goes to employees of businesses such as nursing & community care facilities, restaurants, car washes, auto repair shops, and banks.

While output is equal to the gross retail margin for a store, value added is a measure of the value of the services the store provides. It does not include the value of the items purchased to stock the store. In this case, the value the grocery store adds is to offer items for sale, organized on shelves in a store that

[28] Based on the USDA definition of annual sales of $2 million. No specific square footage is noted in this definition.

[29] Average size of 45,000 square feet and total annual sales of $14 million (USDA definition).

[30] Based on annual sales of $1 million. Farmers' Markets America and Barney & Worth, Inc. 2008. "Characteristics of Successful Farmers Markets: Portland Farmers Markets/Direct-Market Economic Analysis."

[31] A. Pinto, A. Torres. 2017. "What You Need to Know about Selling in Farmers Markets. Part 2: Pricing." Purdue Extension, Horticulture Business.

is convenient to customers.[32] This added value is then used to pay for employee compensation, proprietor income, and taxes, with some remainder for profit. Value added is similar to an industry's contribution to GDP. A large grocery store in the First Ward would generate an estimated $443,622 in value added for the economy of the area of zip code 07522.

Table 11: Economic impact summary

	Employment	Labor Income	Value Added	Output
Direct Impact	7	$317,545	$443,622	$688,695
Indirect Impact	0.01	$610	$1,145	$2,599
Induced Impact	0	$104	$363	$493
Total Impact	**7.01**	**$318,258**	**$445,129**	**$691,786**

Note: All amounts are annual totals.
Source: IMPLAN analysis

Establishment of a large grocery store in the First Ward would be most likely to benefit the local economy by increasing output (impact output) in the industries listed below. Aside from the first category – which shows the most significant new output because it includes the grocery store itself – the increases are fairly small. However, they do not take into account intangible economic benefits such as the value of redeveloping vacant or distressed land into a productive community asset, which can in turn increase surrounding property values and attract more businesses to the area.

Table 12: Industries by Estimated Growth Percentage (top 10)

Industry	**Industry Total Output**	**Impact Output**
Retail - Food and beverage stores	$4,079,910	$688,701
Other real estate (non-residential leases)	$112,483,321	$1,936
Owner-occupied dwellings	$131,228,849	$227
Car washes	$22,464,494	$126
Non-restaurant food & drinking places	$16,580,815	$125
Truck transportation	$11,087,470	$102
Tenant-occupied housing	$34,745,390	$61
Waste management & remediation services	$7,952,914	$56
Support activities for transportation	$11,280,993	$44
Automotive repair & maintenance	$4,796,631	$31

Note: All amounts are annual totals. The values listed for Owner-occupied Dwellings refer to wealth created by homeownership (not to mortgage payments).
Source: IMPLAN analysis

One last component of economic impact is the taxes paid as a result of the establishment of a new business. Like employment and output, this impact is made up of direct, indirect, and induced amounts.

Table 13: Tax impacts

Impact	Sub County General	Sub County Special Districts	County	State	Federal	**Total**
Direct	$13,258	$12,168	$6,914	$25,023	$48,588	**$105,951**
Indirect	$27	$25	$14	$63	$103	**$233**

[32] Value added does not include intermediate inputs such as rent, electricity, or heating costs.

Induced	$12	$11	$6	$25	$22	**$75**
	$13,297	**$12,204**	**$6,934**	**$25,112**	**$48,713**	**$106,259**

Note: All amounts are annual totals.
Source: IMPLAN analysis

Supermarket: Economic Impact

Because a supermarket is by definition much bigger than a large grocery store and has much higher sales, the economic impact will also be greater, though it will follow a very similar pattern in terms of where in the local economy that impact will be felt.

Direct employment (for the supermarket itself) is close to 50 new positions. Indirect employment is once again a portion of one real estate job related to a lease for a non-residential building, though in this case a larger portion of that job than was the case for a grocery store. Induced employment – still very small at one one-hundredth of a job – is in non-restaurant food and drinking places such as cafes and food trucks.

Direct labor income includes $1,826,747 in employee compensation and $396,067 in store proprietor income. Indirect labor income of $4,268 accrues to real estate agents, employees of non-restaurant food and drinking places, and a variety of local businesses supplying services such as trash collection, auto repair, and truck transportation. Induced labor income of $726 is likely to go to employees of local services, nursing & community care facilities, outpatient care centers, restaurants, religious organizations, auto repair shops, banks, and retail stores.

A supermarket in the First Ward would generate an estimated $3,105,353 in new value added through its operation.

Table 14: Economic impact summary

Impact	Employment	Labor Income	Value Added	Output
Direct	48.98	$2,222,814	$3,105,353	$4,820,863
Indirect	0.1	$4,268	$8,013	$18,190
Induced	0.01	$726	$2,539	$3,449
Total	**49.09**	**$2,227,809**	**$3,115,906**	**$4,842,501**

Note: All amounts are annual totals.
Source: IMPLAN analysis

The establishment of a supermarket in the First Ward would be most likely to benefit the local economy by increasing output in the industries listed below. Aside from the first category (which includes the supermarket itself) the highest output increases accrue to non-residential real estate, homeowner costs, non-restaurant food & drinking places, local services, truck transportation, and residential tenant costs. As in the case of a new grocery store, there would be local impacts that the analysis does not reveal. Wherever in the Ward new supermarket is sited would tend to stimulate the local economy, making the immediate surroundings a significantly more attractive place for other types of businesses to locate.

Table 15: Industries by Estimated Growth Percentage (top 10)

Industry	**Industry Total Output**	**Impact Output**
Retail - Food & beverage stores	$4,079,910	$4,820,905

Other real estate (non-residential leases)	$112,483,321	$13,550
Owner-occupied dwellings (i.e., mortgages)	$131,228,849	$1,590
Car washes	$22,464,494	$880
Non-restaurant food & drinking places	$16,580,815	$872
Truck transportation	$11,087,470	$711
Tenant-occupied housing	$34,745,390	$426
Waste management & remediation services	$7,952,914	$391
Support activities for transportation	$11,280,993	$309

Note: All amounts are annual totals.
Source: IMPLAN analysis

Finally, the likely tax impacts are the following:

Table 16: Tax results

Impact	Sub County General	Sub County Special Districts	County	State	Federal	**Total**
Direct	$92,808	$85,177	$48,399	$175,162	$340,113	**$741,658**
Indirect	$190	$175	$99	$443	$723	**$1,630**
Induced	$81	$74	$42	$176	$154	**$527**
Total	**$93,079**	**$85,426**	**$48,540**	**$175,781**	**$340,990**	**$743,816**

Note: All amounts are annual totals.
Source: IMPLAN analysis

Farmers Market: Economic impact

Because of the challenges in analyzing the economic impact of farmers markets in IMPLAN noted above, this section approaches measurement differently, and impact is discussed in broader strokes and with a more nuanced interpretation than was the case for a grocery store or supermarket. Supermarkets are just large grocery stores, but farmers markets are not just outdoor grocery stores, because they have an entirely different business model and have to be approached differently in terms of economic impact.[33]

Because it is important to understand how establishment of a farmers market – which is almost by definition related to local production – would impact local producers, the region of IMPLAN analysis was broadened to the entire county.[34] The impact detailed below assumes a small percentage of sales will be of food produced hyper-locally – i.e., in the First Ward – but a much greater percentage will be produced by individuals and on farms in the wider area of the county. Clearly not all products will be grown in the county, but a certain percentage can be assumed to be. The analysis below is intended to serve as a general desktop analysis; more precise estimations would require a full farmers market feasibility analysis.

[33] For the purpose of IMPLAN analysis, the output of a farmers market assigned as the "input value" is based on producer prices rather than purchaser prices (the latter is the basis of output for grocery stores).

[34] There is in fact commercial cheese and snack food production in the First Ward, but factory-made products are not generally offered at farmers markets. It is more likely that produce from residents' gardens would be sold at a farmers market, but because these are not "commercial" products, they do not register in IMPLAN, which pulls data from governmental and specifically tax records.

Lastly, note that the economic impact of a farmers market *cannot* be directly compared with that of a grocery store or supermarket because these analyses cover impact in different regions. The analysis for the grocery store and supermarket was designed to measure impact within the First Ward, but because none of the food was produced in the Ward, the was a notable lack of impact to farms and food producers. There was not even a notable impact to food wholesalers, because those companies are not located in the First Ward. The objective of the analysis in that case was to understand how siting this type of food retailer at the target site would impact a) the employees and proprietor of the store directly, and b) surrounding households and businesses indirectly.

A seasonal farmers market open two days a week between May 1 and November 30 and sited on land totaling just over one acre is assumed to accrue gross annual sales of approximately $1 million.[35] This estimated sales number is on the very low end on a national scale and depends on the number of vendors and product mix. Most farmers markets build success over a period of several years, so year-one sales would likely be significantly lower.

The IMPLAN analysis highlighted below takes into account several important differences between food sales in a store and food sales at a farmers market. The primary difference is that there is no wholesale activity involved: vendors produce the food themselves rather than purchasing food from a third party. In addition, the product mix offered at a farmers market tends to be mainly fresh, locally produced fruit, vegetables, meats/poultry, eggs, and baked goods, rather than the processed and pre-packaged foods sold in stores. Again, a full feasibility analysis would be necessary to produce definitive estimates, but for the purpose of this study, the mix of products produced and sold that was specified in the IMPLAN analysis is shown in the box on the right. Because no exact amounts of each product type sold at the farmers market are known, this distribution is based on the overall sales figure of the individual products from current output levels for Passaic County.

Vegetables and melons	25%
Fruit	20%
Greenhouse products (all)	20%
Poultry and eggs	12%
Other animal products (e.g., lamb, goat)	4%
Fish	5%
Cheese	2%
Bread and bakery products	7%
Other snack foods	3%
	100%

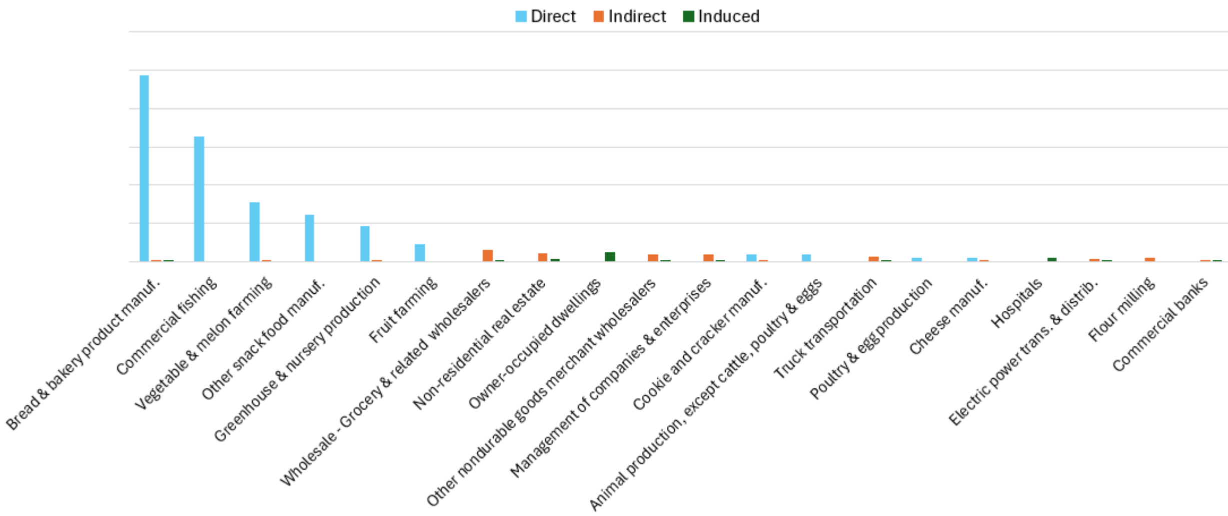
There are other important differences between the business model of a grocery store or supermarket and that of a farmers market. The food sold at markets is also generally produced, processed, and transported within the same region, which may limit variety but also results in more money remaining in the local economy. Real estate fees are far lower: there are fees for use of the market site to be paid by the market proprietor or management (costs which are in turn passed on to vendors), but these are far lower than the building lease a store would pay. Transportation costs are borne by individual vendors,

[35] Number of market days per week and seasonal months based on New Jersey farmers market averages. Total sales estimates based on: Farmers' Markets America and Barney & Worth, Inc. 2008. "Characteristics of Successful Farmers Markets: Portland Farmers Markets/Direct-Market Economic Analysis." And: H. Petersen. 2022. "Farmers Markets of Minneapolis: 2021 Metrics." Dept of Applied Economics, U of M-Twin Cities.
The first source was chosen because it provided specific sales figures for markets across the US, and the second was chosen because it focused on a city with a large proportion of low-income and minority households, and most of the local farmers markets reviewed accept SNAP and have an additional government-sponsored "Market Bucks" program to support low-income families' purchases of fresh produce.

so there is generally very little economic impact to trucking transportation companies. Warehousing and storage costs are not generally applicable, either.

IMPLAN estimates the following shares of direct, indirect, and induced impact:

Figure 21: Impact output



Source: IMPLAN analysis

All of the direct impact to output is in the sectors that produced the items being sold at the famers market, while indirect and induced impacts are mainly related to market management and the top sectors where food producers would be expected to spend their earnings, such as transportation, mortgage payments, and banks. New direct, indirect, and induced jobs created would fall into similar categories.

What IMPLAN might not be capturing particularly well is the extent to which farmers markets bring business to neighboring stores and communities where a market is located, or the fact that money spent at markets specializing in local products tends to remain within the local community, preserving and creating local jobs. In addition, farmers markets provide opportunities for small farmers and vendors to sell their products and grow new businesses without the added costs of shipping, storage, or inventory control. And IMPLAN does not capture any of the income generated by non-commercial items such as vegetables from household gardens that are sold at the market.

No tax analysis is included here, because although the proprietors of farmers markets do pay taxes on behalf of the organization (based on vendor payments, for example, but not on food sales), the bulk of relevant taxes are paid by individual vendors based on their own sales.[36]

[36] In addition, an individual vendor generally sells at more than one farmers market (or other outlet), and taxes paid per farmers market are not calculated separately from the total.

Studies on means of mitigating food deserts

Often a creative, multifaceted approach is necessary to address access to nutritious food in low-income, under-resourced communities, particularly if no land (or investment) is available for a supermarket. Start-up costs are high, land that is attractive to investors may be scarce, and the profit margins of grocery stores tend to be very low. These challenges are magnified in low-income urban neighborhoods. Over the past decade, many urban areas have seen a decline in the number of medium-sized to large groceries, while the number of supercenters, and club stores in suburban areas has increased. These "mega- stores" have the advantage of customer volume and (non-food) product offerings with higher margins, which makes them better able to make a profit.

Below we discuss a variety of food retail models that address access to healthy food and promote equitable community development – while in many cases at the same time supporting local farmers' and healthy food entrepreneurs' expansion and sustainability.

Non-traditional grocery store models

There are a variety of non-traditional models that have been successful in low-income, under-resourced communities – from independent stores accessing grants and tax incentives to public-private ventures. Because grocery stores tend to have very low profit margins, often a traditional financing model for a store in a low-income community does not succeed.

Vicente's Tropical Supermarket in Brockton, MA is an example of an independent operator accessing grant funding through the state-funded Massachusetts Food Trust Program (MFTP). Vicente's offers nutritious, affordable, and culturally appropriate ethnic food that is a direct response to local residents' stated food preferences. Public engagement to achieve this fit has been largely informal, because the proprietors are part of the large immigrant population they serve. The store also offers healthful prepared foods, and customers who spend more than $100 are eligible for free Uber and Lyft rides. Grant funding and a low-interest loan from MFTP allowed Vicente's to renovate their original store and expand the fresh produce sections. The store's approach to its local clientele – along with the MFTP-funded upgrade – has been so successful that Vicente's has opened a second location in the neighborhood. The two locations have created local living-wage jobs and stimulated economic development in the neighborhood.[37]

A similar MFTP-funded grant provided support for the Stop and Compare Market to complete renovations and an expansion of the fresh produce sections in its two locations in densely, majority-minority Boston neighborhoods. The stores provide a wide selection of culturally appropriate foods and prioritize hiring workers who are from the immigrant populations that make up the clientele. In addition to this informal community engagement, the management conducts customer surveys to ensure that the products offered meet demand and collaborates with local Latino associations.[38]

MFTP has established other programs that complement their financing support for improving access to healthful food by establishing a hydroponic greenhouse and a Farm and Community Collaborative. The Wellspring Harvest greenhouse – built on a reclaimed brownfield site – creates jobs for low-income residents and provides fresh, healthy food to local grocery stores, schools, and hospitals. Organized as a

[37] https://massfoodtrustprogram.org/funded-projects/2019/6/3/vicentes-tropical-grocery
[38] https://massfoodtrustprogram.org/funded-projects/2019/7/12/stop-and-compare-market

worker cooperative, Wellspring employees share in company profits. MFTP has supported Wellspring through a $15,000 loan and a $15,000 grant and is the largest urban greenhouse in Massachusetts. The Farm and Community Collaborative provides linkages between local farms and youth, offering paid apprenticeships for urban youth to learn about sustainable agriculture and the local food system. The focus is on understanding how small local farms can help mitigate urban food insecurity and lack of access to nutritious food, while at the same time supporting agricultural entrepreneurship. The Collaborative was awarded a $20,000 grant from MFTP to support their work.[39]

There is also federal funding and public-private support available to retailers prioritizing access to healthful food in urban areas. With investments through the Healthy Food Financing Initiative (HFFI), USDA partners with the Reinvestment Fund to support establishment and expansion of grocery stores and other healthy food retailers to underserved urban, rural, and tribal communities. Market Seven LLC received funding to establish a community marketplace offering food products from a wide variety of Black-owned businesses in Washington D.C.'s Ward 7. HFFI funds are being used to build a community food hall that will provide a grocery store and prepared options to the neighborhood as an alternative to local fast-food offerings. The marketplace also incorporates a food production and education space for entrepreneurs and community members.[40]

Similar public-private lending programs offer support for the establishment (and retention) of nutritious food retailers in underserved areas, such as the Michigan Good Food Fund, the Pennsylvania Fresh Food Financing Initiative, and the Kansas Healthy Food Initiative.[41] Many of these programs offer coordination with nutrition incentives programs such as SNAP Incentives and a variety of supplemental support for produce purchases.

One final non-traditional model is a non-profit grocery store. Good Grocer in Minneapolis, MN stocks fresh, zero-waste produce and standard grocery items for a mainly immigrant, low-income customer base, with a price point somewhere between a food bank and a standard food retailer. Founded by a faith community, Good Grocer is fully staffed by volunteers (who receive a 20% discount for a minimal time commitment), but members of the public can also shop for full price, which – along with donations – enables the store to offer half prices for people experiencing food insecurity.[42]

Healthy bodega/corner store initiatives

In communities with a large number of independently owned bodegas and corners stores, there is a legitimate concern that establishment of a grocery store or supermarket would drive these small businesses out. Corner stores and bodegas offer convenience to residents (particularly those who do not own cars) but very often do not offer fresh or nutritious foods.

The Los Angeles Food Policy Council's Healthy Neighborhood Market Network (HNMN) works with small markets and corner stores – independently owned by low- to middle-income families who are often immigrants and people of color – to stay in business *and* increase fresh produce offerings. Each year, HNMN offers 20-30 corner store owners intensive business and leadership training, mentorship, and technical assistance to help them transform their stores into healthy food businesses. Technical

[39] https://massfoodtrustprogram.org/funded-projects/2019/6/3/farm-and-community-collaborative
[40] https://www.rd.usda.gov/newsroom/news-release/usda-partners-reinvestment-fund-invest-226-million-increase-equitable-access-healthy-foods-across
[41] https://migoodfoodfund.org/; https://thefoodtrust.org/what-we-do/hffi/pa/; and https://kansashealthyfood.org/
[42] https://goodgrocer.storebyweb.com/s/1000-1/

assistance includes marketing, branding, store design and merchandising, pricing and profitability, and sourcing options. And the program has been successful: a large majority of store proprietors surveyed said they had seen an increase in healthy food sales after participating in the program. The support does not end there, either. HNMN offers a network of resource providers to provide customized services to store owners – from connections to local farms, to healthcare professionals who carry out medical screenings in-store, to nutrition workshops and cooking demonstrations on-site to drive demand for new healthful products.[43]

One potential hurdle can be connecting these small stores to SNAP and WIC programs, and HNMN provides support through neighborhood-based organizations to address this challenge. In the area where HNMN works, the USDA launched a pilot fruit and vegetable voucher program for SNAP participants to use at a one corner store. The USDA-funded program provided $15-$50 extra dollars each month to SNAP customers to purchase fruits and vegetables from that store, which is a neighborhood market that (in collaboration with HNMN) had broadened its offerings from primarily beer and tobacco products to include fresh produce in an upgraded setting. The pilot was a success, with residents benefitting from increased neighborhood access to nutritious food, and the store experiencing an expanded customer base. By the sixth month of the program, produce had become the second-highest-grossing product category at the store.[44]

The New York City Department of Health and Mental Hygiene's Healthy Bodegas Initiative also sought to preserve these small businesses in low-income minority neighborhoods in Harlem, South Bronx, and Central Brooklyn with a two-pronged approach: its program staff worked with neighborhood corner stores and bodegas to increase the availability of healthier foods, and also with community organizations and residents to increase demand for these foods. The program's goal was to increase the availability, variety, and quality of fresh, healthy foods in the local bodegas that were convenient to residents and to educate and empower communities to demand healthier food options in their local retail settings. Starting with two campaigns, "Moooove to 1% Milk" and "Move to Fruits and Vegetables," the program incentivized local corner bodegas to push 1% milk in lieu of whole milk, and to encourage purchase of fruits and vegetables. Incentives were passed on to customers as discounts in the initial phases of the program, and bi-lingual educational flyers informed shoppers about the program's objectives. The program was successful, with many bodegas stocking products they had not before – and seeing increasing demand for them.[45] It is noteworthy that the choice to encourage bodegas to stock milk, vegetables, and fruit was a result of community outreach and surveys on resident demand, and similar efforts in other communities might point toward other food options such as fish, nutritious prepared foods, or locally produced bread.

In "Bringing Incentives to Corner Stores" (2022), a Philadelphia-based non-profit called The Food Trust provides several examples of nutrition incentive programs that are designed to benefit the health of community members while supporting sales in small neighborhood stores. For example, "buy one get one free" produce coupons or discounts to shoppers using SNAP benefits, earned at the point of purchase, can be supported by grant funding to store proprietors, and have the advantage of focusing

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[43] Los Angeles Food Policy Council. 2017. "Case Study: Increasing Equitable Food Access through the Healthy Neighborhood Market Network."

[44] Fox, Hayley. "After Three Decades, This Westlake Corner Store Continues to Reinvent Itself." *LA Weekly*, 1 November 2017. And Los Angeles Food Policy Council. 2017. "Case Study: Increasing Equitable Food Access through the Healthy Neighborhood Market Network."

[45] "New York City Healthy Bodegas Initiative: 2010 Report." New York City Department of Health & Mental Hygiene, Center for Economic Opportunity.

health benefit on low-income households. "Produce Prescriptions" is another type of program funded through partnerships with local medical institutions. Healthcare professionals write fruit and vegetable "prescriptions" to eligible patients who are either experiencing food insecurity or have dietary illnesses such as Type 2 diabetes, and these prescriptions function as vouchers that can be redeemed at participating local bodegas and corner stores.[46]

Food Co-Ops

There are many examples of successful cooperatively run food stores, a model that has been in existence since the 18th century. Modern food co-ops are generally community owned and community centered, and unlike corporate grocery chains, they are independent and owned by the customers who shop there. Membership is open to all, and profits are usually reinvested into the store. Members choose which products the store stocks and which suppliers to use. Often this means stronger relationships to local farms and producers, which helps to concentrate economic benefits in the local area.

There are recent studies that point to the strength and sustainability it gives a food retailer to be community centered and customer owned. In 2019, researchers looked at all supermarkets that had plans to open in food deserts since 2000, and what happened. There were 71 supermarkets that met the criteria, of which 21 were driven by government efforts, 18 by community leaders, 12 by non-profits, 12 by a collaboration between government and communities, and eight by commercial interests. As of 2019, a third of the stores developed by government entities had closed their doors (or never had gotten past the planning stage), and half of the commercial stores had gone out of business. Of the government-community collaborative projects, almost half had also closed or never made it off the ground. However, of the 30 community and non-profit driven stores, 21 still remained open. What most interested the researchers was that 16 of the 18 community-driven stores were structured as co-ops. There are several common reasons this model succeeds in many food desert communities: residents may be wary of outside developers or concerned about the gentrification a new commercial grocery store can bring, and a chain grocery store is unlikely to rely on community engagement to decide which products will be offered, resulting in a mismatch between supply and demand.[47]

Mandela Grocery is a worker-owned cooperative food store in West Oakland, CA that is structured as a partnership with a non-profit organization. It sources its products from local farms and vendors – particularly those owned and run by people of color – in order to keep as much money as possible within the local economy. There is an emphasis on organic produce and "clean" foods, including nutritious packaged foods. The co-op was founded in 2009 and has continued to be successful, recently adding online shopping and home delivery to its offerings, and in 2019 began organizing a sister market in East Oakland in collaboration with an urban farming nonprofit.[48]

The Detroit People's Food Co-op is a Black-led and community-owned grocery cooperative founded by the Detroit Black Community Food Security Network. It began as a community organization working to establish community gardens and mitigate food insecurity through a buying club centered around the produce from those gardens. It received assistance from the City of Detroit to obtain a site and a grant from a non-profit for technical assistance with community outreach and membership development. The

[46] The Food Trust and Nutrition Incentive Hub. (2022). *Bringing Incentives to Corner Stores: A Comprehensive Guide.*

[47] Brinkley, C., Glennie, C., Chrisinger, B., and Flores, J. 2019. '"If you Build it with them, they will come": What makes a supermarket intervention successful in a food desert?' *Journal of Public Affairs*, Volume 19, Issue 3.

[48] https://www.mandelagrocery.coop/

co-op's objectives are not only to improve access to healthy food in the low- to moderate-income where it is sited but also to educate the community about nutrition and food sustainability. The co-op prioritizes local growers and Detroit-based suppliers in order to maximize local economic development. The Detroit Black Community Food Sovereignty Network and Develop Detroit Inc. collaborated to finance the project through a combination of donations, grants, loans, and New Markets Tax Credits.[49]

The New Orleans Food Co-op opened in 2011 with funding support from the city, and it has not only been successful in addressing access to nutritious food but has also become involved in community workforce development. With support from Goodwill, the co-op runs an internship-to-employment program for local youth. It has also partnered with a local college to offer cooking and nutrition classes onsite, meal plans, and healthy recipes. A significant proportion of the 3,700 co-op members are on the limited-income membership plan; others take part in a working-member program to receive discounts.[50]

Mobile grocers

A mobile grocer is an innovative solution to food access challenges in densely populated urban areas where siting a store is problematic for a variety of reasons. Sometimes the issue is a lack of available space; in other instances, very large food deserts spanning multiple neighborhoods are best served by a mobile grocer that visits each community once or twice a week.

One such example is the Memphis Mobile Grocer established by non-profit organization The Works, Inc. Through community outreach efforts in South Memphis neighborhoods over a period of two years, it became clear that access to fresh, nutritious food was a community priority, and the organization founded a seasonal farmers market in 2010, which eventually led to the establishment of a year-round grocery store on a site nearby. In 2022 they added an 18-wheeler mobile unit that makes recurring stops throughout underserved communities in inner-city Memphis, which has been called "America's Hunger Capital." The Works, originally founded to address a lack of affordable housing, saw in the course of 25 years of community work that the problem was not only food insecurity but also a severe lack of access to transportation – not only low vehicle access, but also extremely limited public transportation for the sprawling city. The Mobile Grocer makes 2-hour stops in communities four days a week, with a regular schedule that residents can rely on. According to The Works, the customers who rely most on the Mobile Grocer are low-income seniors, for whom food access is a particularly difficult problem.[51]

Mobile groceries of varying sizes have proliferated in cities throughout the US along a wide variety of business models. Chattanooga Mobile Market (Tennessee) is run in a similar way to the Memphis Mobile Grocer, while Santa Fe's MoGro Mobile Grocery brings fresh food to tribal communities. There are also mobile farmers markets that bring fresh fruits and vegetables to different communities each day of the week, mobile units that partner with brick-and-mortar stores, and combination food truck-mobile grocers.[52] It is clearly a business model that is growing and developing and offers opportunities for tailoring to fit an individual community's needs.

[49] https://www.detroitfoodpc.org
[50] http://www.nolafood.coop/
[51] https://theworkscdc.org/mobile-grocer/
[52] https://www.healthyfoodaccess.org/mobile-markets

Farmers markets

Farmers markets are familiar to most city-dwellers, having proliferated – particularly in wealthy areas – over the past 20 years. However, there have been some interesting recent efforts to site these sources of fresh local produce in low- and moderate-income communities. Creative solutions such as pop-up markets in transit hubs in Dayton, OH and Atlanta, GA have been successful because they work around busy schedules and transportation limitations while giving vendors access to a large customer base.[53]

USDA offers a National Farmers Market Directory and technical support programs to help vendors at all farmers markets navigate the process of accepting SNAP and WIC.[54] The Milwaukee Market Match program provides matching funds that allow people who spend $1 in SNAP/EBT benefits to purchase produce to receive $1 in free produce, effectively enabling participants to buy twice as many fruits and vegetables at participating farmers markets. Milwaukee Market Match was used by 793 households to purchase nearly $20,000 worth of produce from five different farmers markets across the county during its first 10-week pilot program in 2020.[55]

Community Input

On Monday January 22, 2024, the project partners attended a public meeting held in conjunction with the Northside Coalition monthly meeting. Approximately 15 people from the community attended. An overview of this study was provided by the consultant team, which also fielded questions from those in attendance. Questions ranged from how a food desert is designated to what agency inspects grocery stores and bodegas. Community members also offered insight into some of the needs of the community around food: for instance, when organizations provide food, they fail to consider culturally relevant fare for the neighborhood, or proprietors assume that residents own multiple kitchen gadgets and can easily put together a one-dish meal in a blender or food processor. There were comments about the lack of food stores in the neighborhood as well as concern that if a large grocery store chain opened it could hurt the local bodega owners. Attendees also shared that they prefer to shop for food outside the First Ward since there are more options in other areas.

While residents were excited about the study, there was concern about the outcome if an appropriate site could not be found. Community members provided examples of previous enterprises attempted in the community and the challenges they faced. For example, residents noted that there was a mobile food bank that followed a regular schedule and set up in area parking lots. Another community member talked about a Better Market, which was an effort by one woman in the First Ward to link the community with local farmers – for the benefit of both groups. The business was subsequently shut down due to lack of appropriate licenses.

As noted earlier, research suggests that the best solutions often are custom-tailored to the community, as opposed to a one-size-fits-all answer. For any improvement to food access to be successful, ongoing community input and support will be necessary.

The results of the Community Survey referenced in sections above are presented in full in Appendix 2.

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[53] https://www.politico.com/news/magazine/2020/01/23/atlanta-pop-up-markets-health-food-policy-100525
[54] https://www.fns.usda.gov/farmersmarket
[55] https://county.milwaukee.gov/EN/County-Executive/News/Press-Releases/County-Executive-Praises-Passage-of-1.1M-in-ARPA-Funding-for-Milwaukee-Market-Match-Food-Program

Conclusions

It is clear that the young, diverse, and growing population of the First Ward – particularly residents of the area immediately surrounding the target sites – is in need of additional options for food shopping, but finding a solution that is supported by the community and in turn promotes local economic development is far from simple. Traditional grocery stores and supermarkets generally transport products from outside the area and therefore do not necessarily help build local entrepreneurship or support local businesses, although their presence can help spur the establishment of other businesses in their immediate surroundings. The benefits farmers markets tend to be more concentrated in the local economy, but those impacts are very difficult to predict. Farmers markets can take years to become sustainable and generally require significant city or county management in their initial phases.

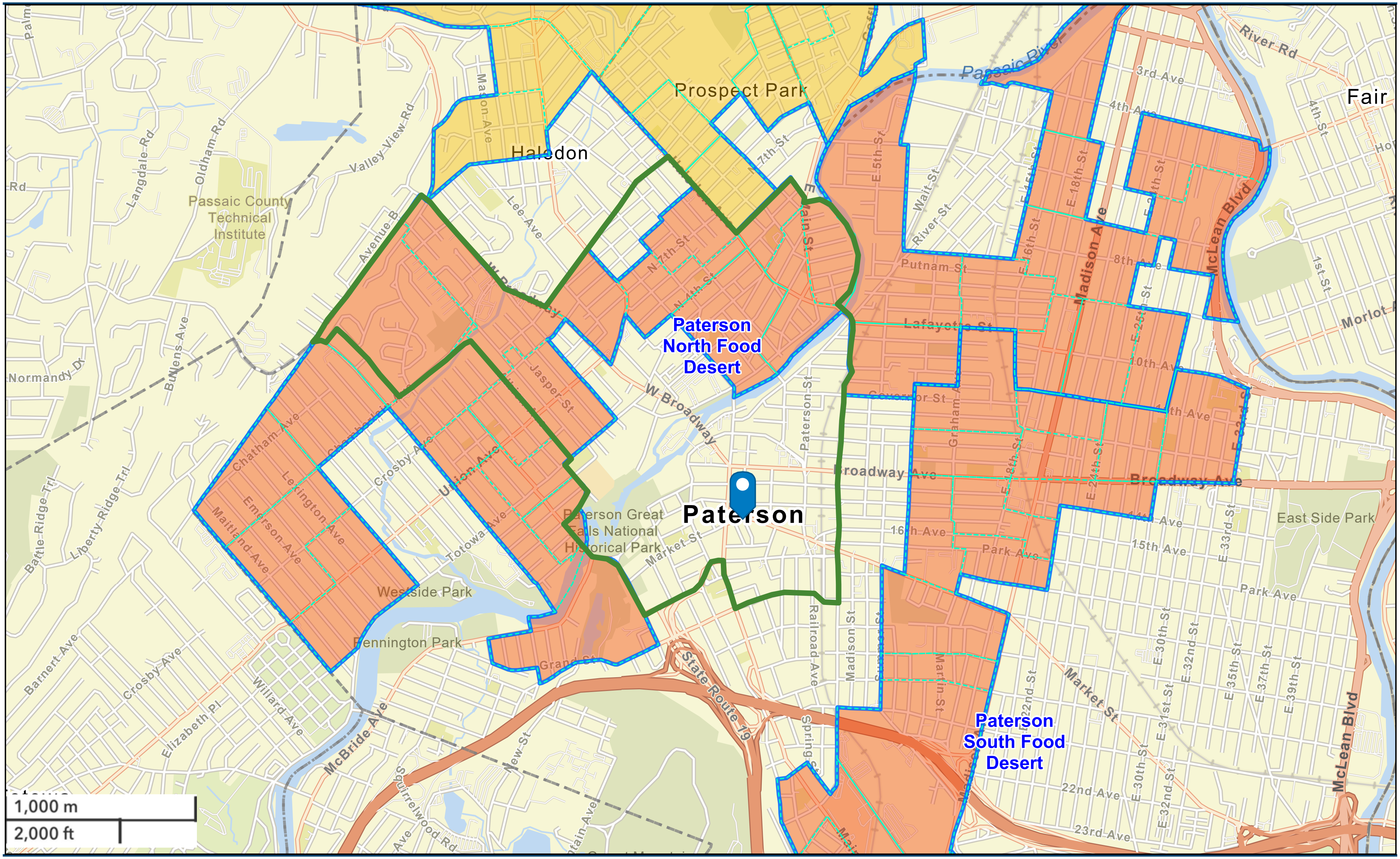
There are less traditional approaches to addressing food insecurity that could – with sufficient community support – be a better fit for the First Ward:

- A healthy bodega/healthy corner store initiative could dramatically increase access to fresh produce and nutritious prepared foods while supporting existing small retailers.
- Given the shortage of available land in the Ward, a mobile grocer (either in partnership with a small grocery store or not) could be an ideal way to provide access to fresh food while removing the obstacle of transportation almost entirely.
- A food co-op requires the most community involvement among the various solutions explored, but because co-ops have flexible pricing schemes and present opportunities to support local farmers and entrepreneurs, it could be the option that fits First Ward (and County) goals the best.

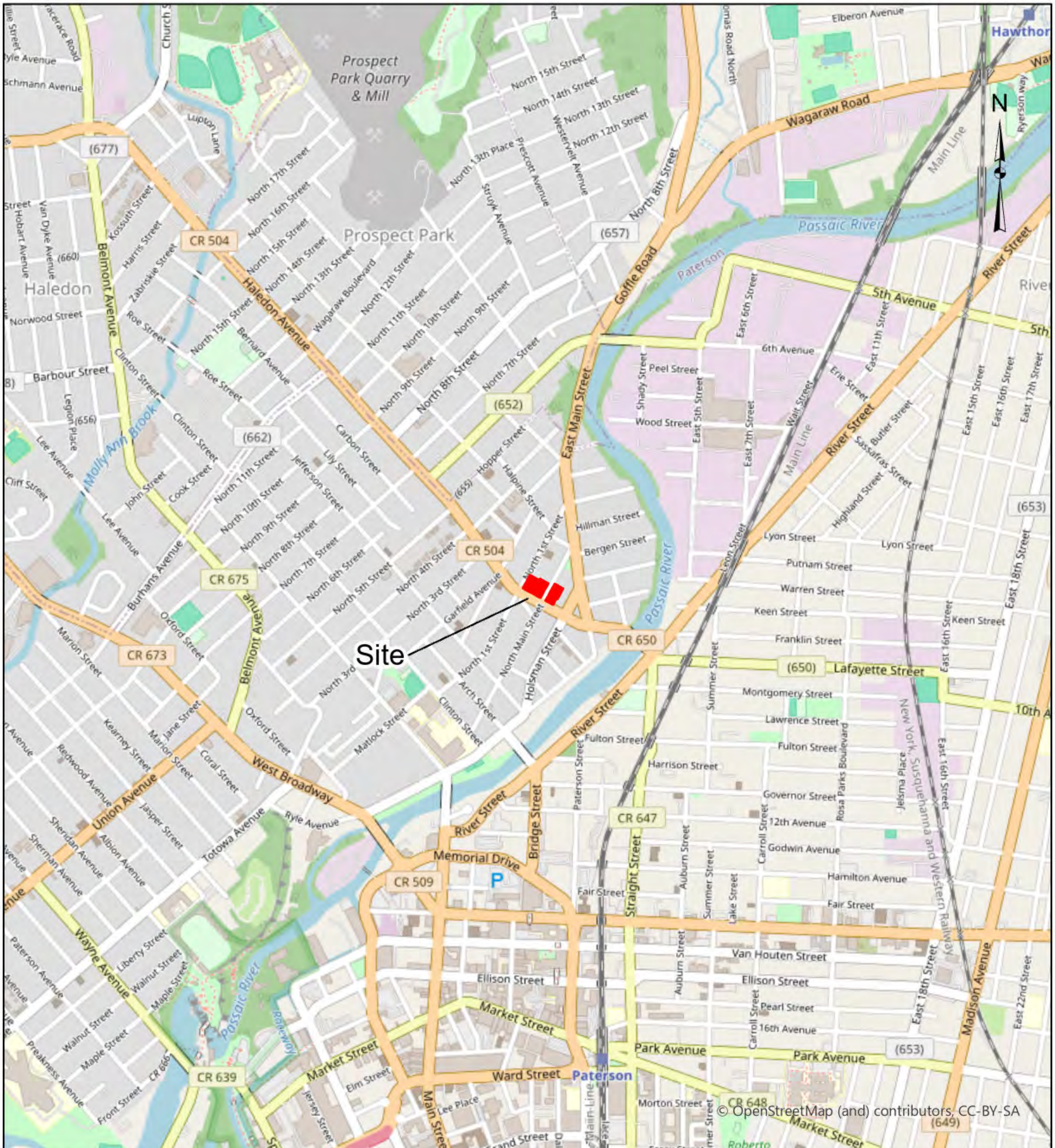
The next component of this study is a general physical evaluation of the target site, identifying constraints and impediments to their development, and providing recommendations for addressing them.

Appendix 1: Full-size maps

NJEDA-designated food desert areas in the First Ward



April 16, 2024



Legend

Site Parcels

Scale 1:15,000	0 0.13 0.25 0.5 Miles
Figure Title	**Site Location Map**
Client	County of Passaic
Project	Market Analysis Paterson, New Jersey
Figure No.	1
Print Date	2/22/2024

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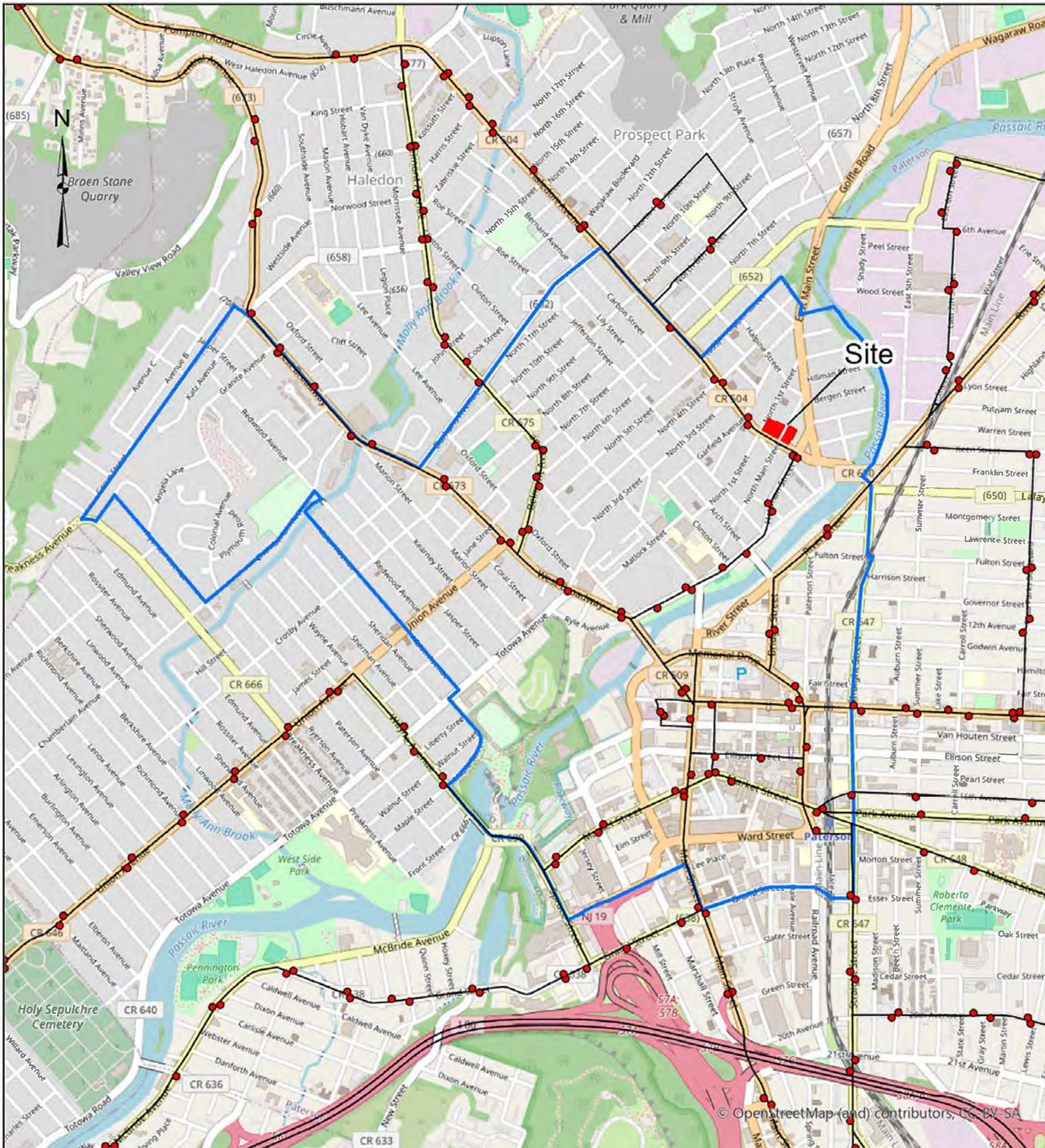
Medford Lakes, NJ 08055
T: 856-964-6456 | brsinc.com

Document Path: C:\Users\Lori Fallon\Desktop\Projects\BRS\Passaic County\Paterson Market Analysis\CAD_GIS\01_APRX\PatersonMarketAnalysis.aprx



Legend

- Bus Route
- Bus Stops
- First Ward Boundary
- Target Site Parcels

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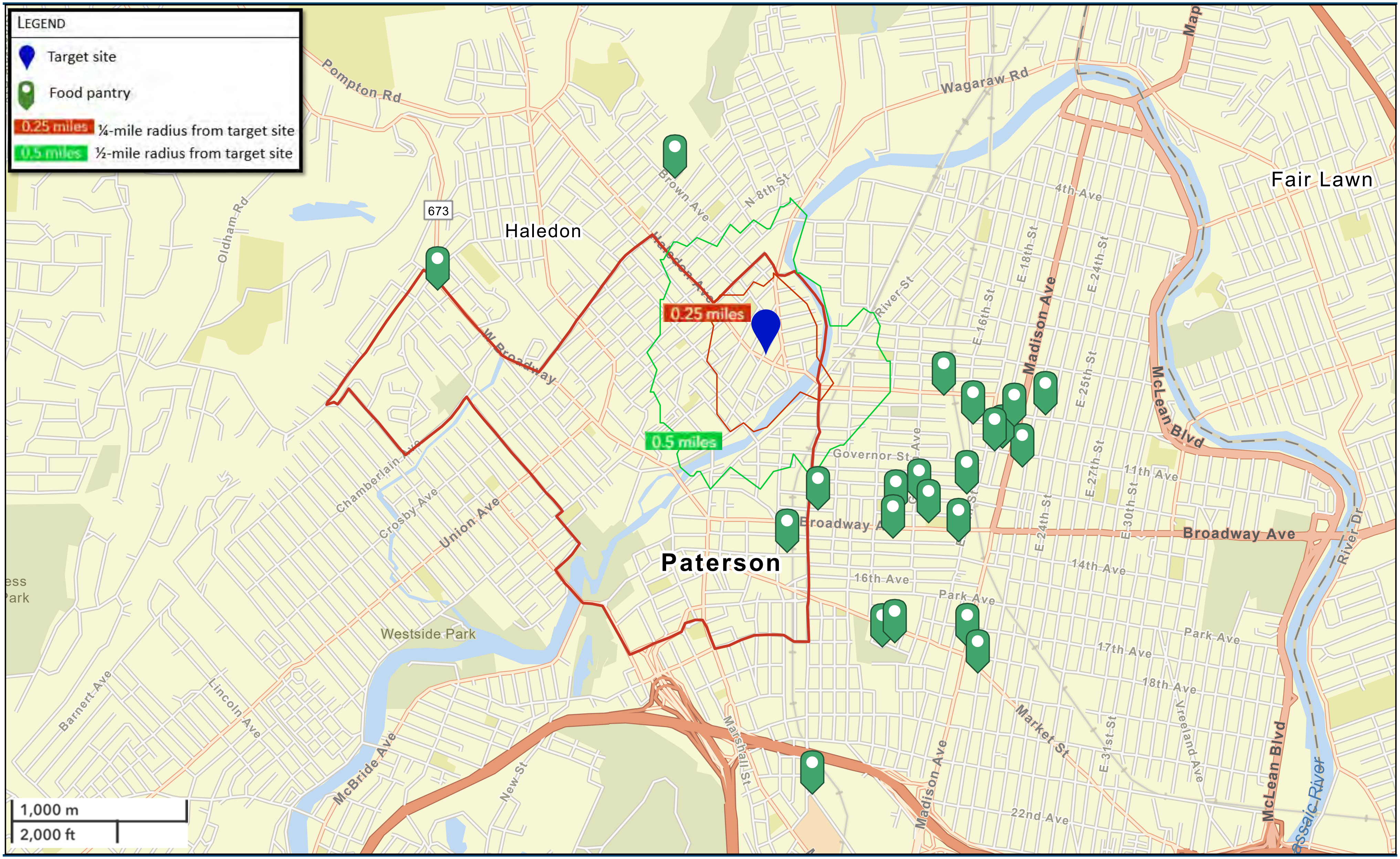
Medford Lakes, NJ 08055
T: 856-984-6456 | brsinc.com

Scale	1:18,000
	0 0.13 0.25 0.5 Miles
Figure Title	**Public Transit**
Client	County of Passaic
Figure No.	2
Project	Market Analysis Paterson, New Jersey
Print Date	4/18/2024

Document Path: C:\Users\Lori Fallon\Desktop\Projects\BRS\Passaic County\Paterson Market Analysis\CAD_GIS\01_APRX\PatersonMarketAnalysis.aprx

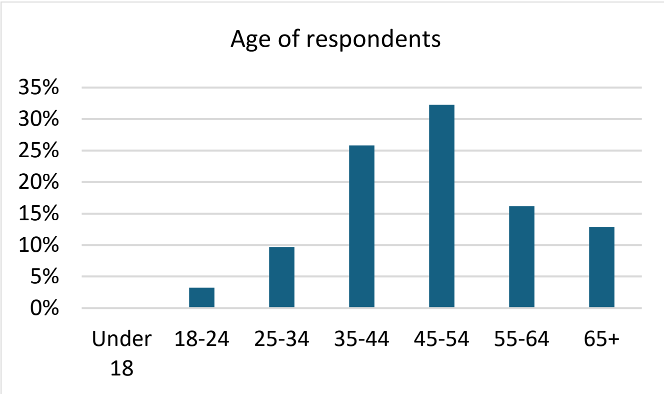
Food pantries within 5 miles of First Ward

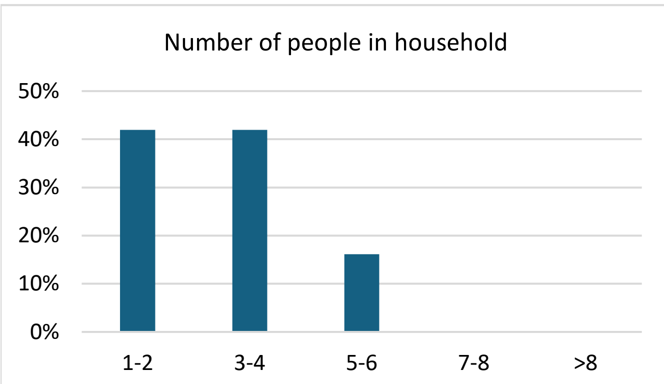


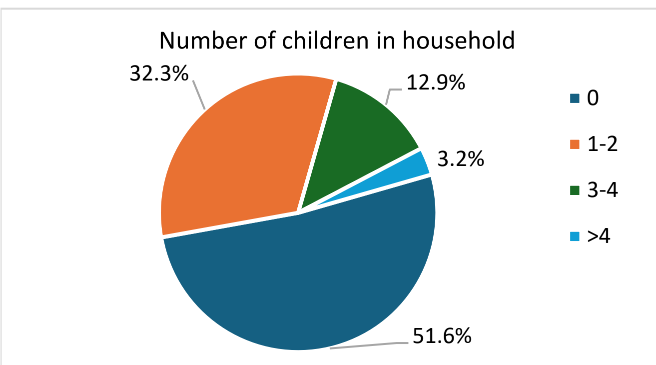
Note: In April 2024 the Passaic County Department of Human Services requested bid proposals for a mobile food pantry. At the time this Study was being conducted, the service area and route of the mobile food pantry were not yet determined.

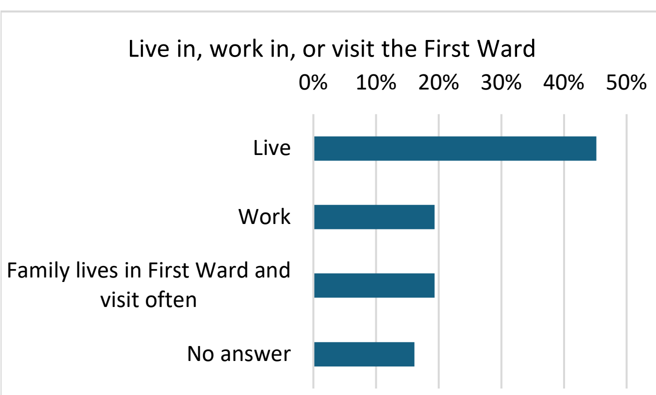
April 22, 2024

Appendix 2: Community Survey Results









	Number
Survey respondents	31
English	30
Spanish	1

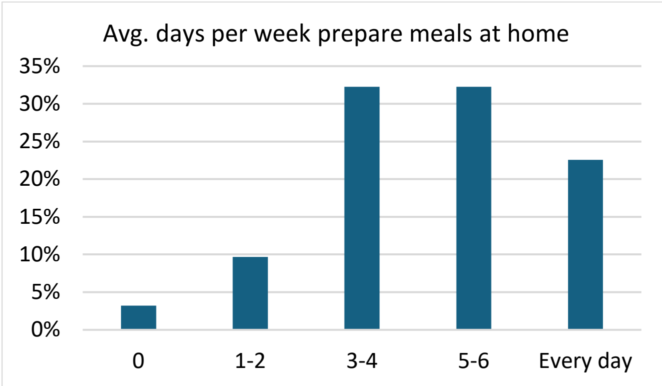
	Percent	Number
Gender		
Female	83.9%	26
Male	16.1%	5
Other/not specified	0.0%	0

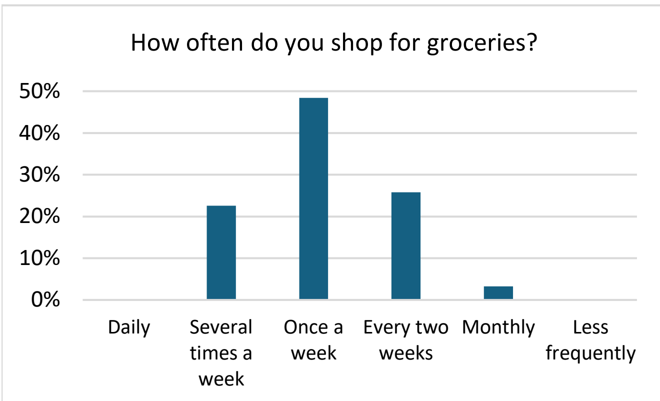
Age		
Under 18	0.0%	0
18-24	3.2%	1
25-34	9.7%	3
35-44	25.8%	8
45-54	32.3%	10
55-64	16.1%	5
65+	12.9%	4

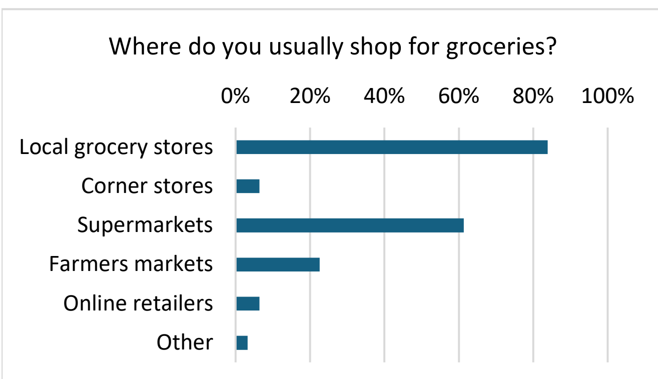
Number of people in household		
1-2	41.9%	13
3-4	41.9%	13
5-6	16.1%	5
7-8	0.0%	0
>8	0.0%	0

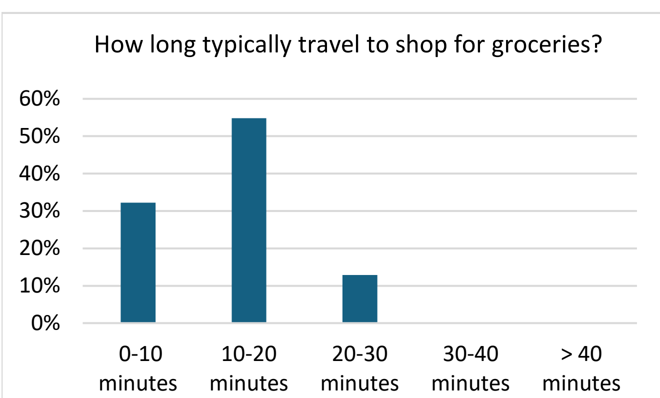
Number of children in household		
0	51.6%	16
1-2	32.3%	10
3-4	12.9%	4
>4	3.2%	1

Live in, work in, or visit the First Ward		
Live	45.2%	14
Work	19.4%	6
Family lives in First Ward and visit often	19.4%	6
No answer	16.1%	5
Attend school	0.0%	0







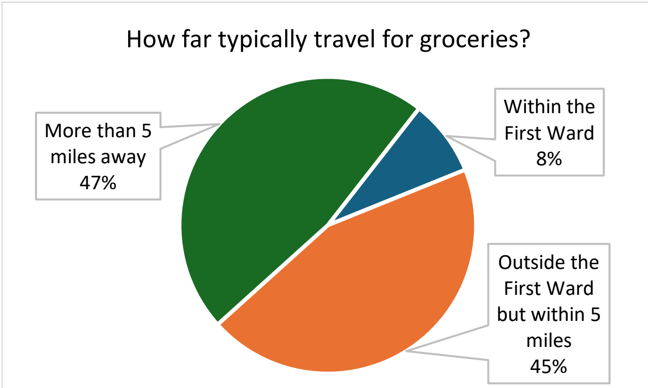


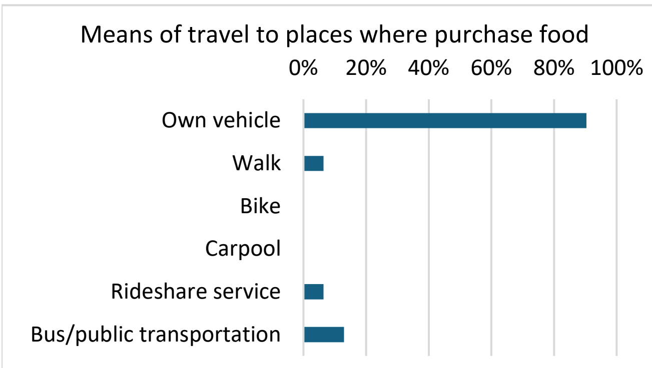
Avg days per week prepare meals at home	**Percent**	**Number**
0	3.2%	1
1-2	9.7%	3
3-4	32.3%	10
5-6	32.3%	10
Every day	22.6%	7

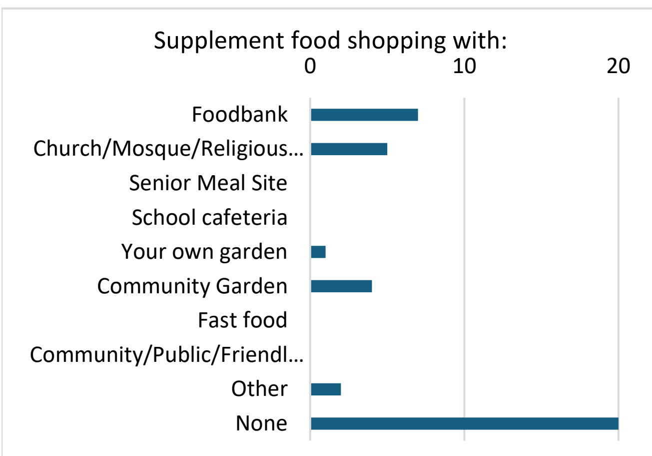
How often shop for groceries		
Daily	0.0%	0
Several times a week	22.6%	7
Once a week	48.4%	15
Every two weeks	25.8%	8
Monthly	3.2%	1
Less frequently	0.0%	0

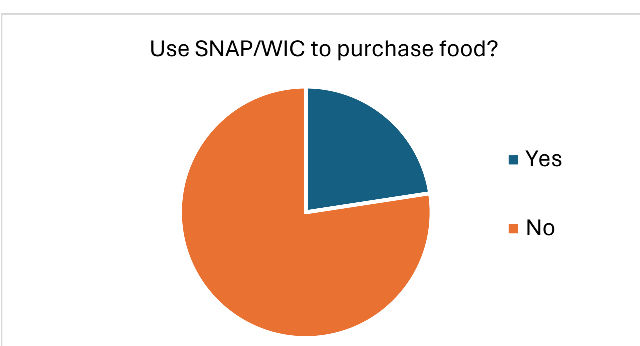
Where do you usually shop for groceries?		
Local grocery stores	83.9%	26
Corner stores/bodegas	6.5%	2
Supermarkets	61.3%	19
Farmers markets	22.6%	7
Online retailers	6.5%	2
Others (Please specify)	3.2%	1
SuperM supermarket	3.2%	1

How long typically travel to place where shop for groceries?		
0-10 minutes	32.3%	10
10-20 minutes	54.8%	17
20-30 minutes	12.9%	4
30-40 minutes	0.0%	0
> 40 minutes	0.0%	0







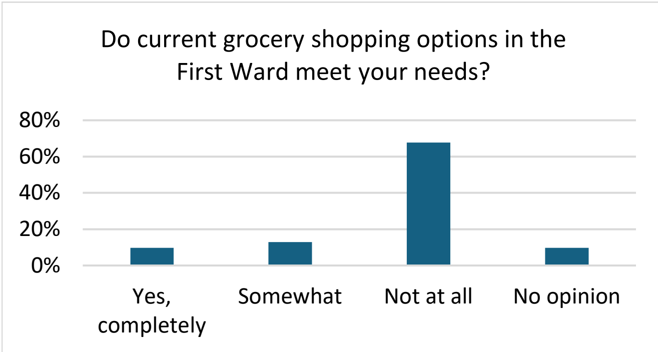


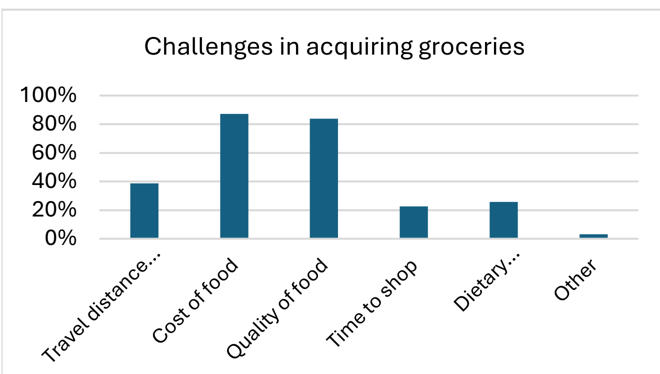
How far typically travel to buy groceries?	Percent	Number
Within the First Ward	9.7%	3
Outside the First Ward but within 5 miles	51.6%	16
More than 5 miles away	54.8%	17

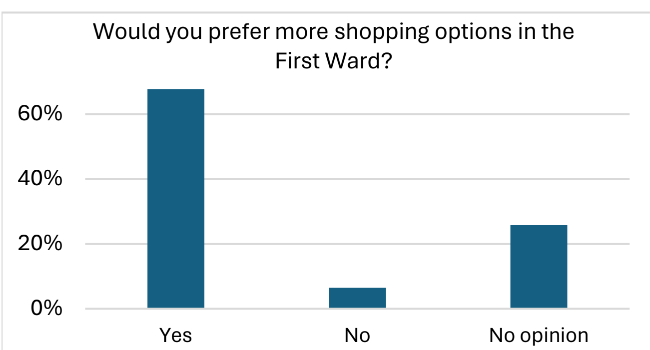
How travel to the places where purchase food		
Own vehicle	90.3%	28
Walk	6.5%	2
Bike	0.0%	0
Carpool	0.0%	0
Rideshare service (Uber, Lyft, etc.)	6.5%	2
Bus/public transportation	12.9%	4
Other	0.0%	0

Supplement food shopping with any of the following?		
Foodbank	22.6%	7
Church/Mosque/Religious center	16.1%	5
Senior Meal Site	0.0%	0
School cafeteria	0.0%	0
Your own garden	3.2%	1
Community Garden	12.9%	4
Fast food	0.0%	0
Community/Public/Friendly Fridges	0.0%	0
Other	6.5%	2
None	64.5%	20

Use SNAP/WIC/Food stamps to purchase food		
Yes	22.6%	7
No	77.4%	24





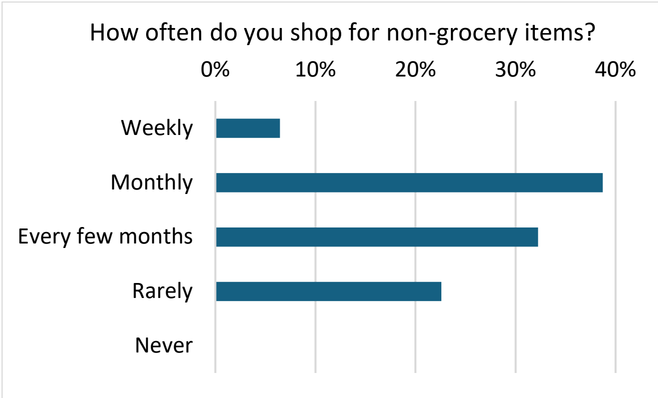


Do current grocery shopping options in the First Ward meet your needs?	**Percent**	**Number**
Yes, completely	9.7%	3
Somewhat	12.9%	4
Not at all	67.7%	21
No opinion	9.7%	3

Most important factors when choosing where to shop for groceries (multiple answers allowed)		
Price	93.5%	29
Quality of products	96.8%	30
Variety of products	58.1%	18
Location/convenience	54.8%	17
Store cleanliness and organization	71.0%	22
Customer service	51.6%	16
Availability of food that meets specific dietary needs (organic, vegan, lactose free, allergies, halal, kosher, gluten free)	51.6%	16
Other (Please specify)	0.0%	0

3 main challenges in acquiring groceries for your family		
Travel distance to store	38.7%	12
Cost of food	87.1%	27
Quality of food	83.9%	26
Time to shop	22.6%	7
Dietary restrictions	25.8%	8
Other	3.2%	1
Purchasing food & snacks from corner stores that's not expired		1

Would you prefer more shopping options within the First Ward?		
Yes	67.7%	21
No	6.5%	2
No opinion	25.8%	8



	Percent	Number
How often shop for non-grocery items?		
Weekly	6.5%	2
Monthly	38.7%	12
Every few months	32.3%	10
Rarely	22.6%	7
Never	0.0%	0

Where do you usually shop for non-grocery items? (multiple answers allowed)		
Local stores in the First Ward	6.5%	2
Shopping malls	58.1%	18
Online	51.6%	16
Outside the First Ward	58.1%	18
Other	6.5%	2
Walmart		1
Flea Market at Giant Stadium		1

What types of food stores do you want to see in your community (open answer)	Number of responses
(No response)	7
Affordable	2
A store like a Trader Joe's or one that stocks organic foods	1
Ones with good quality food	1
Quality, reasonable price stores	1
Minority/Women Owned & Operated	2
Farmers Markets with fresh and affordable produce	1
grocery store/farmers market	1
Aldi, Shoprite, Farmers Market	1
1 generic grocery store	1
A store that is affordable, and have nutritional items and have a section in the store that will that shows how to prepare meals	1
ShopRite, Walmart, Costco, BJ's	1
Fresh food	1
Grocery, restaurant	1
Fresh and affordable produce. I would like a store that is clean	1
Quality and reputable food stores	1
Fresh fruit and veggies, reasonably priced	1

Walmart	1
Resident-own businesses that hire the community they serve	1
Farmers market, Whole food /Healthier options	1
Whole Foods and ShopRite	1
Community grocery stores	1
Supermarket	1

Is there anything else we should know about how you decide where to shop for food/groceries? (open answer)
The quality of foods, prices, and customer service are so vital. I would rather pay more and be fulfilled than little and be discontented with the purchase and/or the services
They jack up the prices knowing people have to pay if they are unable to go to farmers markets
Checking all the sale papers to see who has the best deal (price quality and freshness)
Do not disturb the local bodegas/stores already in the neighborhood
Convenient wholesalers
Cost; sales; coupons
Fresh vegetables
(No response – 24)

2024

Physical Site Evaluation

FIRST WARD, CITY OF PATERSON, NJ

BRS, INC

Table of Contents

Executive Summary

Located in Passaic County, the City of Paterson in New Jersey is home to 158,000 people. Paterson is divided into six wards. The First Ward, located in the northwestern part of the city, has approximately 28,500 residents, and its northern border serves as a boundary between the City of Paterson and neighboring Haledon Borough and Prospect Park Borough. To help Passaic County understand whether the proposed target site is suitable for the development of a traditional grocery store, supermarket, or farmers market, BRS analyzed the property to identify constraints and impediments to development. This analysis provides a general physical evaluation of the site, location and accessibility, sustainability and environmental impact, legal and regulatory considerations, and a transportation analysis.

Passaic County and its project partners received a New Jersey Economic Development Authority-funded Food Security Planning Grant to carry out a market analysis, physical site evaluation report, and development plan that will enable the City of Paterson and the County to transform underutilized land, improve food access, and promote economic development in the First Ward. A target site to be the object of this study was identified on Haledon Avenue between N. Main Street and N. 1st Street, including the vacant lots located between 144 and 158 N. Main Street. This *Physical Site Evaluation* report follows the *Market Analysis* and considers the physical aspects of the site.

This report discusses the challenges and constraints that must be addressed if development of a grocery store, supermarket, farmers market, or other food retailer is determined to be desirable. One of the site's greatest challenges is its location four blocks from the Passaic River: as became clear in the particularly wet spring of 2024, flooding at the site is a serious concern that must be taken into account.[1] Because the target site is located in two flood zones, any development at the site will also require additional permitting, and buildings and mechanical installations at the site will likely need to be developed to a higher threshold to withstand potential flooding.

Whether the target site is a practical location for redevelopment is still to be determined. There are challenges: the site's small size, flood risk, potential environmental contamination, insufficient public transportation, and the fact that it currently functions as an active parking lot, among several. These constraints must inform realistic plans for improving food access in the area surrounding the target site. Research on food deserts indicates that there is no magic formula or panacea; however, the data suggests that a solution must have community buy-in and support to be successful. Many communities have designed a variety of creative and successful solutions that are tailored to support their specific needs and desires while making allowances for site constraints and challenges.

[1] The Mount Holly Weather Forecast Office of the National Weather Service recorded 17.61 inches of rain between January 1 and March 31. Approximately 10 inches is anticipated in a normal year.

Introduction

The purpose of the New Jersey Economic Development Authority Food Security Planning grant is to carry out a market analysis and development plan that will allow the City of Paterson and Passaic County to transform underutilized property in the First Ward, with the intent of improving food access and supporting economic development. The target site that is the focus of this study is on Haledon Avenue between N. Main Street and N. 1st Street, including vacant lots located between 144 and 158 N. Main Street.

There are four components to this project:

- Market analysis
- Physical site evaluation
- Site development plan and recommendations
- Community engagement

The objective of this second component – the *Physical Site Evaluation* report – is to analyze and evaluate whether the target site is an appropriate location for a supermarket, grocery store, farmers market, or other retailer selling food for consumption at home. This physical evaluation focuses on identifying the challenges, constraints, and impediments to development of the target site and providing recommendations for addressing those deficiencies. Specifically, this report will consider a physical evaluation of the site, including its location, proximity, and accessibility to target customers; a risk analysis that addresses seasonal issues; sustainability and environmental concerns that focus on flooding and the potential need for environmental investigation and/or remediation; zoning and permitting issues; and a brief transportation analysis that examines access routes, constraints, and potential improvements.

Terminology

Since this report references technical jargon utilized by the food retail industry, this section provides industry-standard definitions for the terminology used throughout the report.

The **food retail industry** includes all types of grocery stores, supermarkets, and other retailers that sell food for consumption (and often preparation) at home.[2] The focus of this study is on food retailers that provide a general line of food products for consumption at home, such as fresh fruits and vegetables, fresh and prepared meats, fish and poultry, and canned and frozen foods.

The Food Industry Association defines a **grocery store** as "a retail store that sells a variety of food products, including some perishable items and general merchandise."[3] Stores meet the US Department of Agriculture (USDA) definition of a supermarket or large grocery store if they report at least $2 million in annual sales and contain all the major food departments found in a traditional supermarket, including produce, fresh meat and poultry, dairy, dry and packaged foods, and frozen foods. No specific square footage is noted in this definition.[4]

[2] It also includes all types of restaurants, which are not considered in this study because they sell prepared foods for consumption outside the home.

[3] https://www.fmi.org/our-research/food-industry-glossary/'g'-supermarket-terms#39;-supermarket-terms

[4] https://www.ers.usda.gov/data-products/food-environment-atlas/documentation/

A **supermarket** is defined as a "conventional store, but not a warehouse club or mass merchant, with annual sales of two million or more per store."[5] The USDA defines supermarkets as having an average size of 45,000 square feet and annual total sales of $14 million.[6, 7]

A **club store** (or wholesale club store) is "a large retail store (100,000 SF or more) that sells only to members who pay an annual membership fee" in return for discounted pricing. Stores like BJ's, Costco, and Sam's Club fit into this category.

A convenience store is a "small, easy-access food store with a limited assortment. Many convenience stores also sell fast food and gasoline."[8]

A **greengrocer** is a retailer that only sells fruits and vegetables.

While we often use these terms interchangeably to refer to the location we purchase groceries, it is important to understand that the terms have specific meanings attached to them. A convenience store and a grocery store are not the same, which may help explain why the price points differ – sometimes substantially. Some stores are also differentiated by their size, footprint, and the types of products they sell. These nuances are important, especially in the context of a market analysis and physical site evaluation of a specific property in the First Ward, where the intention is to study how best to address the food access challenges and consider creative and custom-tailored solutions that have the potential to have a positive impact despite the constraints.

A **farmers market** is "a public and recurring assembly of farmers or their representatives selling the food that they produced directly to consumers."[9] Many markets have a broad range of offerings that include not only farm-grown fruits and vegetables but also meats, cheeses, baked goods, and homemade products. The key differences between a food retailer such as a grocery store or supermarket and a farmers market are that the producers in a farmers market are the sellers and set their own margins, generally transport their own products to the market of their choice, and rent a stall or area within the communal market to sell products of their choosing.

Online or digital grocery shopping refers to the numerous digital platforms consumers use to purchase groceries online, whether for delivery or for pickup.[10]

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[5] https://www.fmi.org/our-research/food-industry-glossary/'s'-supermarket-terms#39;-supermarket-terms

[6] https://www.ers.usda.gov/data-products/food-environment-atlas/documentation/

[7] A supermarket differs from the definition for a **conventional supermarket**, which is a large, self-service retail store (up to 30,000 SF), with moderate pricing and selection, and annual sales in the $2-$8 million range. Selections usually include meat, produce, dairy, and grocery departments.[7] https://www.fmi.org/our-research/food-industry-glossary/'c'-supermarket-terms#39;-supermarket-terms

[8] https://www.fmi.org/our-research/food-industry-glossary/'c'-supermarket-terms#39;-supermarket-terms

[9] https://farmersmarketcoalition.org/education/qanda/

[10] https://www.emarketer.com/insights/digital-grocery-industry/

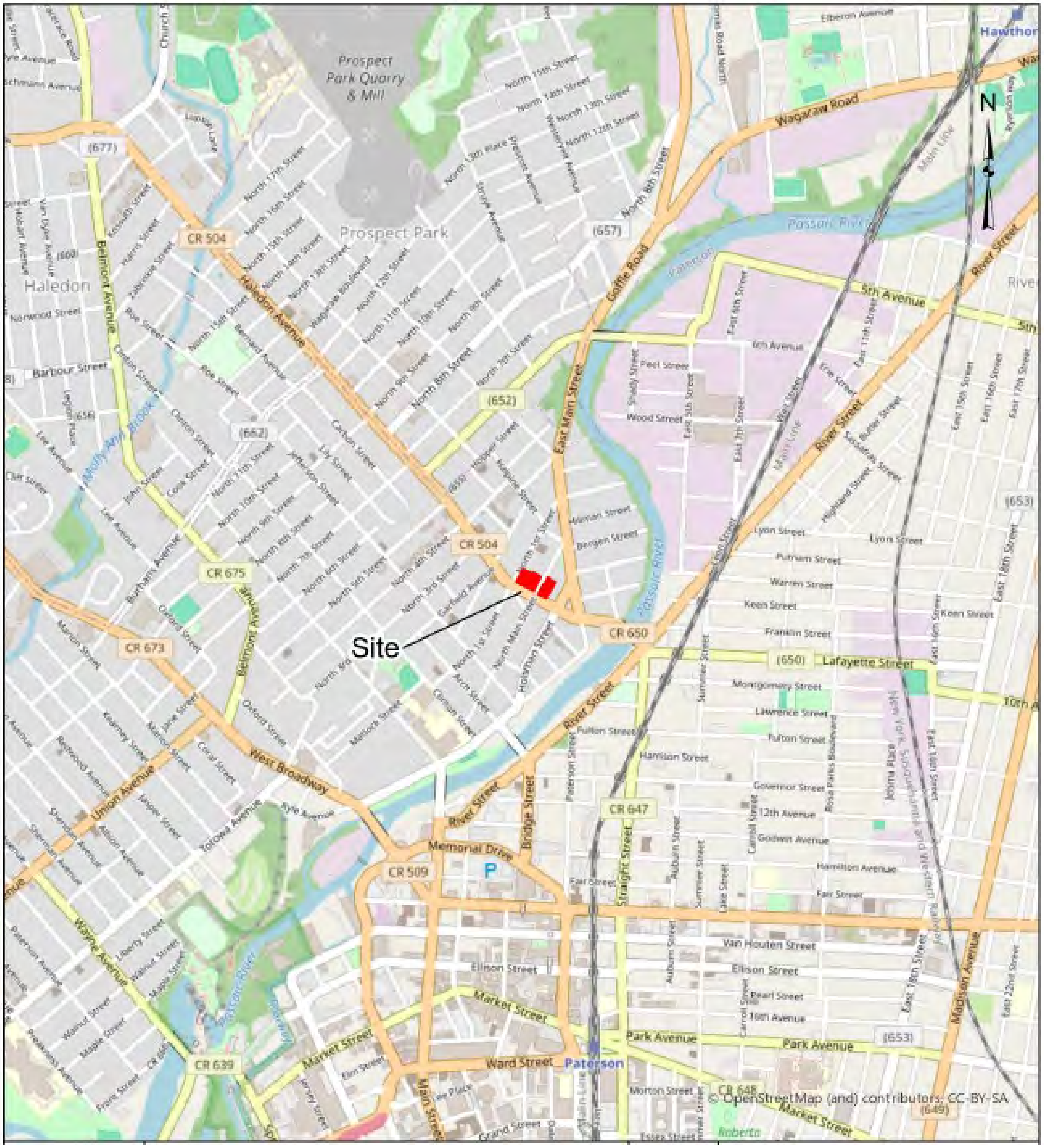


Figure 1: Map of target site within the neighborhood of the First Ward

Site Assessment

The target site shown in Figure 1 is the focus of this assessment. The site is on Haledon Avenue between N. Main Street and N. 1st Street, including the vacant lots located between 144 and 158 N. Main Street. More commonly known as the parking lot for Grace Chapel Baptist Church and two vacant lots on N. Main Street, these lots collectively are the target site. These properties are in the Northside neighborhood of the First Ward and are identified as Block 112, Lots 13-17 and Block 113, Lots 13-16. The total land area of the target site is 1.16 acres, or 50,529 square feet. The main church building and sanctuary for Grace Chapel Baptist Church are located one block to the west of the site on Haledon Avenue, between N. 1st Street and Reenstra Ct.

Figure 2: View of the target site from Haledon Avenue, looking towards N. 1st Street

Haledon Avenue, also known as County Route (CR) 504, is a primary arterial street with a double yellow line down the middle that allows for two-way travel in a generally north-south direction.[11] On-street parking is available in each direction, broken up by bus stops. Approximately four blocks to the east, Haledon Avenue intersects with N. Bridge Street and then crosses a bridge over the Passaic River. On the bridge, CR 504 becomes CR 650. Between the Passaic River and N. Main Street, which borders the eastern edge of the church parking lot, Haledon Avenue is striped with a parking lane, a bike lane, and a vehicular travel lane in each direction. West of N. Main Street on Haledon Avenue, the striping for the bike lane disappears. This roughly coincides with the municipal border between the city of Paterson and Prospect Park Borough.

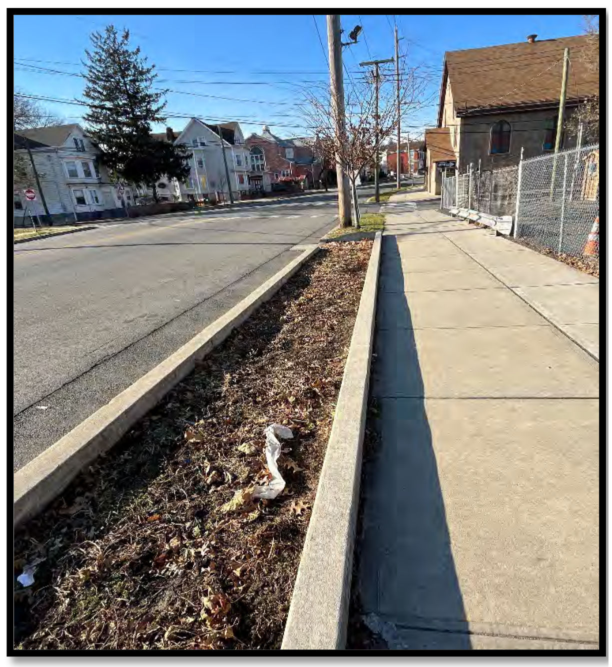


Figure 3: Sidewalk improvements along N. Haledon Avenue in front of the target site

The First Ward Redevelopment Plan, dated November 2017, discusses the proposed green streets initiative project that Passaic County is spearheading, which would install

[11] Map of Passaic County prepared by the New Jersey Department of Transportation: https://www.nj.gov/transportation/refdata/gis/maps/passaic.pdf.

green infrastructure and complete street improvements along Haledon Avenue from N. 2nd Street to N. Bridge Street. Figure 3 depicts some of the recent improvements along Haledon Avenue. It is evident from the sidewalk and buffer that there have been recent improvements. There are also sidewalks on both sides of Haledon Avenue allowing for safe pedestrian mobility, and the raised planter at the curb line helps create a physical buffer between pedestrians and vehicles. At street intersections, crosswalks are clearly striped and there are Americans with Disabilities Act (ADA) curb cuts available to allow easy mobility for persons with physical challenges.

Haledon Avenue Parking Lot

The Passaic River bisects the First Ward, separating neighborhoods on the south bank from those on the north bank. In the densely developed Northside neighborhood, the streets are generally laid out in a neat and orderly grid pattern; however, the grid starts to slant and become disjointed as Haledon Avenue edges closer to the river, with some blocks becoming triangular or trapezoidal in shape instead of the more standard rectangle shape. The traditional street grid pattern becomes incoherent as it attempts to accommodate the contours of the Passaic River on its path through the city.

Figure 4: Detail map location of target site

The parking lot, as shown in Figure 4, has frontage on three streets because the target site is located at the terminus of a rectilinear city block. These are Haledon Avenue, N. Main Street, and N. 1st Street. The vacant lots located between 144 and 158 N. Main Street are directly across N. Main Street from the southeastern side of the church parking lot.

A chain-link fence – with gates at both driveway entrances on N 1st Street and N Main Street – encircles the church parking lot on Haledon Avenue. There is also a pedestrian gate on Haledon Avenue. The vacant lots located across N. Main Street at 144 and 158 N. Main Street are also surrounded by a chain-link fence. Signage on the gates of the Haledon Avenue parking lot indicates that unauthorized vehicles will be towed. When not in use, the gates are locked, and the parking lot is vacant and devoid of cars. The uneven asphalt in the parking lot is showing signs of distress; it buckles in places, and cracks are clearly visible. A grade change is evident toward the rear of the parking lot, where a stone wall appears to jut out and a portion of a chain link fence sits atop it, suggesting that at one time there may have been two separate lots. There is no grass or vegetation in the parking lot. Toward the rear of the lot, where it abuts residential houses, is a trailer perched on a semi-permanent base. Next to the trailer is a metal container akin to a Connex container, a church bus, and some motor vehicles in the rear. Additionally, there is a plow attachment being stored in the rear of the lot. Toward the front of the lot, along Haledon Avenue where it meets N. 1st Street, at the intersection there is a small wooden structure with power lines that connect to a nearby utility pole; this appears to be a parking attendant booth. Closer to N. Main Street (and somewhat oddly situated within the parking lot) is a utility pole that appears to have stadium lights and a solar panel, presumably in place to light the parking lot at night. Debris litters the streets outside of the parking lot.

At the time of the site visit on November 29, 2023 (a Wednesday afternoon), the site was not in use and the gates were locked. Generally, the church's parking lot is full all day on Sundays, when weekly services are held, and during the warmer months of the year, Sunday church services are frequently held in the parking lot. There are Bible study and Christian doctrine classes two evenings a week. Grace Chapel Baptist Church also frequently offers parishioners from nearby churches overflow parking in the lot on Sundays. Events such as funerals also bring congregants on other days of the week. That said, there are days of the week when the lot is not in use, and church leadership has expressed its willingness to support neighborhood access to fresh, nutritious foods by offering use of its parking lot for a regularly scheduled temporary or transient retailer such as a farmers market or mobile grocer. This specific regular schedule is yet to be determined.

144 and 158 N Main Street

The vacant lots located at 144 and 158 N. Main Street shown in Figure 5 below are also surrounded by a chain-link fence with a gate at the driveway and signage noting that unauthorized vehicles will be towed. The lot known as 158 N. Main Street (Block 113, Lot 16) is owned by the church and is currently used to store approximately a dozen vehicles, some of which appear to be missing license plates, generally indicative of a vehicle no longer in use. The lot is paved with uneven asphalt with cracks that have weeds and grass growing in the crevices and gaps. A basketball pole lies on its side and appears to be abandoned. Debris and trash are evident at the site and on the nearby sidewalk, as is overgrown vegetation.

The lot known as 144 N. Main Street (Block 113, Lot 13) is a corner lot and has frontage on both N. Main Street and Haledon Avenue. According to the City of Paterson, this parcel is owned by Marin Realty LLC. This lot is also gated with a chain link fence. There is no asphalt on this lot; instead, it has worn grass and dirt. Where there is grass, it is overgrown and covered with debris and large rocks. A car that appears to be abandoned is also present on the lot. At the public outreach meeting, residents referred to this lot colloquially as "the pile of dirt" and "the former chicken place."

Figure 5: Left: A view of the parking lot at 158 N. Main Street. Right: a view of the sidewalk on N. Main Street in front of the lot

On N. Main Street, utility poles carrying overhead wires dot the sidewalk, interspersed with some street trees that are spaced too far apart to provide significant shade cover. Trees dot N. 1st Street, and small street trees are planted in a small grassy buffer strip that separates the sidewalk from the off-street parking lane at the curb. The properties are connected to sewer and water lines.

Approximately four blocks to the east of the target site, Haledon Avenue intersects with N. Bridge Street and then crosses a bridge over the Passaic River. Being this close to the river has been both an asset and a challenge for development in the area. Historically, the water served to power the local mills, and many commercial, manufacturing, and industrial establishments were situated on the river as a result. However, proximity to the river also brings risks: according to Federal Emergency Management Agency (FEMA) maps, a portion of the target site is in flood zone AE, as depicted on Figure 6. An AE flood zone designation indicates a 1% annual chance of flooding. More informally, this is often referred to as the 100-year flood zone. The balance of the site is located in an area with a 0.2% annual chance of flooding, also known as the 500-year flood plain. The lines marking the transition from a 100-year flood zone to a 500-year flood zone are inexact and can fluctuate based on the intensity of a storm, wave action, wind, and other external factors.

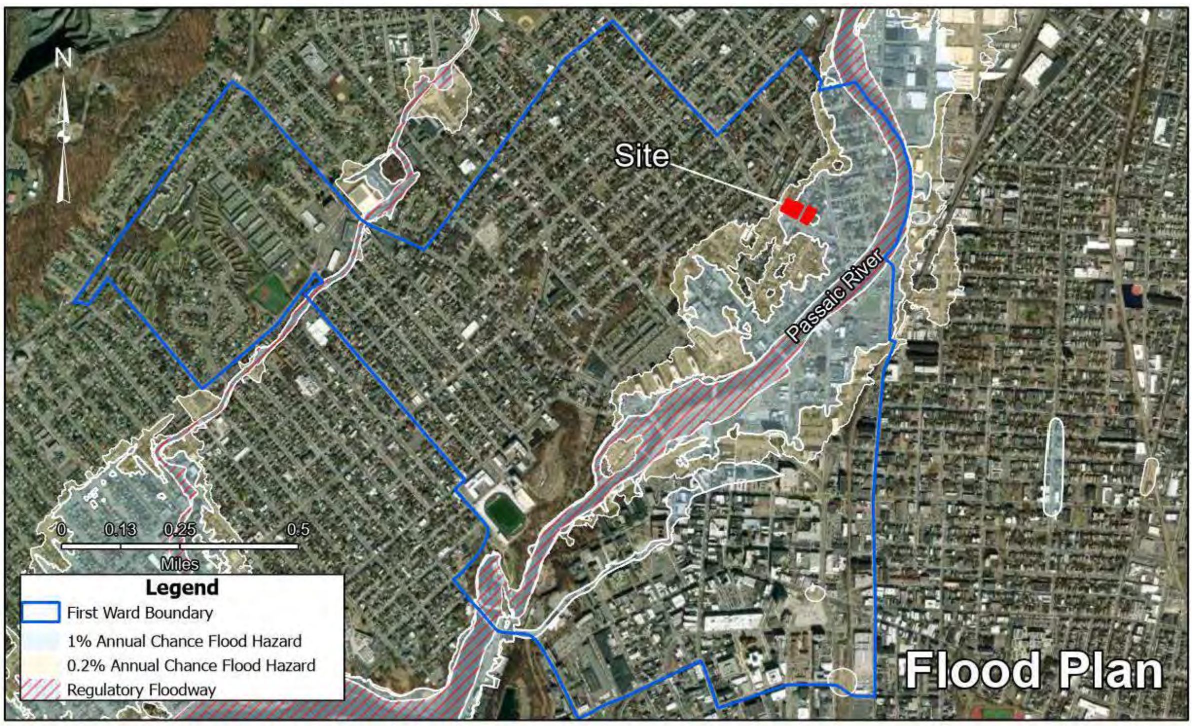


Figure 6: FEMA Flood Map showing the target site and the border of the First Ward

Further constraining potential development of the site is the recent Inland Flood Protection legislation enacted in New Jersey on July 17, 2023. The goal of the legislation is to update existing flood hazard and stormwater regulations by replacing current precipitation estimates with more recent data that attempts to account for observed and anticipated increases in rainfall. Additionally, this new law requires both landlords and sellers of commercial or residential property to disclose whether a property is in a Special Flood Hazard Area (100-year floodplain) or a Moderated Hazard Risk Area (500-year floodplain). The legislation also requires sellers to disclose the flood insurance and flood damage history of a property.

There has been flooding in the area recently, including during Hurricane Irene and other major storms and weather events that have caused flooding on the Passaic River. In particular, the properties located to the east of East Main Street have experienced flooding during extreme precipitation events. While the target site has not experienced any recent flooding during extreme weather events, it is approximately a block away from the area that has suffered from repeated flooding. Because of the location of the target site in the 100-year flood plain, the construction of new buildings, additions, substantial improvements to buildings, construction of roads and bridges, the placement of fill, grading and excavating, and other activities will require floodplain development permits. New Jersey Department of Environmental Protection (NJDEP) permits may also be required.

The size of the target site – at 1.16 acres, or approximately 50,500 SF – presents another constraint. According to the Food Industry Association, the average size of a grocery store was 35,100 SF in 1994 and 48,415 SF in 2022.[12] The entire area of the target site is approximately 2,114 SF larger than the interior dimensions of an average grocery store, but this does not factor in parking, walkways, or loading docks that would be required for the functioning of a store – or the fact that the 50,500 SF is divided into two parts by N. Main Street, one of 0.73 acres (31,799 SF) and the other of only 0.47 acres (20,473 SF). This means that the potentially buildable areas of the target site are both significantly undersized for the development of a modern grocery store.

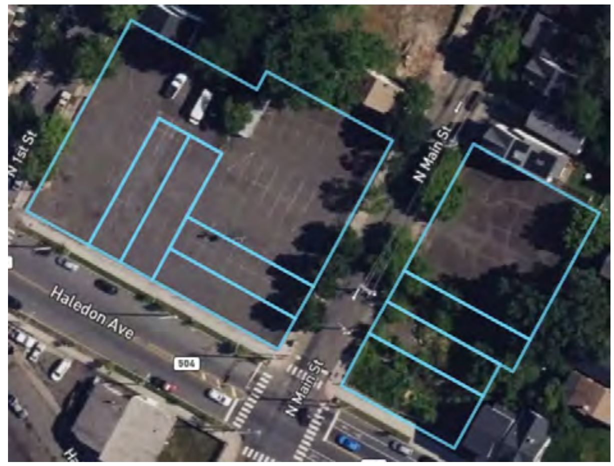


Figure 7: Target site Block 112, Lots 13-17 and Block 113, Lots 13-16. Source: New Jersey Parcel Explorer, Rowan University School of Earth and Environment

Another barrier to the development of a grocery store or supermarket at the target site is the amount of money area residents within ½ mile (likely the main customer base) spend on food shopping annually. According to the Food Industry Association, in June 2023 average weekly grocery spending per household was $155. Annually, that would equate to $8,060. As detailed in the Market Analysis, although 12% of annual household budget expenditures go toward the purchase of food, that number equates to just $6,805 per year, or an average of $130.87 per week. Grocery stores operate under tight margins, with just 2.3% net profit after taxes, on average,[13] and considering these already slim margins, the $24.13 difference in average weekly spending for the area within ½ mile from the target site may bring profits below the point of viability. Tax incentives and/or subsidies would likely be required to close this gap.

Although the site may not be the ideal location for a permanent traditional brick and mortar store, there could be other opportunities for creative and customized solutions that help address the food desert in the First Ward.

[12] https://www.fmi.org/our-research/food-industry-facts/average-total-store-size---square-feet

[13] https://www.fmi.org/our-research/food-industry-facts

According to the most recent USDA data available, Passaic County overall has 243 grocery stores (0.48 stores per 1,000 residents), two supercenters and/or club stores, 65 specialized food stores, 111 convenience stores, and six farmers markets. There are approximately 40 food stores – mainly convenience stores (such as 7-Eleven) and bodegas – in the First Ward. All but five of these stores are less than 5,000 SF in size and carry a limited selection of food options. None are located within ½ mile of the target site.[14]

In interviews with residents, a hierarchy of store preferences became apparent. Larger grocery stores, supermarkets, and supercenters (such as Walmart) are preferred for shopping trips that can supply a household for a longer period of time. Smaller local grocery stores are the second choice. Residents are most likely to stop in at a local convenience store or bodega for an unexpected need or forgotten item, such as a box of cereal or a loaf of bread, even though the prices may be exorbitant compared to those at a grocery store or supermarket. Residents who own or have access to cars have the luxury of choosing when and where to shop, allowing them to prioritize price, quality, or freshness. Those without cars have more limited choices.

As detailed in the socioeconomic profile in the *Market Analysis*, the population of the First Ward was approximately 28,600 in 2021, with a median household income of just $38,889. Within ¼ mile of the target site, median household income is slightly lower. With 35% of First Ward residents lacking access to a vehicle, it is critical that healthy, reasonably priced food options are accessible by foot, bicycle, or public transportation.

The First Ward is a compact, densely developed urban area that comprises 1.4 square miles and it is bisected by the Passaic River. There are five main arterial roads that traverse the First Ward: Haledon Avenue (CR 504), East Main Street (which is also CR 504), Presidential Boulevard (CR 509), Union Avenue (CR 646), and West Broadway (CR 675). Haledon Avenue and West Broadway are north/south connector roads. Presidential Boulevard navigates an east-west connector roughly paralleling the Passaic River. East Main Street provides a connection from Presidential Boulevard to the 6th Avenue Bridge. Union Avenue is an important commercial corridor in the City of Paterson.

Public transportation – by bus or train – walking, biking, and rideshares such as Lyft and Uber are common means that residents utilize to get around the First Ward, as well as to employment or recreation destinations. There are three bus routes that pass through the First Ward: routes 744, 703, and 748. All three bus routes are operated by NJ Transit. While the bus routes pass through the First Ward, the routes do not generally crisscross the Ward, making travel in the east-west direction difficult. And although there are bus stops near the target site, many bus routes (as shown in Figure 8, which is provided as a full-size map in the Appendix) travel through the First Ward enroute to destinations outside the Ward, and it is not easy for residents who live to the northeast or southwest of Haledon Avenue to travel to the target site by public transportation. Bus route 744 has multiple stops near the target site on Haledon Avenue on a route that runs from the Preakness Shopping Center near the Wayne Hills Mall to Market St. at City Hall in downtown Paterson. There are transfers to other bus lines at key stops along the route in Paterson as the bus travels between Wayne and Passaic. This bus route runs Monday through Saturday from 5:30am until 6:30pm, with a frequency of approximately every 30-35

[14] See *Relevant Business Summary* in the Market Analysis for a discussion of existing food retailers in the First Ward.

minutes Monday through Friday. On Saturday, the bus runs with a frequency of every hour. The bus does not operate on Sundays.

Figure 8: Bus map depicting the routes that travel through the First Ward

Residents can access multiple routes at the Broadway Bus Terminal, which is approximately 0.8 mile away and a 19-minute walk from the target site (or a 9-minute bus ride). For residents who travel by train, New Jersey Transit's Paterson Station is located at Market and Ward Streets and is approximately one mile away from the target site. The train station is used by many for commuting and travel outside of Paterson, but for most First Ward residents who live on the north bank of the Passaic River, the train station is not a feasible option. The First Ward is outside the Transit-Oriented Development (TOD) boundaries for the station.

It should be noted that Super Supermarket is located on the south bank of the Passaic River, just across the Main Street bridge and 0.6 miles from the target site. It is approximately a 13-minute walk or bus ride. This supermarket appears to be easily accessible to the target population, yet conversations with residents revealed that locals did not necessarily patronize this particular grocery store. Reasons given were high prices and unreliable product freshness and quality. Others noted that the store was good "in a pinch" for a quick stop to pick up a few items, but it was not a first choice. In addition, it is far more than ¼ mile from the target site, which is the distance at which the USDA considers a grocery store accessible for a population with low vehicle access.

Interviews with community members confirmed that few people use public transportation to travel from those parts of the First Ward north of the river to shop for groceries, although there are shuttle services available for senior citizens that offer transportation to a variety of food stores such as Super Supermarket at Main Street and Memorial Drive south of the river. Other community members pointed out that it is difficult for families to rely on public transportation to purchase groceries that will last a household for more than a day or two at a time. It is far more common for residents who do not have access to a vehicle to borrow one or to use a rideshare app such as Uber or Lyft.[15]

This brief transportation analysis provides a bird's eye view of the public transit choices available to residents in the First Ward for accessing the target site. None of the public transit options provide an easy, direct way, but a full transportation analysis would be necessary to determine how First Ward residents would access the site – and if the food retailer developed is designed to attract a larger consumer base, how people from outside the Ward could most easily reach it.

Risk Analysis

This report has noted that the church parking lot on Haledon Avenue and undeveloped parcels on N. Main Street sit partially in the 100-year and 500-year floodplains. Considering the slim profit margins of a traditional grocery store and the other limitations of the site, locating in a flood zone may not be a risk a potential developer wants to take. In addition, start-up costs for such a venture will require hiring specialized professionals to draft plans that meet specified thresholds for development in the 100-year and 500-year flood plains, including additional permits from local and state agencies. These additional requirements mean additional costs.

Another factor that may be relevant to set-up of a farmers market in particular is that the site is almost completely covered with an asphalt impervious surface devoid of trees and vegetation, rendering the site without shade or protection from the cold, wind, rain, or snow.

Currently, the site is being used for church parking when needed and as a long-term storage place for unlicensed (possibly abandoned) vehicles, and there is a significant amount of trash and other debris. The risk is that cars can leak petroleum and/or oil if the vehicles sit so long that the metal begins to disintegrate. Before this site could be redeveloped, it would be necessary to assess the site and determine whether any contamination is present and, if so, if any mitigation is required. It is unclear at this point whether there are contamination issues that would prevent the site from being redeveloped as a food store or farmers market without prior remedial steps. To make such a determination, it would be necessary to review the historical uses of the property and of neighboring properties. Initially, a Phase 1 environmental report may need to be prepared.

[15] Interviews with community members, April 1-10, 2024.

In May of 2003, the First Ward Redevelopment Area (shown in Figure 9) was designated as "an area in need of redevelopment." In April of 2014, the City of Paterson adopted a new master plan and noted two salient points: first, that Haledon Avenue is a gateway to the city, and second, that there is a need to plan for future flood events. In the First Ward, the most prevalent land use is residential, with a mix of single- and two-family homes as well as larger multi-family residences. Haledon Avenue is considered a retail/commercial corridor for the neighborhood, and much of the area along Haledon Avenue has been designated as an Urban Enterprise Zone (UEZ). The UEZ is a state program aimed at stimulating economic

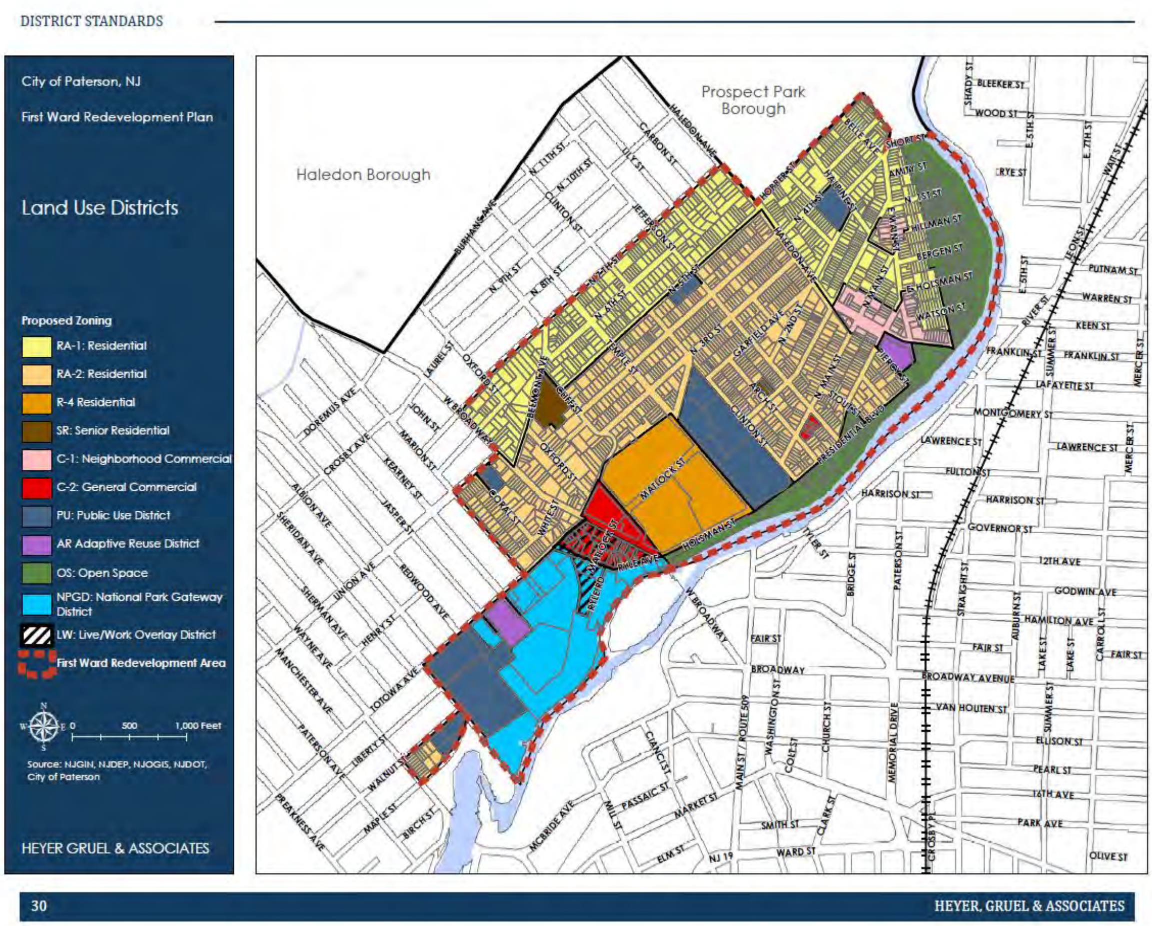


Figure 9: Proposed zoning in the First Ward Redevelopment Area.

development in specific urban areas through incentives such as subsidizing unemployment insurance and reductions to sales taxes. In November 2017 the First Ward Redevelopment Plan was completed, and early in 2018 it was adopted. As shown on the Zoning Map in Figure 10, a large swath of the First Ward was zoned as a Redevelopment District. Many sections of the First Ward Redevelopment Area are in a flood zone due to their proximity to the Passaic River and have experienced flooding during major storm events such as Hurricane Irene, or even during more common precipitation events. This persistent flooding limits the uses that should be considered for the target site.

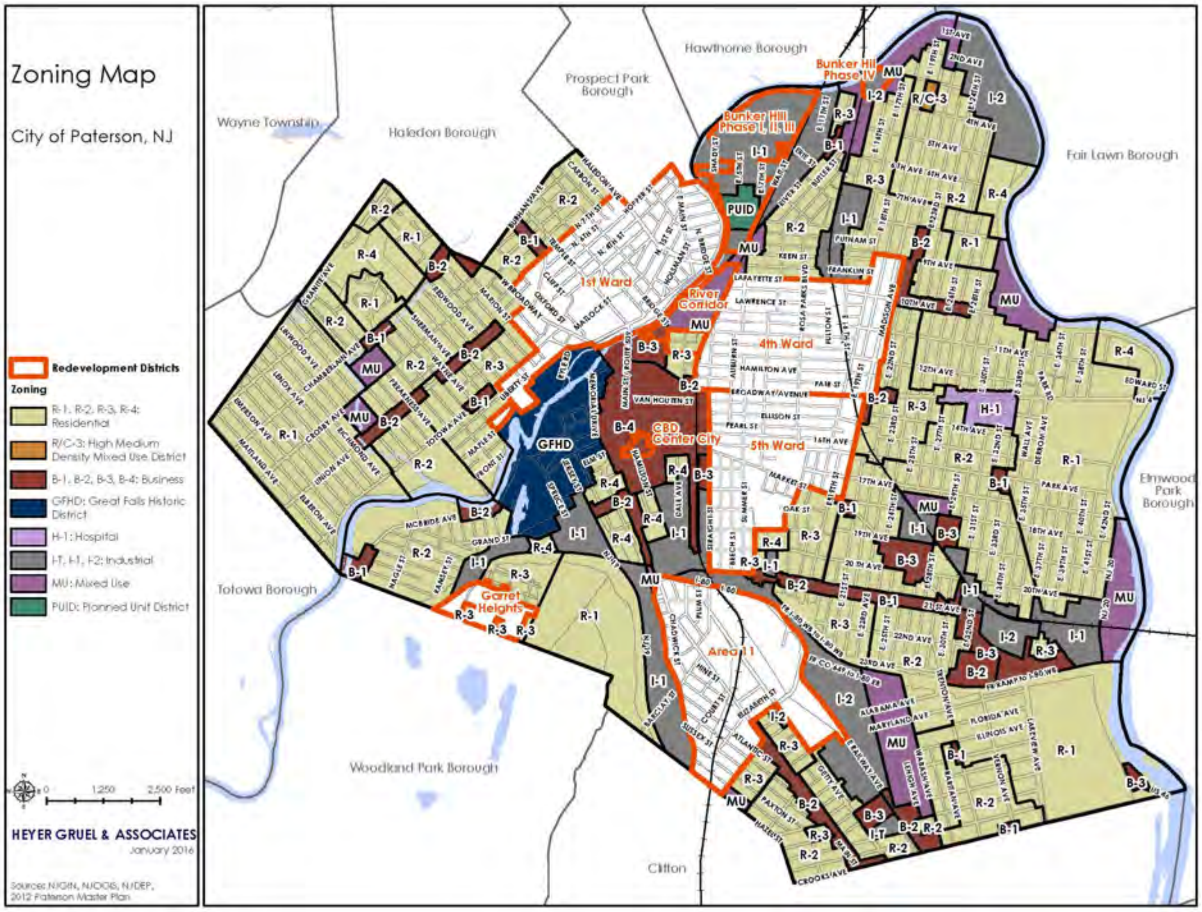


Figure 10: Zoning Map of Paterson, with the First Ward Redevelopment Area highlighted

One of the most important goals of the redevelopment plan is to bring economic development to the First Ward and improve the quality of life for its residents. The Redevelopment Plan noted that most development in the First Ward will be infill; however, if it were possible to combine smaller parcels into a larger lot, there is an opportunity for a more ambitious project. Providing access to community facilities is mentioned in the plan, and while the example provided is reopening the First Ward branch of the Paterson public library, improved food access is clearly a critical community need. While a grocery store, supermarket, farmers market, or other creative alternative food access mechanism is not technically a community facility, it is an important and much-needed resource in the community.

The proposed zoning for the target site in the 2017 Redevelopment Plan was C1 Neighborhood Commercial and is depicted on the map in Figure 9. The goal of the C1 Neighborhood Commercial zone is to allow for everyday retail and personal service needs of area residents. Permitted uses in this district include retail stores and shops (excluding liquor), personal services, restaurants, banks, dry cleaners, and childcare centers. It should be noted that the C1 district does allow for mixed use developments that include residential uses and neighborhood commercial uses; however, there is one caveat: residential uses are only permitted above the ground floor of a building. The district bulk standards are noted below. In addition to the bulk requirements embedded in the zoning, the Redevelopment Plan created Design Guidelines to establish a simple aesthetic for the First Ward and to ensure that all new construction meets a basic design quality level. Renovations of existing structures, new construction, and infill construction are all required to follow the Design Guidelines.

Figure 11: C1 Neighborhood District Bulk Commercial Standards

Minimum Lot Area	2,000 SF
Minimum Lot Width	25 FT
Minimum Front Yard	None
Minimum Front Yard	5 FT
Minimum Side Yard (each)	None
Minimum Rear Yard	20 FT
Maximum Building Height	40 FT / 3 stories
Maximum Building Coverage	80%
Maximum Impervious Coverage	100%

Parking standards for the uses in this district are regulated in the Redevelopment Plan when development occurs on a lot that exceeds 50 feet in width. Retail stores such as grocery stores require one parking space per 600 square feet (SF). As noted earlier, the average size of a grocery store in 2022 was 48,415 SF, which would translate into 81 required parking spaces. Considering the site is 50,500 SF in size, it would not be large enough for a grocery store, the requisite parking, walkways, loading docks, bike racks, or any other amenity on the site to allow for the efficient functioning of the store. Through a physical analysis of the site, it has become evident that development of a brick-and-mortar grocery store or supermarket is not the best fit for the site, and that temporary or transient alternatives should be evaluated.

Figure 12: Parking Requirements for the C-1 District as spelled out in the First Ward Redevelopment Plan

Use	Parking Required
Retail stores, personal service businesses, dry cleaning	One space per 600 SF
Financial Institutions	One space per 600 SF
Restaurants	One space per four seats
Business and Professional office	One space per 1,000 SF
Travel agencies and real estate offices	One space per 1,000 SF
Child Care Centers	One space per employee on maximum shift
Residential apartments in mixed use buildings	One Space per dwelling unit

Online/Digital Grocery

A brief overview of online (or digital) grocery shopping is warranted because it presents an alternative for First Ward residents who do not live within ½ mile of a brick-and-mortar grocery store or supermarket. Store proximity becomes less important in this model, and delivery eliminates transportation challenges for households. However, the tradeoff is generally higher prices – taking into account not only delivery fees but also the often higher prices of the products purchased online compared to in-store.

According to RetailWire, online grocery shopping is predicted to grow over the next five years, outpacing in-store sales.[16] The Covid pandemic helped fuel online sales growth; however, recent data shows that purchasing groceries via a digital platform was not a temporary trend. Consumers are still purchasing essential groceries online. Online grocery sales are projected to reach nearly $120 billion by the end of 2028, accounting for nearly 12.7% of US grocery sales.[17]

Consumers use a variety of digital grocery applications to purchase groceries; however, there are two basic business models. Businesses use either a delivery model or a "click and collect" model. In the delivery model, either the store operates and manages its own digital platform, or the store uses a third-party platform such as Instacart. Revenues in the online grocery delivery market have been increasing steadily since 2017[18], and Statista reports that e-commerce revenue from the grocery delivery sector is anticipated to exceed $257 billion in 2024.[19] The "click and collect" models have multiple variations, but generally the consumer purchases products online and then picks them up at a designated place – at a pickup point inside a store, curbside at a store, or at a warehouse.

In the first quarter of 2024, online grocery sales reached $31.4 billion. While the numbers indicate year-over-year increases in dollars spent and quantity of items purchased, grocers had ongoing concerns about profitability because of the costs associated with staff time to select items from shelves to fulfill orders and the expense and logistics of delivery.[20] Nonetheless, the convenience of online grocery shopping appeals to many consumers, including those without access to a vehicle. In addition, many stores accept SNAP/EBT for online orders just as they do credit and debit cards.

According to the US Department of Agriculture (USDA), in 2022 nearly 20% of shoppers bought groceries online.[21] Time constraints are the most frequently cited reason shoppers make online grocery purchases. On the other hand, the main reason people choose to shop in a brick-and-mortar store is their preference for examining and selecting products first-hand before purchase. This mirrors comments we heard from residents in the First Ward who expressed a desire to select their own produce, meat, and fish at a physical store where they could assess product quality. That said, parents with children are twice as likely as other shoppers to shop online;[22] the convenience of online purchasing is a huge draw particularly for working parents balancing complicated schedules.

[16] https://retailwire.com/discussion/is-e-grocery-entering-a-new-phase-of-growth/#:~:text=Growth%20averaged%205.6%25%20over%20the,anticipated%20for%20in%2Dstore%20selling.
[17] https://retailwire.com/discussion/is-e-grocery-entering-a-new-phase-of-growth/#:~:text=Growth%20averaged%205.6%25%20over%20the,anticipated%20for%20in%2Dstore%20selling.
[18] https://www.statista.com/forecasts/891082/online-food-delivery-revenue-by-segment-in-united-states
[19] https://www.statista.com/topics/1915/online-grocery-shopping-in-the-united-states/#topicOverview
[20] https://www.supermarketnews.com/technology/digital-grocery-sales-hit-31b-q1-grocers-still-have-work-do
[21] https://www.ers.usda.gov/data-products/chart-gallery/gallery/chart-detail/?chartId=108618
[22] https://www.grocerydive.com/news/parents-more-likely-to-buy-groceries-online-fmi/691831/

Locating a grocery store, supermarket, or farmers market on the target site of the Haledon Avenue parking lot and undeveloped parcels on Main St. is not the perfect remedy to food access problems in the First Ward. While the target site is located along a commercial section of Haledon Avenue, the constraints of the selected site pose significant challenges, and a solution is more complicated than simply constructing a brick-and-mortar grocery store or supermarket, or establishment of a farmers market. Located just four blocks from the Passaic River, the site is in two flood zones and is prone to flooding during minor rain events as well as major storms. In addition, Paterson is a dense urban community with a long history of manufacturing and a substantial number of older, abandoned, or dilapidated properties in the First Ward, and it is unknown at this point whether environmental contamination presents an additional challenge at the target site.

Transportation and access to the site are also challenges. With a fairly large proportion of the population who do not have access to cars, it is critical that the surrounding population can reach the site by foot, bike, or public transportation. There is a bus route that travels past the site along Haledon, but there are fewer options for residents traveling from the east or west within the Ward.

Other communities across the United States have encountered similar challenges, and the research suggests that solutions have the greatest chance of success when they are tailored to the specific needs of the community, and when there is buy-in from residents.

One food retail option is a co-op or small, non-traditional grocery store supported through grant funding, subsidies, or a public-private partnership, carrying products that are aligned with hyper-local preferences. A co-op has the advantage of being owned, managed, and/or controlled by the individuals who shop there, which allows for a focus on responding to community desires and potentially supporting local entrepreneurs and farmers. Community input is key to inventory selection, price points, and other important decisions, which provides the critical element of local buy-in that supports a food retailer's success. However, a co-op also requires significant community time and participation, and it is unknown at this point how feasible this option would be for the First Ward. A small, non-traditional grocery store could provide a middle ground, allowing for responsiveness to local preferences and even support for local producers, but without the need for as much community involvement. However, both options fail to address the issues of transportation, flooding, or environmental concerns, and it is uncertain at this point how such a brick-and-mortar structure could coexist with church parking.

A farmers market could also provide fresh produce to area residents and is an alternative with significant community support and little local competition.[23] A weekly farmers market could in theory share space with church parking and present fewer risks associated with flooding (in the event of a flood, the market could simply be canceled for the week). Such a market could increase access to fresh, nutritious food in the First Ward and build connections to local and regional farms. Based on community feedback, there is also interest in the sale of produce from Paterson community gardens at a local farmers market, as well as the sale of homemade baked goods and other artisanal products. It would however be critical that such a market accept SNAP and WIC in order to more fully address area residents' food access

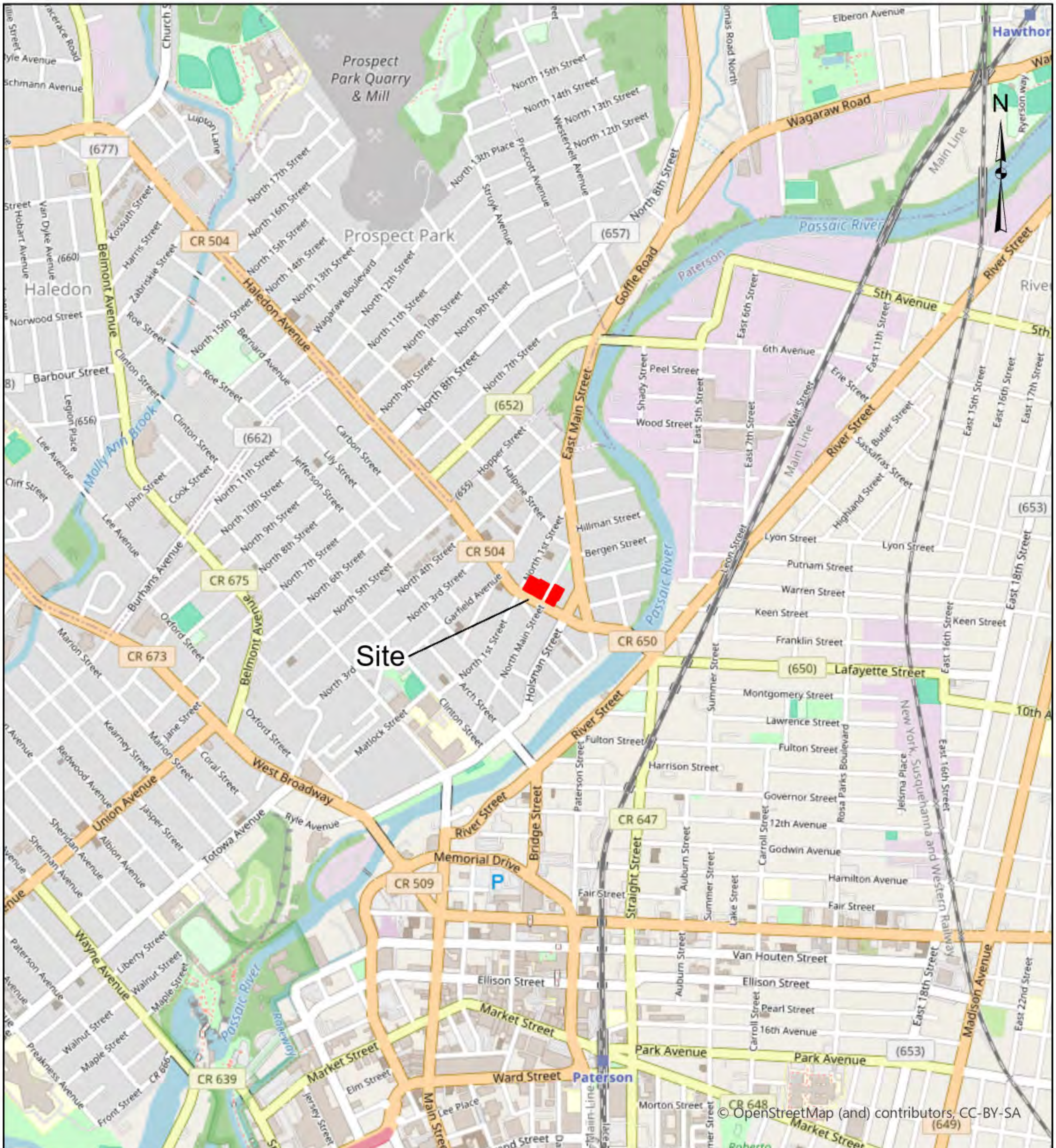
[23] The nearest farmers market, Brothers Produce on Railway Avenue, is neither particularly close nor accessible to residents without cars, and offerings are mainly geared toward a clientele shopping for Mediterranean and Middle Eastern fare.

challenges, and this presents an additional logistical challenge. Two constraints not addressed by this alternative for the target site are potential environmental issues and transportation challenges.

A third – and very different – option is a mobile grocery truck or van, which may have strong potential both at this site and at other similar sites in the First Ward. Mobility means the market or store can be moved in the event of major weather or another event. While the financial costs of a mobile grocer may be significantly lower than those of a grocery store or supermarket, licenses and permits are still required. That said, the customer base may also be larger, and the issue of transportation access would be fully addressed with such a solution. Furthermore, concerns about environmental conditions at the target site (or any site the truck visits) are not relevant in the same way they might be for construction of a brick-and-mortar store. A mobile grocer could both increase sales and address food access issues for residents of multiple areas by parking in different parts of the First Ward (or other wards) on specific days each week. The weekly selection may vary based on local availability of seasonal products (particularly produce), but this model could provide fresh, affordable produce to First Ward residents while sidestepping many of the physical limitations of the target site. There are numerous examples of success for this model, although it is important to consider long-term finances and sustainability carefully, as many such examples rely on significant grant funding.

The next part of this study focuses on recommendations for how the target site may be optimized for investment, as well as how to address issues that could make incorporating these new uses challenging. It will also consider the feasibility of options described in this *Physical Site Evaluation* and in the *Market Analysis* that do not require redevelopment of the target site but still address food access needs in the surrounding area and the First Ward.

Appendix: Full-size Maps



BRS inc
P.O. Box 2293
Medford Lakes, NJ 08055
T: 856-964-6456 | brsinc.com

Legend

Site Parcels

Scale 1:15,000

0 0.13 0.25 0.5
Miles

Figure Title	**Site Location Map**
Client	County of Passaic
Project	Market Analysis Paterson, New Jersey
Figure No.	**1**
Print Date	2/22/2024

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Legend

Site Parcels

Scale 1:4,000	0 0.03 0.05 0.1 Miles	
Figure Title	**Site Location Map**	
Client	County of Passaic	Figure No. **1**
Project	Market Analysis Paterson, New Jersey	Print Date 4/12/2024

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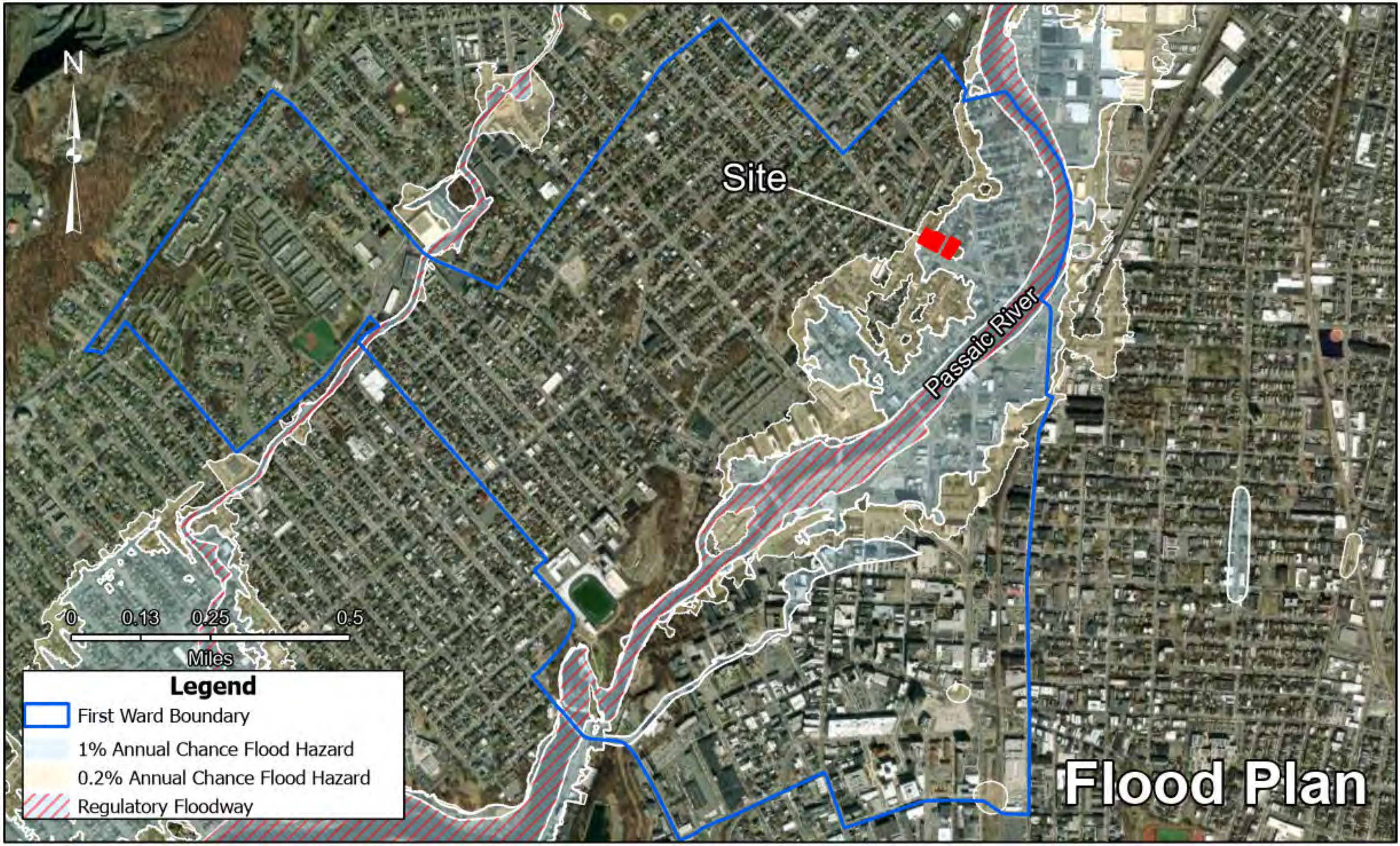

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First Ward Boundary
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0.2% Annual Chance Flood Hazard
Regulatory Floodway
Flood Plan


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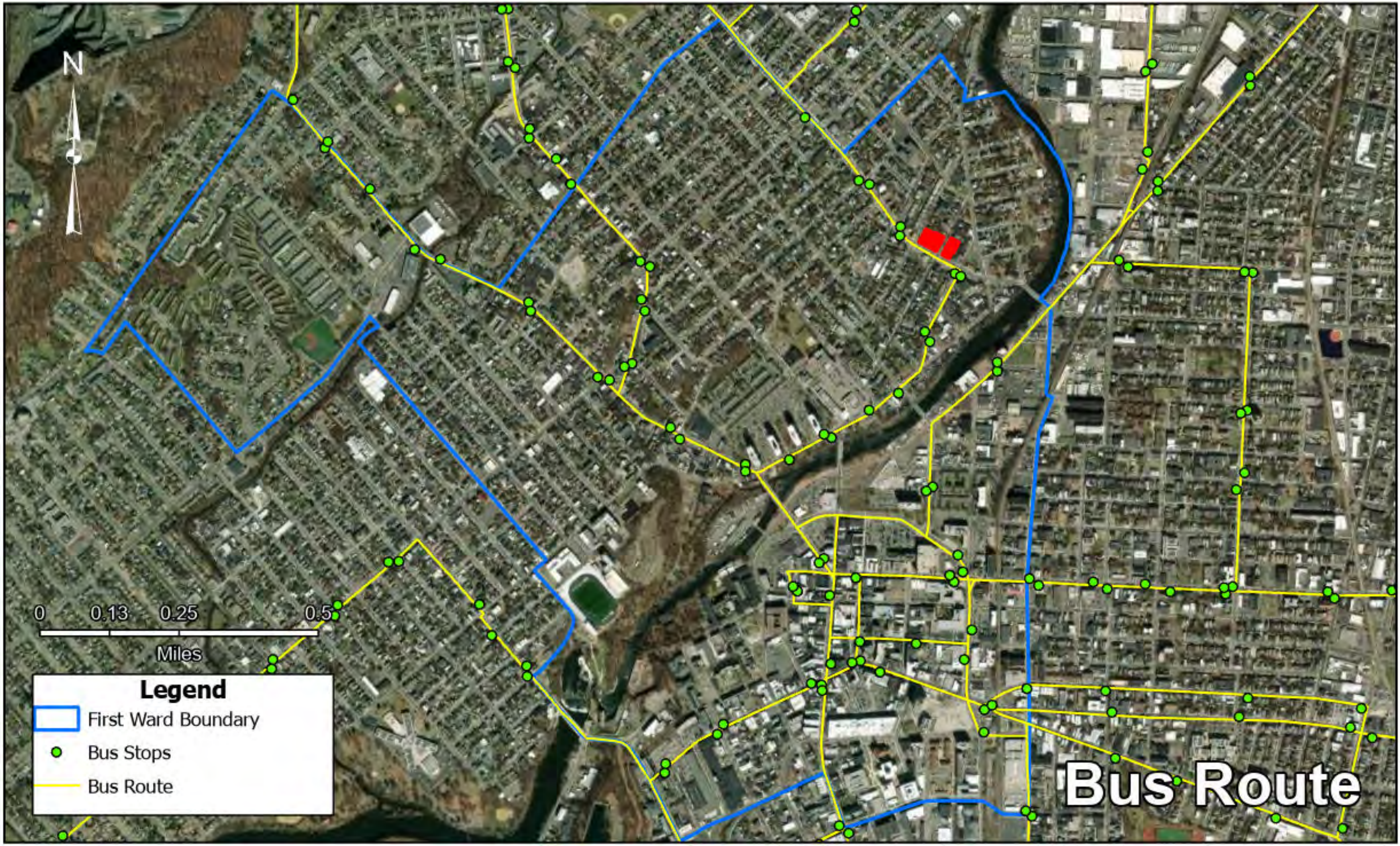
Regulatory Floodway
Flood Plan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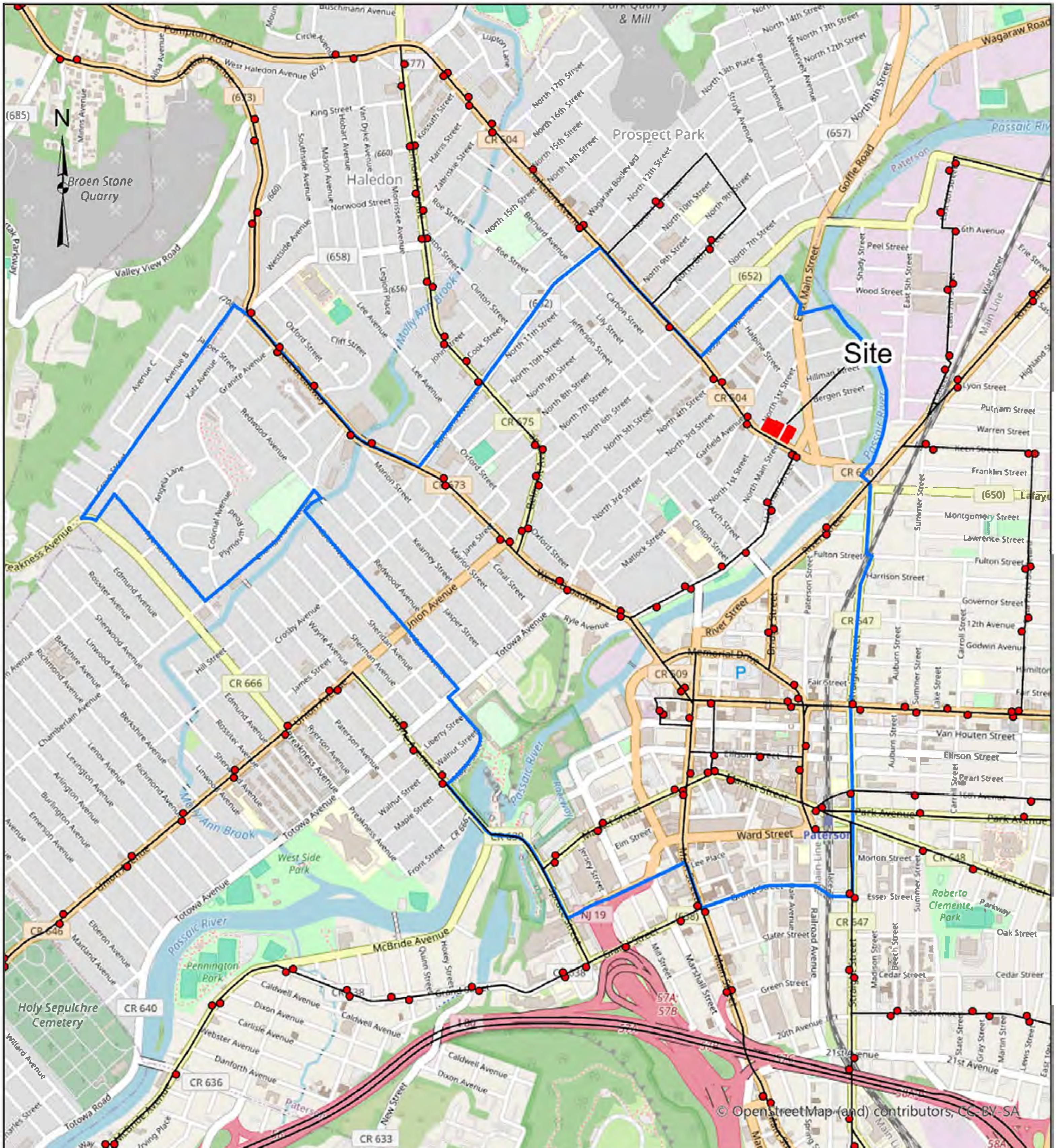
Legend
First Ward Boundary
Bus Stops
Bus Route
Bus Route



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Legend

- Bus Route
- Bus Stops
- First Ward Boundary
- Target Site Parcels

Scale	1:18,000
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Figure Title	**Public Transit**
Client	County of Passaic
Project	Market Analysis Paterson, New Jersey
Figure No.	2
Print Date	4/18/2024

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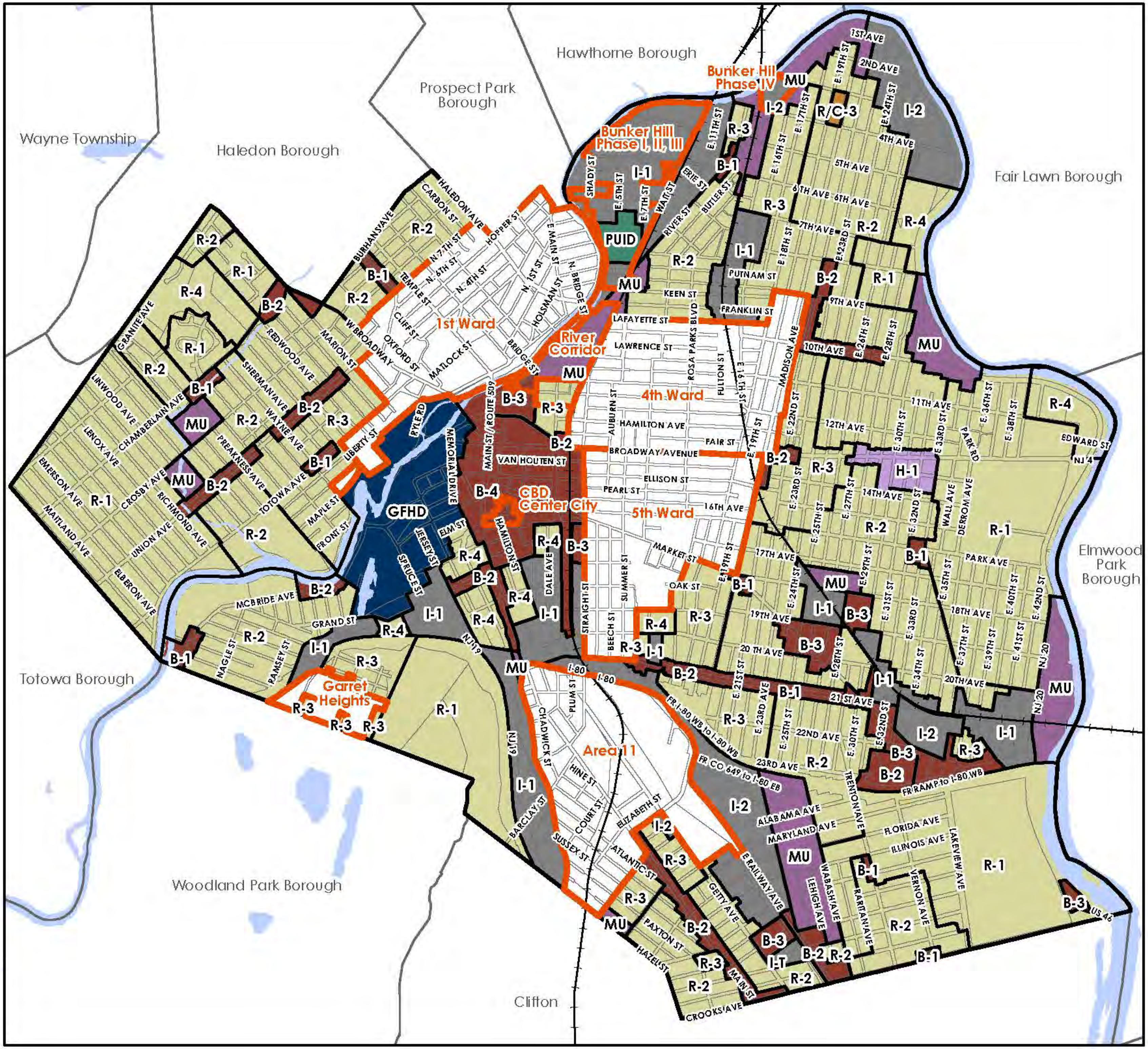
Zoning Map

City of Paterson, NJ



Redevelopment Districts

Zoning

- R-1, R-2, R-3, R-4: Residential
- R/C-3: High Medium Density Mixed Use District
- B-1, B-2, B-3, B-4: Business
- GFHD: Great Falls Historic District
- H-1: Hospital
I-T, I-1, I-2: Industrial
- MU: Mixed Use
- PUID: Planned Unit District

0 1,250 2,500 Feet

HEYER GRUEL & ASSOCIATES

January 2016

Source: NJGIN, NJOGIS, NJDEP, 2012 Paterson Master Plan

2024

Site Development Plan and Recommendations

FOR THE FIRST WARD, CITY OF PATERSON, NJ

BRS, INC.

Table of Contents

Executive Summary

This study's initial analysis explored the potential development of a new grocery store, supermarket, or farmers market at the target site in Paterson's First Ward. The study's first two components – a *Market Analysis* and a *Physical Site Evaluation* – explored additional, less traditional food retailers and analyzed the target site's advantages, constraints, and challenges. This final component of the study makes specific recommendations for addressing food access challenges in this low- to moderate-income urban community. The study recommends the development of one (or both) of the following food retailers at the target site:

Farmers Market

The size, layout, and current availability of the site is appropriate for development of a farmers market that would bring fresh produce and other nutritious foods to the community on a regular schedule of market days. The initial planning process for a new market must include extensive community engagement in the area surrounding the target site, establishment of a market mission, and formulation of a business plan. The management structure most likely to be successful is a coalition of non-profit organizations, with representation from respected partners working both in the First Ward and in the wider area of Paterson and Passaic County. At least one paid staff person (a market manager) is needed to provide leadership and direction, and development of a community-based volunteer program is highly recommended to improve market functioning and service. It is essential that SNAP/EBT and other benefits be accepted at the market.

In addition to "placemaking" efforts such as events, demonstrations, and activities, the study suggests that offering services such as health and/or nutrition education and benefit enrollment would help a new market establish itself as an important community resource – and one that draws enough customers to support its vendors. While farmers markets by design pass some costs on to vendors, operational costs include a site lease, market staff salaries, security, marketing, insurance, and site maintenance. Vendor stall fees contribute a modest amount to a market's income, but it will be necessary to identify sources of funding to support the market at least in the initial few seasons, and perhaps longer. Partnerships with local organizations, government entities, and the private sector will help to ensure sustainability.

This study acknowledges that while a farmers market could be a valuable new resource and potential driver of economic revitalization in the neighborhood, certain challenges remain – namely, transportation to the market in this low-vehicle-access area, parking arrangements, and identification of long-term funding sources.

Mobile Grocer

A mobile grocer is another type of food retailer that could improve residents' access to fresh, nutritious food without requiring physical alterations to the target site. It also has the advantage of all but eliminating transportation challenges for residents without access to vehicles. Selection of a mobile unit is a key first step, and considerations include cost, desired shelf space, refrigeration, customer accessibility, and suitability for Paterson streets. A solid business plan should include realistic budgeting that accounts for the purchase and outfitting of a mobile unit (as well as frequent repairs), food supply, fuel, insurance, and staff salaries. Two staff are required for efficient functioning, and a volunteer program to assist customers is recommended.

The ability to accept SNAP/EBT and other benefits – as well as credit and debit cards – is essential.

Extensive community engagement will be necessary to identify a service area and individual stops along a regular route. Local outreach will also help management decide what foods to stock in order to meet customer demand, and continued engagement with the community surrounding the stops will help the grocer establish itself as a responsive and reliable local service provider.

One key recommendation for reducing a mobile grocer's high operating costs is ensuring access to bulk food purchasing at wholesale prices. This could be accomplished through a partnership with a local supermarket chain or through a partnership with an organization that can offer refrigerated warehouse space.

Identification of long-term funding sources is a major challenge in the development of a mobile grocer, because this type of retailer will not be able to sell enough volume in low- or moderate-income communities to meet high operational costs. For this reason, grants and fundraising are essential to program sustainability. Sustainability depends not only on identifying long-term funding sources but also on developing strategic partnerships.

In addition to detailing specific recommendations for development of a farmers market or mobile grocer, this study suggests potential partners by listing local organizations, government entities, and private-sector companies that make food access an important part of their mission. It then provides a brief summary of funding sources.

Both of the recommended food retailers presented in this final part of the study are feasible for the site and fit community needs, but neither one is presented as a complete or perfect solution to food access challenges in the First Ward. Both are operationally complex and require significant community engagement and funding efforts, and both require management by a qualified coalition of local organizations and development of strategic partnerships to ensure their success.

Introduction

The County of Passaic received this New Jersey Economic Development Authority-funded Food Security Planning Grant to complete a market analysis and development plan that will enable the City of Paterson to optimize use of a target site, improve food access, and promote economic development in the First Ward.

There are four components to this project:

- Market analysis
- Physical site evaluation
- Community engagement
- Site development plan and recommendations

The target site – owned by Grace Chapel Baptist Church – is on Haledon Avenue between N. Main Street and N. 1st Street and includes vacant lots located between 144 and 158 N. Main Street. This project analyzes the potential for a food retailer on the site. Initial analysis explored the possibility of a grocery store, supermarket, or farmers market, and was broadened to include other, non-traditional food retail options.

This *Site Development Plan and Recommendations* outlines the types of food retailers that would be the best fit – and most feasible – for the target site and the stated goal of improving food access in the First Ward. After a brief review of findings from the Market Analysis and Physical Site Evaluation, this document details site development for feasible retailers and makes recommendations on how the target site can be optimized. It then discusses operation and management structures and explores funding sources to support each of those feasible food retailers.

Summary of findings: Market Analysis and Site Evaluation

The objective of the *Market Analysis* was to assess the need for a supermarket, grocery store, or farmers market within the trade area in as much detail as possible. The analysis developed a demographic and socioeconomic profile of the area and explored consumer demand, existing food retailers, and access to transportation. Given these existing conditions, the next step was economic modeling of the impact of a new grocery store, supermarket, or farmers market in the First Ward. In addition, the *Market Analysis* reviewed other, less traditional types of food retailers that have been successful in similar urban, low- to moderate-income communities.

The *Physical Site Evaluation* discussed the challenges and constraints that must be addressed if development of a grocery store, supermarket, or other food retailer is determined to be desirable for the target site. The evaluation provided a general physical evaluation of the site, including its location, proximity, and accessibility to target customers, a risk analysis, review of environmental factors, legal and regulatory considerations, and a brief transportation analysis that examined access routes, constraints, and potential improvements.

That the First Ward – and particularly the neighborhood in the immediate vicinity of the target site – is in need of additional retail options to provide residents access to fresh, nutritious foods is well established. Challenges presented by the target site, however, are significant:

- **Size:** The site, at 50,529 square feet (in two sections, separated by North Main Street), is too small to accommodate an average-size grocery store[1] and the necessary loading docks, walkways, truck access, or customer and employee parking.
- **Flood risk:** A portion of the site is in the 100-year flood plain, according to Federal Emergency Management Agency maps, and the rest is in the 500-year flood plain. The risk is not theoretical: there has been flooding in the area recently, including during Hurricane Irene and other major storms and weather events that have caused flooding on the Passaic River, which is only 765 feet away from the portion of the site southeast of North Main Street. New Inland Flood Protection legislation that incorporates anticipated increases in rainfall and requirements for specialized floodplain permits presents additional hurdles to potential development at the site.
- **Transportation limitations:** Over a third of households in the First Ward lack access to a vehicle, making access to reasonably priced, nutritious food by public transportation, bicycle, or foot essential for about 3,300 households. While a bus line does run roughly north-south along Haledon Avenue Mondays through Saturdays, the vicinity of the target site does not offer public transportation access to and from the east or west. This makes access to food retailers difficult for many. Although there are convenience stores, corner stores, and bodegas in the First Ward, community members interviewed and surveyed state that prices are very high and foods offered not particularly fresh or nutritious. Certainly these small stores do not carry all food groups, and

[1] According to the Food Industry Association, the average size of a US grocery store was 48,415 square feet in 2022. This does not include square footage for the necessary loading docks, walkways, or parking. https://www.fmi.org/our-research/food-industry-facts/average-total-store-size---square-feet

residents generally travel outside the First Ward to purchase fruit, vegetables, meat, and most of their weekly grocery needs. For households without a vehicle, the distance to a grocery store or supermarket that offers a full array of fresh products at reasonable prices is a serious barrier.

- **Incomes and expenditures on food:** Another barrier to the development of a grocery store or supermarket at the target site is the low level of local disposable income, and specifically, the amount of money area residents within ½ mile (likely the main customer base) spend on food shopping annually. According to the Food Industry Association, average weekly grocery spending per US household in 2023 was $155. Annually, that would equate to $8,060. As detailed in the *Market Analysis*, although 12% of annual household budget expenditures within ½ mile of the target site go toward the purchase of food, that number annually equates to just $6,805 per year, an average of $130.87 per week. Grocery stores operate under tight margins, with just 2.3% net profit after taxes, on average, and considering these already slim margins, the $24.13 difference in average weekly spending for the area within ½ mile from the target site may bring profits below the point of viability. While not insurmountable, grant funding and/or tax incentives are likely to be required for a food retailer to close this gap.
- **Site availability:** The parking lot is in current use by Grace Chapel Baptist Church all day on Sundays, at least two evenings during the week, and periodically for other events. This means that the only food retailers that would be feasible for the target site are those that are able to set up there on a temporary basis to offer grocery shopping to the community.

All of this said, the target site also has advantages that make it a good location for a new food retailer that will serve the community. Opportunities include:

- **Densely populated area:** The First Ward is a densely populated urban area with high workforce participation. The area immediately surrounding the target site is even more densely populated, and the average household has children and multiple income earners. The number of households is expected to continue to grow in the coming years.
- **Rising demand for groceries:** About 12% of First Ward household expenditures go to purchasing food for consumption at home, and total annual expenditures of $6,251 are expected to increase by approximately 15% in the coming five years. A more detailed analysis suggests that households are budget-conscious, seeking value over brand names, and expenditures tend to include products for babies and children, fresh fruit and vegetables, bread, and fish and other seafood. About 41% of households in the First Ward have SNAP (Supplemental Nutrition Assistance Program, formerly known as food stamps) benefits for grocery purchases, and that number is slightly higher in the area immediately surrounding the target site. Incomes overall are rising, albeit slowly.
- **Shortage of local food retailers:** Stores that sell food within ½ mile of the target site are all smaller than 5,000 square feet and do not offer a full range of groceries. This means that consumers must travel more than ½ mile to larger stores that sell a fuller range of groceries than local corner stores, convenience stores, and bodegas. Given fairly low vehicle access, demand for the convenience of a local food retailer is high.

- **Target site owner's interest in improving food access:** Grace Chapel Baptist Church's leadership has stated its willingness to host a temporary/transient food retailer such as a weekly farmers market and/or regularly scheduled mobile grocer in order to improve the community's access to fresh, nutritious food.

The next section looks at feasible ways to improve food access given the area's potential and the target site's limitations.

Feasibility of food retail options at the target site

While there is a well-established need for a new food retailer offering a full selection of groceries in the immediate area of the target site, a supermarket or large grocery store is not feasible on the site itself. If another, more sizable site becomes available in this eastern part of the First Ward – or indeed in any part of the NJEDA-designated Paterson Food Desert North – the feasibility of a supermarket or large grocery store should be reexamined.

Given site limitations, there are two main types of food retailer that are feasible for the target site – both "transient" establishments that could coexist with current use of the site by Grace Chapel Baptist Church. These are a farmers market and a mobile grocery store. In addition, a "healthy corner store" initiative that increases access to fresh produce while supporting small businesses in the area surrounding the target site would also be feasible but is not explored in depth in this study.

Farmers market

The target site is just over one acre in size, which is within the range of the average US farmers market. The average US farmers market has 25 vendors or stalls on a peak market day, with just over half selling products they themselves produced. However, newly established markets may have far fewer vendors or stalls in the initial year or two. At some markets, vendors set up inside a building or under a pavilion, but the majority of markets (64%) have no permanent physical structures. Vendors generally pay a fee to sell at the market – most commonly a flat-rate fee instead of a percentage of sales, but fees based on the size of the vendor stall are also relatively common.[2]

According to a USDA survey of managers at 8,140 farmers markets, the most common months of operation are June through September, with the greatest number of markets operating in July and August. There are some markets that operate year-round – particularly in urban areas – though in the mid-Atlantic region (which includes New Jersey), these are generally not outdoor markets. Saturday is the most common day of operation for all US farmers markets. In urban areas in the mid-Atlantic region, Saturday is the most common day of operation, followed by Tuesdays and Thursdays, and the average market operates 6.8 hours per week – often spread out over two market days.[3] The New Brunswick Community Farmers Market, for example, is open 9am-1pm on Saturdays and Tuesdays beginning in

[2] National Farmers Market Managers 2019 Summary (August 2020). USDA, National Agricultural Statistics Service.

[3] USDA, National Agricultural Statistics Service. 2020 data.

mid-June. The local climate and character of the target site suggests that a market that operates June through October or even November would be feasible, and temporary canopies set up over stalls would improve vendors' ability to sell on more days during those months. The decision on which day (or days) of the week to hold the market would depend on the preferences of Grace Chapel Baptist Church and the surrounding community. Initial operation of a new farmers market could be significantly less than 6.8 hours per week, assuming only one market day per week.

Almost three quarters of US farmers markets surveyed by the USDA are self-governing, with the majority governed by a board (or other group of people) who make decisions collectively. The vast majority of those boards include market vendors, while many also include residents and/or community members. In terms of legal status, two thirds of markets are run as non-profits, and 20% are for-profit entities. Very few are run by a government entity.[4]

Greenwood Avenue Farmers Market, Trenton
Photo: [Capital Area YMCA]

It is not uncommon for the entity that governs or owns a farmers market to be granted use of private land on market days free of charge. But it is about as common for the market to lease land from owners of private property. These leases generally run year-to-year.[5]

84% of farmers markets have written by-laws, and nearly all have some sort of rules, regulations, or operating procedures that vendors must agree and adhere to.[6] Common rules include the following:

Table 1: Common rules and regulations for farmers markets

	% of markets
Signed agreement between vendor & market on by-laws governing the farmers market	84%
Vendors are not allowed to sublet a space or stall	53%
Adherence to market guidelines of safe food handling practices	82%
Pre-application and adherence to the approval process	68%
Requirement of participation in food safety training	33%
Vendors must be a producer of the food and/or fiber they sell	66%
Vendors must be from a defined geographical region	49%
Vendors must participate in market currency/incentive programs	24%

[4] National Farmers Market Managers 2019 Summary (August 2020). USDA, National Agricultural Statistics Service.
[5] National Farmers Market Managers 2019 Summary (August 2020). USDA, National Agricultural Statistics Service.
[6] For more on drafting rules and regulations for a new farmers market, see: Hamilton, N. (2002). Farmers' Markets Rules, Regulations and Opportunities. *The National Agricultural Law Center.*

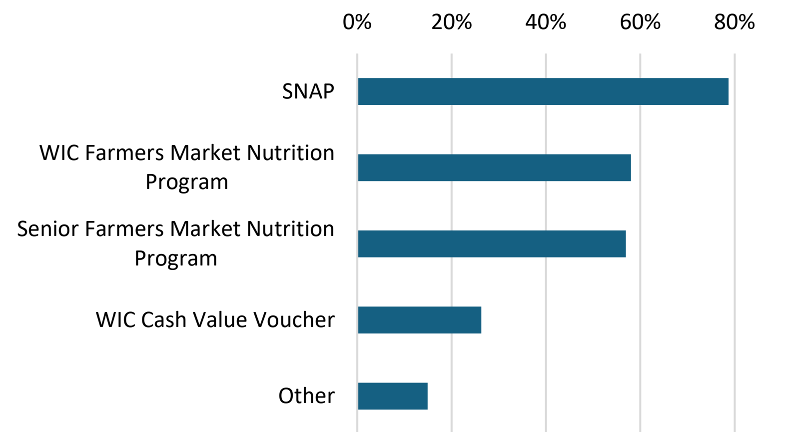
Vendors selling value-added items must use local farms for majority of ingredients	25%
Membership in a market association	24%
Licensing to sell products	40%
Liability insurance	63%
Organic certification to market as organic	29%
Authorized to accept Federal Nutrition Program benefits	33%

Source: National Farmers Market Managers 2019 Summary (August 2020). USDA, National Agricultural Statistics Service.

Two of these common market regulations relate to federal and local food benefits programs. Nationally, about 50% of farmers markets accept federal benefits such as the following:

- Supplemental Nutrition Assistance Program (SNAP),
- WIC[7] Farmers Market Nutrition Program (FMNP),
- WIC Cash Value Vouchers for fruit and vegetable purchases, and
- Seniors Farmers Market Nutrition Program (SFMNP) for people over 65.

Figure 1: Type of Federal Nutrition Program benefits accepted by farmers markets



Source: USDA, National Agricultural Statistics Service

SNAP benefits are the most commonly accepted. In addition, 35% of markets accept state or local match and incentives programs such as Fruit and Vegetable Prescription (RX) and Market Bucks. Others offer matching incentives for SNAP, WIC, FMNP, and SFMNP purchases. Only a third of farmers markets require that vendors be authorized to accept benefits, but 54% of individual vendors at farmers markets surveyed by USDA in 2019 did in fact accept SNAP, WIC, FMNP, and/or SFMNP.[8]

In addition to offering a sales venue, some markets provide other benefits to vendors who are interested in expanding or developing their businesses. Without permanent site improvements such as a building to house the market, some supports (e.g., storage space, shared kitchen space, or packaging services) are not feasible, but some types of training and/or business development support are possible. Some of the most common benefits to vendors – whether or not the farmers market offers formal support – are new employee hiring, an increase in the range of products vendors are able to offer, and an increase in overall production and/or in the value-added component of production. Vendors might see such large increases in their direct-to-customer sales that they expand to other farmers markets or to traditional retail markets and other businesses, such as restaurants.

[7] WIC is the Special Supplemental Nutrition Program for Women, Infants, and Children. Eligible WIC participants are issued FMNP coupons specifically for use at farmers markets in addition to their regular WIC benefits.

[8] National Farmers Market Managers 2019 Summary (August 2020). USDA, National Agricultural Statistics Service.

Farmers markets may offer additional direct benefits to the surrounding community, as well: some common contributions are cooking, composting, and gardening classes or demonstrations, and donations to local food banks and community kitchens. Mobile units are an additional offering of a few farmers markets and tend to benefit senior citizens who might not otherwise have physical access to the market. As an alternative, some access vans that transport senior citizens to supermarkets also offer transportation to farmers markets. In Paterson, the Passaic County Para-Transit Program offers free transportation for seniors and disabled residents to medical treatment, grocery shopping, and nutrition sites (including the Division of Senior Services Senior Nutrition Center). The program does not at this point offer transportation to farmers markets in the county, but the possibility warrants investigation.

Highlight: Greenwood Ave. Farmers Market (Trenton, New Jersey) [9]

The YMCA of Trenton initially put together a partnership and sought funding to found the Greenwood Avenue Farmers Market (GAFM) in a low-income, low-access area of downtown Trenton. In operation since 2015, the market was developed in partnership with – among others from the Trenton Healthy Food Network – the local Rutgers Cooperative Extension, a local medical center, and a local non-profit (Isles). City government support has also been instrumental: the site of the market was a vacant but privately owned lot, and the City helped the YMCA was able to come to an agreement with the property owner to lease the lot free of charge for market days. The City also assisted the founding partners in obtaining the necessary permits and licenses for operation.

Photo: Capital Area YMCA

The next steps were to hire a qualified market manager, recruit volunteers, hire security, and establish relationships with vendors. The GAFM has one cornerstone vendor, a family farm in a nearby county that sells produce, meat, and eggs and accounts for half of all market sales. In response to customer feedback, the vendor widened the products offered to include tropical fruits in order to meet demand from local immigrant communities. Another vendor is Isles, a non-profit that is also a GAFM partner. Isles sells produce, herbs, and flowers grown in their community gardens throughout Trenton, as well as honey from their local hives. Other vendors include local farms and purveyors of fresh and prepared foods. Key to GAFM's success is collaboration among vendors to avoid underselling each other and to provide the greatest variety of products possible.

The market sought and was awarded initial grants from the Robert Wood Johnson Foundation (which already funded a program at the YMCA), United Way, New Jersey Department of Health's ShapingNJ Healthy Community Grants Initiative, and a couple of local corporations. Regardless, the market has had to access YMCA operational funding. Separate funding from the County's Chronic Disease Coalition supported the development of a voucher coupon initiative to help customers stretch their money further at the market.

Benefit enrollment and creation of voucher programs was another crucial part of market setup. The Rutgers Cooperative Extension of Mercer County's Department of Family and Community Health Sciences (FCHS) and its SNAP-Ed team designed programming to help customers stretch SNAP/EBT benefits at the market while supporting local farmers and producers. In addition to accepting SNAP/EBT, WIC, FMNP, and SFMNP, the market offers incentives when customers use vouchers through two programs:

- Good Food Bucks (funded by City Green), which matches SNAP/EBT purchases of fruits and vegetables $1 to $1, and

[9] Information from *The Greenwood Ave. Farmers Market: A 5-Year Reflection and a Glance Ahead*. (2021.) Rutgers Cooperative Extension of Mercer County, Department of Family & Community Health Sciences.

- Greenwood Green program, which matches $2 for every $1 spent on any GAFM purchase made with SNAP/EBT, WIC, FMNP, and SFMNP vouchers.

Photo: Capital Area YMCA

Community engagement was key from day one – in fact, from before the market opened. A door-to-door campaign and focus groups were held to discuss design, and engagement with preschool families and senior housing complex residents (which border the GAFM lot) was particularly important in understanding what the community wanted. From conversations with senior residents, for example, it became clear that they cared less about having a farmers market nearby than they did about having social activities and health services connected to that market. Resident feedback is also the reason GAFM offers personal shopping and delivery services for the homebound and people with accessibility challenges. Ahead of the GAFM's opening day, local artists were hired to paint a mural to anchor the formerly vacant lot to the market's mission and to the host community.


Photo: Capital Area YMCA

The first market day was held in 2015. Since then, there have been an average of 17.2 market days per year, with the exception of 2020, when fewer were held due to Covid concerns. GAFM estimates that it served about 24,000 people between 2015 and 2020 (the most recent data available), though this is probably an underestimate. The market is open on Mondays from late June until late August, and besides food, it also offers healthcare services, cooking demonstrations, nutrition education, family activities, and holiday and other special programming. Health services began as public education offered at one of the market tables, but market attendees can now take advantage of free health screenings and counseling from health vans that pull up to the market. In 2016, GAFM began offering free "grab and go" lunches for children under 18 on market days, funded by USDA's Summer Food Service Program. The Rutgers Cooperative Extension also provides nutrition programing such as "Just Say Yes to Fruits and Vegetables" and offers cooking demonstrations and seasonal recipes for preparing items sold at the market.

One of the main elements of a well-run market that benefits both vendors and the community is strong leadership, and nearly all farmers markets the USDA surveyed had a manager who was regularly present. Of those managers, nearly the same proportion were volunteers as were paid employees. The average manager earned about $18.40 per hour in 2019 and worked an estimated 19.4 hours per week. Only a quarter of farmers markets had more than one paid employee, but a significant number had an average of six full- and part-time workers, most of whom were volunteers. Jobs include site/facilities manager, budget expert/accountant, and program coordinator. Volunteers tend to be an important part of market functioning, and nearly two thirds of markets relied on these unpaid workers.

There is a wide variety of ways markets finance their functioning and any salaries they pay, with vendor fees for stalls making up the largest proportion of income for the majority of markets. Other funding comes from grants, public sponsorship, and fundraisers.

Table 2: Average total income by funding source

	% of markets receiving this funding	Average amount of funding by source
Public sponsorship	9%	$13,378
Private donations	4%	$6,687
Grant award(s)	11%	$15,189
Fundraiser	4%	$9,426
Producer/vendor fees	63%	$31,672
Other	8%	$16,881

Source: USDA National Agricultural Statistics Service, 2020

Total sales and average product markups depend partly on how well established the market structure is and partly on factors such as how well developed the vendors' business models are and the composition of specific products offered. Newly established markets and those in low- to moderate-income areas tend to have lower sales and lower markups.[10]

Two studies by the Project for Public Spaces on developing successful farmers markets in general and in low- to moderate-income communities specifically highlight several characteristics of thriving markets that include not only products sold but also effective "placemaking" strategies.[11] For example, successful markets share many of the following:

- Vendors that sell high-quality, affordable products that appeal to local audiences
- A location where potential customers already tend to pass by or congregate
- Convenient siting with parking available
- Partnerships with local businesses and organizations
- A clear market "mission" in alignment with local values
- Inclusion of public events (music, demonstrations, classes, performances, etc.) that appeal to local audiences
- Transparent management and financial practices
- Openness to innovation and new products
- A comfortable, welcoming atmosphere

Most of these characteristics must be tailored to the specific community where the market is located and will in turn dictate the style of the farmers market. The market's mission, for example, will determine the type of partnerships formed, events held, and vendors invited to establish stalls. A market whose mission is to bring nutritious food to a community is likely to have mostly fresh food stalls and perhaps not permit sale of clothing or crafts, while a market whose mission includes supporting local entrepreneurs may have homemade food and non-food items produced and sold by local vendors.

[10] "Characteristics of Successful Farmers Markets: Portland Farmers Markets/Direct-Market Economic Analysis." And: H. Petersen. 2022. "Farmers Markets of Minneapolis: 2021 Metrics." Dept of Applied Economics, U of M-Twin Cities.

[11] https://cdn.prod.website-files.com/581110f944272e4a11871c01/5f0defe8fca690b57f2c1d62_RWJF-Report.pdf and https://www.pps.org/article/tencharacteristics-2

Product variety depends on many factors, but there are similarities across US farmers markets. The most common products sold are vegetables and fruit: 99% of markets had vendors selling vegetables, and 95% had vendors selling fruit. 94% had vendor stalls for condiments and sauces. Figure 2 shows the average number of vendors broken down by product type, with fruit and vegetable vendors the largest proportion of stalls at the average market. The second-largest category – other food products and miscellaneous – includes prepared foods, meat and dairy substitutes, nuts, soaps and body care, craft products, pet foods, and several others.[12]

Figure 2: Average number of vendors by product type

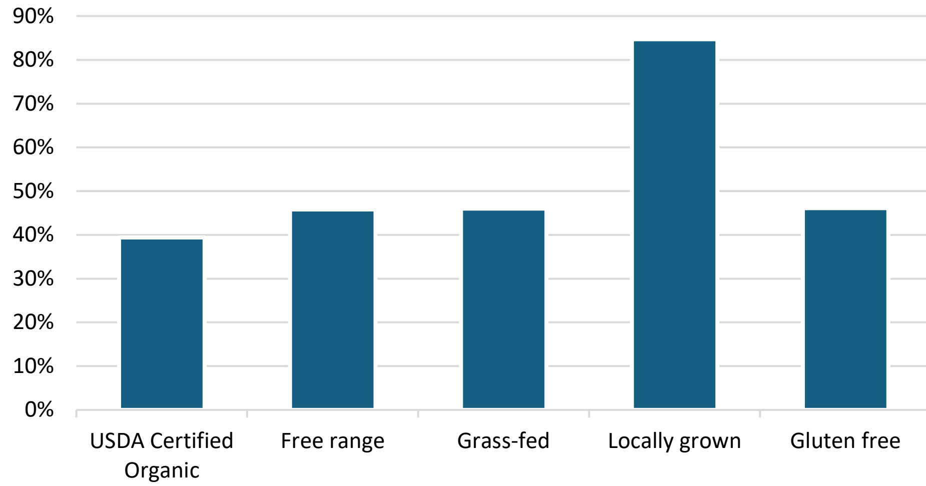
Source: USDA, National Agricultural Statistics Service

In addition to being generally produced by the vendors themselves, products sold at farmers markets also tend to be locally produced by small-scale businesses, and a greater proportion of food items are labeled organic, cruelty-free, and/or specific to particular dietary requirements than the products found in supermarkets. None of these product specifications are necessarily required, and regulations for products sold are generally decided by the governing board or management of each individual farmers market. Some vendors offer produce from community gardens, shared kitchens, or small local start-ups, and introducing products at a local market can be a useful way to present specialty goods and build a new business. This is perhaps particularly true of prepared foods, condiments and sauces, and soaps or other body care produced by urban vendors. Among the many benefits from participation in a farmers market, producers/vendors most commonly increased production and began selling at other locations – whether additional farmers markets, retail stores, or restaurants.[13]

[12] See Appendix 1 for a full list of products commonly sold at US farmers markets.

[13] National Farmers Market Managers 2019 Summary (August 2020). USDA, National Agricultural Statistics Service.

Figure 3: Most common labels for farmers market products



Source: USDA, National Agricultural Statistics Service

Highlight: South Memphis Farmers Market (Tennessee)[14]

In 2010 The Works, Inc., a non-profit community development organization, founded the South Memphis Farmers Market (SMFM) in a low-income, low-access area where residents had few options for food retailers other than convenience stores and gas station mini-marts. SMFM sought to provide one option for families to buy food for nutritious meals, and the market is now in its 14th season. In 2014, The Works expanded the food access provided by the farmers market with a small brick-and-mortar grocery store (The Grocer) open year-round, and the Educational Kitchen, where free nutritional cooking classes are offered throughout the year. These three resources together create a "food oasis" that not only provides access to fresh produce and healthy foods, but also an evidenced-based curriculum to provide resources on improving eating habits.

Photo: The Works, Inc.

SMFM is made up of eight vendor stalls in a lot of about 10,000 square feet. The market is held on Thursdays, with an opening day each year in late June. Compared to some farmers markets – particularly in wealthier areas of Memphis – this is a relatively short season, and the reason is that a high percentage of customers use Community Vouchers from the state health department's program for low-income counties. These vouchers, available only in July and August, can be used to purchase produce at farmers markets. Market management opted not to extend the season past August, as vendors are likely to see their sales drop precipitously without the vouchers.

The Healthy Ways program is an additional customer incentive to help people stretch their food budgets. The program incentivizes customers to buy fruits and vegetables – which can be fresh, canned, frozen, or dried – by offering a $1-per-$1 match up to $10 per day for seniors over 60 and $20 per day for anyone with SNAP/EBT. For example, a customer using her EBT

[14] BRS wishes to thank Karen Bernard (Food Programs Manager, including the SMFM and Educational Kitchen), Devin Marzette (The Grocer Manager), and Eric Story Neimeyer (Senior Grants Coordinator & Project Manager) of The Works, Inc. for giving their time and input on the South Memphis Farmers Market on May 17, 2024.

card to buy $20 in vegetables at the farmers market will receive $20 on a reloadable card to use on a variety of other food products (meat, milk, produce, etc.) at The Grocer or the farmers market. Individuals must sign up for the program to receive benefits. WIC benefits are not yet accepted at the farmers market because of the program's many regulations and the fact that they are so highly specialized. The free nutrition classes are an additional community benefit: the Educational Kitchen offers a six-week "Cooking Matters" curriculum, and The Works, Inc. is considering an expansion of services through extension-based programming with backing and resources from the University of Tennessee and Tennessee State University, which have dieticians on staff that create curricula and offer trainings for educators.

Photo: The Works, Inc.

Of the market's eight stalls, five are set aside for farmers selling produce, but the others can be filled by other vendors. Sale of clothing and crafts is not allowed, but past years have seen vendors selling homemade and prepared foods and body care products such as lotions and soaps. Recently SMFM has begun to receive more applications from vendors than they have spots, and occasionally vendors share a stall. However, farmers have priority, so if eight farmers apply, all of the stalls will be for farm products. Currently there are vendors who farm in the county and two from other counties within a 60-mile radius. There is no rule that says they must farm within the state, but only Tennessee farmers are able to accept Community Vouchers, which is in part a subsidy to Tennessee farmers.

Resources for staffing are limited, and the SMFM has only one official staff person – a farmers market manager who splits her time between the farmers market, the Educational Kitchen, and management of The Works' other food programs. However, staff emphasized that a single manager would not be enough support on market days. Because the market is affiliated with and located next to the brick-and-mortar store, the manager and assistant manager of The Grocer step in to provide assistance on market days, and in 2024 the SMFM brought on an intern to provide additional support. Community volunteers are also welcome. However, vendors are required to set up and break down their own stalls and provide their own tables and tents, and the vendor agreement specifies that at the end of the day, each vendor's area must look at least as clean as it did before they arrived. This system has been successful, as noted by the SMFM manager, who provides assistance to vendors as needed. On all market days, the market manager is present at a table to provide information and enrollment for SNAP/EBT and Healthy Ways.

The church that founded The Works, Inc. many years ago owns the land where the market takes place, and TWI has a long-term lease to control the location and all operations and events that take place there. Because the market takes place in The Grocer's small parking lot, customers must use street parking. In 2023, the farmers market ran for 10 weeks from late June through late August, and total attendance was 4,487. In 2024 the opening market day was held on June 27.

Mobile grocer

A mobile grocer is an innovative solution to food access challenges in densely populated urban areas where siting a store is problematic for a variety of reasons. Sometimes the issue is a lack of available space; in other instances, very large food deserts spanning multiple neighborhoods are best served by a mobile grocer that visits each community once or twice a week. The First Ward fits both categories, and residents' relatively low access to vehicles adds another reason a mobile grocer could be a good fit: a store that visits neighborhoods on a regular schedule nearly eliminates residents' transportation barriers.

Just as there is significant variation among farmers markets in the US, the same is true of mobile grocers. There are even mobile farmers markets such as Clifton City Green's Veggie Mobile. One of the initial questions a mobile grocer must answer is which type of vehicle is best suited to the community. This is a question not only of how best to transport the food but also how community members will shop. For example, some grocers operate in a similar way to food trucks, with customers placing food orders from outside the grocery itself. Others welcome customers inside to browse shelves along a central aisle. No matter the size or layout of the grocer, offerings are by necessity limited on account of the store's relatively small interior dimensions.

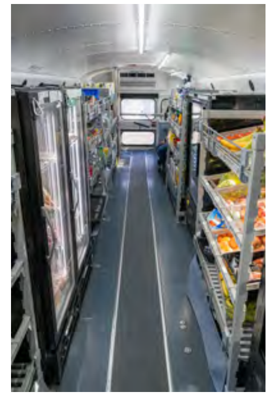

AtlantiCare Community Mobile Market (L); Twin Cities Mobile Market (R)

The Works, Inc. Mobile Grocer

The feasibility of maneuvering a vehicle along narrow city streets – such as those in the First Ward – may in some cases provide a definitive answer to what type of mobile unit fits a community. Trailers have a wide turning radius and may fit communities with broad streets, but they may not be practical in dense urban areas. In other instances, local customer preferences for selecting their own food from shelves suggest that a retrofitted school or city bus with shelves along a center aisle would work better. For mobile grocers that serve communities with senior housing developments or a high percentage of elderly residents, a setup that allows customers to place an order at a window without entering the market (similar to that of a food truck) might work best. If city buses and school buses are able to access a neighborhood's streets, this type of vehicle might be the most reasonable choice. Another popular option that navigates most streets easily is a transport van such as the Ford Transit or Mercedes-Benz Sprinter van, but the volume of food it can carry is quite small. The decision is often one of balancing ease of access with cost, and it should be noted that retrofitting a very old bus or truck can lead to problems of escalating repair costs or, crucially, failing to be a reliable service for the community.

Highlight: Twin Cities Mobile Market (Minnesota) [15]

Founded by The Food Group MN and in operation for over 10 years, the Twin Cities Mobile Market was initially housed in two retired city buses. The city buses had the advantage of being wider and having stairs closer to the ground, but repairs were costly and time-consuming because spare parts were expensive and difficult to procure. More recently, the organization purchased and retrofitted two retired school buses. Repairs are easier and cheaper, but The Food Group MN has had to come up with creative solutions to customer access challenges on account of the high deck height and steep stairs. The market now offers both in-store shopping and "personal shopper" services, with a menu of food items in two languages and in photographs to accommodate customers from diverse backgrounds and with a variety of mobility challenges.



The Mobile Market stocks over 150 unique items from all five food groups and makes a conscious effort to offer fresh, nutritious products. Data collected by the organization confirms that produce is the number-one grocery priority for the communities they visit, followed by meat and dairy, and the most shelf space is dedicated to these top sellers. Products are generally sold at cost (0% margin), but certain in-demand but less nutritious items have a slightly higher margin in order to subsidize healthier options; for example, bacon is priced a little above cost so that milk can be sold below cost.

The Mobile Market is equipped with coolers and freezers (powered by generators so that the bus can be off while parked), shelving, and a check-out area. Cash, credit, SNAP, and Market Bucks are accepted payment methods. The Mobile Market is the only non-farmers market retailer in Minnesota that accepts Market Bucks, and it is currently the highest user of the program in the state. The Market is, however, not able to accept WIC at this time because of how complex the program is for retailers to enable. Local regulations do not require restrooms or handwashing facilities, but the organization has arrangements for staff to use facilities at each stop.

Staff include a paid driver with a special license (who also serves as customer service rep, informal social worker, and community liaison) and a paid program associate – both of whom travel the bus's entire route. The buses each typically make two to four stops per day Monday through Thursday, with one-hour stop times and extended stops as needed. Altogether, the buses serve 25 sites weekly, all year round, serving over 10,000 people. Stops are determined based on community requests; if a property manager or elected official contacts the Mobile Market, the organization establishes contact with community members to assess interest in a mobile market stop. Capacity is limited and demand is great, so stops are chosen carefully.

The Mobile Market primarily serves communities that show up as low income and low access on USDA food desert maps, whether they are urban or just outside the city limits. Given a clientele from a wide variety of ethnic backgrounds and a high percentage of immigrant neighborhoods, the organization attempts to stock culturally specific foods to the extent possible, but because the buses are not able to stop along the route for restocking, it is a delicate balance: any products set aside for a particular stop that are not sold must be off-loaded at the organization's warehouse at the end of the day, and perishables often must be discarded. The organization has a 50,000+ SF warehouse outside the city, which it uses not only for the Mobile Market buses but also for its monthly mobile pop-up market, Fare for All, which provides fresh produce and frozen meat in bulk in staff-selected boxes for customers.

While the number of products in a mobile grocery is generally determined by the mobile unit's size, the product mix depends largely on community needs and preferences. Given that many urban low-income, low-access neighborhoods are similar to the First Ward in that residents' primary food shopping options are neighborhood corner stores and bodegas, the gap mobile retailers fill is for fresh produce, meat, poultry, eggs, and whole grain foods. Pricing varies by organization; some (such as Twin Cities Mobile

[15] BRS wishes to thank Steph Wagner (Program Manager) for giving her time and input on the Twin Cities Mobile Market and other food programming of The Food Group MN on May 15, 2024. Photos courtesy of The Food Group, MN.

Market) sell goods at cost, while others (such as The Works Mobile Grocer) sell at roughly the same price point as a large supermarket or supercenter. The decision on product margins depends on the funding and on structure of the mobile grocery program – and whether it is an independent non-profit or a program affiliated with a brick-and-mortar grocery store or supermarket chain.

Highlight: The Works Mobile Grocer (Memphis, Tennessee) [16]

The Works, Inc. (TWI) inaugurated its Mobile Grocer in October of 2022 and since then has seen such high demand that it has expanded the number of stops and area of service. Initially, it took over a year to get the 40-foot car hauler (which is towed behind a Ford F-450) fitted as a store and to file permits, pass health inspection, hire staff, and establish a route. Having seen successful mobile grocers in neighboring states that are affiliated with local grocery stores, TWI chose a business partnership with CashSaver, a multi-state chain with three locally owned stores in Memphis. Through this partnership, the Mobile Grocer purchases all its food from the chain at cost, which represents significant savings, since CashSaver purchases food in bulk from a wholesaler. Another benefit is that restocking is possible at one of the retailer's locations between stops. The Mobile Grocer adds a retail margin of about 30% to help offset operational costs, but even with this markup, costs such as fuel, salaries, repairs, and insurance mean that the program is not self-sustaining, and additional funding sources are critical. Grants are certainly an important part of the funding mix (philanthropic organizations such as family foundations are important sources of funding for mission-driven non-profits in Memphis), and TWI's relationships with local banks help with the timing of food purchases to stock the truck.

Photo: Memphis ABC 24 News, 10/12/22

The Mobile Grocer passed its health inspection with flying colors, and in 2022, it began making stops at food access "hot spots" in several Memphis neighborhoods – not only low-income, low-access areas but also retirement communities and neighborhoods with a high proportion of senior citizens. A significant number of stops are at senior living facilities. A mobile unit is a good option for Memphis because of residents' relatively low access to vehicles and limited public transportation over the geographically large city. Besides the unit's ability to serve customers by essentially eliminating transportation challenges, there is also an advantage for the Mobile Grocer: whereas a brick-and-mortar store must attract customers to its location, a mobile store is able to go directly to customers. On the other hand, stops are set for specific times, and no specific time is going to be convenient for all potential customers. TWI staff mentioned that the current schedule (with stops between 11am and 3pm) presents challenges for many working people.

Densely populated areas have the additional advantage of connecting mobile grocers to a large number of potential customers per stop – as long as those stops are chosen wisely. TWI has deep and longstanding ties to individual Memphis neighborhoods, and so it is through these relationships (rather than requests from a government institution or housing development) that new stops are proposed. When the organization weighs the possibility of adding a new stop, its Food Programs Manager is responsible for going to the community and scheduling a public meeting for nearby residents, and at that meeting she presents information about the program's mission, how the Mobile Grocer works, the various shopping options available, the schedule, the benefits accepted, and the incentives offered. These meetings also have a Q&A period. After the Mobile Grocer has been visiting a new stop for a few months, the Food Programs Manager will return for another public meeting to ask community members if the program has met expectations, or if there is anything else they could do to improve. Feedback can be as simple

[16] BRS wishes to thank Karen Bernard (Food Programs Manager, including the SMFM and Educational Kitchen), Devin Marzette (The Grocer Manager), and Eric Story Neimeyer (Senior Grants Coordinator & Project Manager) of The Works, Inc. for giving their time and input on the Mobile Grocer on May 17, 2024.

as a list of products that are often no longer in stock once the unit reaches a particular stop, allowing management to make specific adjustments.

Photo: *Memphis ABC 24 News, 10/12/22*

The Mobile Grocer accepts cash, debit, credit, and SNAP/EBT cards but – like the South Memphis Farmers Market and The Grocer – is not able to take WIC at this time. Customers with SNAP can also take advantage of Healthy Ways incentives (see *Highlight: South Memphis Farmers Market*).

The variety of products the Mobile Grocer carries is essentially the same as what would be found in a regular grocery store, but with only one type or brand of each food item sold. No foods are prepared on the unit, which made the health department permitting process simple. Foods on the shelves are fresh, but selection is based on consumer demand rather than a prescriptive healthy menu. One of the manager's jobs is to know what customers at each stop want to buy, which is important for stocking the unit at the beginning of each day. Currently, the manager is also the driver and has a commercial driver's license and skills such as the ability to connect with a wide variety of customers. The other staff on board is a cashier, who has a solid understanding of the benefit and incentive programs, as well as customer service skills. However, the cashier could just as easily take over management responsibilities. Volunteers help round out services and might do anything from helping customers carry groceries into their homes to assisting with personal shopping services for homebound individuals.

TWI chose a car hauler for several reasons. Initially, these were that they had seen this model work elsewhere and considered it to be a more attractive type of mobile unit than a school bus. Accessibility is also significantly better in a car hauler that sits close to the ground. Additional consideration is cost and reliability: parts and repair services for a Ford pickup are easily accessible and cheaper than those for a truck or bus, and it is always possible to rent another pickup truck to tow the mobile unit, which helps the Mobile Grocer remain a reliable source of groceries for the communities it serves. However, management noted that none of the equipment installed on the mobile unit was ever intended to go on the road, and repairs to items such as coolers and the cash register are extremely frequent. The unit does not have freezers. TWI made the decision in the early stages of retrofitting the trailer to include the simplest versions of necessary equipment and only the plumbing that was strictly necessary in order to keep repair costs and frequency low. Neither restrooms nor handwashing stations were required by the local health department, which allowed TWI to devote more space to groceries. The organization made agreements to give staff access to facilities at the grocer's stops. The unit does have a wheelchair ramp, but a significant number of individuals with mobility challenges instead opt for the "personal shopper" option.

Photo: *Higher Ground News, 10/13/2022*

This relatively new Mobile Grocer currently makes six stops per week, with one each on Monday, Tuesday, Wednesday, and Friday, and two on Thursdays. Most stops are about four hours long (11am to 3pm), and Thursday's stops at two senior living communities are each two hours long. In the coming year, TWI plans to build up two stops each day of the workweek for a total of 10.

Of the mobile grocers researched, none is truly self-sustaining, because making money on grocery sales is about square footage and volume, and mobile programs have neither. Grocery store companies are often more than happy to have the good publicity that goes along with having their company name on a mobile unit bringing groceries to food deserts, and one structural option that can get closer to breaking even is a mobile store that is either affiliated or partnered with a supermarket or grocery store chain that utilizes a wholesale supplier. Access to food at wholesale prices is essential to keeping prices down, and mobile retailers are able to pass these savings on to customers – either in full or in part (although some might still apply a markup to recover more of the food costs). A more complicated structure involving a retail cooperative of independent stores could have a similar effect on food purchasing prices but involves more coordination and internal management than partnership with a store. However, either type of indirect access to wholesalers can result in somewhat limited choice in the types of products a mobile grocer carries.

One other cost-saving structure for a mobile retailer is a warehouse that provides enough storage space to allow for wholesale purchasing while maintaining freedom to choose products. This structure generally means significantly more staff to manage storage and to on- and offload food each day, which adds to personnel costs. Depending on warehouse size, it may be a solution that best fits an organization running multiple mobile units, or that shares warehouse space with other organizations (such as a food pantry). The significant initial capital expenditure on warehouse space and ongoing staffing costs must be balanced against cost savings from wholesale pricing in the longer term.

The key takeaway is that a mobile food retailer will never be able to sell enough volume on its own to meet operational costs – unless the margins it charges are extremely high, which is generally contrary to the mission in a low-income, low-access area. For this reason, grants and fundraising are essential to survival and will be discussed in more detail in a later section.

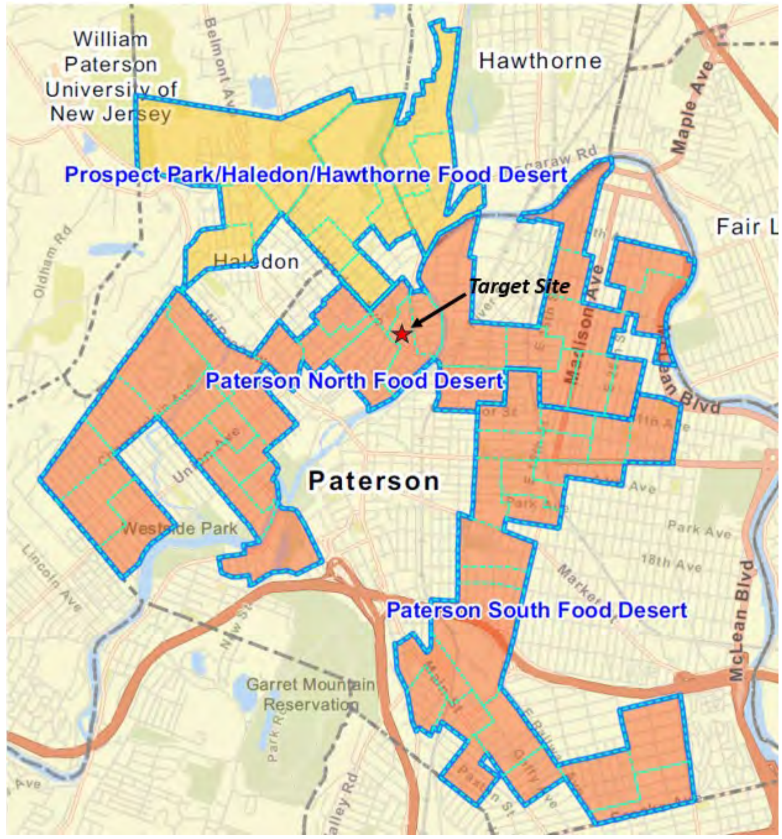
A mobile grocer's schedule and number of stops depends on funding and community needs. Those needs are best understood by direct engagement with community members. The schedule and number of stops is also determined by the size of the mobile unit and volume of food to sell: smaller units such as transit vans might only be able to make one stop before needing to be restocked, while a bus or trailer might need to make more stops in order to avoid the necessity of offloading much of the food at the end of the day and reloading the next. This is particularly true of produce and groceries that require a temperature-controlled environment. Regardless of the size of the unit, collaboration with the community at each potential stop will help the grocer to determine the number of customers, product mix, frequency of visits, and length of stop. Ideally, this communication will continue periodically for as long as the mobile unit serves the area; it is important to ensure that needs are being met over time.

One difficulty many mobile grocers face in scheduling stops is balancing staff needs with customer preferences. This might be most easily done when serving senior communities where relatively few people are at work during business hours. In areas where residents tend to be at work between the hours of 8:00am and 5:00pm, offering evening shopping hours could be ideal. However, some mobile grocers have difficulty finding staff for this schedule or might have security concerns after dark, and late opening hours generally mean very late offloading of the mobile unit.

Another common challenge for mobile grocery programs is finding the right staff for a job that requires a wide variety of skills – one mobile grocery manager described the job of manager as a driver, cashier, social worker, therapist, security guard, and community liaison. Other staff might be hired to stock and unload the unit. Frequently, volunteers provide important support, particularly at stops that serve senior citizens.

The service area of a mobile grocer is determined by a combination of factors that includes program funding and low-income, low-access areas located in proximity to one another. The NJEDA's [mapping tool showing designated food desert communities] shows a ring of neighborhoods around downtown Paterson that are in need of food retailers (see Figure 4), and although a mobile retailer might not be a good fit for all of them, these food desert designations provide potential service areas.

Figure 4: NJEDA-designated food deserts in Paterson

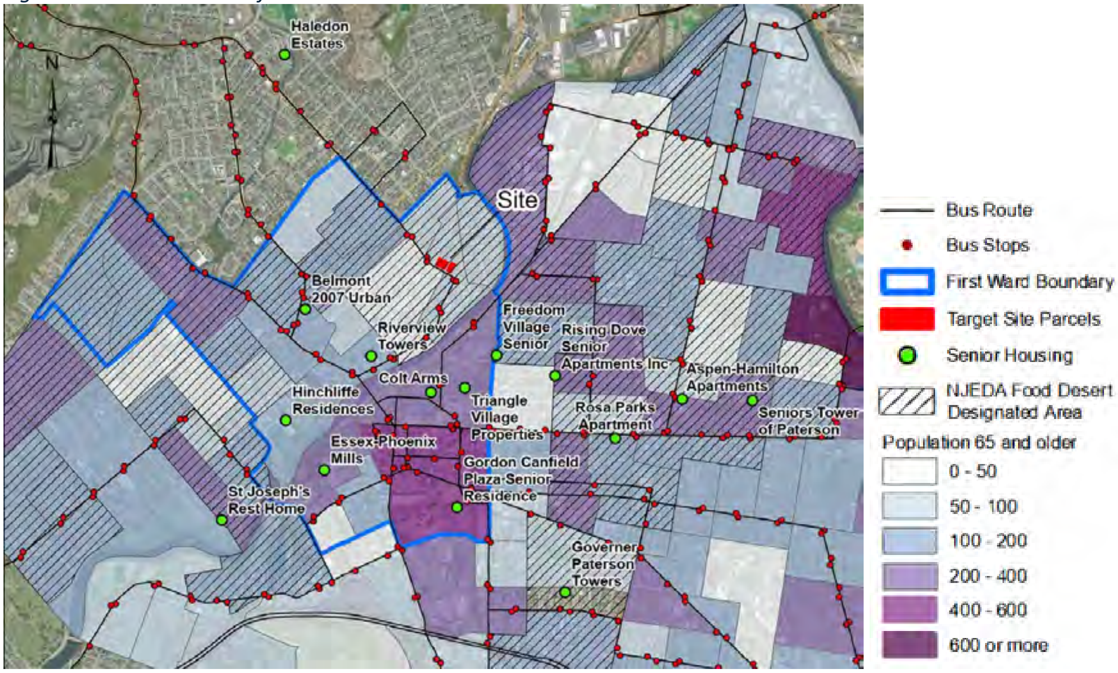


ArcGIS map layer for NJEDA-designated food deserts
Note: Orange-shaded areas are within the top 20 in NJEDA scoring. Gold-

Another approach to creating a service area might involve pinpointing high concentrations of other potential customers in Paterson. US Census data makes it possible to identify areas with a high proportion of residents over 65 – a demographic group that has been an important customer base for mobile grocers in other urban areas. This is shown in Figure 5, which also identifies senior living communities.[17] Superimposing the NJEDA-designated food desert block groups on this map, areas near Riverview Towers, Belmont 2007 Urban, and St. Joseph's Rest Home stand out as potential mobile grocer stops in the First Ward. There are several other senior residences and areas with a large senior citizen population in other areas of the Paterson North and Paterson South Food Deserts.

[17] See Appendix 2 for full-size maps.

Figure 5: Concentrations of senior residents in and near the Paterson North Food Desert



Data sources: NJEDA, US Census ACS 2017-2021, ArcGIS

Community engagement and the establishment of close relationships with neighborhood residents and organizations are key to identifying potential stops for a mobile grocer within the service area. Because a mobile grocer's service area generally involves multiple stops, there is the potential for a program designed to benefit the target site and the First Ward to benefit the Fourth Ward, as well, or other areas within Paterson.

Highlight: Clifton City Green Veggie Mobile (New Jersey) [18]

City Green runs a wide variety of programs to support its mission to *foster equitable access to local food and green spaces, in support of sustainable, healthy communities*. With its farming, farmers market, and mobile market programs, the organization works to supply top-quality produce to communities that might not otherwise have access. Carrying out this mission in low-income, low-access food deserts – amid a constant need to explore funding options and seek grant money – has required creativity and strong local and statewide relationships. Yet City Green has expanded its reach in the area, adding a Veggie Van to the existing Veggie Mobile program to bring fresh produce to more neighborhoods in order to meet increasing demand from the community for fresh, healthy food.

Photo: City Green 2022 Impact Report

The Veggie Mobile's service area includes several cities and towns, including Paterson. Identification of suitable stops in Paterson has involved some trial and error. City Green generally looks for locations where people are already congregating or passing through – such as a bus station or public space – as most promising for customer turnout. But Paterson stops at City Hall, on Main Street, in a plaza near the post office and train station, and another near the target site were ultimately unsuccessful for a variety of reasons. At City Hall, there

[18] BRS wishes to thank Jennifer Papa (Founder and Executive Director of Clifton City Green) for sharing her time and knowledge on the organization's food access programs on June 27, 2024. Other sources of information include the *City Green 2022 Impact Report* and https://www.citygreenonline.org/veggie-mobile.

were plenty of customers, but City Green was unable to secure a regular place to park the Veggie Mobile, despite municipal support for the program. At the other locations, customer counts were too low to justify the stop. At stops at senior centers and senior living buildings, on the other hand, the organization has had a much easier time negotiating parking arrangements and has also had a reliable flow of customers.

Photo: Passaic City Hall stop, City Green

City Green selects stops carefully and engages in significant marketing in communities, going door to door, handing out flyers, working with local organizations, and posting information. But community need and desire for access to City Green's produce has not always translated to a customer base for the Veggie Mobile. And while the mission-driven program does not – and does not expect to – break even, low sales and the potential for produce to spoil when repeatedly unloaded and reloaded has forced City Green to rethink its schedule of stops. Currently, the Veggie Mobile stops in the First Ward at Lou Costello Park, a pedestrian-friendly area near a school and a senior center. Engagement around this stop has included "Senior Day" events to draw SFNMP customers and promote the market. Sales at this stop (which is about a mile from the target site) have been strong, but it is by no means the Veggie Mobile's busiest market. Despite difficulties with parking regulations in some locations, the permitting process was straightforward for City Green in Paterson. City Green obtained a food vendor permit and completed paperwork with the City of Paterson Division of Health.

In addition to a reliable customer base, the Veggie Mobile needs to have a designated place to park, where staff can set up a tent and table and unload food. All vegetables sold are grown organically on one of the two farms City Green works on land in and near Clifton. Some other products sold by the Veggie Mobile (and now, the Veggie Van) – fruit, eggs, and honey – are sourced from other organic farms. Generally, there are two staff members manning the truck and market: one driver/manager and one assistant who splits his or her time between the farms and City Green's farmers market programs.

According to City Green, the main consideration in selecting a vehicle (in addition to customer convenience) is refrigeration. In its earliest days, the organization used a pickup truck to transport produce, and they found that too much produce spoiled if they visited more than one stop on a hot summer day. City Green then purchased a refrigerated box truck for the Veggie Mobile, initially intending for customers to board the truck through the front side door, browse produce in the interior, and exit through the back door. However, the reality of customer mobility issues led to the current setup: produce is unloaded onto a market table at each stop. The smaller Veggie Van is a Mercedes Sprinter Van. Both the truck and the van are small enough that the driver does not need a commercial driver's license (which means savings on staff costs), and both are able to navigate city traffic and streets that are sometimes not in the best state of repair.

As at all of City Green's farmers markets, the Veggie Mobile and Veggie Van accept SNAP/EBT, FMNP, and SFMNP. City Green also has a USDA Gus Schumacher Nutrition Incentive Program grant for their Double Bucks program, which enables them to double federal food benefits through Good Food Buck fruit and vegetable coupons, or a 50% Good Food Bucks discount every time customers use their EBP card to buy fresh produce at either mobile unit.[19] City Green also has a Farmers Market Promotion Program grant from USDA that not only funds some of their own marketing but also enables them to provide marketing stipends for other New Jersey farmers markets.

City Green finds mixed audiences at their mobile farmers markets. At stops where a large proportion of customers are recent immigrants who are accustomed to shopping in open-air markets and eager to buy fresh produce, offerings sell out very

[19] Note that City Green's Good Food Bucks program – funded by a USDA GusNIP (Gus Schumacher Nutrition Incentive Program) grant – is New Jersey's only statewide SNAP Nutrition Incentive Program. City Green implements the Good Food Bucks program at over 40 different locations (both supermarkets and farmers markets – which make up the vast majority), training and funding food retailers in 13 counties.

quickly. At others, where local residents have been living in food desert or food swamp areas for generations, with extremely limited access to fresh produce, many products have to be reintroduced. City Green does not provide formal nutrition education, but they do give customers information on the benefits of vegetables and how to prepare them.[20]

City Green's other funding sources vary, and because this non-profit food access program is intended as a community service instead of a profit-making venture, City Green staff is perpetually fundraising and writing grant applications. The biggest program costs are staffing, the mobile units (and repairs of the refrigeration systems in particular), fuel, and food – although food production expenses are calculated within a separate food production program budget. Staffing presents other challenges, as well – partly because the job description (part farmers market manager, part driver) requires an unusual set of skills, and partly because the work is seasonal.

Source: PASSAICResourceNet.org

In Paterson, there is a longstanding and successful farmers market (the Paterson Farmers Market on Railroad Ave.), but City Green sees its mission as distinctly different: the goal is not profit for the organization or for food producers but increasing access to fresh produce in low-income communities. And City Green's commitment to Paterson is not only through the mobile farmers market. The organization sells its organic produce wholesale and donates vegetables to the Center of United Methodist Aid to the Community Ecumenically Concerned Helping Others (CUMAC/ECHO) and makes additional produce donations to the Father English Consumer Choice Food Pantry – among other Paterson organizations it supports.

Other types of food retailers for the First Ward

Although they are not the primary recommendations of this study, there are two other types of non-traditional food retailers that have the potential to fit the First Ward for a variety of reasons:

- **Healthy bodega/corner store initiative**: The First Ward – and the immediate surroundings of the target site – has a significant number of small corner stores and bodegas that offer some food products, although these tend to be snacks and beverages instead of fresh, nutritious produce and other foods. This type of initiative offers monetary and often technical support to store owners so that they can expand their offerings of fresh fruit and vegetables (and sometimes nutritious prepared foods) at affordable prices. Some of these programs also include a public education component that provides information to customers about nutrition and food choices. The benefits of this program are not only for residents living near these stores; the program can also support increased sales for these small local business owners. The New Jersey Healthy Corner Store Initiative, which is operated by The Food Trust and has sponsorship and funding from the Department of Health, provides a good local example.[21]
- **Food co-op**: Modern food co-ops are generally community centered, and unlike corporate grocery chains, they are independent and owned by the customers who shop there.

[20] Other City Green programs focus on food system education and outreach for a variety of audiences, exploring why some foods are so difficult to find in some neighborhoods and how to incorporate fresh vegetables into meals.

[21] The Healthy Corner Store Initiative works to "ensure that residents have access to delicious, nutritious food and information to choose healthier options in their local corner store," with the main objective of improving health outcomes. For more information on this program, see https://thefoodtrust.org/what-we-do/corner-stores/. Although this is not the targeted strategy at this site, the community/local organizations can encourage the owners of existing bodegas and corner stores in the neighborhood to participate.

Membership is open to all, and profits are usually reinvested into the store. Members choose which products the store stocks and which suppliers to use, and often this means stronger relationships to local farms and producers, which helps to concentrate economic benefits in the local area. One of the main hurdles in the establishment and maintenance of a successful food co-op, however, is that significant time and effort on the part of local community members is required. This is not a model that is feasible in all communities. Another challenge is accessing food at wholesale prices, which would likely mean establishing a relationship with a supermarket or consortium of other independent stores.

Further research and specific community outreach to gather information on the fit and viability of each of these options for the First Ward would be required.[22] In the case of a food co-op (or any other brick-and-mortar retailer), it would also be necessary to identify an appropriate piece of land for development. Outreach and research on the viability of a healthy bodega or corner store initiative would require extensive engagement with local owners and managers to determine the level of interest as well as the resources that would be needed to support such a program.

Development and recommendations: Farmers market

This study initially set out to assess the possible development of a grocery store, supermarket, or farmers market on the target site in the First Ward. However, it became clear through a comprehensive physical site evaluation and local market analysis that neither a traditional grocery store nor a supermarket would be viable on the site. However, a farmers market is a transient retailer that would be both viable and practical while bringing fresh produce to local residents. This section explores the development of this type of retailer.

Cathedral Square, Milwaukee
Photo: Project for Public Spaces

Farmers markets provide shopping experiences that differ from a traditional grocery store, and this type of retailer therefore has different requirements. At its most basic, a farmers market provides an opportunity for vendors/producers and customers to interact and allows customers the ability to purchase fresh produce and other foods, often locally grown or produced, without a retail "middleman." Farmers markets can benefit the local economy, helping to improve and revitalize depressed urban centers by attracting visitors, improving access to fresh food, serving as small business incubators, and providing a safe and enjoyable space for the community to gather.[23]

[22] For more detail, see the "Studies on means of mitigating food deserts" section starting on page 31 of the *Market Analysis* component of this study.
[23] In the wider, ex-urban area, farmers markets also support the preservation of farmland.

Extensive planning, community outreach, and organization are essential to the success of a new farmers market. Once it is clear that the community supports the creation of a market, a full feasibility study and business planning process must be undertaken. In addition, determining the mission of the new market is one of the most crucial tasks and will guide how it is structured. For example, is the market's main objective to improve access to fresh produce? Or is it to support farmers or local entrepreneurs? Defining the mission will help identify target customers and types of products, which vendors will participate, where the market will be located, when it will operate, what staff will be needed, and which community partners will be key to successful operation.

Site requirements

According to the Farmers Market Coalition, there are three key factors that make for a successful market:

- The market provides farmers or vendors an opportunity to sell directly to customers at fair prices;
- Fresh, local produce is available for purchase at the market; and
- The site provides opportunities for community connections and pedestrian activity.[24]

Grace Chapel Baptist Church parking lot viewed from the corner of Haledon Ave. and North Main St.

The site for a new market should be centrally located and easily accessible for the intended customer base, preferably near public transportation but also accessible to both pedestrians and cars. The site must be large enough to accommodate the anticipated number of vendors, including any vehicles used by the vendors to transport their produce. It should also provide space between the stalls to allow shoppers to socialize and incorporate corridors for customers to walk freely around the market. Designing market layout is an important part of the planning process: generally, market management will seek to maximize the number of vendors without overburdening the site. The size of the site will determine the number of vendors feasible. Research from the University of Missouri Extension suggests having firm commitments from six farmers/vendors and an expectation of at least 100 customers per market day as the starting point for development of a new farmers market.[25]

It is essential to review local ordinances to determine whether the proposed location conforms to zoning requirements. In Paterson, a farmers market at the target site will likely require a zoning permit from the Paterson Division of Planning and Zoning. In addition, while the off-street location of the site means that there is no need for street closures on market days, it is important to consider parking for

[24] About FMC - Farmers Market Coalition

[25] *Starting and Operating a Farmers Market: Frequently Asked Questions.* University of Missouri Extension publication.

customers and vendors. Vendors at some markets that have enough space park within the boundaries of the market itself, while others transport their products from nearby street parking. The target site is situated on a main arterial roadway (Haledon Avenue, CR 504) in an urban, densely built-out community, and providing reserved parking for vendors will likely be necessary. Community engagement must also include planning for customer parking on market days.

Some of the qualities that make a selected location viable include the visibility and accessibility of the space, as well as how physically welcoming it is for people.[26] The target site does provide visibility since it is on a main street; however, while the location is easily accessed by car, it is not easily accessible to people using public transportation. There is a bus route that runs along Haledon Avenue near the target site, but this route is not easily accessible to potential customers coming from the east or west by public transport. Some sites – such as those in parks or within built structures – may provide a more physically welcoming atmosphere, but for markets in parking lots that do not offer shade, it is important to provide some type of canopy or tent over tables to improve the comfort of both customers and vendors. Some markets (such as the Greenwood Avenue Farmers Market) commission art onsite to further improve the market's sense of place and identity. Others rely on signage and individual vendors' stall decoration.

Other considerations that should inform site selection include whether there are utilities onsite such as running water, restrooms that can be available for use by vendors or customers, electricity, and Wi-Fi – especially if the market will accept SNAP/EBT and credit or debit cards. It is also important to ensure that the site is accessible for those with mobility challenges and to wheelchairs, strollers, and emergency response vehicles. Nearby amenities such as restaurants, retail, parks, historic sites, schools, community centers, and housing developments (including senior housing) help create a natural gathering place and will help attract people to the area on market days.

It is also important to communicate with other local farmers markets – not only to avoid competing for the same customers but also to understand where else farmers/vendors sell their products. While market missions might be quite different, this type of collaboration will benefit a new market and help inform the decision on which days to hold a market. In some cases, a successful existing market may be interested in partnership or expansion into a new neighborhood.

Costs

The farmers market model places the responsibility for certain costs – stalls (or market tables), canopies, staff for the vendor stalls, storage and transportation, and sometimes transaction costs – on the vendors themselves, but there are other expenses to consider. Chief among these are site leasing, market staff salaries, security, marketing, insurance, and site maintenance.

[26] Ten Qualities of Successful Public Markets (pps.org)

Sound financial analysis is a crucial part of the planning process. Before a market can open, it will need a business plan, which in turn requires a decision on the market's structure: whether it will be run as a for-profit, non-profit, or public-private (or other type of) partnership. The mission of the market generally informs the business model and structure. Most farmers markets in low-income, low-access communities are run as non-profits, and recruiting key partners to support the market's mission is vital. If the mission aligns with that of other local organizations – such as supporting health outcomes or providing community services, or supporting the objectives of community groups or philanthropic institutions – there are opportunities for collaboration. There may also be an opportunity for public-sector investment if the mission includes providing healthy food options to the community. Collaborating from the outset could help offset some of the annual costs, and partnership with trusted local organizations will also increase the market's chance of success. If the market provides mentorship or opportunities to youth or other groups, collaboration with other organizations supporting workforce development may also be possible.[27]

Farmers markets should generate enough revenue to operate profitably, even if not in the initial few years. They cannot be supported indefinitely by grants alone, and vendors will not return if they are unable to recoup their expenses.[28] Realistic cost estimates begin with the use of land on market days. Grace Chapel Baptist Church has expressed interest in supporting access to healthy food in the neighborhood by allowing a farmers market to use the parking lot free of charge, but this issue must be revisited and finalized. Market management would need to agree with the Church on a long-term lease – for example, for a certain number of hours one day a week between June and October. A generous no-cost lease would allow market management to divert more funds into the market itself. Most markets also charge a stall fee to vendors. Amounts vary widely, as do lengths of agreements, but fees for stalls make up the largest proportion of income for a majority of markets.[29]

Photo: [Washington State Farmers Market Manual]

Costs for marketing and advertisement depend on the way a farmers market is structured. A non-profit (or coalition of non-profit organizations) or public sector entity may be able to limit costs by using their existing social media, website, community network, or other means of communication. Decisions on where and how to advertise depend on a good understanding of potential customers and where they get their information. Frequently, marketing costs are highest for a very new farmers market, while an established market relies on word of mouth and existing community trust. City Green assists New Jersey farmers markets by providing marketing stipends through a USDA grant.

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[27] How to Run a Farmers Market | Mass.gov

[28] Starting and Operating a Farmers Market: Frequently Asked Questions | MU Extension (missouri.edu)

[29] USDA National Agricultural Statistics Service, 2020.

Strong leadership is essential for success, but staffing costs for farmers markets are often kept relatively low by enlisting the help of volunteers and of partner organizations' staff. About half of markets have a paid manager dedicated to day-to-day operations, and the average salary is about $18 per hour for approximately 20 hours of work each week during the market season. A smaller number of markets have more than one paid employee, and nearly two-thirds have several volunteer staff.[30] Jobs held by paid or unpaid staff include site/facilities manager, budget expert/accountant, and program coordinator.

While some markets write site maintenance provisions into vendor agreements and thus save on costs – for example, the South Memphis Farmers Market requires vendors to leave their area of the site in the same or a better condition than it was before the market – insurance and security costs must be considered in a market's operating budget.

Benefit and incentive program compatibility

SNAP is managed by the USDA and the Food and Nutrition Service. SNAP provides nutritional benefits to those meeting certain eligibility criteria. Funding for the SNAP program is provided by the United States Congress in the Farm Bill, and the funds are managed at the state level.[31] SNAP is the largest program in the US dedicated to fighting domestic hunger and often serves as a safety net for its recipients. In general, the SNAP program provides a monthly stipend to beneficiaries for the purchase of healthy foods, enabling recipients to stretch their food budgets. Often the program provides nutrition counseling as well as funds to purchase groceries. Many states provide a variety of other services to recipients and may add additional rules or requirements.

According to the *Market Analysis*, 41% of the target area of this study receives SNAP benefits, and therefore, in order to help ensure the success of a farmers market at the target site, SNAP benefits must be accepted. The Farmers Market Coalition (FMC) and the USDA have partnered to enable eligible farmers and farmers markets to accept SNAP. The FMC notes that in the past five years, the amount of SNAP dollars spent at farmers markets has tripled.[32] Additionally, implementing a market program like HealthBucks (New York), Freshbucks (Rhode Island), and Good Food Bucks (operated by City Green in New Jersey) allows the market to increase customers' purchasing power without affecting farmers' earnings.[33] Accepting multiple payment methods opens the market to a diverse customer base, benefitting the market, the vendors, and the community.

Image: City Green 2022 Impact Report

[30] These numbers do not include vendors managing their own stalls or any employees they hire.
[31] In New Jersey, the program is officially known as NJ SNAP.
[32] About Farmers Markets - Farmers Market Coalition
[33] Case Study of Crescent City Farmers Market | Farmers Market Legal Toolkit

It is essential that a new famers market in the First Ward accept SNAP benefits, but market management must decide whether it will require vendors to be licensed to accept SNAP benefits *or* whether it will instead accept benefits on behalf of all vendors. Just like any government benefit program, SNAP can be onerous for small businesses because of the application, accounting, and bureaucratic requirements. While accepting SNAP on behalf of vendors means an additional time-consuming process for market management, this is likely the most efficient and inclusive approach. To begin accepting SNAP, the farmer's market will need to apply for an official SNAP license, which will create a unique identifier for the market and will be used by the technology employed by the market for point-of-sale purchases.[34]

Accepting benefits such as SNAP on behalf of all vendors can lower the threshold for vendor participation in the market but requires that market management develop a payment system. A market token system is one way this can be done efficiently: customers buy tokens from market management with a credit, debit, or SNAP/EBT[35] card, and those tokens can be used to purchase goods from vendor stalls. Tokens purchased with SNAP/EBT can only be used to purchase SNAP-approved foods, and markets that participate in other local or state (or market-funded) incentive programs might, for example, be able to give $20 in tokens to a customer who purchases $10 in tokens with SNAP. This type of system requires that market management develop a method and schedule to pay vendors for the sales they made in tokens and report SNAP purchases to USDA.[36] There are many ways that markets design their own "currency" – tokens, paper coupons, or vouchers being some of the most common – and management will need to weigh the demands of the market with preferences of customers to select the best fit.

Crescent City Farmers Market has a Welcome Tent where customers can purchase their desired amount of market currency with a credit, debt, or SNAP/EBT card, which they can then use at market stalls just as they would cash. The market currency is made up of different colors of tokens that can be used to purchase different foods – some only SNAP-eligible items, and others only produce through a market-funded incentive program. Still others – tokens purchased with a credit or debit card – can be used for anything in the market. Tokens, which do not expire, can be cashed back in at the Welcome Tent or saved for another market day. At the end of a market day, vendors receive an invoice for

Crescent City Farmers Market tokens
Photo: Erin Buckwalter, NOFA-VT, from the [Center for Agricultural Food Systems]

[34] How Do I Apply to Accept Benefits? | Food and Nutrition Service (usda.gov)

[35] EBT, or Electronic Benefits Transfer, is an electronic system that allows a SNAP participants to pay for food using SNAP benefits and is used in a similar way to a credit card – only for specific types of purchases. For more, see https://www.fns.usda.gov/snap/ebt

[36] SNAP Guide for Farmers Markets - Farmers Market Coalition

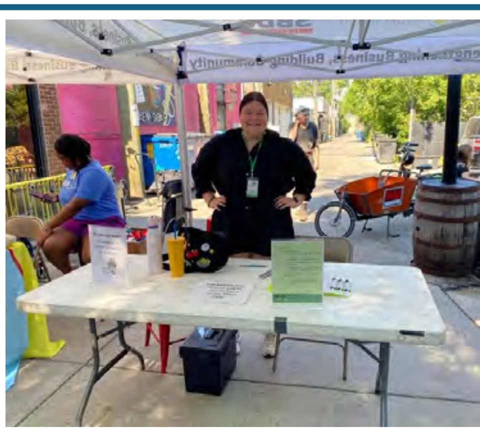
the tokens they have accepted, and the amount is used by the market as stall rental payment and/or returned to the vendors by check. Careful bookkeeping is essential to the success of this system.[37]

Markets that accept SNAP often have additional incentive programs that allow SNAP beneficiaries to increase their spending power. Incentive programs may be run by an outside organization (such as City Green), or they may be run by the market itself and funded by a grant or other fundraising. Collaboration with City Green on their Good Food Bucks program would further support a First Ward farmers market and access to fresh food in the First Ward.

One other incentive program requires a different type of market partnership: a partnership with a local hospital, medical system, or health insurance company might allow the market to accept "healthy food prescriptions" in the form of vouchers. Customers that receive these vouchers from their medical provider or insurance company can use them for specified products at the market.

Highlight: Glenwood Sunday Market (Chicago)[38]

The Glenwood Sunday Market was founded in 2010 as an affordable market with a mission centered on access to nutritious food. The intention from the beginning was that the market would be able to accept SNAP on behalf of all of its vendors, but very few farmers markets had gone through the USDA process as SNAP outlets at that point. Because the application required a "store owner," the market founder applied as the "owner", certifying that the market would not sell anything that was not approved by SNAP to be sold to people who have these benefits. The market was and is required to report to the USDA annually on what products are being sold that are SNAP-approved. The market founder also set out from the beginning to create an incentive program to be supported through market fundraising.



Market table selling tokens
Photo: Glenwood Sunday Market [Facebook page]

Management created its own market currency system that customers can buy with a debit, credit, or SNAP card. The system involves color-coded wooden tokens: red are for the dollars that are deducted from the customer's SNAP account, and purple are for the matching incentive program through the market (spend $10, receive $10). Both may be used on any SNAP-approved food. Additionally, there is a statewide SNAP Farmers Market Nutrition Program (FMNP) available to customers as paper vouchers, but this program only allows for purchase of produce. The market-sponsored program ($10 match for SNAP customers) aims to supplement through its own fundraising to enable customers to purchase any food they want at the market. Tokens do not expire (although FMNP vouchers do at the end of the season), and management noted that sometimes people who receive market incentive tokens might save up for a couple of weeks to purchase more expensive, non-FMNP-approved products such as meat or baked goods. At the end of each market day, vendors turn tokens in to market management along with a form reporting on the day's sales, and then management compiles what vendors are owed and cuts monthly checks. During the current 2024 season, management estimates about $3,000 per week in SNAP spending.

[37] How a Market Currency System Enabled One Market to Accept SNAP Benefits and Credit Card Payments. Retrieved from https://farmersmarketlegaltoolkit.org/case-studies/crescentcity/

[38] BRS wishes to thank Sheree Moratto (market founder and Sustainability Director for the Rogers Park Business Alliance) for giving her time and input on the Glenwood Sunday Market on July 12, 2024.

The market-funded incentive program has been an important draw for both farmers and "food artisans" (who sell value-added products), because it means higher revenues. Initially consisting of seven vendors in 2010, the market now has 23 – and although it has applications for far more stalls, management made the conscious decision to keep the market small and focused only on food products. This food-only focus was important in attracting farmers and food producers at the beginning, as was the decision not to charge vendors fee stalls in the first year. Vendors do pay for stalls today, and fees are in fact the highest of any farmers market in Chicago because it is such a busy, high-sales market. In 2017, the market began implementing a sliding-scale fee system based on whether a vendor has a brick-and-mortar location (and its location), how many employees it has, and whether it is selling produce or value-added products. The top tier is $75 per week and the bottom tier is $15. The market also runs a program to help entrepreneurs (including but not limited to vendors) with business development to grow and improve their operations. The market invites a "featured vendor" each week to help small businesses grow.

The market is not permitted by its parent organization (Rogers Park Business Alliance) to operate in the red, but its objective is not to build up any reserves, either, since this would indicate that more funding could have been used to help customers purchase more food. That said, fundraising and grant-writing efforts must be constant to support the market's operation. Hosting events and other placemaking efforts is expensive, but management feels that they help make the market successful and contribute to vendors' strong sales. The market is also located in a Business Improvement District and receives BID sponsorship dollars.

"Featured Vendor" table
Photo: Glenwood Sunday Market Facebook

The market has chosen partnerships carefully. Two of the more successful ones have been with local schools and food pantries. The market partners with schools that have kindergarten through 4th grade specifically, because city data has shown this age group to have the highest levels of food insecurity. Partnership with local food banks is also mutually beneficial: market customers can buy food to donate to the food bank's "special guest" stall, and the food bank advertises to their clients that they will be at the market, introducing new customers to the market and informing them about the SNAP and incentive programs available there. Because it is situated in a neighborhood with a high proportion of immigrant households, market management is always looking for new ways to create relationships with community members and groups.

Schedule/frequency

Initially, most farmers markets operate on one day of the week for a particular period of the year, and after several successful years, management might consider adding a second market day and/or extending the market season. Sundays are a popular market day but not feasible for the target site. Saturday is another common market day for many successful operations, largely because of work schedules for potential customers. However, the selected day should meet the needs of the customer base – and, in this case, the needs of Grace Chapel Baptist Church, as well. Again, community engagement to understand the preferences of target customers and schedule of other area markets is key.

Partnership with vendors and producers

Selecting the correct mix of vendors for the market is essential to creating a popular and successful market. Diversity is key, with a variety of vendors that sell fresh produce, eggs, meats, seafood, cheese, baked goods, and other prepared foods to meet local demand.[39] Once again, community engagement is essential to understanding customer demand, which will in turn inform market management's selection of vendors. Appropriate planning also increases the potential for positive local economic impact, because market shoppers often spend money at retailers or restaurants near the market. In fact, a market that has a symbiotic relationship with area businesses helps boost sales, which affects local tax revenues. This impact has been documented in the Crescent City Farmers Market in New Orleans, Pike Place Market in Seattle, and Capital City Public Market in Boise.[40]

The market's mission may also determine partnerships with vendors and producers. Some markets make support for farmers and producers who are people of color central to their mission, while others prioritize organic products or products that appeal to a particular immigrant or cultural group. For many markets in low-income, low-access areas, ensuring that participating vendors offer affordable products is essential. The *Market Analysis* highlighted local households' limited disposable income and the large proportion of Latino residents in the area surrounding the target site, and the Community Survey showed that many residents value quality and affordability equally. This information provides a useful starting point for a discussion on desired vendor partnerships. As was stated in the previous section, it is essential that participating vendors accept SNAP and other benefits in order to make fresh produce as affordable as possible.

Identifying farmers or producers who sell at other local farmers markets is also important for potential partnerships. While farmers or other producers will make decisions based on profitability, there are often savings on transportation when a vendor sells at more than one area market.

One decision that market management must make in the early stages of market planning is whether there will be some vendors that are not permitted. For example, some markets do not allow stalls selling crafts or clothes – particularly if nutrition is the main mission. Some markets may only allow vendors to sell food they have produced or grown themselves, while others allow vendors to sell other producers' items. Some markets only allow organic products, while others define "locally produced" very narrowly. Again, a clear definition of the market's mission will help management determine which vendors fit the market best.

Farmers Market Recommendations

Once it is clear that the community supports the creation of a market, a full feasibility study and business planning process must be undertaken. This planning process should include extensive community engagement in the area surrounding the target site.

The site is an at-grade surface parking lot that offers little shade during the hot summer months. In order to make the market area welcoming to customers, vendors will need to provide tents or canopies

[39] WSFMM-2012.pdf (wafarmersmarkets.org)

[40] Economic Catalysts: Exploring the Impact of Farmers' Markets on Local Economies (texasrealfood.com)

for their stalls. Placemaking efforts – such as special events, music, art, and activities – will help to attract customers and add to the welcoming environment. Market planning should also consider what valuable community services could be offered. Another consideration is how Wi-Fi service will be supplied for payment transactions (required) and whether vendors and customers can be given access to running water and restrooms (desirable).

It is essential that SNAP/EBT and other benefits are accepted for payment, and ideal if market management also partners with City Green to offer Good Food Bucks. It is more efficient for a market (as opposed to individual vendors) to accept SNAP and other benefit programs on behalf of all vendors. A market currency system – such as tokens – is one good way for a farmers market to facilitate use of benefits, but it does require detailed bookkeeping.

At least one paid staff – a market manager – is recommended, unless the organization or coalition of organizations managing the market can dedicate at least 20 staff hours per week to the project. It is also recommended that management partner with local institutions such as community organizations, educational institutions, and service providers to recruit volunteers to assist on market days. But strong market leadership comes from paid staff responsible for the day-to-day functioning of the market.

As seasonal and transient uses, farmers markets generally do not have municipal parking requirements. Paterson's Division of Planning and Zoning has indicated that a zoning permit would be required; however, no site plan is required. Truck vendor licenses may be required by the Paterson Division of Health as well as the Passaic County Health Division. Not every farmers market provides parking; however, when it is available, it needs to managed effectively to provide parking for vendors and allow for turnover of parking spaces to accommodate customers arriving by car.

Extensive community engagement efforts and a full business plan will be required before a managing organization or coalition of organizations can seek funding to support a new farmers market at the target site. The management structure most likely to be successful is a coalition of non-profit organizations, with representation from respected partners working both in the First Ward and in the wider area of Paterson and Passaic County – and with support from municipal departments.

Development and recommendations: Mobile grocer

This study's second recommendation for the target site is a mobile grocery store. A typical grocery store model relies on attracting customers to a brick-and-mortar location; a mobile grocer, on the other hand, takes the store to the customer. A mobile unit can only carry a small volume of goods and must personalize its products for a specific audience. And while this personalized service can be an advantage, providing a limited selection of products means that it is essential to understand customer demand on a hyper-local level. Convenience for customers is a balance, as well: while customers' transportation challenges are all but eliminated, the store's hours and schedule will not work for all potential customers all the time.

Devising a business model for a mobile grocer that visits a community with limited disposable income adds another layer of complexity. Traditional grocery stores already operate with slim profit margins, and the small size and sales volume of a mobile grocer mean that per-items costs are significantly higher than for a grocery store or supermarket with more sales area. In a low- to moderate-income community, it is not possible to make up this difference by raising prices. A good business plan must account for multiple community challenges at the same time – not only lack of local retailers but also limited disposable income and access to transportation.

Site requirements

A site must be easily accessible to the mobile unit, which means that the type of mobile unit chosen must be appropriate not only for the site's ingress and egress but also for the surrounding streets. Given the First Ward's density and narrow streets, a mobile unit that consists of a trailer pulled behind a pickup, for example, may present challenges because of its wide turning radius. A refrigerated box truck may be more practical for Paterson. Because city and school buses access the general area of the target site, at least in theory a retired city or school bus could be a viable alternative. The target site's location on Haledon Avenue (CR 504) provides easy access, but the mobile grocer will also need to access the target site from major roads and highways.

Grace Chapel Baptist Church's willingness to host a mobile grocer at the target site eliminates the need to secure reserved on-street parking at this location, but it might be necessary to set aside a limited amount of customer parking. In addition, because a mobile grocer's route is made up of multiple stops, initial planning would require arrangements for reliable parking for the unit at all stops along the grocer's route.

Plumbing, electricity, and access to restrooms (for customers) are desirable amenities but not site requirements for most mobile grocers – although it is necessary to plan for locations where staff can use restrooms. Wi-Fi service is a requirement for grocers that accept SNAP/EBT and credit or debit cards – all of which are essential to a successful retailer in the First Ward.

Costs

A financial analysis to determine annual operating costs is critical in the planning phases, and it is important to understand that operating a mobile grocer that serves low- and moderate-income communities will never be profitable – in fact, all mobile retailers researched for this study operate in the red. Sustainability depends not only on finding long-term funding sources but also on developing strategic partnerships. For example, partnering with a supermarket chain or an organization with access to refrigerated warehousing space would help to reduce food costs by allowing the mobile grocer to purchase wholesale.

Costs other than food include the purchase and outfitting of a mobile unit, fuel, insurance, and staff salaries. Before purchasing a mobile unit, it is important to carry out a feasibility study that examines the service area, expected customer base per stop, road conditions, and parking restrictions. If it is determined that a retired city or school bus – or other vehicle that will require retrofitting – is the preferred mobile unit, the grocer's budget should include not only one-time retrofitting costs but also frequent repair costs for all equipment on board. Whichever type of vehicle is chosen, refrigeration is essential. Some units have freezers, as well, but this choice depends on the foods that will be stocked. Some mobile units also have generators that allow them to continue powering equipment at stops while the vehicle is off. All grocers need to install and maintain a cash register and electronic payment equipment.

Virtua Health's Eat Well Mobile Grocery Store

Staff salaries are another significant operating cost. A mobile grocer will require at least one staff person to drive the vehicle (depending on the vehicle, this may have to be someone with a commercial driver's license, which increases staff costs) and a second person to assist customers and manage the cash register. Both staff generally also load and unload the mobile unit each day. Most mobile grocers researched had at least two paid staff people, and any that had volunteers were able to provide additional assistance to customers. Other costs include fuel, vehicle insurance, and annual maintenance.

Given high costs and low sales volume, identifying partners – trusted community organizations, businesses, government entities – that can help reduce the burden of operating costs is essential. Addressing these financing challenges with long-term planning at the outset will help make a mobile grocer more reliable to the community it serves. Because the service area of a mobile grocer is often quite large, the potential for partnerships often goes far beyond a neighborhood or even an individual urban area.

There are existing mobile services in nearby areas – such as City Green's Veggie Mobile and Passaic County's new CUMAC-operated mobile pantry – and there may be opportunities to collaborate in order to serve residents in the vicinity of the target site.

Benefit and incentive program compatibility

Given the socioeconomic character of the community surrounding the target site, a mobile grocer must be able to accept SNAP and other benefits. This means that a mobile grocer must apply for a license to accept SNAP/EBT *and* stock SNAP-eligible items. Once a license is granted, the mobile grocer must use a SNAP point-of-sale device for SNAP purchases.[41]

Ideally, management will also partner with City Green to be able to offer customers the Good Food Bucks program at the mobile grocer.

Schedule/frequency

Many of the mobile grocers researched had a mission-related service area but needed to do significant community engagement in individual neighborhoods to determine a schedule of stops. At times this was a process of trial and error, but generally speaking, grocers that carry out more community engagement and have the best understanding of demand on a hyper-local level tend to have to make fewer route adjustments.

The length of each stop will need to be determined, as well. This will depend on the number of stops the mobile unit needs to make each week, and the expected number of customers at each stop. A related question is whether the unit will restock between stops. With space at a premium, the grocer's management must strike a balance between stocking enough and not stocking so much that staff must offload a great deal at the end of the day, or that much of the produce spoils before it can be sold. It can be difficult to determine if restocking will be required, since it is hard to anticipate exactly what customers will buy at each stop, but some grocers that partner with local grocery stores are able to reload sold-out products before moving on to the next location. Most, however, simply run out when products are sold. Generally, mobile grocers that have access to warehousing facilities do not return to restock during the day because of the extra time and staff effort it would require.

Sourcing the food

An organization running a mobile grocer will have to decide whether its mission determines what type of food it sells. For example, some organizations prioritize fresh produce and nutritional foods (such as the mobile units run by AtlantiCare and Virtua Health), while others simply stock a limited selection of what a supermarket's shelves hold. In other words, the mission might be improving access to groceries, or it might be more. In some cases, partnership with local farmers can help give mobile grocers access to fresh produce (while also providing a sales point for the farm's products), but this is unlikely to be an affordable option in Paterson.

The Works, Inc.'s Mobile Grocer in Memphis, Tennessee is an example of partnership with a grocery store chain that provides the mobile unit with a reliable source of food *and* lower costs on account of wholesale pricing. The grocer purchases food from its partner at cost and is able to make up at least part of its operating expenses by selling the food at a markup. Mobile grocers that do not have grocery store partnerships or warehouse facilities will have to purchase food at higher cost, which in turn increases operating expenses.

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[41] How to Accept SNAP Benefits at Your Store | Food and Nutrition Service (usda.gov)

Mobile Grocer Recommendations

The target site is able to accommodate most types of mobile unit, but careful consideration should be given to several other factors: cost, suitability for Paterson streets, accessibility for customers, and desired interior sales space. It is also important to decide how customers will shop. A model that welcomes customers onboard to browse aisles is preferred in some communities, but in others it may be more practical for customers to place orders at a window – similar to a food truck model. It is essential that any mobile unit chosen have refrigeration, and freezers may also be desired. Fitting the mobile unit with the necessary equipment is a significant initial capital outlay, and realistic expectations for frequent repairs (of the mobile unit and equipment) are important in creating an operational budget.

The suitability of a mobile unit for Paterson and the streets in the vicinity of the target site is another important consideration. While many types of units may be able to navigate major roads in the city, smaller streets in the First Ward could present limiting factors. Discussion with the City Traffic Engineer and Traffic Superintendent is an important step in deciding on a mobile unit.

Plumbing, electricity, and restrooms for customers may be desirable, but the only requirement is arrangements for staff to use restrooms at stops. At least two staff are necessary, and management should make an effort to recruit volunteers to assist customers, particularly at stops with a significant senior citizen population.

The ability to accept SNAP/EBT and other benefits – as well as credit and debit cards – is essential, and the mobile unit must have access to Wi-Fi to process payments.

It is also important that the mobile grocer have access to refrigerated warehousing in order to be able to buy food in bulk at wholesale prices. This could be accomplished through a partnership with a local grocery or supermarket chain (ideally one that works with the mobile grocer to purchase food wholesale) or through a partnership with an organization that can offer warehouse space.

Extensive community engagement will be necessary to identify a service area and individual stops along a regular route. Local outreach will also help management decide what foods to stock in order to meet customer demand.

A mobile grocer is a transient use, and a zoning permit may be required by the Paterson Division of Planning and Zoning. The Paterson Division of Health requires a food truck vendor permit, and a temporary food event application must also be submitted.

Operation and management

Profitability for food retailers such as grocery stores and supermarkets comes down to sales volume. This is the reason that large supermarkets and supercenters have proliferated over the past ten years while small grocery stores have not: large retailers and retail chains are able to purchase food wholesale and sell at a relatively low markup (2.3% on average[42]) because of the amount of sales space they have and their volume of sales. It is possible for a much smaller grocery store to survive by increasing retail margins significantly, but this formula will not work in a low- to moderate-income area. One of the most significant barriers to the development of a grocery store or supermarket at the target site (besides the physical limitations explored in the *Physical Site Evaluation*) is the amount of money area residents within ½ mile – likely the main customer base – spend on food shopping, which is $24.13 less per week than the US average. Although at first glance this may not seem like a significant amount, this difference would likely bring profits below the point of viability for traditional stores because of their already slim margins. This is the reason that it often takes a mission-driven organization with outside funding sources to bring fresh, nutritious food to a low-income community.

Identification of a for-profit company that would be interested in establishing a mobile grocer or farmers market on its own is not likely because neither of these food retailers would be profitable in the community surrounding the target site. Organizations such as Clifton City Green, The Food Group MN, the YMCA of Trenton, and The Works, Inc. (all with legal structures that are non-profit organizations) have stepped in to bring these types of food retailers to urban food desert communities, relying on grant funding, fundraising, private-sector partnerships, and collaborations with other organizations to keep programs running in the absence of profits.

Partnership with local government or with a private-sector company can help make a farmers market or mobile grocer feasible, although – perhaps particularly in the case of a mobile grocer – “feasible” does not mean self-sustaining. Long-term subsidies are certain to be necessary, and identification of a private sector partner that has a vested interest in the community is important. This may be a local health provider or insurance company (both of which have an interest in improving community health through nutrition) or a supermarket chain or other company that benefits from the positive publicity of committing funds to provide a community service. The following are potential partners in and near Paterson that might be able to provide long-term funding or other support:

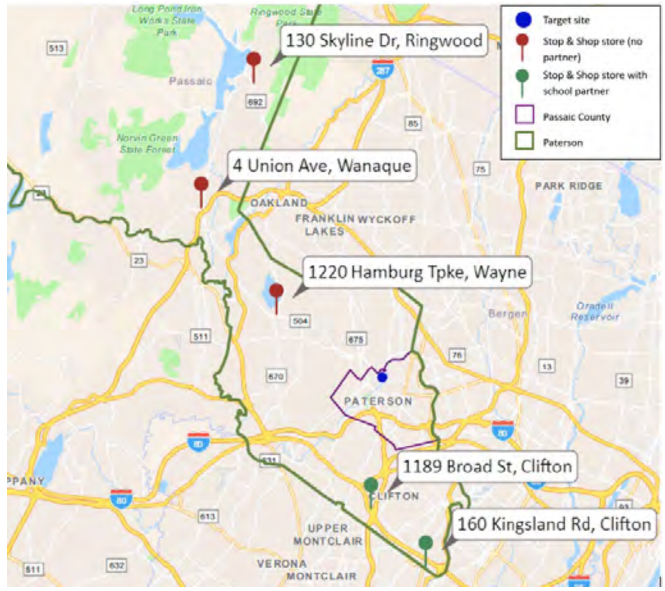
- St. Joseph’s Health
- Horizon Blue Cross Blue Shield of New Jersey
- Aetna
- Shop Rite
- Stop & Shop

Stop & Shop has shown its commitment to improving food access in Passaic County through their food pantry program focused on access for children. They work directly with schools in which at least 50% of

[42] https://www.fmi.org/our-research/food-industry-facts

students qualify for free or reduced-price lunches. Partner schools are within a five-mile radius of Stop & Shop stores. There are no schools in Paterson that currently benefit from this program, and the two stores closest to Paterson are just over five miles away in Wayne and Clifton. That said, given Stop & Shop's interest in supporting food access in the County, the corporation is a potential partner for a mobile grocery program in particular.

Figure 6: Stop & Shop School Food Pantry Program



Note: Store and partner school locations as of June 2024

There are also examples of private-sector companies that provide food resources to their communities without partnering with a non-profit organization. AtlantiCare, for instance, is a healthcare provider that recently started a mobile grocer to bring fresh and affordable food to Atlantic City, which ranks second highest out of the state's 50 NJEDA-designated food desert communities. With funding secured from NJEDA and two family foundations, AtlantiCare began providing service with the Community Mobile Market in June of 2024, "to meet the needs of the community it serves by addressing food insecurity as a means to improving overall health and well-being."[43] The benefit is not only to local residents; the box truck is clearly labeled as an AtlantiCare project, which provides good press for the company as a corporation that cares about the community.

A second type of private-sector partnership that can be tremendously beneficial to a mobile grocer in particular is affiliation with a supermarket or grocery store chain. There are two main advantages: being able to purchase food at wholesale prices, and the possibility of restocking the mobile unit between stops. Purchasing wholesale is a significant cost savings that is not usually available to retailers that sell a small volume of food, and it would enable the mobile grocer to pass these savings on to customers (and/or reduce the amount of grant or other funding sought for operational costs). And for mobile units that are very small or make many stops in a single day, it can be helpful to be able to stop along the route to restock sold-out products.

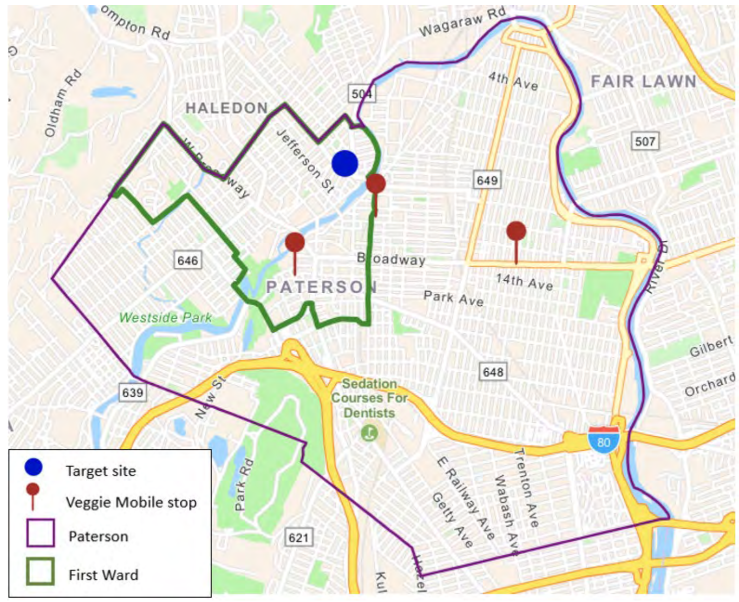
There are instances when individuals or groups of farmers or food producers found new farmers markets, but it is more common – particularly in urban areas – for the venture to be organized by a non-profit or community organization, a group of organizations, or even a government entity in partnership with a local organization.[44] Clifton City Green worked with the Bloomfield, NJ health department to set up a new full farmers market that grew out of what had been a stop on the Veggie Mobile's route. The

[43] https://www.atlanticare.org/news/atlanticare-community-mobile-market-rolls-out-new-grocery-store-on-wheels
[44] *Starting and Operating a Farmers Market.* University of Missouri Extension.

same sort of partnership could bring City Green's expertise in establishing and managing farmers markets and farm stands together with County government or the Rutgers Cooperative Extension of Passaic County to found a new market or establish a new stop for the Veggie Mobile at the target site.

In addition to its expertise in supplying produce to local communities at its farm stands, community-supported agriculture program, and mobile farmers markets, City Green has also created a wide network of partnerships, has a dedicated team of expert grant-writers, and manages volunteer and educational programs. Moreover, City Green runs New Jersey's Good Food Bucks program to help SNAP beneficiaries purchase more produce at farmers markets and grocery stores and partners with the Passaic WIC office. City's Green's deep understanding of benefits programs for farmers markets would be a strong asset to any partnership. The organization uses USDA funding to support its programs, including one to offer marketing stipends to farmers markets across the state. City Green would bring all of this expertise and its well-respected name to a coalition of organizations managing a farmers market that includes local partners active in the First Ward and Northside neighborhood.

Figure 7: City Green Veggie Mobile stops in Paterson



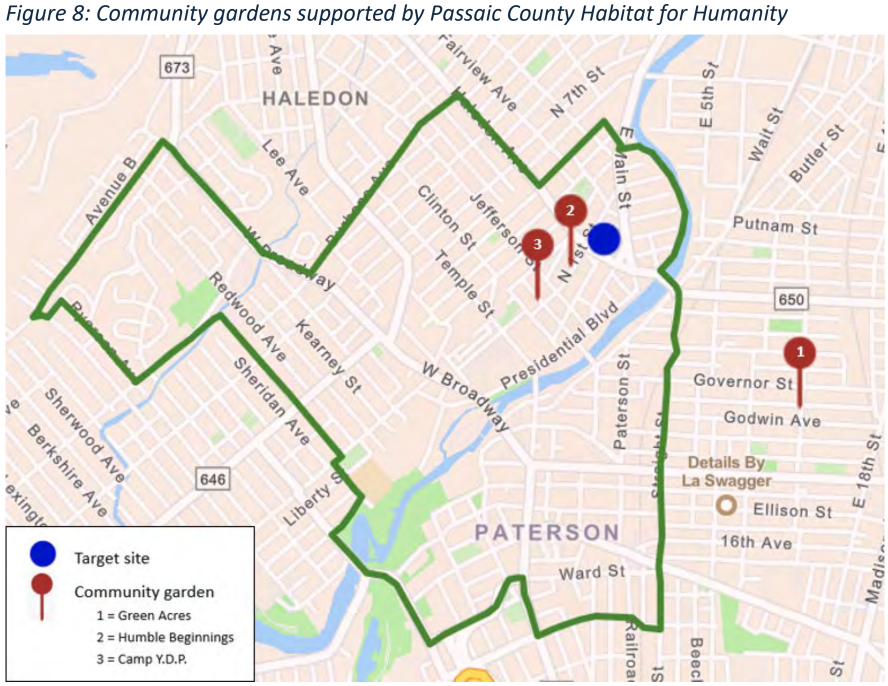
The addition of other organizations with strong community relationships in the First Ward and the area around the target site to any partnership is key. The Greenwood Avenue Farmers Market in Trenton offers a great example. The initial partnership of the YMCA of Trenton and the New Jersey Farm to School Network brought together two partners with complementary strengths that included strong relationships with funders, expertise in fundraising, deep community ties, and an understanding of what it takes to establish and manage a farmers market. Early in the planning stages, other local institutions were invited into the partnership, and each brought its own expertise and relationships. The following are some examples of local organizations (in no particular order) that would bring strengths to a coalition of partners that could establish and manage a new farmers market or mobile grocer with a route in the First Ward:

- Northside Coalition
- Passaic County Habitat for Humanity
- CUMAC/ECHO
- Grace Chapel Baptist Church

- Camp Y.D.P.
- Rutgers Cooperative Extension of Passaic County
- A Better Market
- Eva's Village
- Boys & Girls Club of Paterson and Passaic
- Paterson Public School 12 and School 28
- Salvation Army Paterson
- YMCA of Paterson
- United Way of Passaic County
- Hispanic Multipurpose Service Center
- Star of Hope Ministries
- Paterson Healing Collective
- New Destiny Family Success Centers, Inc.
- Norwescap
- New Hope Community Ministries
- Catholic Family and Community Services of Passaic County
- Oasis, A Haven for Women & Children
- Seminary Baptist Church
- Victory Temple
- Health Coalition of Passaic County
    - Health Coalition of Passaic County Community Champion – GirlTrek Community Champion
    - Health Coalition of Passaic County Community Champion – Diabetes Community Champion

Another interesting potential partnership for a farmers market specifically would be with the three community gardens Passaic County Habitat for Humanity supports. Habitat has provided assistance to community groups and Camp Y.D.P. (which is a resource for preschool, after-school programs, and summer camp), who have constructed raised beds for a variety of plantings – including

Figure 8: Community gardens supported by Passaic County Habitat for Humanity



vegetables. Two of the gardens are in the immediate vicinity of the target site, and one is less than a mile away.

CUMAC/ECHO provides food pantry services in Paterson and was recently awarded a grant administered by the County of Passaic Department of Human Services to operate a mobile food pantry in other areas throughout the county. The organization has been active in Paterson for almost 40 years and has established deep local roots as a community resource and emergency food source. Its main Paterson pantry – Choice Marketplace – is laid out in a similar way to a grocery store, enabling guests to browse aisles and choose groceries that will last them five to seven days, depending on their household size. However, resources only allow for one visit per month, and CUMAC provides wraparound services to help connect people and households with benefit programs that will (either later in the month or perhaps at some point farther in the future) allow them to use SNAP and other programs to access affordable food retailers such as mobile grocers.[45] CUMAC could be a key member of a partnership or coalition of organizations that establishes a mobile grocer in the First Ward, bringing expertise in food programs and benefit enrollment, community relationships, fundraising ability, and a well-respected name to any group.

Whatever the composition of a partnership that addresses First Ward food access challenges through a potential mobile grocer or farmers market, collaboration with Passaic County and City of Paterson – including Municipal Council – officials is key. As a first step, it would be important to invite input and cooperation from the Mayor's Office, the office of the First Ward Council Member, and the Paterson Department of Health & Human Services.

Funding sources

As is clear from the sections above highlighting various mobile grocers and farmers markets in other urban food desert communities, outside funding sources would be critical to the establishment of a similar retailer in Paterson's First Ward. In addition, it is almost certain that long-term funding would be necessary for these food retailers to continue to operate in the First Ward.

Appendix 3 outlines potential funding sources, eligible applicants, grant amounts, cost share, and funding objectives. These funding sources are divided into four main categories:

- Federal
- State
- Foundations
- Corporations and other potential (funding) partners

Appendix 3 is by no means an exhaustive list; it is intended as a starting point. Once the County and its partners draw their conclusions from this study, if it is determined that a mobile grocer or farmers

[45] BRS wishes to thank Jessica Padilla Gonzalez, CEO of CUMAC/ECHO, for sharing her time and knowledge in an interview on July 2, 2024.

market is desirable at the target site, it will be essential to carry out a feasibility study for the specific food retailer chosen, identify a coalition of partner organizations or institutions, craft a business plan, and identify which funding sources are most closely aligned with the project's structure and objectives.

Environmental considerations

There were two main environmental issues highlighted in the *Physical Site Evaluation*: one is that part of the target site is located in the 100-year flood zone, and the rest is in the 500-year flood plain; the other is that existing environmental contamination is unknown but could involve either underground storage tanks or leaked fluids from old vehicles that have been stored on the lot. However, neither of these issues disqualifies the site from hosting a mobile grocer or farmers market. Parking lots are commonly the location for mobile grocers, and the New Jersey Department of Agriculture recommends them as a location for a farmers market in an urban area.[46]

Conclusions

This part of the study recommended two types of food retailers for the target site and examined their models, structures, costs, requirements, and potential funding sources. Both are feasible for the site and fit community needs, but recommendations for these two very different types of retailers are distinct:

- A farmers market that holds weekly market days at the target site not only offers access to fresh produce and nutritious foods but also has the potential to create a new and vital community gathering in the heart of the Northside. However, this model is seasonal and presents challenges for an urban community that must form creative partnerships to bring fresh produce to market customers. If the County chooses to pursue this option, a market operator (or coalition of organizations acting as operator) must define the market's mission carefully – based on community preferences – before pursuing partnership with vendors. A farmers market will be most successful at this location if it offers not only affordable food but also events, activities, and services for market attendees. Effective "placemaking" is the key to a popular and sustainable farmers market.

- A mobile grocer all but solves transportation challenges in a community with fairly low vehicle access and inadequate public transport. It is also particularly beneficial to senior citizens. While it is not possible to create a perfect route to serve all potential customers within Paterson's NJEDA-designated food deserts, a mobile grocer is able to address food access challenges in multiple locations over a wide area by bringing the store to the customers. However, a mobile grocer that sells affordable and healthy food is an expensive model because of the fact that operational costs are always far higher than sales. It also presents logistical challenges such as finding a reliable supplier, food storage, and maintenance of expensive equipment. A mobile grocer's best chance of success in the First Ward would be a partnership: either with a local

[46] https://www.nj.gov/agriculture/divisions/md/prog/farmersmarkethelp.html

supermarket chain that offers wholesale pricing and retail expertise, or with another local organization with a similar mission and access to a refrigerated warehouse and expertise in addressing food insecurity in Passaic County.

One of the most important takeaways from this study is that if the County choses to pursue development of a farmers market or mobile grocer in the First Ward, building diverse and resilient partnerships and coalitions is essential to the success of the program. Success will also require working closely with the City of Paterson and with Passaic County to help leverage government resources. Input from community stakeholders confirmed that food access is an important issue throughout much of Paterson, and also that buy-in for a proposed program from both community members and local organizations is essential.

Despite their differences, both farmers markets and mobile grocers share challenges in operational complexity and funding sources. Both require significant planning, strong leadership, partnership with likeminded organizations, and the need for extensive community engagement. If the County chooses to support a farmers market or mobile retailer for the First Ward, formation of a strong organizational partnership, creation of a business plan, and community outreach in the desired service area would be essential next steps.

Acknowledgements

We are grateful to the many individuals who made themselves available for interviews on a variety of topics for this study. BRS, Inc. wishes to thank the following individuals for their time and valuable input:

- Jennifer Salt Taylor, RDN, CHES – Passaic County FCHS Educator, Department of Family & Community Health Sciences, Rutgers Cooperative Extension of Passaic County
- Teresa Holman – Community Organizer, Passaic County Habitat for Humanity
- Teresa McDermott, M. Ed. – Director, Camp Y.D.P.
- Steph Wagner - Program Manager, Fare for All & Twin Cities Mobile Market, The Food Group MN
- Karen Bernard – Food Programs Manager, South Memphis Farmers Market and Educational Kitchen, The Works, Inc.
- Devin Marzette – Manager of The Grocer, The Works, Inc.
- Eric Story Neimeyer – Senior Grants Coordinator & Project Manager, The Works, Inc.
- Mark Dinglasan – Executive Director, New Jersey Office of the Food Security Advocate
- Deborah Hoffman – Director, County of Passaic Division of Economic Development
- Rev. Glorious Shabazz – Minister, Grace Chapel Baptist Church
- Kevin Benjamin – Deacon in Training, Grace Chapel Baptist Church
- Jennifer Papa – Founder & Executive Director, Clifton City Green
- Mary Celis – President & CEO, United Way of Passaic County
- Kenneth M. Morris, Jr., MHA, MA – Vice President of External Affairs, St. Joseph's Health
- Shana Manradge – CEO, A Better Market, and member of the United Way Food Policy Council
- Jessica Padilla Gonzalez – CEO, CUMAC/ECHO
- Rodney Addison – Nutritionist, Onyx Repository Foundation
- Danielle Petillo, MSW – Impact Passaic Coordinator, Passaic County Department of Human Services
- Kimberly Birdsall, M.P.H. – Executive Director, Health Coalition of Passaic County
- Sheree Moratto – Founder, Glenwood Sunday Market (Chicago, IL), and Sustainability Director, Rogers Park Business Alliance
- Barbara A. Blake McIennon – Director, City of Paterson Department of Community Development
- Arti Kakkar, DHA, Ed.S., LMFT – Executive Director, County of Passaic Department of Human Services

This feedback provided important insights in conjunction with public input solicited through a community engagement process throughout the duration of the study. In particular, BRS wishes to thank the Northside Coalition for welcoming us to their monthly meetings in January, May, and July 2024, and all Paterson residents who responded to the Community Survey between January and March of 2024.

We are also grateful for the valuable input provided by Sasha Lowery (Community Development Manager, Passaic County Habitat for Humanity), Scott Millard (CEO, Passaic County Habitat for Humanity), and Melissa Flynn (Community Action Board Manager, Health Coalition of Passaic County).

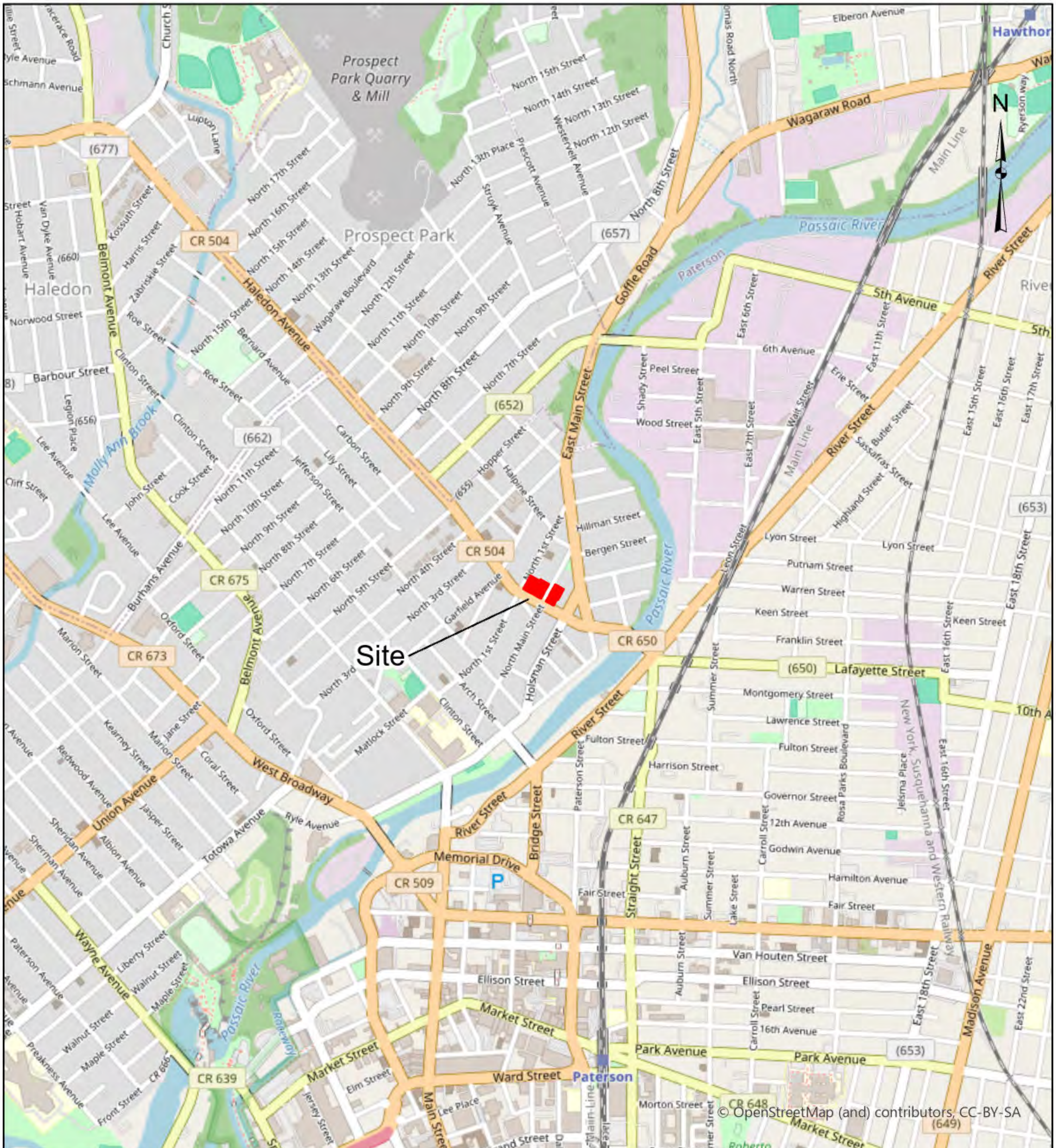
Appendix 1: Products commonly sold at US farmers markets

Products Sold in US Farmers Markets (2019)	
	Percent of surveyed markets selling product
Milk and dairy	**44.2%**
Cheese	92.0%
Yogurt	29.3%
Milk	34.6%
Butter	30.6%
Bread and baking goods	**90.9%**
Baked goods	99.8%
Grains/flour	17.6%
Fruit and vegetables	**99.6%**
Fresh fruit	95.3%
Fresh vegetables	99.3%
Fresh/dried herbs	79.6%
Meat, seafood, and eggs	**84.5%**
Fish and/or seafood	28.0%
Red meat	70.2%
Poultry	52.5%
Eggs	93.9%
Condiments and sauces	**94.1%**
Honey	93.2%
Canned fruits or preserves	87.8%
Maple syrup	38.8%
Beverages	**60.4%**
Alcoholic beverages	28.2%
Coffee and/or tea	73.6%
Other non-alcoholic	73.8%
Plants	**86.5%**
Cut flowers	83.3%
Plants in containers	83.8%
Bedding plants	63.7%
Nursery stock	29.8%
Other foods	**77.9%**
Tofu and/or meat dairy substitutes	7.7%
Nuts	40.9%
Mushrooms	49.0%
Wild harvested/foraged	17.6%
Prepared foods	70.0%
Seeds of edible plants	18.7%

Fermented and pickled foods	58.8%
Miscellaneous	**82.7%**
Crafts and/or woodworking	82.6%
Soap and/or body care	84.0%
Pet food	32.9%
Services	19.0%
Other	15.5%

Note: Product breakout percent is of respondents who reported selling within the Product Class (indicated in **bold** text).
Source: National Farmers Market Managers 2019 Summary (August 2020). USDA, National Agricultural Statistics Service.

Appendix 2: Full-size maps



Legend	
Site Parcels	

Scale 1:15,000

0 0.13 0.25 0.5 Miles

Figure Title: **Site Location Map**

Client: County of Passaic

Figure No. 1

Project: Market Analysis Paterson, New Jersey

Print Date 2/22/2024

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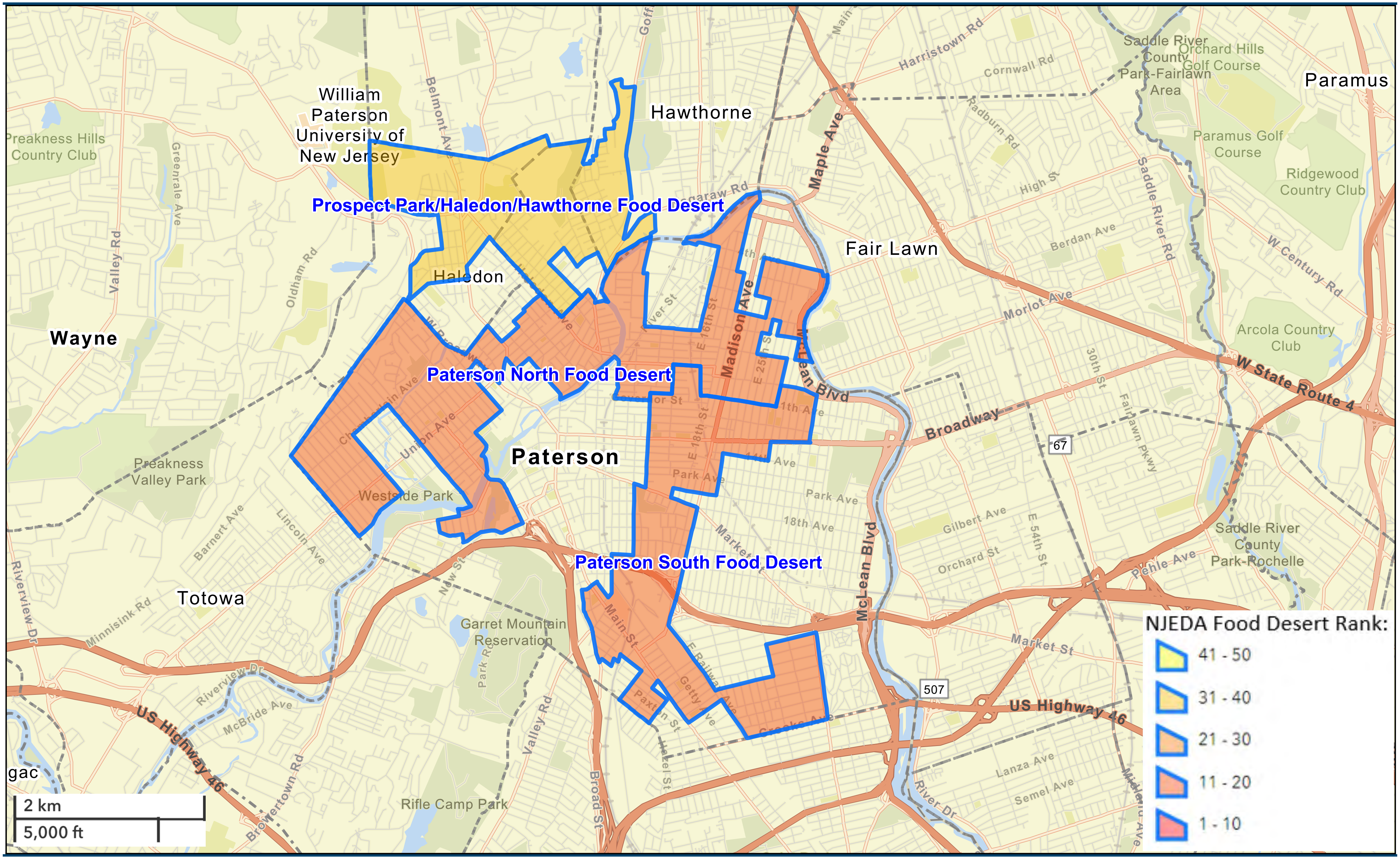
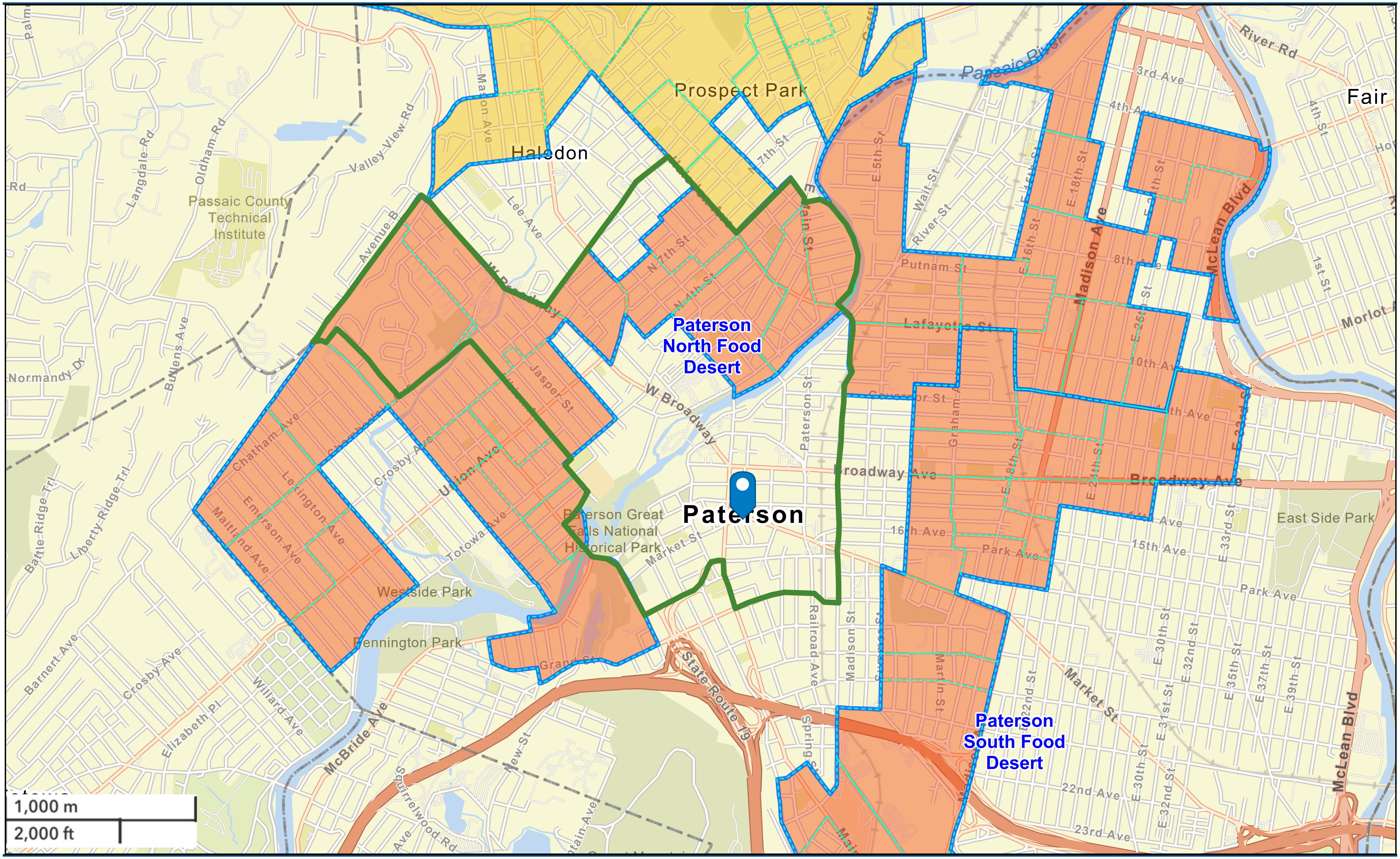
Document Path: C:\Users\Lori Fallon\Desktop\Projects\BRS\Passaic County\Paterson Market Analysis\CAD_GIS\01_APRX\PatersonMarketAnalysis.aprx

NJEDA Food Desert Map

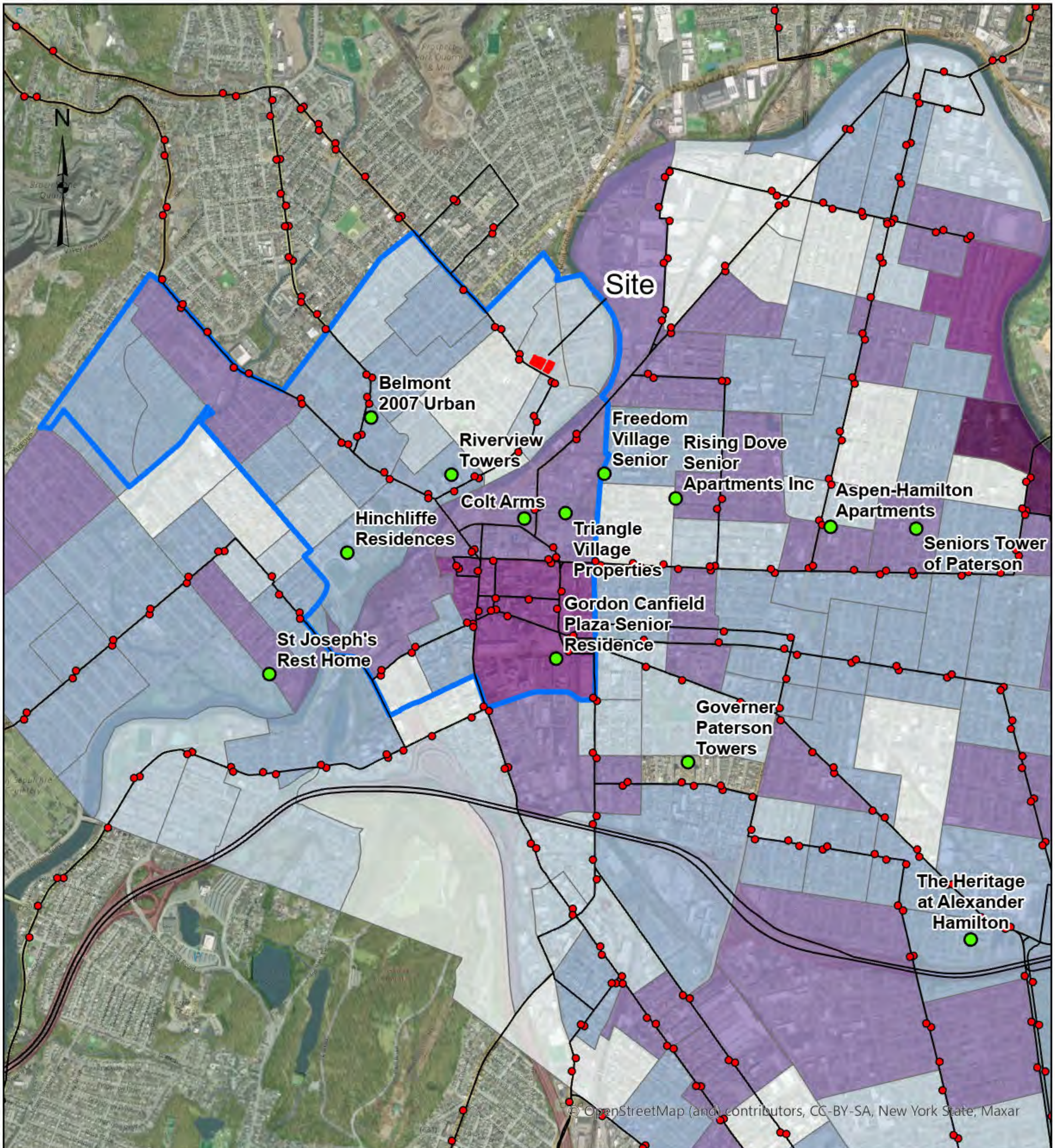


June 27, 2024

NJEDA-designated food desert areas in the First Ward



April 16, 2024



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Legend

- Bus Route
- Bus Stops
- First Ward Boundary
- Target Site Parcels
- Senior Housing

Population 65 and older
- 0 - 50
- 50 - 100
- 100 - 200
- 200 - 400
- 400 - 600
- 600 or more

Scale
1:25,000

0 0.2 0.4 0.8 Miles

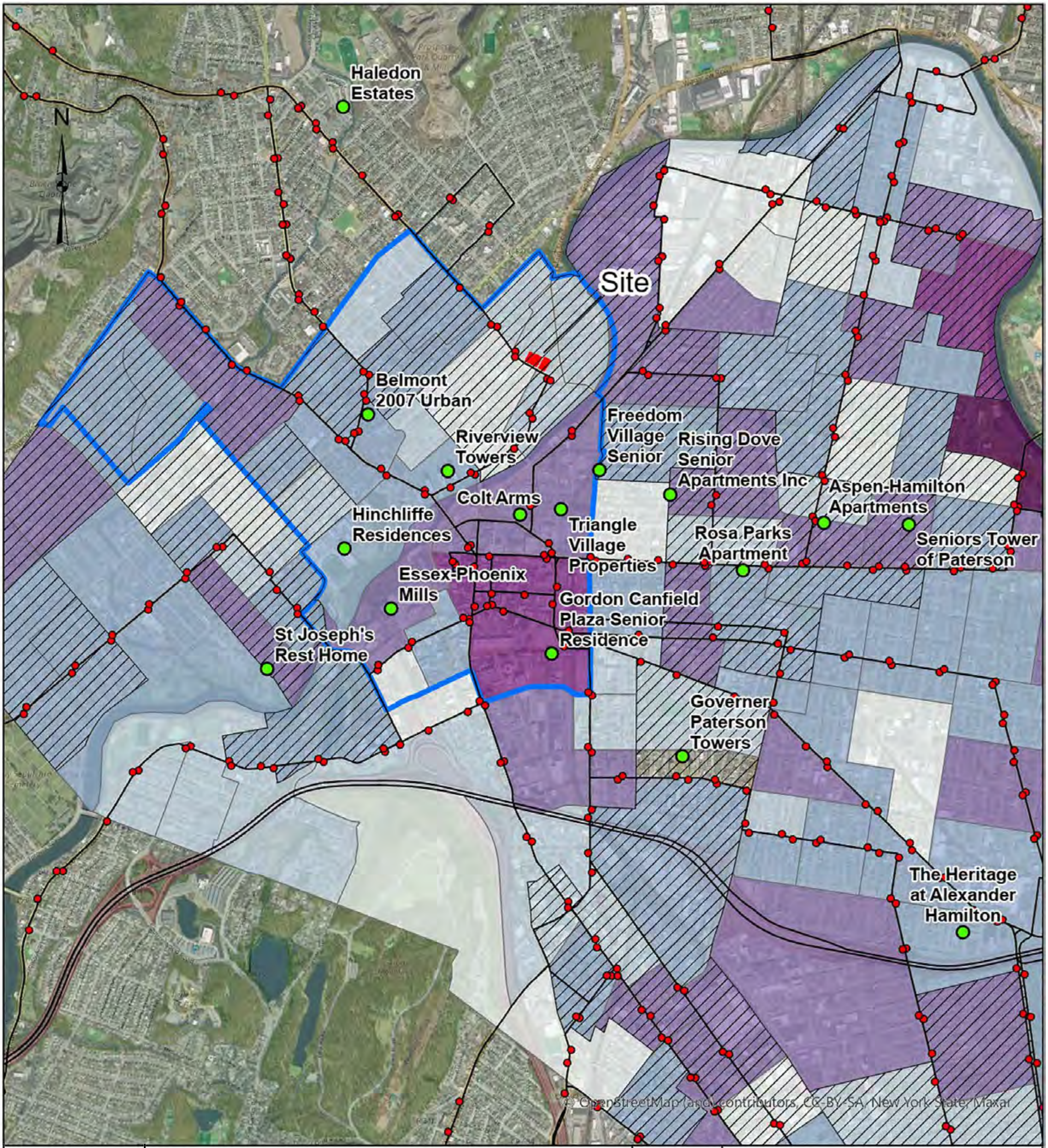
Figure Title
Public Transit and Census Data

Client
County of Passaic

Figure No.
3

Project
Market Analysis
Paterson, New Jersey

Print Date
7/2/2024



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Legend

- Bus Route
- Bus Stops
- First Ward Boundary
- Target Site Parcels
- Senior Housing
- NJEDA Food Desert Designated Area

Population 65 and older

- 0 - 50
- 50 - 100
- 100 - 200
- 200 - 400
- 400 - 600
- 600 or more

Scale 1:25,000

0 0.2 0.4 0.8 Miles

Figure Title: **Public Transit and Census Data**

Client: County of Passaic

Figure No. **3**

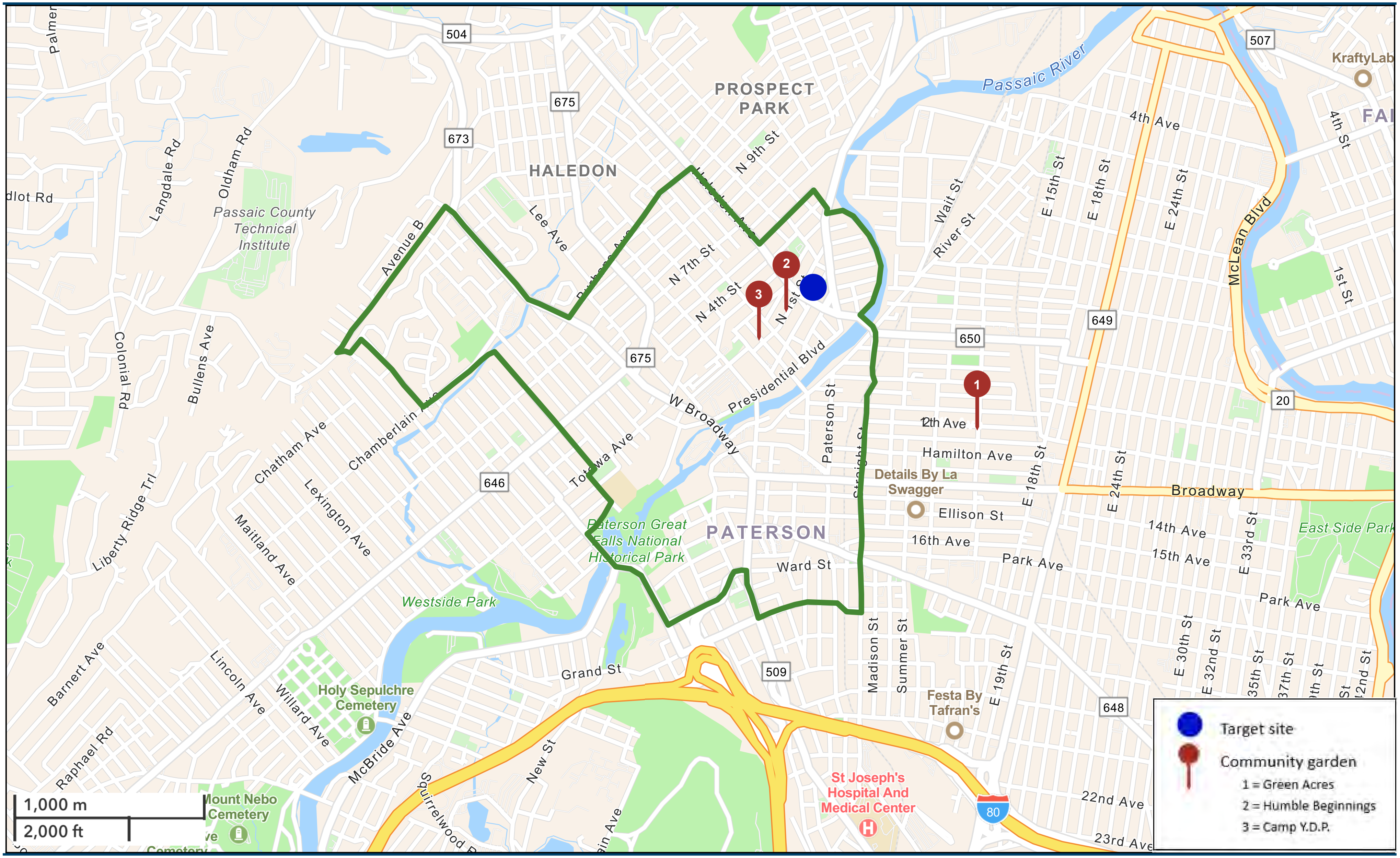
Project: Market Analysis, Paterson, New Jersey

Print Date 7/3/2024

Document Path: C:\Users\Lori Fallon\Desktop\Projects\BRS\Passaic County\Paterson Market Analysis\CAD_GIS\01_APRX\PatersonMarketAnalysis_rev.aprx

Community gardens supported by Habitat for Humanity

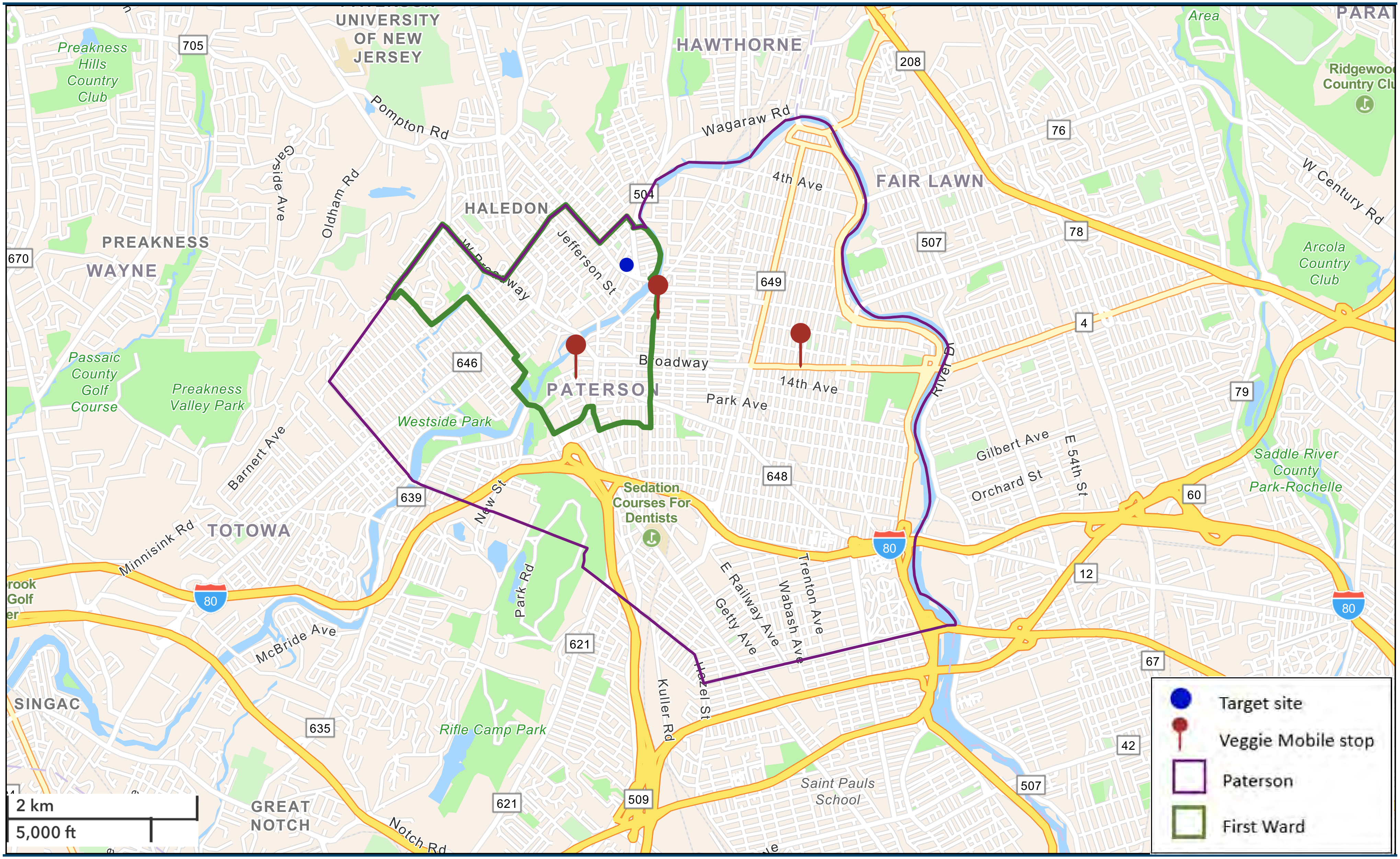
Passaic County Habitat for Humanity



July 10, 2024

Clifton City Green Veggie Mobile stops in Paterson

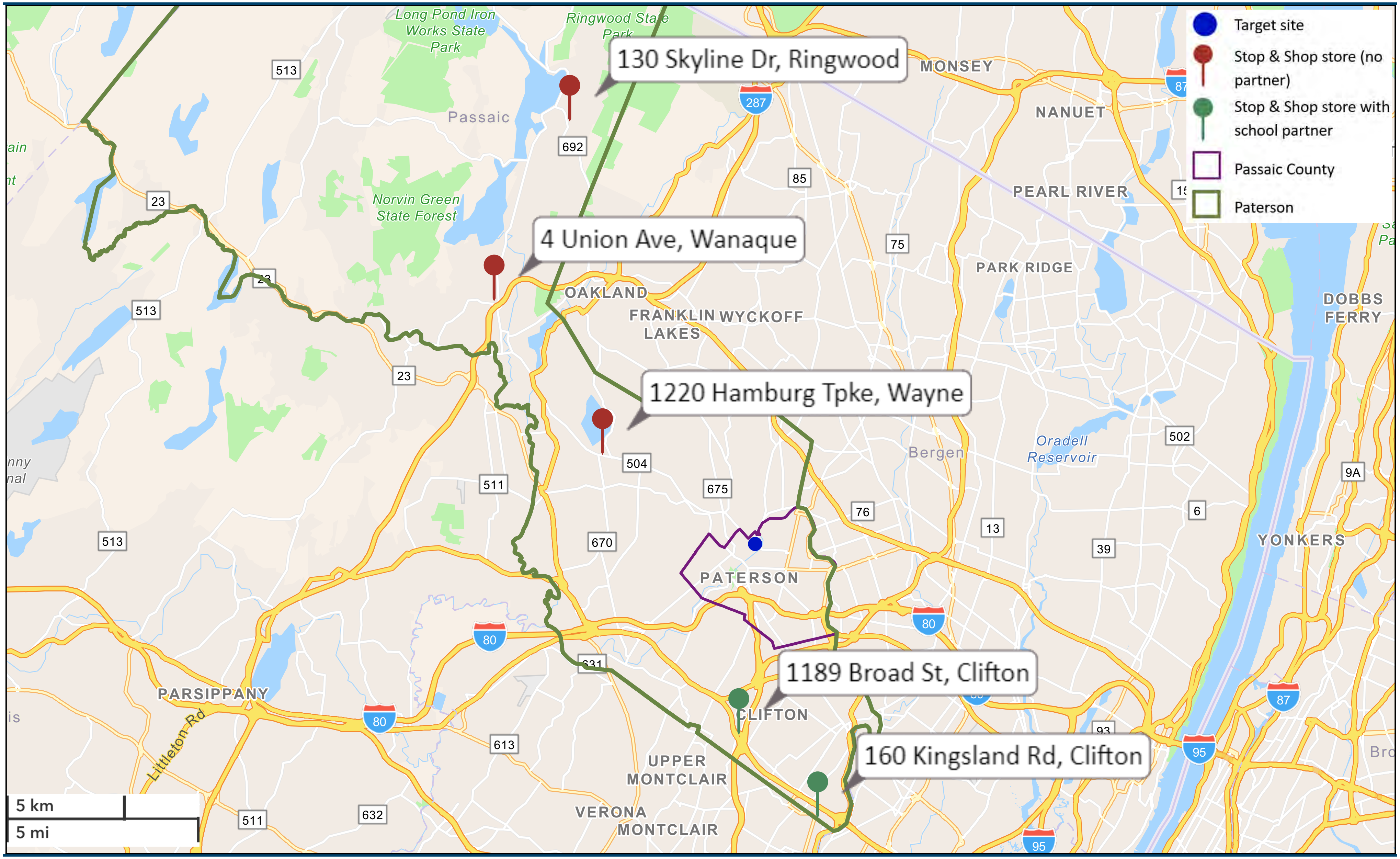
As of 2022 Impact Report



July 10, 2024

Stop & Shop School Food Pantry Program

Store and partner school locations as of June 2024



July 12, 2024

Appendix 3: Funding sources

US Department of Agriculture (USDA)

Community Food Projects Competitive Grants
Eligibility: Nonprofits and Public Food service providers
Grant Range: $35,000 to $400,000
Cost Share: 1 to 1 match required

The primary goals of the CFP are to meet the food needs of low-income individuals through improving access to food, increase the self-reliance of communities in providing for the food needs of their people, and promote comprehensive responses to local food access, farm, and nutrition issues.

Two types of projects are supported: (1) Community Food Projects (CFP) and (2) Planning Projects (PP). Examples include planning for long-term solutions; the creation of innovative marketing activities that mutually benefit agricultural producers and low-income consumers; food distribution; and community outreach to assist in participation in Federally assisted nutrition programs and equipment necessary for the efficient operation of a project.
https://nifa.usda.gov/funding-opportunity/community-food-projects-cfp-competitive-grants-program

Healthy Food Financing Initiative
The Healthy Food Financing Initiative (HFFI) is a public-private partnership administered by the Reinvestment Fund on behalf of USDA Rural Development. HFFI was created to improve access to healthy foods in underserved areas, to create and preserve quality jobs, and to revitalize low-income communities. HFFI provides financial and technical assistance, either directly or through other partners and intermediaries, to eligible fresh, healthy food retailers and food retail supply chain enterprises to overcome the higher costs and initial barriers to entry in underserved areas.

> **NJ Program Model:**
> The Reinvestment Fund partnered with the New Jersey Economic Development Authority in 2009 to create the New Jersey Food Access Initiative (NJFAI). In 2012, the Robert Wood Johnson Foundation invested $12 million into the initiative. NJFAI makes subgrants and loans available to support supermarket developers and operators, food hubs, and other formats of fresh food retail that will increase access to fresh, healthy foods in underserved areas across the state, with an emphasis on serving the following ten cities: Atlantic City, Camden, East Orange, Elizabeth, Jersey City, Newark, New Brunswick, Paterson, Trenton, and Vineland. NJFAI has financed 22 projects with loans and grants totaling $25.2 million since August 2016 with many projects receiving HFFI funding. NJFAI funded projects have served 475,000 people, retained or created more than 1,700 permanent jobs, and developed 610,000 square feet of food retail space.

https://www.investinginfood.com/impact/

Farmers Market Promotion Program
Eligibility: Municipalities, counties, nonprofits; agricultural businesses, cooperatives, producer networks, CSAs, and economic development or public benefit corporations are eligible to apply
Grant Range: $50,000-$250,000 for CB projects; $100,000-$500,000 for CTA projects
Cost Share: A cost share equal to 25% of the grant in cash or in-kind contributions is required

The purpose of this program is to increase domestic consumption of, and access to, locally and regionally produced agricultural products, and to develop new market opportunities for farm and ranch operations serving local markets by developing, improving, expanding, and providing outreach, training, and technical assistance to, or assisting in the development, improvement, and expansion of, domestic farmers markets, roadside stands, community-supported agriculture programs, agritourism activities, and other direct producer-to-consumer market opportunities.

FMPP offers Capacity Building (CB) and Community Development Training and Technical Assistance (CTA) project types. Priority consideration will be given to projects that benefit communities located in areas of concentrated poverty with limited access to supermarkets or locally or regionally grown food. https://www.ams.usda.gov/services/grants/fmpp

US Department of Housing and Urban Development (HUD) Community Development Block Grant (CDBG) Program

Cost share: Match required

The Community Development Block Grant (CDBG) Program "provides annual grants on a formula basis to states, cities, and counties to develop viable urban communities by providing decent housing and a suitable living environment, and by expanding economic opportunities," primarily for low- and moderate-income (LMI) persons. Paterson is not eligible for funding from this source from the County, but the City itself receives CDBG funding from HUD. The Paterson Department of Community Development administers the funding received annually for a variety of programs related to expanding economic opportunities that support community revitalization. Mobile grocer programs are not eligible for funding, but a farmers market theoretically would be.

However, very limited funding is available (only $500,000-$600,000 for all activities in Paterson), and the program serves a wide variety of community development projects. In addition, the City will not fund duplicate projects. "Duplicate" is defined broadly to mean projects with similar goals in the same ward, and the CDBG program is already funding several food banks and other food access projects in Paterson – including in the First, Second, and Fifth Wards. To be considered not duplicative of current projects and be eligible for funding, a project would need to service the Third, Fourth, and/or Sixth Ward. Alternatively, if a farmers market in the First Ward received CDBG funding, another food access program currently working in this ward would not be funded (or would lose funding).

Any activity funded would need to benefit a low moderate, very low moderate or extremely low moderate income community. A proposed project must have substantially different goals than other food access projects in the First Ward and must provide a unique service. https://www.hud.gov/program_offices/comm_planning/cdbg

US Health and Human Services

Community Economic Development Program (CED)

Eligibility: Private, non-profit organizations that are Community Development Corporations (CDCs), including faith-based organizations.

This federal grant program funds CDCs that address the economic needs of low-income individuals and families through the creation of sustainable business development and employment opportunities. Examples of projects funded include shopping centers, and agriculture initiatives. Grants are awarded for the following project costs: Startup or expansion of businesses, physical, or commercial activities; Capital expenditures such as the purchase of equipment or real property; Allowable operating expenses; and Loans or equity investments.

New Jersey Department of Agriculture

Specialty Crop Block Grants
Grant Range: Up to $40,000

For the purpose of this grant program "specialty crops" are defined as vegetables, fruits including grapes for wine, nuts, horticultural products including honey, herbs, potatoes, sweet corn and other specialty crops including algae. To be eligible for a grant, projects must "enhance the competitiveness" of specialty crops and might include, but are not limited to: research, promotion, marketing, nutrition, trade enhancement, food safety, food security, plant health programs, education, "buy local" programs, increased consumption, increased innovation, improved efficiency and reduced costs of distribution systems, environmental concerns and conservation, product.
https://www.nj.gov/agriculture/grants/farmersmarket.html

Resilient Food Systems Infrastructure Program Grants
Eligibility: Local government, nonprofits or institutions such as hospitals/universities

This program supports projects that further develop local sustainable processing, storage and distribution as a means of food security and providing additional availability of products for the Food Deserts and Underserved Communities of the state. Construction of a new facility, purchase of equipment or delivery vehicles are eligible costs.

Infrastructure Grant Application – Projects requesting more than $100,000 that intend to develop new, middle-of-supply-chain infrastructure for eligible agricultural products. The USDA has defined a funding range of $100,000 - $3,000,000 per application. Applications must provide a 50% match in funding, 25% if the applicant entity qualifies for a reduced match.
Simplified Equipment-Only Application – Projects requesting between $10,000 and $100,000 for equipment purchases related to middle-of-supply-chain activities. There is no match requirement for simplified equipment-only projects.
https://www.nj.gov/agriculture/grants/rfsigrants.html

NJ Economic Development Authority

Food Desert Relief Program
Eligibility: Grocery Stores or supermarkets

> ***There are two reasons neither a mobile grocer nor a farmers market would qualify for this program in its current iteration.*** *One is that the funding is for development (or rehabilitation) of a built structure of at least 16,000 SF. The other is that the retailer must operate on a full-time basis, which is defined as "at least 60 hours per week every week of the year." This is far more operating hours than a standard mobile grocer or farmers market.*

Grant Range: The NJEDA may sell all or a portion of the tax credits to provide grants and loans to qualified supermarkets, grocery stores, and small- and mid-sized food retailers in food desert communities for equipment, technology costs, and initiatives to ensure food security of residents.

The Food Desert Relief Program addresses the food security needs of communities across New Jersey by providing up to $40 million per year in tax credits, loans, grants, and/or technical assistance to increase access to nutritious foods and develop new approaches to alleviate food deserts. Through the Program, the NJEDA has identified 50 food desert communities across the state in coordination with the

Departments of Community Affairs and Agriculture. NJEDA will also award tax credits to incentivize businesses to establish and retain new supermarkets and grocery stores in food desert communities, offer technical assistance on best practices for increasing the accessibility of nutritious foods, and provide grants and loans for food retailers of all sizes to fund equipment costs associated with providing fresh food, technology costs associated with supporting Supplemental Nutrition Assistance Program (SNAP) and Supplemental Nutrition Program for Women, Infants, and Children (WIC) payments, and initiatives to ensure food security.
https://www.njeda.gov/food-desert-relief-program/

Food Retail Innovation in Delivery Grant (FRIDG)
Eligibility: Food Retailer
Grant Range: between 30% and 50% of the total project cost (inclusive of locker purchase, delivery, and installation) up to $250,000.

This program provides grants to food retailers to purchase self-contained, temperature-controlled lockers and install them in FDCs., which will facilitate food delivery and improve access to high quality groceries, including fresh produce, for Food Desert Community (FDC) residents. Through the utilization of refrigerated lockers, the FRIDG program will help to increase the availability of nutritious food in FDCs while assisting food retailers to adapt to new business models that can help sustain their businesses. Through FRIDG, supermarket retailers can subsidize the purchase of refrigerated locker units and will begin delivering to these units, which must be placed within an FDC, and may be placed near local organizations, such as food banks and community centers that are convenient for residents of the community and a place where residents facing food insecurity may already access services. This model will also give FDC residents the ability to order online and have groceries delivered to a convenient central location without having to travel long distances to reach food retailers, as many FDC residents without a nearby grocer are currently forced to do.
https://www.njeda.gov/food-security-programs/

FOUNDATIONS

New Jersey Innovative Healthy Food Retail Initiative
Eligibility: For-profit, nonprofit, and cooperatively owned businesses, community health and other anchor institutions, state and local governments, and tribal governments working to improve food access for underserved communities in New Jersey through food retail.
Grant Range: $1.5 million in funding is available for grants of up to $200,000 each

This initiative provides grant funding for innovative, community-focused healthy food retailers striving to improve access to affordable, fresh, and healthy foods in underserved areas of New Jersey. Grants will support the implementation of new projects or the expansion of existing ones, focusing on processing, distributing, aggregating, marketing, or selling healthy, fresh, and affordable foods in New

Jersey communities with limited healthy food access. Projects should seek to implement innovative ideas that are beyond the traditional, full-service grocery store and demonstrate long-term sustainability if awarded.

This initiative is a collaborative effort between Reinvestment Fund and The Food Trust and is funded by the Robert Wood Johnson Foundation.
NJ-innovativehealthyfoodretail@reinvestment.com

Support for individuals

Gus Schumacher Nutrition Incentive Program (GusNIP)
In 2021, City Green was awarded the first GusNIP grant in New Jersey to support their nutrition incentive program, Garden State Good Food Network. City Green grows and distributes food to their local community through a network of farmer's markets and location-specific deliveries via the "Veggie Mobile," with a goal of providing access to local farm-fresh food along with meaningful job and volunteer opportunities in an agricultural setting.

Enhancing Sales of Locally Grown Produce through a Single Box Multi Produce Item Web Based Purchasing Platform for distribution directly to individuals New Jersey ($39,520)
The Landisville Produce Co-operative (LPC) will increase the sales of its grower members local foods through a new system of direct customer ordering of a single box quantity of produce via a web site ordering portal. The system will allow individuals to place orders for a variety of local produce supplied by the Co-op's grower members. These produce items will then be subjugated into a single carton box and allocated for either pick-up or shipment via Doordash, Grubhub, or other distribution vehicles directly to consumers.

Additional Potential Funders

A search of smaller funders should focus on

- Family Foundations
- Corporate Foundations
- Healthcare Foundations
- Bank Foundations
- Community Foundations

These organizations should be based or conducting business in Paterson/Passaic Co. and/or have an interest in addressing food security issues or community development. Some of these funders may require a personal touch to be invited to apply. Examples include:

- Feeding America, Food Security Equity Impact Fund
- Bank of America
- Columbia Bank Fund
- TD Charitable Foundation
- Valley National Bank
- JPMorgan Chase / Chase Provident
- Northern NJ Community Foundation
- Bayer Fund
- Community Foundation of NJ
- Robert Wood Johnson Foundation (e.g., Pioneering Ideas: Exploring the Future to Build a Culture of Health)
- Henry and Marilyn Taub Foundation

- Geraldine R Dodge Foundation
- McMaster Carr
- Novo Nordisk
- AstraZeneca (e.g., US ACT on Health Equity Community Engagement and Investments)
- The WAWA Foundation
- Walmart Foundation (e.g., Spark Good Local Grants)
- Aetna
- Horizon Well Care and Horizon Blue Cross Blue Shield of New Jersey
- Hackensack Meridian Health
- St. Joseph's Health
- United Way
- Partner for Health Foundation

Additional resources:

Food Research and Action Center:
https://frac.org/wp-content/uploads/NJ-Federal-Funding-Opportunity-Guide_February-2022.pdf

Community Food Bank of New Jersey:
https://cfbnj.org/wp-content/uploads/2024/06/CFBNJ-2023-ANNUAL-REPORT-FINAL.pdf