

THE MERCADO

A Proposal for Economic Development in the Merced Downtown Area

Prepared by: The Merced County Hispanic Chamber of Commerce

Submitted to: Ms. Stephanie Dietz, City Manager - City of Merced

Meeting Date: February 26, 2021

Background

The Merced County Hispanic Chamber of Commerce (MCHCC) is a 501(c)(6) non-profit organization, which has been in existence since 1947. With over 48 percent of Merced County's population being of Hispanic origin, it is known that the Hispanic Chamber has a strong influence in our area. Consequently, the Hispanic Chamber has far-reaching implications by having access to the buying power, labor market, and economic development of the Hispanic population in our County. The Chamber's membership (approx. 140 members) consists of Hispanic and non-Hispanic businesses, as well as professional individuals who all share a mutual desire to ensure a healthy economic and socio-economic base to benefit Merced County and its communities.

The mission of the Hispanic Chamber is to promote Hispanic and non-Hispanic businesses and professionals; encourage economic development (business and industrial/manufacturing investments); provide a forum in which business issues are advocated; to encourage, network and market our membership's products and services; and to create partnerships that will benefit and enhance the business climate and community throughout Merced County. Additionally, the Hispanic Chamber supports a local education system that inspires the highest levels of student achievement and learning opportunities; and promotes a health care system that cares for the critical needs of our citizens.

Vision

The MCHCC proposes to lead an initiative to develop and oversee "The Mercado," a marketplace platform for boosting the local economy. We believe that an outdoor Public Square-style marketplace area which includes small businesses, nonprofit organizations, local farmers, artists, and artisans will be the ideal platform for vendors and community members to engage in commercial, educational, and leisure activities. Collaborative partnerships with community leaders and stakeholder organizations will be the primary key to the success of the marketplace.

Marketplace Overview

The layout of The Mercado will resemble that of a traditional Farmer's Market, with each participating vendor allowed a 10'x10' canopy and up to 3 fold out tables. The vendors will be vetted on a first-tier point of entry by standardized criteria, with the initial qualifier requiring that the entrepreneurs and organizations be officially registered at the federal/state/county/city level, based on the requirements of their activities. As a second-tier point of entry, the City of Merced will provide additional layer(s) of criteria for vendor approval.

Business owners will offer an array of goods including various retail products, prepared foods, beverages, and produce. Other entrepreneurs will promote and market their professional

services. Artisans will offer hand-crafted products including jewelry/accessories, health & beauty products, etc. Artists will promote and sell their creative pieces. Nonprofit organizations will also offer goods and services, or membership benefits where applicable.

The inclusion and integration of Food Trucks would be an interesting attraction. We are considering inviting 3 food trucks per event, and rotating/alternating the food truck vendors for each event.

We would also like to offer entertainment and educational workshops at The Mercado. All entertainment and workshop activities will be family-friendly. We would like to present live music groups, dance groups, and other performance art.

Pricing Strategy

In order to attract and appeal to a wider audience, each vendor must provide their products and services at a competitive value level, with promotional pricing offered at each limited engagement. The Merced County Hispanic Chamber of Commerce will negotiate the pricing agreements, oversee quality control, and manage the profitability of each participating vendor.

Advertising and Promotion

MCHCC will spearhead the advertising and marketing campaigns for The Mercado, with a cascading strategy that will include cross-promotional participation from all vendors and community stakeholders. Various communication channels will be considered for marketing implementation, including newspaper publications, digital media platforms, websites, community newsletters, flyers, radio, etc.

Objectives and Metrics

The target season to open the marketplace would ideally occur in the Spring or beginning of Summer. We would like to hold an outdoor marketplace event once every month. If the marketplace proves to be a success with a steadily increasing number of attendees, we may consider holding the marketplace twice per month, or eventually once per week. Alternatively, we would also like to propose the idea of holding a "Night Market" on the first (or last) Thursday evening of every month.

With the MCHCC monitoring the quality control and profitability of the marketplace, we will require that each vendor report either a recurring level of revenue, or an increasing percentage of revenue as a result of participating in each event. If vendors report a zero profit or declining percentage of revenue, the MCHCC will work with them to bring their numbers to a positive cashflow number. We may also consider referring the vendor(s) to the UC Merced SBDC to receive no-cost business advising. If positive revenue numbers cannot be achieved after a time, then the vendor may not be able to continue participating in the marketplace.

Safety & Security

The MCHCC will develop and implement a Health & Safety Plan, following federal, state, and local laws and recommendations for ensuring the health and safety of all community members. COVID-19 measures and regulations will be observed, including overseeing social distancing and the wearing of masks. Signage will be placed intermittently throughout the marketplace reminding attendees to socially distance themselves, and will refer them where to access sanitizing resources. Designated marketplace volunteers may also provide direction and inquiry support to attendees.

Local law enforcement officers will be invited to have a presence at The Mercado. If police officers are not available to offer support, the MCHCC may consider hiring private security.

Marketplace Location

If the Merced Main Street Association may be interested in co-hosting the epicenter of The Mercado on Main Street, we would welcome the opportunity to discuss such a collaboration in further detail. The Mercado could also occupy Canal Street, with the parking lots at the corners of 19th Street and Canal serving as prime locations for the Food Truck GrubHub.

Marketplace Launch

Time and preparations permitting, the MCHCC would be keen to launch The Mercado on May 5, 2021 (Cinco de Mayo). We have also considered launching the marketplace near or at the completion of the Utility Box Mural Project, in order to create a joint celebratory event for all of Merced.

We thank you for your time and consideration of our proposal, and look forward to proceeding with conversations to make this happen!

Many thanks, and kind regards.

Annissa Fragoso, Board President
Elisa Trevino, Board Vice President
Gil Cardon, Board Director

Merced County Hispanic Chamber of Commerce
531 W. Main St, Merced, CA 95340
(209) 384-9537
www.mercedhcc.com