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City of Madison Committed to Food Access for South Madison Residents

The City of Madison is introducing a resolution at the August 3, 2021 Common Council meeting that would purchase a 24,000 sf Grocery Condo within the larger Truman Olson Development at 1402 South Park Street for \$4.6 million. The Grocery Condo will house a full-service grocery store that will replace the aging Pick ‘n’ Save building located at 1312 South Park Street. This approach will allow the development project to move forward on timeline, mitigating a potential grocery gap while also ensuring the construction of 150 units of affordable housing in South Madison.

“Convenient, affordable access to food is a fundamental human right. I stand firmly committed to making sure that there is no grocery gap in South Madison and that there is a long-term food retail solution for area residents with the departure of Pick ‘n’ Save. The time for the City to act and address this issue is right now,” **emphasizes District 13 Alder Tag Evers.**

The City’s funding commitment would serve as bridge financing between the financial closing timeline requirement of the Developer (Rule Enterprises and Movin’ Out Inc.) in 2021 and the financial borrowing timeline of the Grocer (Luna’s Groceries) in 2022. The proposed resolution also provides the City with a degree of certainty/control over the project from the standpoint that approval would mean the larger development project would be able to proceed. This would ensure the desired affordable housing as well as a newly built “box” within which a grocer could serve the neighborhood for the next several decades. Additionally, staff will work over the next year to find a way to reduce the ultimate financial commitment by the City to something below the \$4.7 million contemplated by this resolution.

“The City of Madison is in a position to serve as a bridge financier for the Truman Olson Development Project on South Park Street,” **explains City Economic Development Director Matthew Mikolajewski.** *“This allows a major economic development project in South Madison to continue on schedule, ensuring continued grocery access for residents as well as the creation of 150 units of much needed affordable housing in the area.”*

This would not be the first time that the City of Madison has provided financial support to prioritize and ensure neighborhood food access within development projects. The City, via the Community Development Authority (CDA), serves as the landlord for Asian Midway Foods and Yue-Wah Oriental Foods. It has also provided TIF financing for large, mixed-use development projects that include food retailers, most notably Monroe Commons in 2005 (Trader Joe’s) and The Galaxie in 2015 (Festival Foods). This particular project has the potential to be even more impactful for economically vulnerable residents because of the affordable housing components.

“Food access and the creation of more affordable housing are priorities for my administration,” **said Mayor Satya Rhodes-Conway.** *“We have an opportunity to ensure that both of these things will continue to be available in South Madison by playing a significant role in this project.”*

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