

Food Enterprise & Economic Development Kitchens Project Business Plan

The FEED Kitchens will provide tools to help youth and adults who are disadvantaged, unemployed or underemployed to develop skills that move them toward economic self-sufficiency.

FEED will reduce hunger and increase the availability of healthy local food by allowing farmers and organizations serving the hungry a place in which to process unsold, excess produce that would normally end up in the landfill or compost pile.



Strengthening Our Community through the Power of Food.

A Project of the Northside Planning Council
2702 International Lane
Madison WI 53704
608-576-3734

info@feedkitchens.org
www.feedkitchens.org

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Executive Summary

The Food Enterprise and Economic Development (FEED) project is a social enterprise formed to support small and start-up food entrepreneurs, provide a facility for custom processing of value-added products for small farmers, and provide processing services to support the schools' efforts to improve students' nutrition. The goal is to increase the availability of local, healthy and affordable food products and food-related employment in Dane and adjacent counties. This Food Business Incubator will offer 5 commercial kitchen spaces for hourly rental, to enable a wide variety of food businesses to start and grow. In addition to the kitchens, there will be on-site business planning & development classes, plus financing assistance, offered by the Wisconsin Women's Business Initiative Corporation (WWBIC).

Those food entrepreneurs seeking to start and grow a business will be encouraged to have, or develop a business plan, and to create a plan to graduate from the FEED Incubator into either a second-stage Incubator such as operated by Commonwealth Development, Inc., or into their own independent facility. Other users will be long-term renters, with no plans to move out of the FEED facility, operating part-time or very small food businesses.

The users of these kitchens will be diverse; with many being low-to-moderate income individuals who are seeking to either supplement their incomes, become economically self-sufficient, or to grow an already-existing small food business. Much of the early community interest has been by Hmong & Latino women who wish to sell traditional foods to raise money for themselves or community projects. Other users wish to explore the development of a particular food product to see whether it has the potential to become the start of a new food business. All of them see the opportunity for increased income and new jobs for themselves and members of their communities.

Committed users include:

1. Caterers, food cart vendors, food product developers, food business start-ups, and culinary students at Madison College seeking to develop food businesses during and after graduation.
2. A food service training program and wholesale production business for returning prisoners and teenage children of incarcerated adults, unemployed and underemployed youth and adults.
3. The Farm to Table healthy snack program for school children in the Madison area.
4. A State of Wisconsin grant-funded small farmer co-packing service to process excess produce and from farmers and turn it into processed and value-added products that will be sold to farmers' wholesale and retail customers, increasing small farmers' incomes and opportunities. This team will also provide prep and processing services to the

Madison Public Schools for their salad bar lunch offering, as well as processing services to support the Southern WI Food Hub once it opens.

One large kitchen will be designed for use by both training programs and cooking classes, community cooking projects, food-related fundraising events, and food processing demonstrations for Dane County's Institutional Food Market project.

Business Description and Vision

The Food Enterprise and Economic Development (FEED) Kitchens will be providing affordable commercial kitchen space for rent, something that is currently not available in Madison or nearby communities. Similar food business incubators around the US generate 25 -35 new full time equivalent jobs per year as a result of the access to commercial kitchen space that allows users to sell food products to the public. Based on other kitchen projects, and the findings of a feasibility study (May 2010), it is anticipated that the FEED project will be able to be self-sustaining by year three through user fees, provided that the kitchens open with long-term debt not to exceed approximately 1/3 the cost of the facility. Eventually the kitchens should be turning a small profit, which will be reinvested in other community economic development projects through its non-profit owner, the Northside Planning Council.

The FEED project presents an opportunity for food entrepreneurs to explore the development of new food products and businesses, a way to increase the availability of local food through retail and wholesale outlets, a place where low-skill workers can develop new skills to enable them to gain stable, long-term employment, and the development of new food-related jobs to help sustain individuals and families. It will also allow feature an in-house processing service to help local growers process excess produce for later sale, the REAP Farm to Table snack program, which serves minimally-processed and packaged produce snacks to children throughout the Madison school system, and the Madison Public Schools' new salad bar offering. Without a certified kitchen space, none of these endeavors will happen.

Vision of the future

The goal of FEED is to become a thriving food hub that will support a major increase in the number of local foods and local food businesses in Dane County and beyond. After five years of operation our goal is to have launched a variety of new food businesses and products into the greater Madison area, and see a concomitant increase in food-related employment and success. We anticipate that there will be a need for a second kitchen facility in a different area of Madison within 10 years of FEED opening.

Definition of the Market and Partnerships

Throughout the country and around Wisconsin, there is growing interest in kitchen incubators. Growth is driven by the changing economy as well as a growing community

interest in having a greater connection to food, expressed as a part of the local food movement. Both the economy and the interest in more local food provide a solid foundation for food entrepreneurship. The growth of the local food movement alone is so strong that the need for more food business opportunities is apparent.

Wisconsin is currently a hotbed for local foods. The state boasts the nation's largest producer-only farmers' market, over 200 local farmers' markets, over 100 restaurants and food retailers marketing Wisconsin food products, and over 75 Community Supported Agriculture farms, which are not nearly enough to keep pace with demand.

Despite strong interest, farms are still struggling to reach profitability and barriers to food entrepreneurship exist. Small and medium sized farms are poised to provide the unique product offerings and the close food connections that consumers seek. However, for these farms to succeed, resources and processing space for farmers to reach profitable niche markets, expand their seasons, and add value to their raw products is critical. In addition to farms, the Madison area holds a number of budding entrepreneurs interested in developing food businesses for catering, food carts, value added and specialty products, and seasonal or hobby businesses. The Madison College Culinary Arts program graduates about 50 students each year, many of whom need commercial kitchen space both while in school and upon graduation. For these entrepreneurs, building a kitchen or investing in a full-time rental space is often cost-prohibitive. In addition, very few low cost, part-time commercial kitchens available for rent exist in the Madison area, and those that are available are at capacity or 75 miles from Madison proper.

There is a strong push to make healthier food choices available through the public schools, both through the snack program operate by REAP and available to those receiving free & reduced-cost lunches, and through a new salad bar offering for lunches. The schools no longer prepare their own food, and are relying on the availability of the FEED Facility and the FEED processing team to provide preparation and processing for these two healthy food programs. Once FEED is open, REAP can consider whether to grow their snack program to meet 100% of the need in the Madison school district, and the schools can begin to source local produce to include in their salad bars. There are also plans to begin offering dinners for low income students and eventually their families, funded by a unique partnership with local businesses and schools. These dinners will require production in a commercial kitchen space, and could partner with the food service training program and caterers using FEED, to provide the preparation services that will be required for these dinners to meet the expected demand.

FEED will be providing crucial processing services that will enable two new food projects to succeed: the Southern Wisconsin Food Hub and the Madison Public Market. The Food Hub has identified FEED as a critical partner, whereby FEED would provide processing and preservation services to the farmers using the Food Hub. This means the difference between food going to waste because it is not sold, and food processed into value-added products to be stored and sold at a later date.

The Madison Public Market has identified FEED as the place where new food products will be developed and manufactured and small vendors will get critical business training and support so that they are able to open kiosk stands in the Public Market. A strong relationship will develop between the coordinator of the Public Market and FEED, with the hopes that niches will be identified and new vendors will be developed to fill those niches.

The Madison area food community has had discussions about the need for a commercial food business incubator since 1997; however there was no organization or individual community member able to lead the development of such a project. In 2008 the Northside Planning Council (NPC) surveyed the community, and determined that such a project would be one that the organization could develop, having successfully led the development of projects such as Troy Gardens Community & Farm, the Warner Park Community Recreation Center, and the Northside Farmers' Market. Developing a food business incubator in the Madison area provides the space and the technical resources needed for food businesses to reach the marketplace. With careful planning to insure that the needs of a wide variety of food entrepreneurs are met, as well as close attention to the management needs of this complex enterprise, it is possible to meet many of the food production needs of those individuals comprising small and start-up food businesses.

Description of the Services

The FEED kitchens will include five different types of kitchen spaces, each designed to meet a specific production need. The following spaces will exist within the 5400 square foot building:

1. A large training & community-use kitchen that will be able to accommodate groups offering food service training, cooking classes, and group food processing projects.
2. Bakery kitchen able to support bakers wishing to produce large quantities of cookies, cakes, breads, rolls, and other baked goods.
3. A large vegetable processing area for higher volume raw, canned and frozen vegetables and vegetable products. This kitchen will be used by the REAP Farm to Table school snack program, the FEED small farmer Co-packing and processing service, and other food entrepreneurs seeking to process vegetables in quantities of up to 10,000 lbs. at a time. This kitchen and the FEED Processing service will also serve the City of Madison Public Schools Salad Bar offering, processing the products to be served at the salad bars in the schools.
4. A deli preparation area, allowing the packaging of prepared meats and vegetables for catering and wholesale. This area will also serve as overflow processing space for the produce kitchen.

5. Meat processing kitchen which will include a meat grinder, sausage stuffer, meat packaging and processing equipment. There is currently no rentable space for a meat producer to work, so this will be offering a unique opportunity for those wishing to process a variety of meat products for sale within the state of Wisconsin. The space will be configured to meet the USDA requirements (USDA certification is required for out-of-state meat sales) should an entrepreneur wish to pursue a USDA meat processing license, but the kitchen itself will not be USDA certified unless there is sufficient demand. The equipment for this kitchen will be added in late 2014.

6. Dry, cold and frozen storage for rent, bulk buying opportunities, and a conference room and office available for use by kitchen users and WWBIC. WWBIC will be offering classes in business planning, business finances and financing, loans, and mentoring. Madison College will develop specific food-business related classes, as there are currently few available to non-farmers.

All users will be required to go through initial food safety training, and to have their own license for the type of food that they are processing. Rental rates for the kitchen will range from \$15 - \$25 per hour, based on both the type of kitchen the user is renting and how many hours per week they are renting.

There is little-to-no competition for FEED in the Dane County area. There is a shared-use kitchen available in Mineral Point, but they do not offer any business assistance or incubation services, and surveys have found that Madison-area users will not travel that far to utilize a kitchen facility. There are a small number of private kitchens that offer occasional rental use of their kitchens, but these have limited equipment, limited hours, and often discontinue their rental services when they become too busy. The feasibility study concluded that the FEED kitchen has the potential to be quite busy, serving 100-plus different users (with a user being defined as a food business comprising one or more staff) during a year's time, operating 24 hours per day, and 7 days per week. The study encouraged FEED to consider a facility larger than the initial 3200 sq. foot facility initially proposed, thus the 5400 sq. foot facility with five kitchen spaces is the one being pursued.

Site

The FEED Kitchens will be located at the Northgate Shopping Center in a site that has been slated for infill development. This will allow FEED to offer a small retail outlet onsite or nearby to sell products made in the facility, and the opportunity to integrate with a variety of community partners.

Organization and Management

The FEED Kitchens Center is owned by the Northside Planning Council (NPC) and operated as a project of the NPC..

This structure means that any "profit" that FEED generates will go to the Northside

Planning Council as related business income, making it non-taxable income to the 501 (c)3 as long as the NPC's mission remains relevant to the FEED facility's mission and activities. Property taxes on the building will be paid to the City of Madison for the sections of the building that are used by for-profit businesses, but the areas utilized by non-profit organizations will be exempt from City property taxes and City personal property taxes. Should the NPC ever cease to exist due to a lack of funding, the NPC would transfer ownership to another food related non-profit organization.

The NPC Executive Director and Board of Directors will provide financial and management oversight, with the FEED Advisory Committee provides more direct oversight of operations and programming. This includes offering support and oversight to the paid staff, as well as providing business mentoring and assistance to the users as appropriate. This group is made up of experienced food business people, individuals with knowledge of food safety regulations, and individuals active in the wider food community. Advisory Committee members may also engage in any needed fundraising and teach classes at the kitchen as volunteers.

Initially there will be one full-time staff person to manage the kitchens, and a half-time staff person to manage the co-packing service. As the kitchen becomes busier, a half-time administrative assistant will be added to assist the manager, expanding to full-time if the demand is great enough. The NPC Executive Director will be available to assist the manager during the initial start-up, as will three of the Advisory Board members with extensive management experience.

The facility will not be staffed by management staff 24 hours per day. All users will clock into and out of the facility using a key card, and their use and time tracked and billed based on that. Video camera monitoring will also be in place, to insure that unauthorized users are not being let into the facility. All users will be required to fill out check-in and check-out forms, to assist the staff in indentifying those users who require additional training or sanctions because they are not leaving the facility in a clean and sanitary state. This procedure is followed at similar shared-use kitchens around the country, and is generally successful. However, it will require periodic evaluation to assess its efficacy. Initial evaluation intervals are at 3 and 6 and 9 months after opening, with 6 month reviews thereafter.

Development of Polices & Procedures

A consultant, Mary Pat Carlson of the Algoma Farm Market Kitchen, who has 12 years' experience running a similar facility, is assisting the planning team in setting up all policies and procedures. This includes initial application materials, paperwork vital to the operation of the facility and each business, and guidelines for determining when a user is ready to graduate from the facility into their own business space. Two other experienced food business people will be assisting in hiring the initial kitchen staff, applying their extensive experience to help the planning team hire the best person for this challenging position. A long-time restaurant operator will be available to teach

classes in food business finance and startup, and has expressed interest in partnering with potential entrepreneurs who are seeking to start their own restaurant.

Users will be introduced gradually during the first six months of operation, with priority being given to those who already have a business plan, and those who are already working but need a different space in which to work, and the three anchor tenants. Occasional users will be introduced into the schedule after the greater-time-block users have started their regular work schedules. Regular user trainings will be scheduled frequently over the first year of operation, diminishing to once per quarter at year two.

The project development team consists of the following individuals and their qualifications:

Ellen Barnard, MSSW, entrepreneur, former Northside Planning Council Co-Chair. 18 years of non-profit and for-profit business development and management.

Sue Gleason, NPC Chair. 25 years of economic and workforce development experience.

Martee Mikalson, food entrepreneur & Sales Manager Kessenich's Inc

Punky Eagan, Lead Instructor, Bakery Program Madison College Culinary program

Mary Pat Carlson, Consultant Algoma Farm Market Kitchen, 520 Parkway St. P.O. Box 35 Algoma, WI 54201-0035 (920) 487-9750

Lauri Lee, small business owner, editor Northside News

Lisa Wiese, Northside Farmers' Market Manager, Small Producer Co-packing Service Coordinator

Jodi Pathmann, Events Team

Brian Lee, Founder Eat, Drink Madison, PR & Marketing consultant

Karen Gilbert, management & operations consultant

Mai Zong Vue, Events, Hmong Catering development

Terrie Anderson, Northside Planning Council Chair, events, fundraising

Jan Lottig Howick, Fund Development Director

Iconica Architectural Design & Engineering

This team comprises the planning volunteers and staff for the project, and some members will remain on the Incubator Advisory Board for the first two years of operation. The Incubator Advisory Board, convened starting in August 2012, consists of the following individuals with food and business experience, marketing expertise, and strong connections to the food industry in and around Dane County:

Ellen Barnard, Social Entrepreneur, FEED Project Chair

Patti Seger, Non-profit executive director

Julann Jantczak, WWBIC representative, Business Planning Expert

Andrew Bernhardt, UW Extension Food Incubator Expert

Doug Thurlow, State of WI WEDC, Business Incubator expert

Martee Mikalson, Sales Manager Kessenich's Ltd, Food Business & Equipment Expert

Terrie Anderson, Northside Planning Council Board Liaison

Kelli Betsinger, Marketing and Promotions

Cheri Schweitzer, former State of WI Food Safety Inspector
Peter Robertson, RP's Pasta, operations and processing consultant
Marti Ryan, Financial and Business Consulting, NPC Board Member

Other volunteers helping in specific areas:

Monty Schiro, CEO Food Fight Inc. Bid review and equipment selection
Erik Larson, Food Service Professional, Accounting, Processing Service Development

Marketing and Sales Strategy

There is significant pent-up need for the FEED kitchens, and team members are already getting inquiries by potential users. There are very few kitchen spaces available for rent in the Dane County area. Based on two user surveys since the feasibility study was performed, there are currently 55 individuals waiting for the facility to open, many of whom intend to use it from 4 – 20 hours per week. While some of these individuals will find other spaces in which to work, and some will lose interest, the Project Coordinator continues to get one to two inquiries about rentable kitchen space every week, and there is no reason to think that will not continue once the facility is open.

The FEED Kitchens project has also gotten active interest from the Madison area press, with articles being featured in the Capital Times, Wisconsin State Journal and Madison Magazine even before the facility is open. Several food-related publications are in line to do stories on the facility once it is open, including the Madison Originals magazine and Edible Madison Magazine.

Both the feasibility study and the consultant working with the project have cautioned against an active marketing strategy until the facility has been open at least a year, to allow for processes to become well-established. The biggest risk is for the management team to become overwhelmed, putting safety at risk, or creating an unnecessarily chaotic management challenge. The current plan is to accept enough users to operate at approximately 20% capacity the first year, with a 40% increase in use the second year (based on other facilities' growth rates) and then slowing down to 20% more year 3, and 10% more each year after that.

Once the opening date is set, and all training is in place, team members will do outreach to Madison College Culinary Students, Food Cart vendors licensed through the City of Madison, restaurant owners (who frequently get calls inquiring about use of their kitchen space), and people in the food business community, sharing information and brochures about the FEED kitchens and how people can use them.

A web site has been established, and will have downloadable applications for potential users, and clear information on what FEED offers and how to take advantage of any and all services at the facility. An email newsletter is already planned, and a mailing list of interested individuals has been started.

The Co-packing service has already been doing outreach to the small producers in the region, and will continue to work with farmers' market coordinators and the Madison Area Community Supported Agriculture Coalition to market the co-packing service. The service has received a grant from the State of Wisconsin Buy Local, Buy Wisconsin program to purchase equipment and pay for the initial staff position.

A media and publicity volunteer is a part of the organizing team, and will be assisting with the early media and publicity needs to engage the media so that the news of the kitchens is widely available, online, in print and through broadcast media. Regular events will be held at the kitchens to maintain a high level of awareness of the availability of the site to both individuals and groups seeking commercial space for a food related business or event.

Financial Management

As noted, the facility will have a “soft” launch, working with people who are highly motivated and organized, and those with whom the Advisory team is already working. This includes 3 anchor tenants, two of whom will be using FEED up to 30 hours per week, and one that will use FEED 20-40 hours per week, depending on the time of year of the use. The projections, shown in Appendices B & D, are based on commitments made by food entrepreneurs who have contacted the FEED Project Coordinator and filled out a survey that indicates their projected use. The projections in Appendix D are conservative, based only on those who have made a firm commitment to using the facility, despite the fact that it is not yet open.

The current planning team is working to raise sufficient funds to allow for no more than \$400,000 in debt. This included hiring a Capital Campaign Coordinator to coordinate the final fundraising efforts.

If the project requires a loan, it would consist of a \$400,000 (or less) loan from Forward Community Investments (FCI) or a local community bank at an approximately 6% interest rate and payable over 25 years. The lender would hold the first mortgage, and in the event of default would own the building and any assets that the Northside Planning Council had at the time of default.

It is the goal of the NPC and FEED staff and volunteers to open the facility with little or no debt. Without debt payments, all revenue can go into supporting low-income and non-profit users of the facility, reducing their out-of-pocket costs for kitchen rental, and offering scholarships for the food business and healthy cooking classes. However, the facility can support debt if necessary to do so in order to meet the contractual obligations of several grants.

Should the facility not attract enough users to fulfill the projections in Appendix D, it would be possible to lease the kitchens to food businesses that are past their start-up stages but not yet able to afford to purchase all the equipment they need to carry out their business activities. These would be long-term tenants with at least one year leases

at slightly below, or at market rate rents. Need for this kind of space is steady, and is currently being fulfilled by Commonwealth Development in their business incubators, however they have little space remaining, and no plans to expand.

Appendices:

Appendix A: Project Description and Work Plan

Appendix B: Projected Income by User Type Year 1

Appendix C: Building Budget Sources & Uses

Appendix D: Operating Budget 5 year projections

Appendix E: Future user profiles

Appendix F: Northside Planning Council Overview

Appendix A.

Project Work Plan

Construction and Start-up Timeline – FEED Incubator

Activity	Dates	Comments
Feasibility Study	April, May 2010	
Business Plan	Q2,Q3, 2010, plus ongoing revisions	Specifics needed on financials; more clarity around anchor tenants and FEED Madison custom processing
Secure Financing	Q3,Q4 2010 Q1-4 2011, Q1-4 2012, Q1-2 2013	Potential for multiple grants & local partnerships
Site Selection	Q2, 2010	Review local options, secure location
Design Facility	Q3, 2010	Hire architect for facility design
Policy Development	Q4 2012 - Q3 2013	Review other incubator policies, craft FEED policies prior to launch
Construction	Q4, 2012 – Q4 2013	Ground breaking through launch
Employees	Q4, 2013	Hire of kitchen manager 3-6 months prior to launch
Equipment purchases/donations	Q3-Q4 2011, Q1-4, 2012, Q1-4 2013	Based on anchor tenants needs and perceived needs in 2010
Marketing	Ongoing, heavy push 2013.	Recruit initial tenants, focus on anchor tenant and farm processing clients
Facility Opening	Q4 2013	Open house, press event, media coverage, outreach to funders

Appendix B: Projected income by User Type year 1

<u>Users</u>	<u># users</u>	<u>#hrs/wk</u>	<u>\$/hour</u>	<u>\$/WK</u>	<u>\$/yr</u>	<u>\$Storage</u>	<u>Dry</u>	<u>Cold</u>	<u>Freezer</u>
		157.35			\$185,640	\$3,224	2.5	4	5
Meat & Deli Kitchens		36			\$42,640	\$936			
Soup Stocks	1	8	25	200	\$10,400	\$598	130	208	260
Hmong Catering	1	4	25	100	\$5,200	\$338	130	208	
Fry Guy Food cart	1	16	20	320	\$16,640				
Occasional Users	1	8	25	200	\$10,400				
Bakery		36			\$57,200	\$1,014			
Pies	1	10	25	250	\$13,000	\$338	130	208	
Butter Tarts	1	5	25	125	\$6,500	\$338	130	208	
Sara Nash	1	5	25	125	\$6,500	\$338	130	208	
Sheryl Albertoni	1	8	25	200	\$10,400				
New Core User	1	8	25	200	\$10,400				
Occasional Users	1	8	25	200	\$10,400				
Produce		48			\$59,800	\$936			
Processing Team	1	20	15	300	\$15,600	\$468		208	260
Polly Jam&Preserves	1	16	15	240	\$12,480	\$338	130	208	
Yum Tum	1	20	15	300	\$15,600			208	300
REAP	1	8	15		\$7,800			300	
Occasional Users	1	8	20	160	\$8,320	\$130	130		
Training/Classes		37			\$26,000	\$338			
MUM/River	1	20	15	300	\$15,600	\$338	130	208	
Madison College	1	8	15	120	\$6,240				
Occasional Users	0.5	8	20	80	\$4,160				

Assumptions:

1. Dry storage usage rate = \$2.50/wk; Cooler storage usage rate = \$4.00/wk; Freezer storage usage rate = \$5.00/wk
2. See projections above for first-year use. First year projection is based on currently committed users. Escalators are indicated in the tables.

This table is based upon users who have committed to working in the FEED facility as of December 2012 and includes placeholders for additional persons who have responded to the two surveys that have been sent out and completed since the feasibility study. These estimates are conservative, and based upon those people who have business plans completed and know that the facility will be opening in November 2013.

By the end of the first full fiscal year (January 1 – December 31), the facility is expected to support or generate 8 new full-time jobs, and 16 new part-time jobs, including staff of the facility (1 FTE, 2 .5 FTE) and staff of the businesses using the facility.

Appendix C: Building Budget Sources & Uses

City of Madison CDBG	500,000	bldg, equip & design
Buy Local, Buy WI Grant (DATCP?)	20,500	equip
Private Fundraising	148,908	open
Equipment Donations/discounts	12,000	
EB pledge 2013	10,000	open
Food Fight	6,000	open
CUNA Mutual Fdn	5,000	open
MGE Foundation	20,000	open
Webcrafters Foundation	5,000	open
Willy St Coop	32,265	open
Pleasant Rowland Fdn	50,000	open
JR Albert Foundation	100,000	equip
Rotary Grant	2,100	equip
FCI Loan	305,000	bldg & equip
Boardman Loan	15,000	bldg & equip
Marshall Loan	100,000	bldg & equip
TOTAL	\$ 1,386,773	

EXPENSES

Uses

Total Building and Site Hard Cost	\$	980,000
Equipment	\$	323,000
Soft Costs-Arch.Engr.Site work		80,000
Operating expenses first year		100,000
Development Director		20,000
TOTAL	\$	1,503,000

Note: Listed sources are all committed. Amount to be raised as of 08/28/13 is \$116, 227.

Appendix D: Operating Budget 5 year projections

5 Year Operating Projection FEED Kitchen Incubator

	Year 1	Year 2	Year 3	Year 4	Year 5
Beginning Cash (A)	\$ 50,000	\$ 57,990	\$ 94,689	\$ 164,786	\$ 254,835
Cash Revenues:					
Income from Kitchen Rental	\$ 185,640	\$ 241,332	\$ 289,598	\$ 318,558	\$ 350,414
Income from Dry & Cold Storage	3,224	4,805	5,766	6,342	7,294
Total (B)	\$ 188,864	\$ 246,137	\$ 295,364	\$ 324,900	\$ 357,708
Cash Expenses:					
Payroll, Payroll Taxes and Benefits	\$ 70,000	\$ 90,000	\$ 92,000	\$ 93,000	\$ 95,000
Occupancy					
<i>Mortgage (P & I)</i>	30,924	30,924	30,924	30,924	30,156
<i>Infrastructure payment</i>	0	0	8250	8456.25	\$8,667.66
<i>Ground Lease</i>	3950	4048.75	\$4,149.97	\$4,253.72	\$4,360.06
<i>Utilities</i>	36,000	40,000	41,000	43,000	45,000
<i>Repairs and Maintenance</i>	10,000	14,000	16,800	18,480	21,252
<i>Roads and Grounds Maintainence</i>	1,500	1,500	1,500	1,500	1,500
<i>Property Insurance</i>	3,000	3,000	3,200	3,300	3,400
<i>Real Estate Taxes</i>	7,500	7,725	7,957	8,195	8,441
Reserves & Contingency	10,000	10,000	11,000	15,000	33,000
Other - Contracted Services	8,000	8,240	8,487	8,742	9,004
Total (C)	\$ 180,874	\$ 209,438	\$ 225,268	\$ 234,851	\$ 259,781
Surplus/(Deficit) (D)=(B)-(C)	\$ 7,990	\$ 36,699	\$ 70,096	\$ 90,049	\$ 97,927
Ending Cash (E)=(A)+(D)	\$ 57,990	\$ 94,689	\$ 164,786	\$ 254,835	\$ 352,762

This reflects a \$400K 6% loan, amortized over 25 years with 5 year balloons, with full payment on all loans from the opening. This is an annualized budget, based on one full-years' operations.

FEED will hold a lease on the land, and provide an \$82,500 down payment to the landowner. This down payment will be amortized over 10 years, and payment will begin in the third year of operations. An escalator of 2.5% will be applied to the land lease payments and to the amortized down payment. The lease will be for 85 years, and will result in the eventual ownership of the land by NPC/FEED.

Contracted services include grounds maintenance, accounting support, and other miscellaneous contracted support needs. First year includes on full-time Kitchen Coordinator, with a part-time admin assistant coming in during final quarter.

Appendix D: FEED Future User Profiles

Over the past 24 months, a variety of non-profits, community groups, and food entrepreneurs have contacted FEED to get information and be added to the list of those intending to use the facility once it's open. The current list includes:

Non-profit Organizations

- **Community GroundWorks (CGW)** intends to use the community kitchen space and canning kitchen in conjunction with the Dane County Public Health Department to teach healthy cooking skills to middle and high school students who garden with CGW. They also plan to start a youth micro-enterprise program producing and selling canned products made from the produce grown and processed by the youth.
- **Small Farmer Co-Packing and processing Service.** This service will employ unemployed and underemployed youth and adults to process excess or blemished produce for area small farmers so that the farmers are able to preserve more of their harvests, and are able to increase their incomes through the sale of these value-added products.
- **The River Food Pantry and Madison Urban Ministry.** These organizations, serving low income, unemployed and recently incarcerated adults and their families, plan to start a self-sustaining food enterprise that will offer training and placement to allow their program recipients an opportunity to secure long-term stable employment in the food service and bakery industries.
- **REAP Farm to Table Healthy Snack Program.** This program prepares 5000 locally-grown fresh fruit and vegetable snacks every week of the school year, to be served to those schoolchildren who qualify for free and reduced school lunches in the Madison school district. They hope to do some or all of their processing in the FEED Kitchens space starting in 2014.

Community Groups & Organizations

- **Gompers/Blackhawk PTO.** This group of parents successfully got a school garden donated and installed in 2011, and they will be using FEED to teach students healthy cooking skills and food preservation skills.
- **Madison Waldorf School Soup Lunch Program.** This group of parents is preparing a healthy soup and bread lunch for students at the Madison Waldorf School. They intend to use FEED to produce these meals so that they have a reliable commercial kitchen in which to work.
- **Madison Jewish Women's Circle** plans to use FEED to teach healthy cooking to its members and their children, and to develop healthy alternatives to traditional Jewish holiday foods for fundraising and community celebrations.
- **Dane County Public Health Nurses** want to conduct classes that take participants shopping at the Farmers' Market and then cook from their week's purchases, teaching them how to cook fresher, healthier foods quickly and easily.
- **Madison College Non-Credit Culinary Program** has lost access to a commercial kitchen for their non-credit Culinary classes, and will be using the FEED Training Kitchen to host those classes. These classes include basic kitchen skills, basic food prep, and more advanced cooking skills, and are priced to be accessible to a wide variety of community members.

Food Micro-Enterprises

- **Hmong Eggroll Catering Company** This business will employ single mothers who are Hmong in an eggroll and special occasion catering company operated by an experienced caterer & business woman.
- **Memphis Mason Barbecue** is an award-winning barbecue caterer who plans on developing a line of smoked meats, sauces and dry rubs for sale through grocery and specialty food stores. They also want a space in which to work so that they may do larger catering events.

- **Yum Tum Frozen Organic Baby Food.** This business is currently operating out of a small general incubator space, and will be moving to the FEED facility in order to expand their production and achieve their goal of increasing wholesale and retail availability of their unique products.
- **Giovanna's Bakery** Specialty bakery business seeking a location to bake and package wholesale baked goods for the local Wisconsin market.
- **Aaron Thompson** This food cart vendor will be using FEED for all his storage, food prep and washing. He became unemployed in 2010, and with family support, planned this food cart and was accepted as 2012 Madison vendor.
- **Taste of Heavenly Delights Catering** Yolanda Harrison has been catering in Madison and Chicago on and off since 1985. She has been seeking a commercial kitchen in Madison, where she lives, to re-start her Madison business. She hopes to make this a full-time job again once she has access to a commercial kitchen.
- **MadUrbanBees Honey Products** This urban beekeeper plans to process a variety of honey products in the FEED facility.
- **Last Course Sensations** The Butter Tarts made by this baker have been a hit at several FEED events, and the owner, Linda Speziale, has been seeking a commercial kitchen in which to produce them for sale for three years.
- **Polly's Jams & Preserves** Polly Reott is a former self-described "welfare mom" who discovered canning and preserving local produce as a way to make a living for herself. She dreams of expanding her business to employ other low income women, as well as teaching everyone the joy of preserving home-grown food.
- **Jamie's & Son Bakery** an established Madison bakery seeking space to increase their production capacity so that they may begin offering their products to the wholesale market.
- **Monkey Shake** Protein Shake mix for Athletes. This manufacturer will be using FEED for storage and packaging of their dried mixes for sale to the public. FEED will allow them to expand their production capacity and enter the wholesale market in addition to their direct-to-consumer internet sales.
- **Kathy's Spaghetti Sauce** is a locally-made, locally-sourced spaghetti sauce maker based in Madison. She has been cooking out of her home for friends and family, and needs a commercial kitchen in which to work so she is able to sell her sauces to the public.
- **LaToria Douglas** is working with the UW Small Business Development Center on a business plan for a catering company. She cannot proceed until she has access to a commercial kitchen, and plans on using FEED for both cooking and storage of her raw materials.
- **Mike's Family Bakery** is a bakery project being started by an unemployed father and his daughter who has a disability, but is a master baker. They are starting the business to provide employment for both of them, and need the FEED facility in order to be able to do so.
- **Cookies in the Breakroom, LLC** This baker is currently cooking in a kitchen 40 miles from Madison, and travels an hour each way from her home. She will be working in the FEED kitchen 10-12 hours per week with an eye to expanding her business and adding an employee.

Appendix E Northside Planning Council Overview



History of the Northside Planning Council

The Northside Planning Council began in 1993 and has grown into one of Madison's most successful and effective community organizations. NPC has won the Neighborhood of the Year Award from Neighborhoods USA and a 30 Year Madison Community Development Award. NPC has partnered with diverse community leaders from neighborhood, business, senior, faith, school, and community center groups to transform an unorganized, socially fragmented and politically ignored community into Madison's most engaged, informed and best-organized community with a strong identity and high quality of life. Major accomplishments include:

- ✓ partnering with the City to build Warner Park Community Recreation Center
- ✓ organizing the award-winning Troy Gardens project
- ✓ successfully advocating for a new grocery store, an expanded library and better schools
- ✓ publishing the free Northside News and delivering it to 13,000 households and businesses
- ✓ developing the "Northside Brand" and "Community Vision."

Today – The most significant issues facing Madison's Northside are economic hardship (poverty, job loss, disinvestment, visual blight, etc.). NPC works to engage our community to lead Community-based Economic Development in order to inspire investment in our community. A few of the efforts underway include:

- A Northside Economic Development Coalition of community business partners has formed to market and promote the Northside.
- partnership with the Wisconsin Women's Business Initiative Corporation (WWBIC) to support micro-enterprises and strengthening our outreach to small businesses and entrepreneurs.
- City beautification projects to help re-brand the Northside with a community atmosphere that inspires and welcomes residents and visitors.
- The **Food Enterprise and Economic Development (FEED) Kitchens**, a commercial kitchen Incubator that will open in late 2013 will help create new businesses and jobs.

These efforts are part of NPC's leadership in implementing the City's Northport-Warner-Sherman Neighborhood Plan. We continue to celebrate our diversity and identity through our Community-wide Council meetings, where participants can connect with other Northsiders, plan solutions to community issues, gain and provide input on community topics, receive updates from Alders and community leaders and sign up to volunteer on NPC project teams. Our bi-monthly 32 page Northside News Newspaper continues to support and represent the pulse of the community as well as communicate with those unable to participate in meetings and project teams.