

Prepared for Mecklenburg County

June 2021



Funding Proposal:

Local Foods Production & Distribution Center



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About Carolina Farm Trust





Carolina Farm Trust (CFT) is a registered 501(c)3 nonprofit organization (tax ID# 47-4089099) that was established in 2015, and is headquartered in Charlotte, Mecklenburg County, North Carolina.

Vision

A region in which food systems promote social, environmental, and economic resilience.

Mission

To strengthen equitable local food systems in the Carolinas, from production to consumption.

Outcomes

- Increasing the availability and affordability of fresh, nutritious, culturally relevant food
- Creating equitable economic opportunity in agriculture and supporting sectors
- Building regional food security
- Reducing the environmental impact of the food we eat
- Shifting the power of food systems toward consumers and local growers
- Re-balancing the relationship between people and land



Business Overview

Fosters a network of sustainable farms

Located throughout the Charlotte Metro, CFT farms are managed by team members or organizational partners who use sustainable, regenerative farming practices.

Delivers healthy food to communities

Produce grown at CFT-operated farms is sold at on-site Farm Stands and area farmers markets. CFT also partners with the small farming community, chefs, and front-line organizations to deliver nutritious foods to communities experiencing food insecurity.

Preserves land for farming

CFT secures long term leases from public or private land owners and, in the coming years, will focus on purchasing land to ensure the permanent availability of land for farming.

Supports small farmers

CFT assists farmers in becoming more sustainable and profitable by helping, as needed, to connect to available land, acquire small pieces of equipment, build out business infrastructure, assist with marketing efforts, and focus on building revenue-generating customer relationships.

Collaborates with front line partners

Building deep, trusting relationships with partners who serve distressed communities allows CFT to focus on changing local food systems to better serve communities' long-term needs.



Project Overview

Local Foods Production and
Distribution Center



The Charlotte Metro has a dire need for a centralized facility to maximize the distribution of and access to fresh, local foods. In partnership with the West Boulevard Neighborhood Coalition (WBNC), CFT launched significant fundraising efforts in 2021 to support this multi-faceted project in Mecklenburg County.

The Local Foods Distribution & Production Center (LFDPC) will serve both residential and commercial customers by buying and selling real food, for real people. Foundational to the project are principles of equity, with a focus on access and affordability, in order to connect equity-seeking communities with food that is flavorful, vibrant, and packed with nutrition. The undertaking of this project is critical to achieving food justice in Charlotte.

The LFDPC will provide the following:

- A reliable, year-round source of fresh, affordable, nutrient-dense foods, including value-added products, for constituents
- A reliable, year-round marketplace for farmers and agripreneurs to sell their products, including value-added products
- Educational opportunities
- Employment pathways
- Entrepreneurial development

The LFDPC will source and sell local food items to residential and commercial (wholesale) customers, including produce, livestock, and dairy.

- **Seasonal Items:** Fresh items will be available on a seasonal basis. Value-added products, such as pickles and preserves, will extend the shelf life of fresh seasonal items so that they can be sold throughout the year. Contracts with produce and livestock farmers will allow the LFDPC to purchase items at a reasonable price, reducing the shelf cost of the item and guaranteeing a market for farmers.
- **Customized Orders:** Items can be broken down, divided, and processed based on the needs and wants of the customer.
- **Sections:** The LFDPC will be divided in sections: Meats, produce, and commercial accounts. Each section will function in one capacity only to keep orders organized and eliminate cross-contamination.
- **Kitchens:** A Test Kitchen and a Production Kitchen will allow employees and entrepreneurs to develop, prepare, and sell recipes and value-added products on-site.



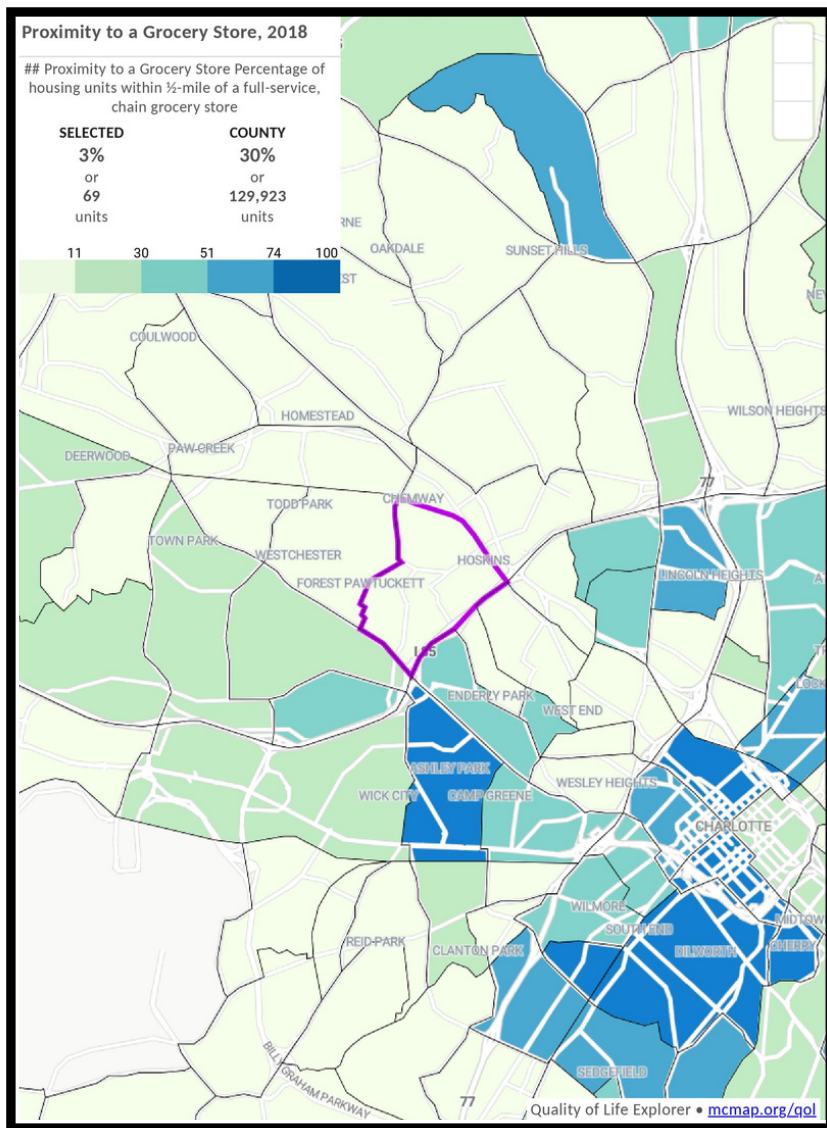
Site Description

CFT has an opportunity to lease 83,900 square feet of indoor/outdoor space at a former food production and distribution facility in Charlotte's West Side. The site is ideal for the LFDPC due to the presence of:

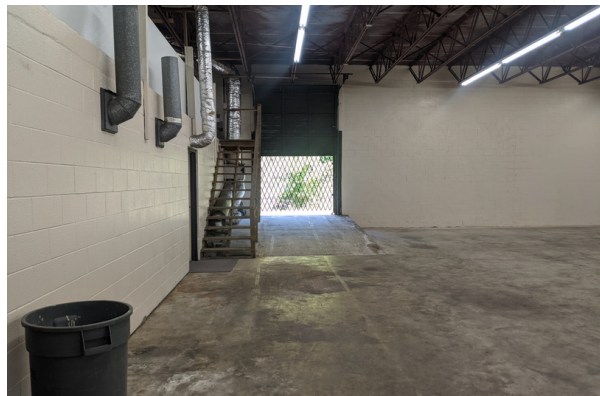
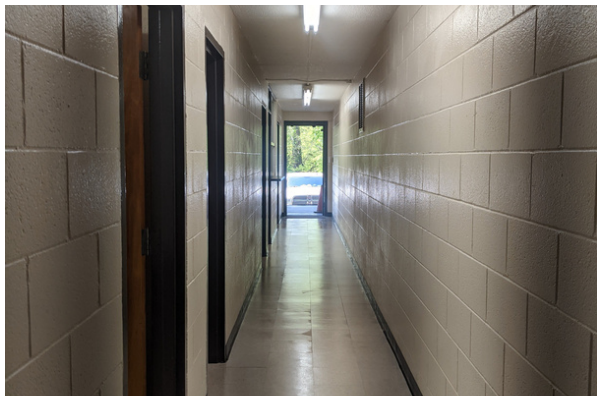
- An outdoor green space that can serve as an urban farm and open air market.
- A USDA-certified commercial kitchen and refrigerated storage.
- Office space and meeting rooms.
- Paved sidewalks allowing for safe connectivity for pedestrians in surrounding neighborhoods.
- Nearby road and freight transportation networks, including I-85.

Square Footage

- **Main building:** 19,200 square feet, with 4,700 square feet of cold storage
- **Smaller building (proposed butcher processing building):** 5,500 square feet with 3,500 square feet of cold storage
- **Outdoor green space:** 60,000 square feet



Site Photos



Location & Population Served

The proposed site at 511 S Hoskins Road is in the Thomasboro-Hoskins community, which have experienced significant divestment since the mid- to late- 20th century. The profile of the surrounding community is as follows*:

Demographic

- The median age of residents (30 years) is five years younger than the median age of the Mecklenburg county (35).
- 75.8% Black or African American (30.7% County-wide)

Upward Mobility

- 82% of adults in the labor force who are employed (93% County-wide)
- 13% of adults over age 25 with a Bachelor's degree or higher (44% County-wide)
- Median household income of \$29,395 (\$61,695 County-wide)
- Job density of 0.6 per acre (2 per acre County-wide)

Housing and Density

- Population density of 6 people per acre (3 people per acre County-wide)
- 32% of housing units that are owner-occupied (57% County-wide)

Health

- 43% who receive Medicaid or N.C. Health Choice (15% County-wide)
- Average age of death of 66 years (71 years County-wide)
- 15.8% of births where birth weight was less than 5lb 8oz (9.4% County-wide)

Food Access

- 45% enrolled in Food and Nutrition Services (FNS) (12% County-wide)
- 3% of housing units within ½-mile of a full-service, chain grocery store (30% County-wide)

Placing the LFPDC in the Thomasboro-Hoskins geography would benefit the surrounding communities who face racialized disparities in education, employment, access to upward mobility opportunities, healthcare, health and wellness options, and healthy foods.

*Data source: Charlotte Mecklenburg Quality of Life Explorer



Logistics

Residential Customers

Residential customers will be able to customize and place orders on the Distribution Center Website. We will accept all forms of payment, including Electronic Benefit Transfer (EBT), offered through the Supplemental Assistance and Nutrition (SNAP) Program. A dollar-for-dollar- match program will be available to customers using EBT to maximize their dollar. Through a partnership with a food pantry service, such as Loaves and Fishes, we could also serve those customers who are experiencing food insecurity but are not enrolled in SNAP.

Commercial Customers

Commercial customers will be able to place wholesale orders through an online account unique to their business or entity. Their unique, customizable profile will allow them to set up recurring, seasonal orders. The Distribution Center team assigned to each wholesale account will work with that commercial customer to create and fulfill instructions unique to their business, such as precut proteins and vegetables or premade-to-order recipes created in the Distribution Center Product Kitchen, which can then be cooked or sold at that customer's own facility.

Packaging and Delivery

The LFPDC will use refrigeration and food safe containers to package and store items until the customer can pick up the item, or until the item can be delivered to the customers preferred location. Staff will place a priority on sourcing reusable packaging that will reduce costs and be friendly to the environment. **Both residential and commercial customers can request delivery services to facilitate better access to locally sourced and produced foods.**

To meet food safety requirements, the Distribution Center will have distinct and temperature-controlled docking areas, as well as refrigerated trucks.



Logistics

The Meat Section

The proposed site allows for complete separation of the Meat Section from the other sections of the LFPDC. The LFPDC will buy the livestock whole, and Distribution Center employees will break down, cut, portion, and package the items onsite, according to the specifics of the customer.

The Produce Section

The LFPDC will purchase the produce in bulk, and Distribution Center employees will divide and process each group of items at the appropriate stations. Employees will wash, cut, and package fruit and vegetables, and they will package or dry grain and herbs.

The Test Kitchen

In the Test Kitchen, chefs will utilize unsold food items to create recipes for unique and nutritious value-added products. This kitchen will be a small-scale kitchen used for recipe development and testing, and education (such as cooking classes).

The Product Kitchen

In the Product Kitchen, chefs will cook and package recipes developed in the Test Kitchen. This kitchen will be a mass-production kitchen. The products from this kitchen will be available for purchase by residential and commercial customers. A portion of these products will be packaged and distributed to our non-profit partners.

Value-Added Products

Value-added products increase the value of the item being sold. As a further cost-saving measure, the Distribution Center's value-added products will contain ingredients that were usable but not sold, based on weekly inventory. Example value-added products include sauces, soups, spices, and pre-cooked meals. We will offer these items on a small scale to our residential customers, and on varying scales for our wholesale customers. We will direct a designated amount to be given on a regular basis to our nonprofit partners, ensuring that they are able to supply a diverse array of nutritious foods to those who utilize their services.



Logistics

Unused or Unsold Items

The unused or unsold items will be handled several different ways:

- Packaged and distributed to non-profit food banks.
- Used in the test kitchen to develop recipes for value-added products.



Local Foods Production & Distribution Center

Social & Economic Resilience



Community Engagement

Shamaiye Crenshaw is currently serving as the Community Liaison for the LFPDC and, as CFT raises revenue for the project, will be hired into the role in a paid capacity. CFT has had multiple information sessions at the LFPDC thus far - one for potential funders from partner organizations and institutions, and one for neighborhood residents. CFT garnered positive feedback in both sessions. In particular, the 10 attendees at the community session gave positive feedback related to the community outcomes that the project will yield.

CFT participated in extensive community engagement efforts to develop the LFPDC plans. Through years of relationship building and needs assessment with the West Boulevard Neighborhood Coalition and Historic West End Partners, CFT and these organizations developed aligned plans for the LFPDC and Three Sister's Market.



As CFT progresses through the planning stages of the Distribution Center, CFT will begin to engage a broader base of stakeholders to inform decisions around needed wraparound services and programming. Ongoing community engagement will continue to inform which on-the-ground partner organizations we should collaborate with to best serve the needs of the surrounding communities.

Programming

Programming at the Distribution Center will be flexible and responsive to the needs and desires of the neighborhoods and constituents it serves. For example, programming might include community-based classes, distribution of resources related to other community needs, and partnerships with specific community organizations. Planned programming for the year 2021 includes events that will draw visitors through ticket sales to raise revenue for the capital budget. Shamaie Crenshaw will help direct these planning efforts alongside the CFT team.



Employment

The Distribution Center will create 18 jobs during the initial opening, and more jobs as the Distribution Center grows (up to 70 jobs at full capacity). Employment opportunities will focus on providing pathways to upward mobility. For example, employees assigned to a commercial account may have the opportunity to transition into permanent employment with that commercial account holder. Alternatively, employees who enter employment in one area, such as butchery, could have the opportunity to later be trained and employed as a chef or operations manager. As CFT grows, we will intentionally recruit for new positions from the pool of employees who have worked at the Distribution Center.

Through partnerships with local workforce organizations, such as Charlotte Works, Goodwill of the Southern Piedmont, and Central Piedmont Community College, hiring at the Distribution Center will focus on providing opportunities for people that face barriers to employment. Partnerships with area workforce agencies will connect employees to skills-strengthening resources, such as resume-writing workshops, mock interviews, or career fairs with potential employers.

Education

Educational opportunities will be available at the Distribution Center through training and continued education in the areas of butchery, cooking, operations, sourcing, purchasing, marketing, customer service, and partner engagement. We will deliver these training programs in partnership with culinary programs such as Community Culinary Schools of Charlotte, Central Piedmont Community College, Project 658, Community Matters Café, Livingstone College and Johnson and Wales University. Through these training and educational opportunities, employees will have the skills necessary to be a driving force in the competitive culinary industry.



Project Outcomes



Project Benefits

The LFPDC, through equitable and sustainable food distribution, will yield a multitude of social, environmental, and economic benefits, including:

- Serving an average of three people/sf annually (i.e. 6,000 people with 20,000 sf of retail food space)
- Better health through improved access to and affordability of local, nutrient dense foods
- Culturally responsive food sources and services serving the diversity of Mecklenburg County residents
- Enhanced viability of agriculture as a profession through improved access to local markets for farmers and growers
- Upward mobility through workforce opportunities for individuals interested in agriculture, food systems, and supporting sectors
- Improved soil, water, and air quality through support for small-scale, regenerative, and sustainable farming practices
- Improved air quality and climate change mitigation by reducing food-related transportation and minimizing waste going to landfills

Pictured below: In June 2020, CFT facilitated the distribution of over 8,000 units of locally grown and produced food to on-the-ground partners serving people experiencing food insecurity - an example of CFT's ability to connect supply chain stakeholders.



Alignment with Mecklenburg County

Improving health and reducing health disparities

The LFPDC aligns with Mecklenburg County's priorities of improving health and reducing the risk of developing cardiovascular disease:

- A strong local food system builds health and resilience in our communities by providing a steady, accessible, affordable source of nutritious food.
- The LFPDC will improve food security, helping people access the nutrition to reduce the risk of developing chronic health conditions, and contribute to closing the health disparities gap.
- Not only does CFT believe in providing accessible and affordable food to all, but we believe in providing access to foods that are culturally relevant and appropriate,

Improving upward mobility and economic equity

The LFPDC aligns with Mecklenburg County's priorities of improving upward mobility and reducing racial economic barriers to opportunity:

- CFT's network of urban farms provide opportunities for career pathways in agriculture and supporting fields, including marketing, communications, sales, transportation, and logistics.
- CFT believe that food systems must provide equitable opportunities, and we are committed to providing job and training opportunities to people from equity-seeking communities.



Partnerships



Community-Based and Non-Profit Partners

CFT is currently engaging with potential partners including:

- Thomasboro-Hoskins neighborhood
- A Brighter Day Ministries & A Brighter Day Outreach
- West Boulevard Neighborhood Coalition (WBNC)
- Historic West End Partners (HWEF)
- Loaves and Fishes

Community leaders from the Thomasboro-Hoskins neighborhood and A Brighter Day Ministries & Outreach have voiced their support for the LFPDC and are committed to engaging surrounding area residents in the development of project plans.

The LFPDC will provide the supply chain for the upcoming WBNC Three Sister's Market, a grocery co-op that will provide full service food access on Charlotte's West Side, which hasn't had a full service grocer in over 40 years. HWEF leaders are jointly supporting this plan.

Loaves and Fishes has agreed to continue to assess opportunities for alignment between their food distribution and access efforts and the LFPDC, including using the LFPDC to supply healthier, locally-grown foods to their customers.

Funding Partners

CFT recently received a \$35,000 gift from Lowe's to sponsor the lease on the proposed site through the end of 2021, as well as to sponsor the development of phase one of architectural drawings.

In addition to Mecklenburg County, CFT is currently engaging with the following potential funding partners:

- Atrium Health
- Compass Group
- Levine Foundation
- Christ Church Charlotte



Proposal to Mecklenburg County

Financial Commitment

CFT is asking for a \$3 million commitment from Mecklenburg County for the Local Foods Production & Distribution Center. This investment will help cover the initial capital budget to jump start the project while CFT fundraises for the remainder of the capital and operating budgets.

Collaborative Opportunities

The LFPDC offers a multitude of opportunities for CFT to partner with Mecklenburg County around aligned programming, including:

- Double Up Bucks program participation
- Recruiting candidates for workforce development in partnership with the Department of Social Services
- Hosting a Farmer's Market on site

Marketing

Mecklenburg County will be recognized in all marketing and communications collateral related to the LFPDC, and will be given the option of signage on site.



Budget Overview



Budget Overview

Budget Details

The **total cost for the renovation and first first three years of operations** of the proposed Local Foods Production & Distribution Center is approximately \$14M (see page 23). Included in the total cost are **capital expenses** at \$8.61M and **operating expenses** at \$5.46M.

The capital expenses include **renovation costs** at \$5.75M (bringing the space to code, building commercial kitchen space, production/manufacturing space, and meat processing facility), **transportation** at \$1.14M (purchase or lease of vehicle fleet for pickup and delivery), **technology** at \$1M (point of sale system, inventory management system), **warehouse equipment** at \$0.33M, and **kitchen equipment** at \$0.38M. Operating expenses include **payroll** at \$3.98M and **utilities/other** at \$1.48M (including solar panels and measures to reduce environmental impact). Year by year budget breakdowns are included on pages 24-26.

The current first draft budget projections are estimates that we will continue to refine as we work with the architect, engineers, and other consultants to more precisely build out site and operational plans.



LFPDC Budget, Years 1-3

Operating Expenses	\$ 5,463,355
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Payroll	\$ 3,984,955
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Utilities/Other	\$ 1,478,400
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Capital Expenses	\$ 8,605,685
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Warehouse Renovation	\$ 5,750,000
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Transportation	\$ 1,140,000
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Warehouse Equipment	\$ 334,400
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Kitchen Equipment	\$ 381,285
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Technology	\$ 1,000,000
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GRAND TOTAL	\$ 14,069,040
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LFPDC Budget Year 1

Operating Expenses	\$ 1,398,735
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Payroll	\$ 905,935
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Utilities/Other	\$ 492,800
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Capital Expenses	\$ 6,467,695
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Warehouse Renovation	\$ 5,000,000
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Transportation	\$ 425,000
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Warehouse Equipment	\$ 315,600
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Kitchen Equipment	\$ 127,095
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Technology	\$ 600,000
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Y1 TOTAL	\$ 7,866,430
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LFPDC Budget Year 2

Operating Expenses	\$ 1,555,407
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Payroll	\$ 1,062,607
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Utilities/Other	\$ 492,800
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Capital Expenses	\$ 1,407,695
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Warehouse Renovation	\$ 500,000
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Transportation	\$ 565,000
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Warehouse Equipment	\$ 15,600
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Kitchen Equipment	\$ 127,095
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Technology	\$ 200,000
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Y2 TOTAL	\$ 2,963,102
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LFPDC Budget Year 3

Operating Expenses	\$ 2,509,213
Payroll	\$ 2,016,413
Utilities/Other	\$ 492,800
Capital Expenses	\$ 730,295
Warehouse Renovation	\$ 250,000
Transportation	\$ 150,000
Warehouse Equipment	\$ 3,200
Kitchen Equipment	\$ 127,095
Technology	\$ 200,000
Y3 TOTAL	\$ 3,239,508



**For
investing
inquires:**



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