

SPRING 2019



CENTER FOR EDUCATIONAL & AGRICULTURAL DEVELOPMENT

A COMPREHENSIVE PROJECT PLAN FOR
PIEDMONT COMMUNITY COLLEGE AND
CASWELL COUNTY

This document has been developed to guide strategic decision-making and development associated with the creation of a new Piedmont Community College campus focused on agricultural education, economic development, and support for the Caswell County farm community.

Community Food Lab's planning efforts were guided and supported by a project team made up of:

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Thanks and gratitude are extended to the many Caswell County community members and organizations that shared their time, insights, and opinions to help create a thoughtful, forward-looking plan rooted in Caswell. Without the enthusiasm and interest of the Caswell community, this project would not be possible.

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Cover photo: Credit to Matt Hoagland and Celia Spillmann

CENTER FOR EDUCATIONAL & AGRICULTURAL DEVELOPMENT

PROJECT PLAN

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1 INTRODUCTION

The rural landscapes of Caswell County offer wide agricultural fields, long vistas with big skies, and creeks and rivers that wind through rolling forests. The farming community here traces its roots back generations, with deep ties to this Piedmont land.

Not far from Caswell, though, are the urban centers of the Triad, Triangle and Danville. These areas draw most of Caswell's residents to work, and while these urban centers are thriving, the same cannot be said of the small town economies of Yanceyville, Milton, Semora, and the spaces in between. These urban places, and many others like them, also offer the young people of Caswell opportunities for jobs, connections, educations, and futures that their home county has a hard time matching. While the land and landscapes of Caswell are rich and plentiful, the economic opportunities are becoming scarce.

An emerging solution, however, is being created on the foundation provided by the agricultural heritage of Caswell. By reinvesting in the agricultural, agribusiness, and food system opportunities in Caswell, Piedmont Community College and Caswell County have made a commitment to building Caswell's future by celebrating its past and providing practical educational opportunities close to home.

The Center for Educational & Agricultural Development (CEAD) is a project that has been long in the making. It is conceived as a home for Piedmont Community College's Agribusiness Technology Program, along with a new food hub space to be operated by a local farmers' collective, an incubator farm to help lift up new farm entrepreneurs, and food retail to help build new markets and visibility for Caswell's local food products. The bold combination of these many elements has been designed as not only a new energy source for Caswell's farm community, but also on a larger scale as an economic development engine to help attract new investments, build new jobs in Caswell, and expand the county's community and economic opportunities.

The Center for Educational & Agricultural Development (CEAD), as described in the pages that follow, has been able to move ahead with support from many organizations, and particular leadership from a core team from Piedmont Community College, Caswell County Economic Development, and the Caswell County Manager's office. Many other community voices have rallied around the project, offered insights and suggestions, and are ready to step up and help ensure the project's success.

As the actions in this plan unfold, the project's leaders will continue to need the support and input of Caswell's community. A prosperous Caswell County, where people of all ages are excited to stay, come back, or visit, will be the result of a shared commitment to the future. CEAD is one avenue that helps make that commitment, and this plan sets a path to bring it to reality.



Photo: Honey Bee Hills Farm, Liz Spence

1.1 MISSION STATEMENT

*The Center for Educational & Agricultural Development **educates** students and the community on agribusiness practices, **incubates** local food and agriculture enterprises to **build** thriving rural economies and food systems.*

1.2 PURPOSE OF PLAN

This plan is a step towards a vibrant, energetic campus in the northwest corner of Caswell County, where many different parts of a healthy, local food system work together. This plan is a living guide, meant to drive the next big steps in building this project, and meant to point the direction for later phases. This plan captures the thinking, visions, and insights of many different people over many years. While this plan itself was written over only a few months, it represents a much longer trajectory of moving a big idea forward.

The purpose of this plan is two-fold:

First, it is meant to capture the best thinking about how to design and implement the Center for Educational & Agricultural Development at this point in time.

Second, it proposes a way forward, described in comprehensive terms. This way forward is feasible, thoughtful, and will be impactful for the County. In proposing a way forward, this plan is designed to be used regularly as a manual for development and reference on the how and why of certain next steps.

This plan is not, however, a rigid roadmap for the next seven years. It encourages adaptation and discovery, in the knowledge that the world of this project is not static. This plan includes enough recommendations and guides to support creative adjustment over time, in response to the changing world.

2 KEY CONTEXT FINDINGS¹

Caswell County has a rural, agricultural identity with 99% of Caswell's population living in rural census tracts. It is important to residents that Caswell remain a place that maintains a rural identity with strong support for continued agriculture and forestry. However, there is tension between maintaining Caswell's identity and the need to create jobs that will bring higher wages into the county. The creation of an agricultural education center, with a clear economic development mission to foster new food and ag businesses, fits the needs and identity of the county.

Economy

- In every economic indicator Caswell has worse outcomes compared to the state as a whole. It is a Tier 1 county, indicating it is one of the 40 most distressed counties in NC.
- While much of North Carolina has experienced sustained population growth, Caswell's population has remained relatively stagnant and declined by almost 5% from 2010-2017.
- 88.5% of Caswell workers are commuting out of the county for work. This daily outflow of workers represents significant leakages of income from shopping, groceries, gas, etc.
- There is no major industry here, and the largest employer being Caswell County itself.
- Interest from Caswell farmers in exploring or expanding agritourism opportunities, some agritourism is already happening in the form of farm stands, U-Pick, and farm tours. Given its proximity to large urban areas, there are opportunities to expand agritourism.
- Tourists are coming from outside of Caswell for recreation, mostly for hunting, but the county is unsure of how to encourage visitors to spend money here. CEAD's close proximity to NC Visitors' Center (with over 1 million visits a year), is an opportunity to promote Caswell agriculture through farmstand, store, restaurant and/or demo gardens.
- Creating agricultural education and business opportunities for young people within the county is important to residents and an opportunity to create an Future Farmers of America (FFA) to CEAD pipeline, rather than losing students to more expensive, out-of-county ag ed programs.

Health & Food Access

- There is only one grocery store in the entire county, a Food Lion in Yanceyville, and many people are getting their food from corner stores, gas stations and dollar stores.
- There is one seasonal farmers' market located in Yanceyville, which operates on a weekday evening to allow area farmers to attend larger markets in surrounding counties on Saturdays. Currently, the market is not a significant source of revenue for farmers nor likely a significant source of grocery shopping for residents. The community is supportive of the farmers' market and wants it to succeed, but it will likely need support staff to ensure long term sustainability.
- Caswell County has higher rates of death for all leading causes as compared to the state rates. Both heart disease and diabetes, two of the top six killers for the county, are both considered diet-related illnesses that can be linked to lack of intake and access to healthy foods. 18.2% of the county population is considered food insecure.
- There is a lack of recreation spaces in the county, like hiking and walking trails. The incorporation of active spaces at the CEAD will encourage healthy lifestyles while giving residents another opportunity to use CEAD.

Agriculture

- The top crops by income in 2012 were: Tobacco (\$13.3M); Poultry & Eggs (\$10.3M); Cattle & Calves (\$4.6M); Grains, oilseed (\$1.5M); Nursery/greenhouse (\$1.1M).
- Caswell has been heavily dependent on tobacco for generations and it continues to be the county's most important crop, but acres in production are in decline.
- Former tobacco land has largely transitioned into forage (hay) and woodlands to maintain Present Use Value (PUV), but no other crop has been able to replace tobacco economically. No other crop has been studied or piloted with any seriousness, either, indicating the lack of support for transitioning farmers in general.
- Over 70% of all farms have less than \$10,000 in farm sales annually.
- Concern that the county's primary agricultural moneymakers –tobacco and confinement poultry—both have firmly established contract systems that require minimal marketing efforts on the part of farmers. New enterprises will require entrepreneurial energy and creativity that may be beyond the interests or skills sets of current farmers.
- Land ownership remains more affordable in Caswell than surrounding counties where the average value of land and buildings per acre is \$3,122. This is an opportunity to attract beginning farmers from inside and outside Caswell who may be priced out of other land markets
- Statewide, 95% of farm operators are white and 3% are African-American. Caswell County is unique in its significant number of African-American farmers, who make up 14% of the farm operators, many of whom are organized through the Piedmont Progressive Farmers Group.

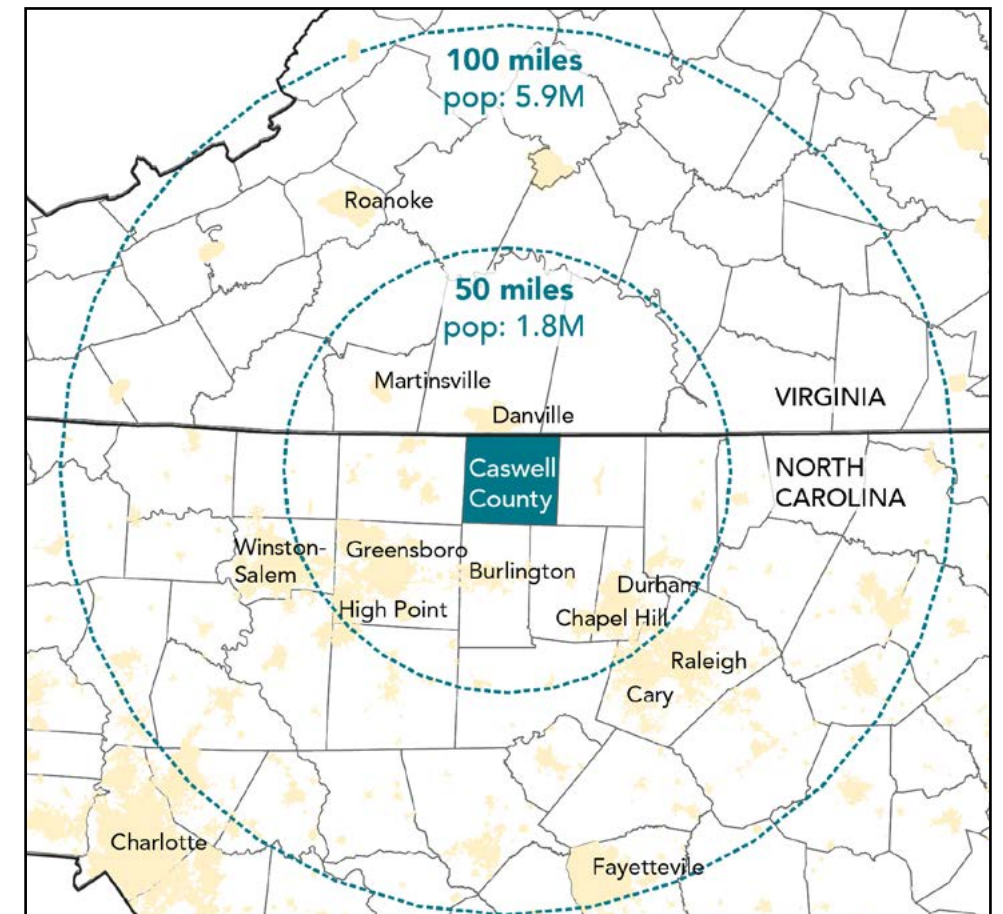
Local Food Infrastructure

- The local food systems infrastructure in Caswell is limited, but includes the following: one seasonal farmers' market (Yanceyville); the Inspected Community Kitchen (Semora); and Piedmont Custom Meats processing (Gibsonville).
- While there have been some new small, sustainable agriculture operations, the market for locally grown agriculture has yet to take hold in Caswell.
- Given the lack of significant local markets in Caswell, a number of interviewees emphasized the need for aggregation infrastructure in order reach larger markets.
- Piedmont Progressive Farmers Group has been successful in cooperative efforts, aggregating their eggs and produce for distribution at Weaver Street Markets (grocery stores in Orange and Wake county). Creating space at CEAD that would support cooperative efforts has the potential to support many more Caswell farmers.
- Beyond shared marketing opportunities, interviewees were supportive of shared tool and equipment opportunities which would lower barriers to entry for trying new crops.
- Interviewees noted desire for additional food processing space that would allow food businesses to scale-up, particularly one that would allow for processing and commercial sale of products containing proteins, which the existing Inspected Kitchen cannot accommodate.
- Caswell's biggest asset in terms of local food systems is that its agricultural production is geographically close to large population centers in surrounding counties, many of which have significant market capacity for local foods. Within a 50 mile radius of Caswell County there are 1.8 million people and within a 100 mile radius, there are more than 5.9 million people.
- Caswell's lack of major highways or rail corridors is a limiting factor in its connection to significant distribution systems, but there are plans to upgrade US 29 to I-785.

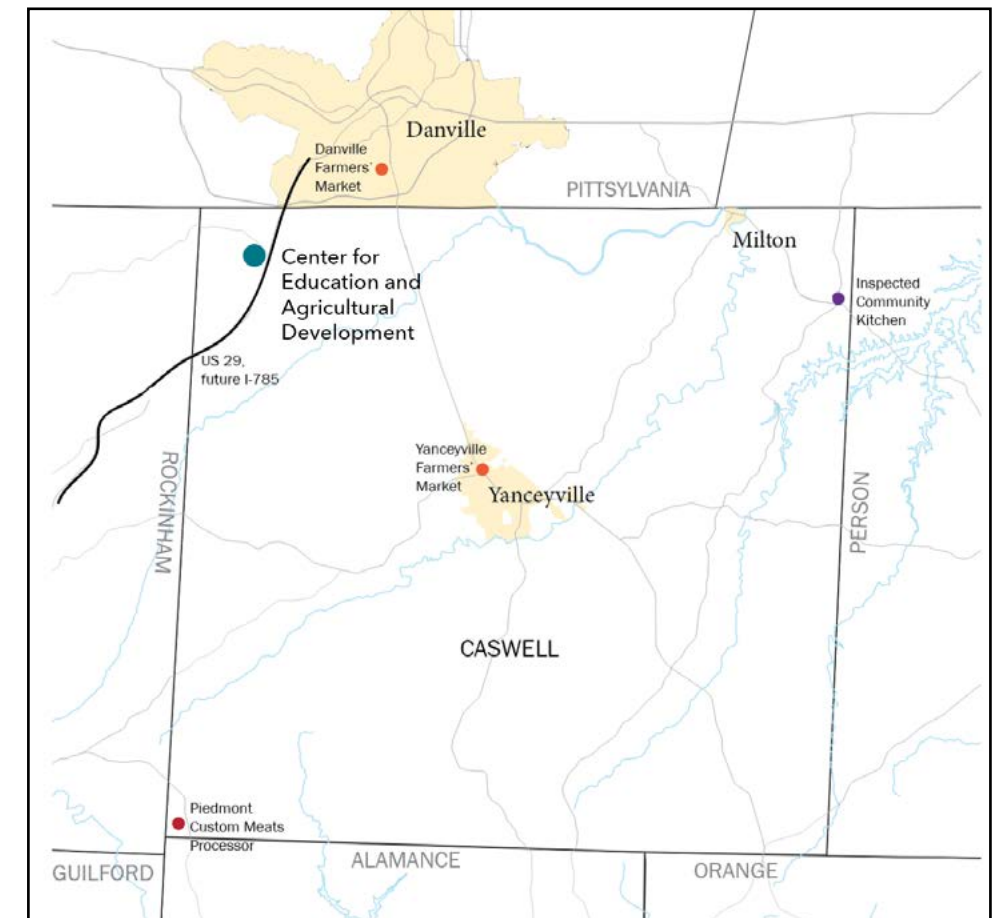
1. 2012 & 2017 USDA Ag Census; 2010-2017 Census data; 2017 Health Collaborative Report; State of the County Health Report 2016; Caswell County Farmland Protection Plan 2013; Agriculture Inventory 2010; 2014 Caswell Comprehensive Plan; and Regional Incubator Farm Strategic Plan.

Context Maps

Despite Caswell County's rural character, a significant population and sizeable local food market falls within only a 50 mile radius



The location of the CEAD, in the Pelham area of Caswell County, provides excellent regional highway access, fills a food infrastructure gap in this area of the county, and should leverage proximity to Danville for added long-term sustainability



3 PLAN SUMMARY

This plan includes recommendations for a wide range of programs, spaces, and activities to support CEAD's mission, to be developed over the next seven years.

The following pages outline recommendations on site development, phasing of project elements, fundraising and partnerships, and general operational considerations. The proposed Center, anchored by the core activity of the PCC Agribusiness Technology Program, includes a diverse set of programs that taken together will require flexible approaches to planning, creative problem-solving, and proactive collaboration.

The following points offer a high-level summary of recommendations towards a sustainable, impactful project for Caswell County:

Lead with education. Every component of the project will have educational potential, not just the main Education Building. It is recommended that all elements and programs are studied for ways to integrate community college educational outcomes.

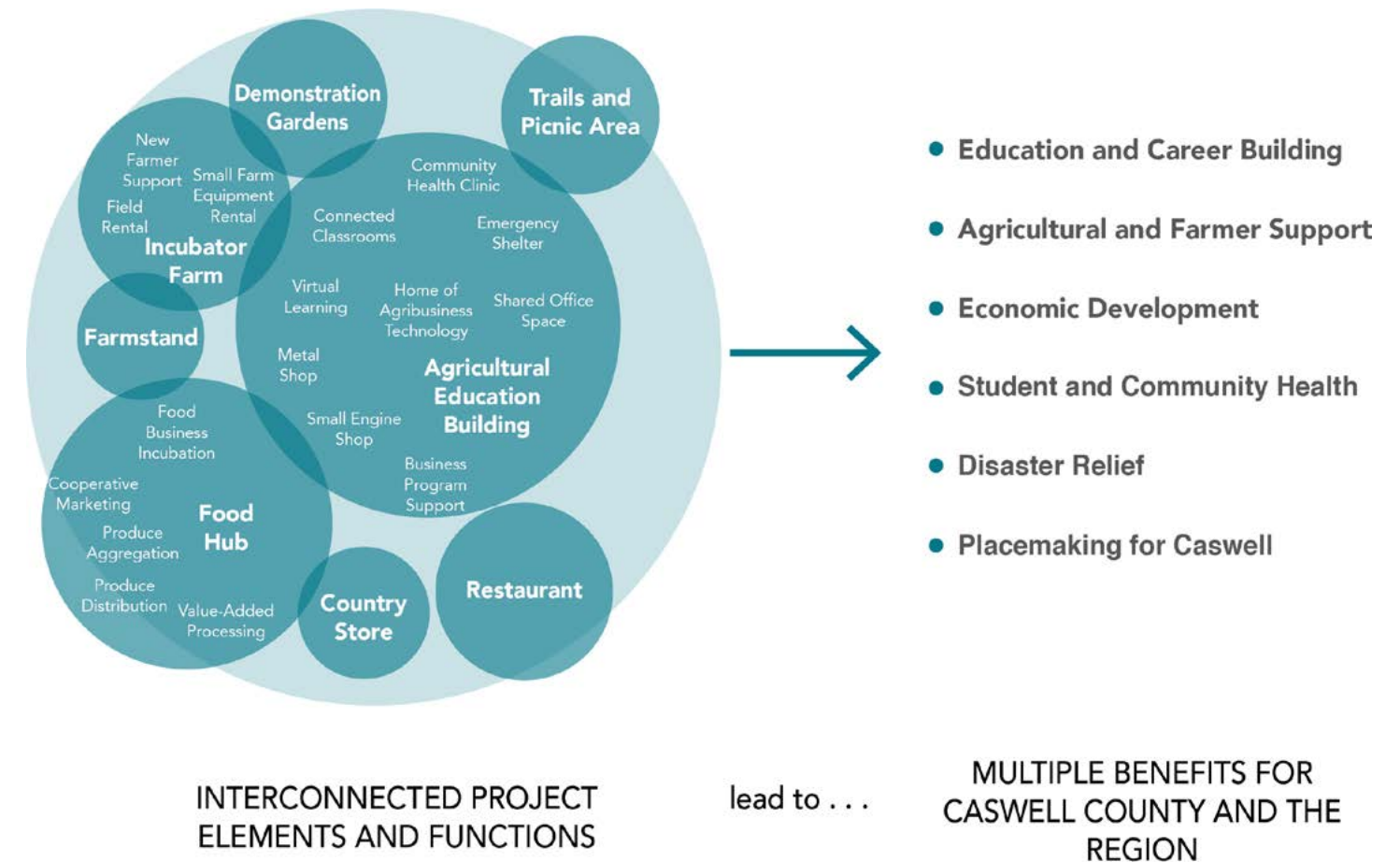
Keep it collaborative: Planning to date has been led by a collaborative team of local partners. This creative, collaborative approach will be essential to maintain and expand as the project moves into more complex phases.

Work with the site. The site includes a range of natural features, the legacy of agricultural spaces, excellent access, and opportunities for both visibility onto the site as well as wonderful views from the site. It is recommended that site planning and design work with these attributes as much as possible. This approach will be the most efficient way of creating a cost-effective development that reflects the characteristics of Caswell's landscapes.

Don't get stretched out. Piedmont Community College will be expected to shoulder much of the responsibility for this project's success. However, PCC should beware of trying to "do it all." Many of the project's elements will be best operated by partners. PCC should be proactive about identifying and partnering wherever possible to avoid increasing its operational responsibilities beyond its core competencies.

Follow the community. Because this project will unfold over many years, the opportunity exists to adjust plans as the Caswell context and needs shift. Project leaders should allow any shifts in needs to influence decision-making, and should regularly seek community input around changing needs. The plan should be seen as a malleable guide, responsive to change.

Celebrate the farmer. At the center of this entire plan is the shared recognition that farmers, and the farming community, are essential to the future of Caswell County. Through the on-site activities, the many community partnerships, the architecture of the new buildings, the communication activity around the project, and the development of new markets; farmers and farming must be centered, supported, and celebrated.



4 PLANNING METHODS

In collaboration with the Project Leadership Team consisting of Cori Lindsay (Economic Development Director, Caswell County), Dr. Pamela Senegal (President, Piedmont Community College), Bryan Miller (County Manager, Caswell County) and Allison Satterfield (Executive Director, Piedmont Community College Foundation), Community Food Lab developed and executed a three-month planning process to create this comprehensive project plan.

This planning process built on the foundational work that the Project Leadership Team had already begun including: establishment of the PCC Agribusiness Technology Program; identification of the Pelham site for the Center for Educational & Agricultural Development (CEAD); allocation of matching funds; community engagement and momentum around CEAD; and initial budgets and architectural plans developed by Oakley Collier.

Primary research and planning methods included focus groups and interviews with a broad range of stakeholders, participation in community events and meetings, site visits to the Pelham location and local farms, context summary report based on existing reports and statistics, evaluation of structure and best practices of model programs, and weekly calls with the Project Leadership Team.

Interviews and Focus Groups: Piedmont Progressive Farmers Group, Health Collaborative, Caswell Food Council, PCC Agribusiness and Technology Leadership Team, County Planner, Women in Ag, County Cooperative Extension and 4H, NRCS, and Piedmont Triad Regional Council

Community Events and Meetings: PCC Agribusiness Conference, February Soups' On, County Hearing for Pelham site selection, Economic Development Commission

Background Research: 2012 & 2017 USDA Ag Census, 2010-2017 Census data, 2017 Health Collaborative Report, State of the County Health Report 2016, Caswell County Farmland Protection Plan 2013, Agriculture Inventory 2010, 2014 Caswell Comprehensive Plan and Regional Incubator Farm Strategic Plan.



Local farmers gather for the 2019 Ag Forward Conference

5 SIX-YEAR PHASED ACTION PLAN

Planning Approach

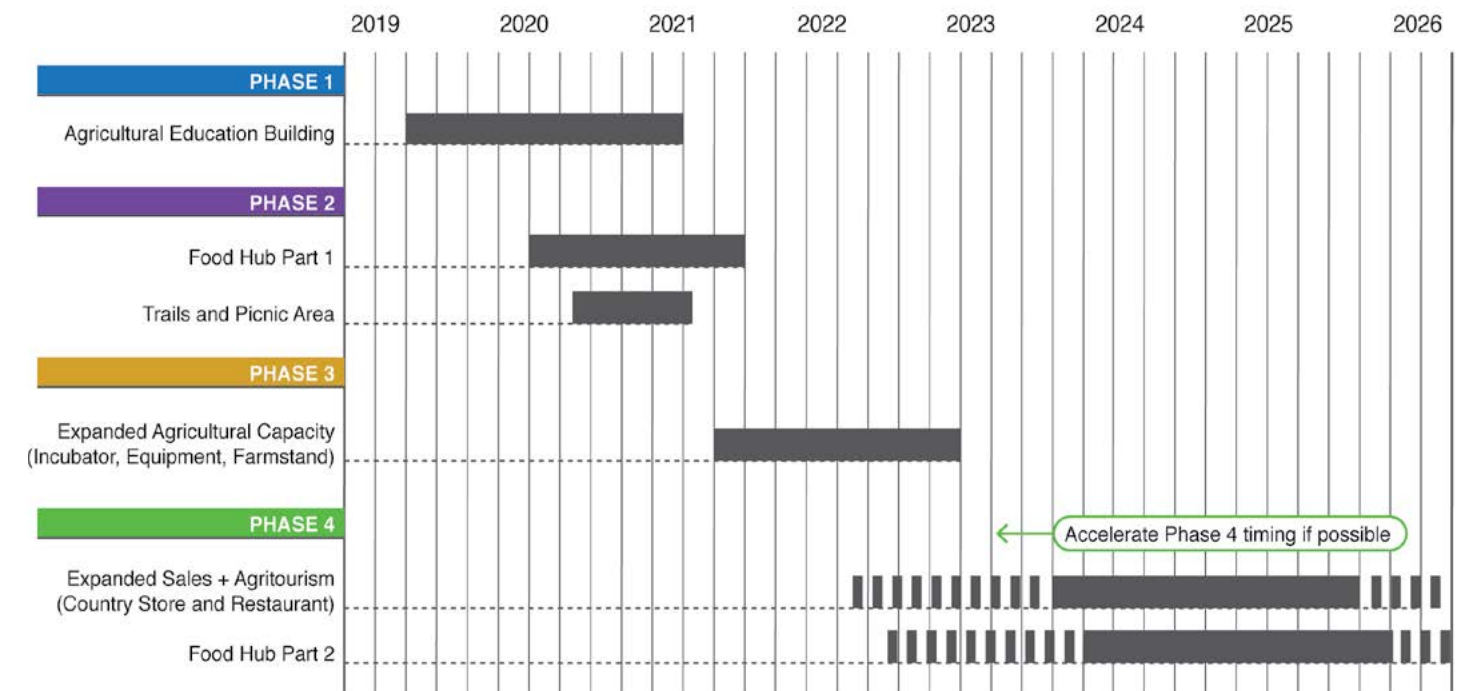
In creating the following plan, a phased approach was seen as a natural response to planning around an emerging academic program and an uncertain economic future for Caswell County's farm community. Although many of the financial considerations are difficult to predict, this is not a barrier to good planning that allows for flexibility.

The uncertainty about the future results in a phased approach that incorporates more detail in building out the early phases, and the early phases are marked by including flexible solutions and multi-purpose spaces wherever possible. This allows quick steps to be taken without eliminating future options. Later phases are harder to detail, but intentions and visions are outlined to help guide decision-makers as those actions arise.



Photo: Caswell Farmers' Market, Matt Hoagland & Celia Spillmann

5.1 OVERALL PROJECT TIMELINE



5.2 MASTER SITE PLAN

PROPOSED MASTER PLAN: CENTER FOR EDUCATIONAL & AGRICULTURAL DEVELOPMENT

PHASE 1

- 1 Main Education Building
- 2 Demonstration Gardens

PHASE 2

- 3 Food Hub Part 1
- 4 Trail Network
- 5 Preparing Farm Fields

PHASE 3

- 6 Farmstand
- 7 Greenhouses
- 8 Equipment and Farm Sheds
- 9 Launch Incubator Farm

PHASE 4

- 10 Food Hub Part 2
- 11 Restaurant
- 12 Country Store
- 13 Added Demonstration Garden

FUTURE OPTIONS

- 14 Silvopasture Incubation Area
- 15 Forestry Demonstration Area
- 16 Regenerative Agriculture Area



MASTER SITE PLAN: ALTERNATIVE APPROACH



5.3 PHASE 1: ACTION PLAN

Targeted Completion

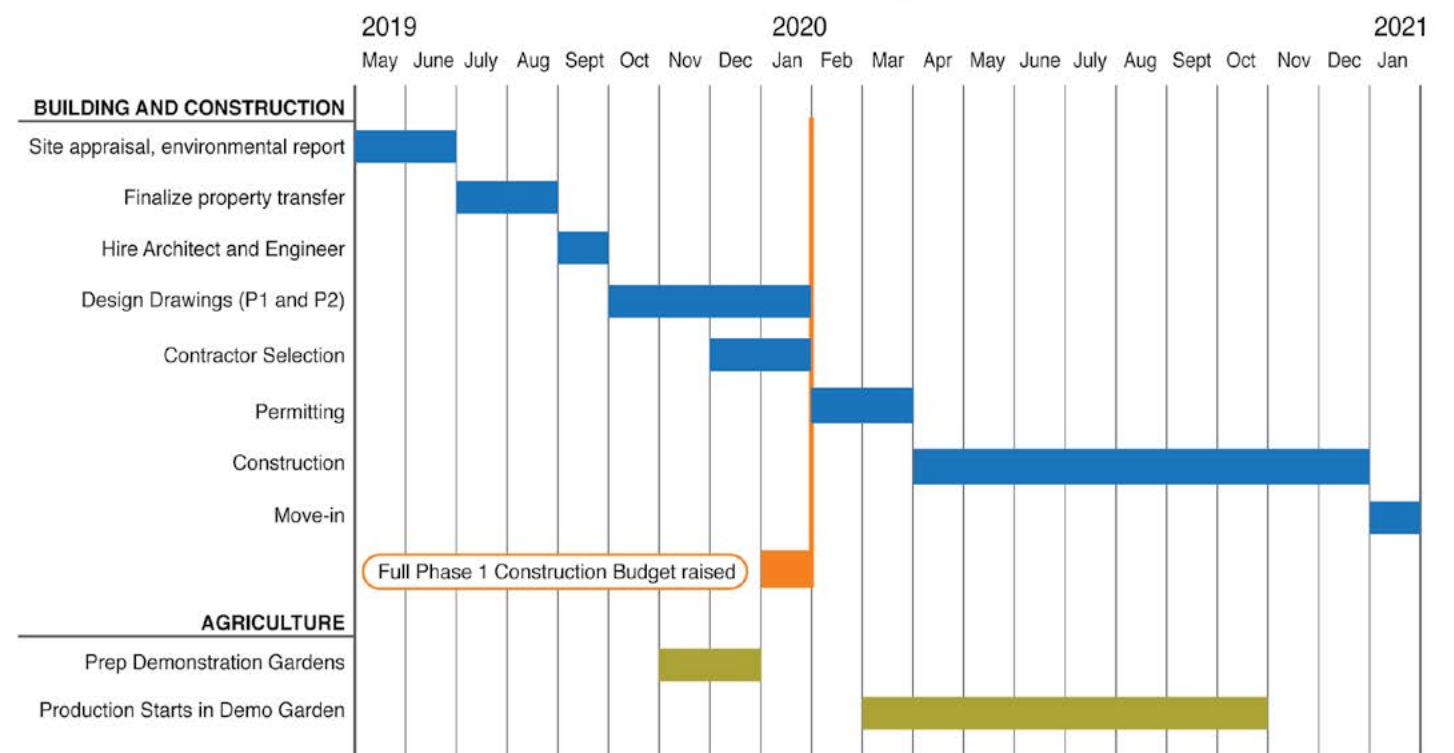
January 2021

Planning Approach

The first phase of project development, concentrated near the road frontage of the site, is designed to directly support the Piedmont Community College's Agribusiness Technology Program. Phase 1, which consists primarily of the main Agricultural Education Building, is oriented towards quickly building the spaces needed for existing educational programs to continue growing.

The mix of spaces constructed in the Agriculture Education Building will also serve the immediate needs of the surrounding community including an emergency shelter, community health clinic space, shared office and meeting space for Cooperative Extension and other agricultural service partners, flexible warehouse/community space, and enough driveway, parking, and cleared land to create a welcoming, functional project.

PHASE 1 DEVELOPMENT TIMELINE



5.4 PHASE 2: ACTION PLAN

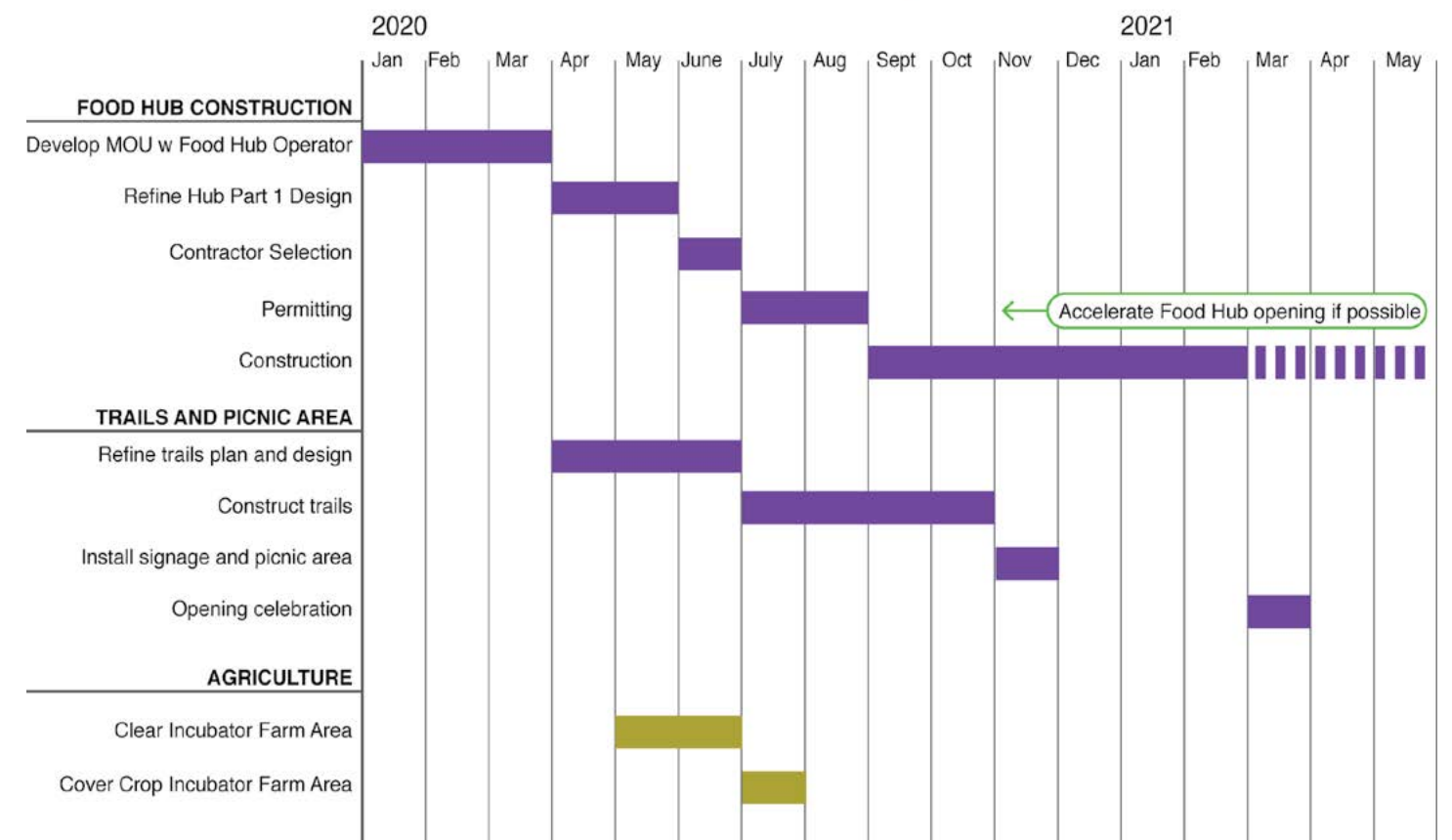
Targeted Completion

May 2021

Planning Approach

Phase 2 builds from the foundation laid in the first phase and expands the primary audience from the PCC Agribusiness students, to the broader Caswell farming community. Both the Food Hub and initial prep work for the later phase Incubator Farm will lay the groundwork to support new agricultural businesses, food businesses and agribusiness markets. The outdoor recreational and physical activity needs of the Pelham and Caswell communities for a holistic healthy lifestyle are addressed through the Trails and Picnic Areas.

PHASE 2 DEVELOPMENT TIMELINE



5.5

PHASE 3: ACTION PLAN

Targeted Completion

January 2023

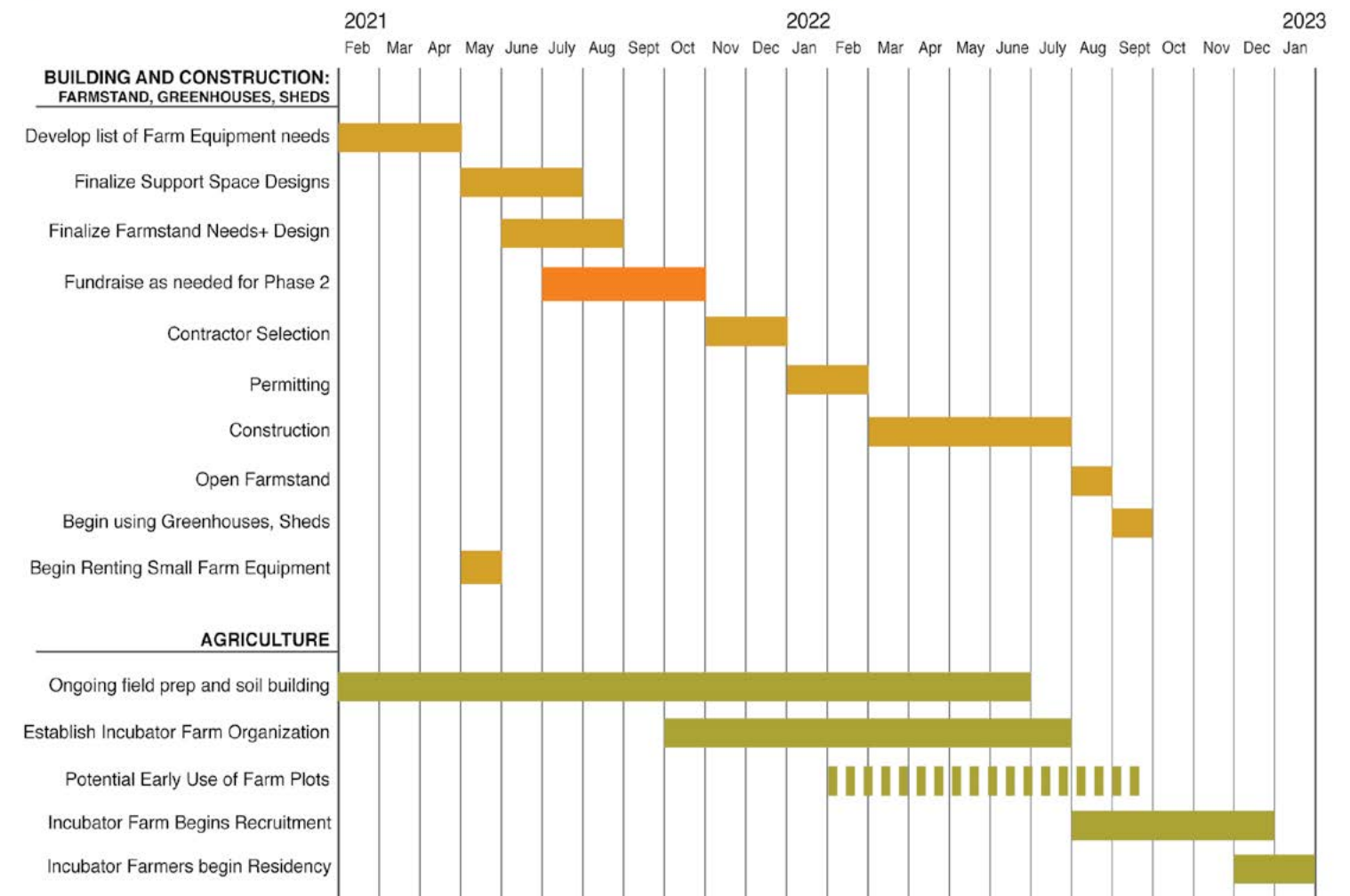
Planning Approach

The third phase of project development expands and formalizes the agricultural uses and supporting resources for the site. The incubator farm, in particular, is expected to launch during Phase 3, allowing a three-year development timeline to establish the farm fields, organizational structure, and overall momentum needed to drive a successful incubator farm. This development period will allow key questions to be answered and structures to be created. Support spaces, such as a shed and post-harvest handling area, greenhouse, and high tunnels will be built as the incubator farm comes online.

Further supporting area farmers' market expansions, a range of small-scale farm equipment will be made available as part of the incubator farm tenant agreement, and/or as rental equipment for area farmers. This will allow area farmers to explore new crops and growing methods at small scale to test markets, before needing to make purchases of high-cost dedicated equipment.

Finally, a farmstand is proposed to allow on-site farmers and food hub members to sell produce and value-added products to visitors. This is an optional element of Phase 3, that would take advantage of the flow of local produce on the site to grow direct-to-consumer market opportunity for the agribusiness community.

PHASE 3 DEVELOPMENT TIMELINE



5.6

PHASE 4: ACTION PLAN

Targeted Completion

January 2026

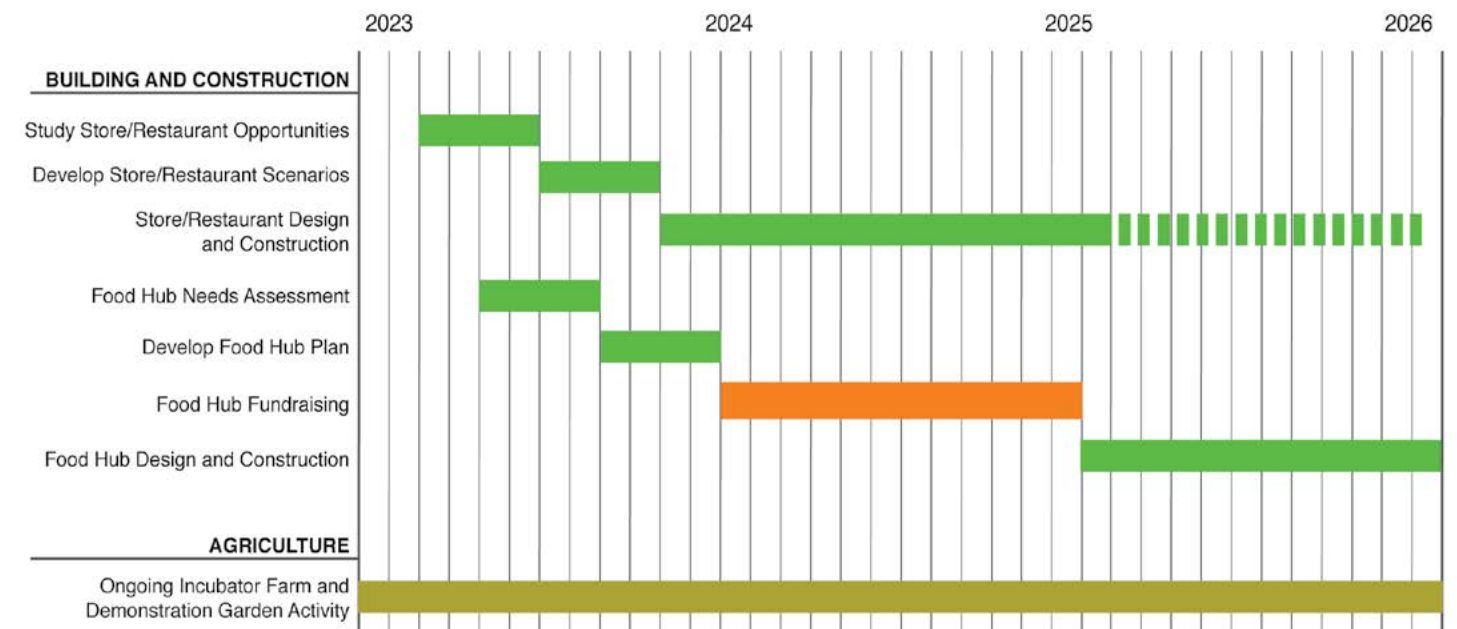
Planning Approach

The fourth phase of project development expands key food hub infrastructure around the needs that emerge over the first few years of the project, and imagines the launch of a full-scale restaurant and/or country store on the site. The decisions involved in Phase 4 development will need to be made in the future, based in what is learned over time. However, based on current information at hand, the elements below are expected to emerge as strong additions to the project as it evolves. The site master plan will accommodate any combination of these elements.

It should be noted that Phase 4 is also meant to be a flexible future state for the project. There are many plausible scenarios for Phase 4, and as the Agribusiness Program develops and farmer partners grow their businesses, and as Caswell County evolves, Phase 4 needs may shift. It will be important for project leadership to keep a critical eye towards any needed changes from this plan.

If possible, the elements of Phase 4 (food hub part 2, restaurant, store) should be accelerated to be completed as soon as is feasible. The slow development ramp-up in this plan is a conservative approach, given that operators of these enterprises are not yet identified, but to the extent possible Phase 4 timelines should be pushed up. The Phase 4 elements will all have important economic development and place-making impact, and will also provide a wide range of educational opportunities for multiple PCC programs, and should not be held off for arbitrary adherence to this plan.

PHASE 4 DEVELOPMENT TIMELINE



6 FINANCIAL SUMMARY: PHASED COSTS & OPERATIONAL BUDGET

The following table presents a summary financial picture for the overall project. A detailed financial analysis is included in the Appendices - what is included here offers a quick snapshot and a discussion of assumptions, expectations, and needs.

	Phase 1	Phase 2	Phase 3	Phase 4	Total
	Year 1	Year 2	Year 3 and 4	Year 5 and 6	
Construction Costs	\$3,145,800	\$299,500	\$475,625	\$1,419,500	\$5,340,425
Soft Costs	\$626,000				
Annual Operating Costs	\$124,600	\$132,298	\$189,443	\$208,859	
Anticipated Annual Project Revenue	\$5,550	\$14,138	\$21,839	\$49,554	
Annual Operational Funding Needed	(\$119,050)	\$ (118,160.00)	\$ (167,604.00)	\$ (159,305.00)	

Construction Costs include new buildings, site clearing and preparation, site improvements such as parking lots or agricultural field preparation. **Soft costs** have been calculated for Phase 1 only, as too many variables exist in later phases to make this a meaningful calculation beyond Phase 1. Major soft costs include architectural and engineering fees, and the equipment needed for a 15,000sf education and agricultural building. **Annual operating costs** will need further revision as more project details come into focus, especially in regards to costs that may be passed on to lease partners. Another key question in operating costs will be the ability of Caswell County to cover operating costs such as facility-based staff, utilities, and facilities maintenance. Caswell County's capacity to provide operational support must be assessed in detail as part of the overall operating budget, with adjustments made as needed. **Project revenue** is expected from a number of rental sources, as well as limited function of the site as an event space. The project revenue captures all expected sources, but details of revenue streams will need to be continually adjusted as more is learned about the project and its partners. Finally, the **operational funding needed** captures the model's current shortfall in operating costs. The assumed solution to fill this gap will be annual contributions to the facility by Caswell County, as it does with the PCC Yanceyville campus. However, this gap is called out here to make clear that the County contribution will not be insignificant.

It should be noted that no PCC faculty costs have been included in this financial analysis. Because individual faculty may be funded through programs with only part-time presence at the CEAD, and because the CEAD programs may fluctuate over time, projections of faculty needs and costs have been omitted from this model to date.

Finally, while a significant level of funding and resources are in hand, in the form of Connect NC Bond funds and the County's contribution of the 80-acre project site, major fundraising is still required to meet both the Phase 1 costs as well as overall six-year project costs. The detailed pro forma presents current information related to fundraising needs. The following section in this plan, Section 7, provides multiple resources for fundraising efforts around each element of the project. The current six-year funding shortfall is roughly \$3.9 million.

7 IMPLEMENTATION, FUNDING & GOVERNANCE RECOMMENDATIONS

This sections discusses recommended strategies for implementation, financial evaluation, funding, and governance. These strategies will help guide the project through multiple funding streams, construction phases, and legal and financial partnership agreements. Each element of the project is outlined with potential legal and financial considerations and anticipated funding sources to assist the leadership team in planning for implementation of all phases. Funding sources for each phase are grouped by time-frame indicating when PCC and its partners should begin to pursue these funding programs to support timely phased project development.

7.1 PROJECT STRATEGIES

Strategy A: Continued Evaluation of Financial Needs

This strategy is based on the pro forma numbers provided in Part 6. However, certain assumptions, such as a preferred transaction model and measures for relative profitability, potential for scaling, and producer capacity analysis, could not be included in this funding strategy due to a lack of data from Caswell producers and a comprehensive operating plan for the food hub component of the project by a private partner. As such, recommendations for creation of a business plan for the food hub component (in both phases of development) are included here, to help guide CEAD and their private partner in creating financial projections for operations & management. In addition, only basic funding sources and sustainability models are included for the education building & its programmatic functions, as this component is funded primarily by the Connect NC Bond program and PCC's existing operational budget.

Strategy B: Creating a Funding Program of Work & Oversight Process

Many of these grant-making agencies may have already awarded or been approached by area nonprofits also working in the agricultural and educational sector. Coordination with primary food hub operator and other agencies is critical to a healthy and successful

funding approach. Most of the sources herein are for agricultural purposes, but some educational, emergency management, and workforce development programs have also been included. In almost all cases, grant eligibility will include multiple partners such as PFFG, Caswell County, and area health agencies. While PCC may be eligible for some funding, there should be a clear written agreement with all project partners regarding which funding sources will be pursued by each agency.

It should also be noted that, while Caswell's current status as a Tier 1 rural county with few economic drivers is distressing, it does increase eligibility for multiple funding sources designed specifically to address these types of barriers and solutions. As such, it is important that the project team establish a leader or strategy team to monitor applications and deadlines, track partner applications, manage financial projections based on grant applications, and, if needed, hire grant writers and administrators to support the project.

Strategy C: Strong Governance & Project Partnerships

PCC should think carefully about the legal structure behind each of the elements of CEAD, particularly as outlined below for their impact on funding strategies. Maximizing the project's ability to receive grant funding while also minimizing the legal risks of operating food businesses and maintaining PCC control over the facility will require attention to detail at each step of development. Recommendations for legal structure are included with each element, but PCC should engage in further discussions with a qualified attorney and accountant prior to undertaking any of these programs. Recommendations for evaluation metrics are also included for each element, and these should be built into regular evaluation of the project and programs with clear oversight and feedback loops for the project's leadership team.

In addition, because the Danville Regional Foundation has funded preliminary work on the design and preparation of CEAD, DRF should continue to be involved in planning & assistance moving forward. DRF offers a technical assistance package which should be helpful to the leadership team, especially when tracking, writing, and administering grant programs and developing the programmatic & entrepreneurial support that will be required for project success.

7.2 PHASE 1: IMPLEMENTATION & FUNDING STRATEGY

Target Completion: January 2021

Estimated Total Cost: \$3.1 Million

Agriculture Education Building

Recommended Legal Structure: Owned & operated by PCC as part of its existing portfolio

Evaluation Metric: Enrollment of at least 100 students by second year of operation

Description: 15,000sf, including 6,000sf open garage/shelter flex space, meeting rooms, four classrooms including an Interactive TV classroom, shop space for technical training like welding, bathrooms with lockers and showers, community health clinic flex space, office suite, and architecturally compelling student lounge and shared workspace (perhaps silo-shaped). This building is the heart of the project, a place where students, farmers, agricultural resource staff, and local entrepreneurs can interact and grow. Architecturally, it will utilize a utilitarian design and construction with the addition of one or two significant 'moments' that help celebrate the site and signify the importance of this building. The large open floor flex space will also serve as a regional emergency shelter.

Regulatory Issues: Standard Building and Zoning Codes for Educational Use

Expected Outcomes: Accommodate a growing Agribusiness program, along with related coursework in engine repair and agricultural equipment maintenance. Provide shared open workspace and offices for Cooperative Extension and other agricultural partners' occasional use. Provide much needed community health space and emergency shelter to the surrounding area.

Agricultural Support Spaces

Description: Shed and greenhouse to support Phase 1 agricultural educational and production activities

Regulatory Issues: None

Expected Outcomes: Smooth operation of agribusiness program through all seasons.

Demonstration Gardens

Recommended Legal Structure: Owned & operated by PCC as part of its existing portfolio, potential partnership with Cooperative Extension

Description: A 40,000sf plot along the road is already clear and presents an opportunity to begin growing food and flowers right away in a highly visible location. The visibility of the plot will be valuable to the project by advertising to road traffic that the project is active and energetic. The gardens themselves may include a variety of crops and growing methods and technology, to be determined by the primary users. The garden is also expected to serve as a demonstration area to help introduce area farmers to new crops, new equipment, and new season extending techniques.

Expected Outcomes: Local awareness of the overall project should increase with a highly visible garden as roadside advertising. Shared understanding of new agricultural business opportunities should be increased through demonstrations.

Regulatory Issues: The garden should strive to incorporate and demonstrate standard GAP practices.

Parking, Driveways and Signage

Description: The site will require a certain amount of surface parking to support the activities, and driveways to allow effective vehicle circulation. In addition to the paved surfaces, there may be need for lower-use gravel drives around agricultural areas, and drainage infrastructure to manage stormwater runoff. Driveway entrances will be located along road to maximize driver visibility and safety for vehicles turning into the site, and for those leaving the site. In order to accommodate the CDL training program that PCC plans to offer, the roads and driveways should meet the minimum training facility requirements. Signage will be an important tool to increase visibility of the Center, both for residents and visitors alike. Strategically placed DOT highway signs should be located throughout the area to ensure people know about CEAD and can easily find it.

Regulatory Issues: County Zoning

Expected Outcomes: Lasting, durable parking and driveways. Provides appropriate space to successfully hold a CDL training program

Emergency Shelter Area

Recommended Legal Structure: Owned by PCC, with an MOU in place with Caswell County

Evaluation Metric: Completion of ADA accessible unit with kitchen to meet geographic needs for emergency shelter

Description: The Pelham area of Caswell County does not have a functional emergency shelter in case of natural disasters or weather events. This has been a consistent public safety issue in the wake of hurricanes and flooding in the region over the past several years.

The 6,000 sf shell of flex space built in the first phase of the project will be enclosed with ADA accessibility and a kitchen area to meet emergency shelter requirements under FEMA.

PHASE 1: OPERATIONAL CONSIDERATIONS

- The project team will need to devote time to managing a design and construction process.
- Fundraising activities will need to be undertaken early, in order to confidently move into construction phases.
- Integrating Agribusiness Technology students and activities into site development activity will result in greater educational opportunities and a sense of ownership in the project outcomes.
- It is recommended that PCC partner with its regional Small Business Center and other existing community college programs to build comprehensive entrepreneurship & agricultural business development education opportunities. PCC can also explore partnerships with NC State & NC A&T through Cooperative Extension to add agricultural education and training programs (as outlined further in other sections of this report). This model can be shared at industry conferences nationally and later to support funding requests for additional workforce development & business incubation resources.

PHASE 1: FUNDING

Capital Funding

The Agricultural Education Building (including the shell of the 6,000 sf flex garage space, which will be developed as an emergency shelter) is partially fully through the \$1.4 million allocated by the Connect NC Bond funding. For meeting the funding gap, USDA's Community Development grant funding and Community Facilities grant & loan packages may both be available to support elements of this portion of the project and are included below. Additional sources may include local, regional, and state-level foundations, future NC Education bonds, federal education grants, or low-interest loan programs as a last option.

Danville Regional Foundation

- Has already funded initial planning work for the preparation of the bond funding program
- <https://www.drffonline.org/grants>

Microsoft Philanthropies

- Offers educational technology grants & materials to educational institutions
- <https://www.microsoft.com/en-us/philanthropies/grants>

US Department of Education

- Offers a variety of federal programming including specific community college funding
- <https://www.grants.gov/learn-grants/grant-making-agencies/department-of-education.html>

FEMA Emergency Management Performance Grant (EMPG) Program

- Provides grants to local governments to support disaster preparedness, including capital projects
- <https://www.fema.gov/media-library/assets/documents/178513>

USDA Farm Service Agency

- Programs to assist in farm and agriculture recovery from weather-related disasters and potential mitigation of future disasters in agricultural areas
- <https://www.fsa.usda.gov/programs-and-services/disaster-assistance-program/index>

Rural Community Development Initiative Grants – USDA RD

- Funds used to improve housing, community facilities, and community/economic development projects in rural areas
- \$50,000-\$250,000
- Matching fund requirement equal to amount of grant
- <https://www.rd.usda.gov/programs-services/rural-community-development-initiative-grants>

Open Grants Program – Golden Leaf Foundation

- Focus areas: agriculture, economic development, workforce preparedness, healthcare, education, community vitality
- Must benefit tobacco-dependent, economically distressed, and/or rural communities
- Must identify the direct positive effects of the project on target communities
- Rolling deadline for online letter of inquiry form
- <https://www.goldenleaf.org/grant-seekers/open-grants-program/>

US EDA: Economic Development Research and National Technical Assistance

- Provides investment that supports technical assistance projects
- Up to \$1,500,000, rolling deadline
- <https://www.grants.gov/web/grants/view-opportunity.html?oppld=305782>

7.3 PHASE 2: IMPLEMENTATION & FUNDING STRATEGY

Programmatic Funding

It is recommended that the operational costs for the facility become part of PCC's regular and ongoing annual budget in collaboration with Caswell County. Operating and staffing costs are included in the six-year pro forma and PCC should consult with Caswell County and a qualified attorney to determine where those costs will be allocated within expected revenues over the full six-year timeline prior to full lease pricing with private tenants.

Community college allocations for capital projects and student programming are allocated by the Community Colleges System Board and based on longstanding formulas that account for all state, local, and federal sources. Currently, PCC projects adding faculty to staff the growth of existing programs as well as new programs at CEAD. Programmatic funding for new student development may be easier for PCC or nonprofit partners to receive, particularly from sources such as RAFI, Golden LEAF, BCBSNC, EDA, SBA, and USDA. These requests can focus on a number of elements that are attractive to these grantmakers, including education, entrepreneurship development, workforce development & training, health and wellness, and farmer capacity building.

BCBSNC Grant Programs

- Planning & implementation funds available for Community Collaboration grants
- Other grants also available; eligibility is local government, nonprofit or educational institution
- <http://www.bcbsncfoundation.org/grantees/application-process/>

US Small Business Administration

- Variety of grants available for business & entrepreneurship
- <https://www.sba.gov/funding-programs>

Natural Resource Conservation Service (NRCS) - EQUIP Program

- Offers funding for high tunnels, irrigation, cover cropping and more
- <https://www.nrcs.usda.gov/wps/portal/nrcs/detail/national/programs/financial/equip/?cid=stelprdb1044009>

ADFP Trust Fund – NCDA

- Funds available for agricultural development projects/plans and conservation easements
- (farmland preservation)
- Deadline: December of each year
- <https://ncadfp.org/CycleXII.htm>

Target Completion: May 2021

Estimated Total Cost: \$299,500

Multi-Use Trails and Picnic Area

Recommended Legal Structure: Owned & maintained by PCC as part of its existing portfolio; or maintained through MOA with Caswell County as part of parks & grounds portfolio

Evaluation Metric: Number of health and community programs held annually; number of venue rentals utilizing the space annually; number of annual visitors

Description: Two loop trails of different lengths are proposed to provide exercise opportunity as well as a way to see the agribusiness activity and natural resources across the entire site. A dog park may also be included in this phase to encourage a diversity of recreational uses at the Center.

Regulatory Issues: Ideally, both trails are accessible per ADA guidelines. If this proves difficult, the shorter trail at least should be designed for accessibility.

Expected Outcomes: Increased physical activity for Pelham-area community members, and for the PCC community. Opportunity for local schools to access and explore natural environments.

Estimated Cost: \$40,500

Land Clearing & Field Preparation

Recommended Legal Structure: Owned & operated by PCC preparation for the Incubator Farm

Description: It is expected that the incubator farm fields will require 2 to 3 years of low maintenance rehabilitation activity to prepare them for productive agricultural use. Beginning with clearing of brush, the future fields will likely need to be tilled, amended per soil test results, and sown with cover crops. Following this Phase 1 activity, at least one more cycle of cover cropping and soil testing may be needed before fields are active for incubator farmers.

Expected Outcomes: Hands-on soils training for Agribusiness students. Effective starting point for healthy soils management and long-term soil health

Food Hub Part 1

Recommended Legal Structure: Owned by PCC & fully leased to local farmer organization

Evaluation Metric: Leased space operated on an annual basis with market rate revenue to PCC; breakeven targeted in Year 5 of Part 1 space before developing Part 2 space

Description: An indoor/outdoor space that includes 800sf cold storage, 400sf dry storage, and 1000sf of packing and washing space. This is the first phase in a two-part food hub development on site. The current plan calls for the shell of this space to be completed at the same time as the main educational building's construction, to allow local farmers to begin using the space by summer of 2020.

The Food Hub Part 1 may be attached to or separated from the Main Education Building. It is expected to be a combination of enclosed and screened open-air spaces, using cost-effective construction while also allowing for food safety needs, user comfort, and efficient and regulatory-compliant food handling.

Regulatory Issues: Space will need to support GAP and GHP practices for raw, washed, unprocessed fruits and vegetables, and for egg washing and packing.

Expected Outcomes: Greater storage and packing space is expected to allow the food hub operator to expand sales volume to existing markets, expand to new markets, and attract additional farmers to the hub. In addition to the primary food hub operator lease, area farmers will be able to access the equipment and space of the food hub at market rate rental costs, to expand their own farm businesses.

Estimated Cost: \$120,000

PHASE 2: OPERATIONAL CONSIDERATIONS

Developing use agreements with the primary food hub tenant will be a critical area to spend generous amounts of time on, to ensure a mutually-beneficial, clear, and effective relationship. The food hub operator will be the single most important tenant in the determination of success for the economic development aspects of the project, and their needs should be integrated into all design stages.

The food hub's physical spaces and equipment will be built and installed by PCC in its role as the project developer and site owner. However, a long-term written lease contract with a food business, cooperative, or nonprofit as the primary operator should be implemented prior to launching construction in 2020. A minimum two-year lease is recommended at market rates in the first year of operation, with provisions allowing for renewal of the lease in future years and future facility opportunities such as the farmstand and restaurant. Ideally, the lease will form the basis of a partnership between PCC and the food hub operator to share operational and financial data, build programs to meet the needs of both

students and farmers, and collaborate on future funding opportunities.

Alternatively, instead of a market rate lease agreement, PCC could offer a percentage-fee lease model to a food hub operator. In this model, a nominal annual facility fee is charged to the lessee, as well as a percentage of total sales volume through the facility. The detailed pro forma suggests how this model could work. The benefit of this approach is to allow a growing farmer organization more time to ramp up sales volume without taking on a full facility rental rate immediately.

To assist PCC and the food hub partner in calculating expected operating costs and to help PCC determine appropriate lease rates, methods for estimating both initial construction costs & equipment and longer-term operating costs are included below. Both parts of the food hub will be difficult for grant funding during the start-up phase of the project. However, USDA RD, RAFL, and EDA may be a good fit for this; see additional information on each of these sources at the end of this section. (Note that while GoldenLEAF has funded food hubs in the past, they have been hesitant to fund any further food hub projects due to a poor track record of success. It is recommended that any additional GoldenLEAF funding be used to support the education building and workforce development programming.)

We recommend the private partner pursue the creation of a full business plan and pro forma specific to operations at the food hub. This analysis will help ensure long-term sustainability by phasing capacity increases and sales in gradually and maximizing the existing space before completing any expansions.

Initial Costs

Estimating initial construction costs for a food hub can be difficult, as these projects tend to be specific to their location and regional farmer needs and few models are available. Utilizing rates averaged from a CEFS study (Hamilton, et al, 2014) and other national data, we can estimate a warehouse-style packing and washing space at roughly \$80.00 per square foot in Part 1, including the water and electric infrastructure needed for washing facilities and freezer/refrigerator hookups. Container coolers can be purchased for approximately \$10,000 each (for 20' units) and the pro forma recommends four units for the early phase of the project. Based on the current Caswell production analysis, cooled products (meats, vegetables, eggs, fruits and berries) are already in high production and will likely be the first phase of supported products.

Note that this figure does not include equipment such as pallet jacks, a forklift, shelving, processing or cooking equipment, or office equipment, which will range between \$1,200 to \$25,000 per unit depending on the age, status, and type of equipment being purchased. We estimate separate funding for this type of equipment and loading docks in addition to the building cost in Part 2 (see the pro forma section for additional detail). The private partner may be interested in the additional financial tools for estimating startup costs at the CEFS Local Food Hubs website.

Food Hub Operating Plan & Financial Model

Based on the current agricultural data available, the funding analysis assumes that most Caswell farmers are not yet at the stage to support high-volume consistent vegetable production (as reflected in the context summary, which found that 70% of farms brought in less than 10,000 annually and that the 2012 agricultural census showed nearly all the existing farm income in categories other than fruit & vegetable production).

Because PCC & private partners will have relatively little data to provide regarding cooperative or individual production capacity, it is highly recommended that additional analysis be performed to ensure the food hub's Part 1 can be financially feasible by Year 5 of operations. This helps ensure that the Part 2 expansion will be fiscally responsible and meet the needs of both the market and participating farmers.

The additional business planning and financial analysis will also help the food hub operator to address capacity questions that cannot be answered by data alone, particularly since the new Ag Census data was released on April 11, 2019. The new Census data show that as of 2017, Caswell has seen a significant increase in farm income and net cash receipts since the 2012 Census was conducted - nearly double the levels in the 2012 Ag Census. Without on-the-ground verification of this growth in farm capacity, farmer interest, and production commitments, it would be fiscally irresponsible to design a sustainable long-term financial plan for the food hub component of CEAD.

In addition to the initial construction costs, food hubs typically incur expenses for distribution, aggregation, utilities, facility rental or lease, marketing, personnel, insurance, quality control, delivery and storage management, and building maintenance. However, some of these functions will not occur within the food hub until Part 2, and others will need to be carefully considered before implementation (for example, in-house trucking & transportation channels may not be financially feasible, given the other opportunities for backhaul and/or private sector partnerships).

We recommend modifying that financial model to include the following:

- **Contingency Funds:** Inclusion of a 10% emergency fund to address costs from produce shrinkage, weather and insect impacts, and other unforeseen elements that may impact order fulfillment.
- **Staffing:** Elimination of general manager position paid by PCC due to the anticipated partnership with a third party as primary operator; we recommend inclusion of a PCC paid part-time facility manager from Year 2 onward to maintain facility oversight and continuity of operations, and to build tight integration between food hub operations and educational experiences after the pilot program is completed, and the food hub operator should expect to hire a part-time sales manager to help grow product demand from Year 2 onward.
- **Trucking Partnerships:** Exploration of backhaul channels with regional food distributors and centralized pickup for purchasers could reduce or eliminate the costs of distribution, trucking, vehicles, gas, maintenance, and truck driver salaries.

To prepare for the operational costs and projected sales of the food hub portion of the project, estimates for both fixed and variable costs are included below. However, these numbers will need to be adjusted once the first year of the food hub has been completed and production capacity from both existing and new hub members has been completed and analyzed. That analysis of agricultural capacity will in turn determine the final projections for both sales and expenses by market channel.

In his 2014 "Economics of Food Hubs" presentation, consultant Smithson Mills provides the below estimates for fixed and variable operational costs for food hubs, specific to the Southeastern US. This model provides a useful starting point for decision making and the full presentation can be accessed online.

Fixed Costs	Annual Cost
Facility lease or debt service	\$0 to \$24,000 per year
General Manager	\$35,000 to \$50,000 per year
Warehouse Manager	\$25,000 to \$35,000 per year
Sales Agent	\$18,000 annual base salary
Truck Driver	\$12,000 base salary
Utilities	\$8,400 per year (\$700/month)
Workers Comp	5% of total wages
Unemployment Insurance	3% of total wages
SS and Medicaid	8.5% of total wages
Liability Insurance	\$5,000 per year
Estimated Fixed Costs	\$120,050 to \$174,825

Fixed Operational Costs for \$1 million in sales.

Item Based on \$1,000,000 in Sales	Total Cost
Sales commissions (5%)	\$50,000
Truck Driver (.10 per mile, 30,000 miles)	\$3,000
Additional personnel overhead	\$10,335
Gas and Maintenance (30,000 miles)	\$16,500
COGS	\$840,000 (80% paid to growers)
Shrinkage of product	\$40,000
Packaging (boxes)	\$80,000
Utilities (over and above fixed minimum)	\$12,000
Facility supplies (towels, mops, cleaning)	\$2,000
Total Variable Costs	\$1,053,835

Variable Operational Costs for \$1 million in sales.

Preparing for Food Safety Constraints on Volume and Sales

A lack of experienced farmers can result in physical crop losses that significantly impact financial models. It may be helpful to reach out to potential early food hub members from the list that USDA maintains of GAP and GHP certified farmers in each state to ensure that initial farmer participants are trained in food safety. North Carolina's records can be looked up online here and each certification record includes contact information. It may also be useful to explore certification through USDA's pilot program for certifying unprocessed fruits and vegetables as a way to minimize the learning curve for potential farmers who are transitioning from tobacco and row crops into vegetables and fruits.

PHASE 2: FUNDING

Multi-Use Trails & Picnic Area

Building the multi-use trails and picnic area can be included as part of the initial Agriculture Education Building scope of work. However, if grant funding is sought for this element, the ownership and maintenance structure could change. PARTF will fund only local governments, which would mean the trails would be maintained and managed by Caswell County (the grant applicant) through its existing parks programming. BCBSNC Foundation will fund projects of this type for both local governments and educational institutions, which would mean PCC is eligible to apply for funding for trail construction and maintain ownership and management as part of its regular grounds responsibilities. Neither option is likely to affect long-term usage or cost of these facilities; funding sources and needs should be the primary factor in this decision. Costs for ongoing maintenance and upkeep of the trails and picnic area should be figured into PCC's operating costs for the facility site as a whole, and used as the basis for a County MOA if that option is selected.

NC Parks & Recreation Trust Fund

- Dollar for dollar match up to \$500,000
- Only allows local government applicants - Caswell County
- <https://www.ncparks.gov/more-about-us/parks-recreation-trust-fund/parks-and-recreation-trust-fund>

BCBSNC Grant Programs

- Planning & implementation funds available for Community Collaboration grants
- Other grants also available; eligibility is local government, nonprofit or educational institution
- <http://www.bcbsncfoundation.org/grantees/application-process/>

Food Hub Part 1

Note that these sources often apply to both PCC and/or the private operator.

Community Progress Fund - Z. Smith Reynolds Foundation

- Letter of Intent Deadline: December of each year
- Proposals must demonstrate existing community momentum, how funds will move an issue/organization forward to test an idea/achieve greater impact
- \$20,000 to \$30,000; preference to areas of the state with limited philanthropic resources
- <https://www.zsr.org/community-progress>

Collaborative Problem-Solving – Z. Smith Reynolds Foundation

- Proposals must be place-based, collaborative, inclusive, resourceful
- Preference given to cross-sector efforts built on existing assets that cross county/town lines and use a racial equity lens/bring people together across identity/ideology
- Also given to proposals that support new, innovative, or non-traditional collaborations
- \$50,000 to \$150,000 (one year up to four years)
- Proposal summary deadline: December of each year
- <https://www.zsr.org/collaborative-problem-solving>

Corporate Mission Fund – Farm Credit Carolina

- Up to \$5000 per year to help further the future of agriculture in NC; fourth quarter due
- <https://www.carolinafarmcredit.com/about/community/corporate-mission-fund.aspx>

Rural Business Development Grants – USDA RD

- Rolling application deadline; \$10,000-500,000
- Support targeted technical assistance, training, and other activities leading to the development or expansion of small and emerging rural businesses which employ 50 or fewer employees and have less than \$1 million gross revenue annually
- <https://www.rd.usda.gov/programs-services/rural-business-development-grants>

Economic Impact Initiative Grants – USDA RD

- No more than 20,000 residents w/ "Not Employed Rate" greater than 19.5%
- Funds must be used to construct, enlarge, or improve community facilities for health care, public safety, and public service
- Local Food systems facilities count
- <https://www.rd.usda.gov/programs-services/economic-impact-initiative-grants>

RAFI-USA Agricultural Reinvestment Fund

- Previously funded PPF
- Typically smaller grants, although larger are available for cooperatives
- <https://rafiusa.org/grants/>

7.4

PHASE 3: IMPLEMENTATION & FUNDING STRATEGY

Target Completion: January 2023

Estimated Total Cost: \$475,000

Incubator Farm Plots

Recommended Legal Structure: Owned by PCC. Independent farm businesses leasing the plots will be responsible for care and maintenance of their plots. However, an organization like Cooperative Extension (or other agricultural resource provider or land trust) will need to oversee leases, provide business mentorship and work with PCC to manage shared resources and general site management through an MOA

Evaluation Metric: Annual use tracking of farm plots, entrepreneurship/business success from use, possibly tracked by SBC partnerships with all beginning farmers participants

Description: A dozen plots of land, divided into half-acre sections to be leased to independent farm businesses. Smaller standardized plot sizes will be suitable for a variety of different farm operations, allowing farms that need more land, for livestock or row crops, the option to lease multiple plots. While primarily a physical space, education, access to new markets, shared promotional activities, and pipelines to permanent land access should be integral in the incubator's programming.

Regulatory Issues: The incubator plots should incorporate and demonstrate standard GAP practices.

Expected Outcomes: Affordable access to land and infrastructure for beginning farmers. Provides a next step for PCC Ag students. Allows those considering career in farming opportunity to try it out before committing significant personal resources towards the purchase of land and infrastructure. Creates community of beginning farmers who can support one another.

Incubator Support Spaces

Description: Incubator farmers will need additional infrastructure to support their businesses including irrigation, deer fencing shed to house tools and equipment, post-harvest wash station and season extension like high tunnels and greenhouse.

Expected Outcomes: Successful operation of incubator program through all seasons.

Farm Equipment Rentals

Recommended Legal Structure: Owned by PCC, operated by Cooperative Extension through an MOA

Evaluation Metric: Annual use tracking of rentals

Description: A tool library with a range of equipment, particular specialty farm equipment, that is often expensive and used for only a few days out of the year during harvest or planting times. The creation of a tool library would allow PCC students, incubator farmers and local farmers to have access to critical tools that they would not otherwise be able to afford individually.

Expected Outcomes: Lower the barriers to entry for new farmers. Support established farmers by encouraging them to try new crops or techniques without the financial burden of investing in new equipment. Distributes the risk of large purchase amongst many

Farm Stand

Recommended Legal Structure: Owned by PCC, operated by local farmer organization (like PPFG) as an expansion to food hub lease or as a stepping stone to the operation of the Country Store on site in Phase 4

Evaluation Metric: Sales data years 1-3; entrepreneurship/business success from use possibly tracked by SBC partnerships with farm stand participants

Description: A small, open-air farmstand with cooler space, mixed retail displays, and a consignment or cooperative sales model. Approximately 200sf, located close to road for high visibility. The farmstand could be a temporary installation in a shipping container with covered porch, or a simple stick-frame construction. Locating the farmstand near the demonstration gardens would provide a visual reinforcement to traffic passing by that the project is active and engaging. The farmstand could also double as a CSA pickup point, and as the incubator business for a Phase 4 Country Store.

Expected Outcomes: Greater visibility for the site, and increased visitor traffic. Increased revenues for farmers. Low-stakes proof of concept for on-site retail. Increased access to fresh food for Pelham community.

PHASE 3: OPERATIONAL CONSIDERATIONS

Incubator Farm Plots

It is recommended that PCC establish an operating MOA with Caswell County Cooperative Extension to install, maintain, and operate the incubator farm plots. While the land itself will remain in PCC ownership, Extension is the most qualified agency to channel farmers to these resources and to provide technical and production education at the highest level of quality. Alternatives to partnering with Cooperative Extension include partnering with other regional or statewide agricultural resource providers, farm advocacy non-profits, or land trust organizations.

The MOA should include terms for partnerships with PCC students and programs, including apprenticeships, and should address water usage and sources, soil and water testing practices and reporting, safety measures, liability insurance for both participating farmers and Extension agents and educators, tools, fencing, restroom access, and other infrastructure and maintenance questions. PPF's needs and educational opportunities can also be written in as a third-party addendum to the operating agreement, helping ensure that the space is used to its maximum function and purpose by all parties.

It is also recommended that both PCC and Extension meet with Breeze Incubator Farm, Camp Lejeune/Onslow County Extension, Cary NC's Good Hope Farm, CFSA's Lomax Farm and other successful operators of incubator farms to learn best practices for successful operations. There is also a National Incubator Farm Training Initiative (NIFTI) that provides technical assistance, educational resources and professional development opportunities for incubator farms.

Identifying managing entity for the incubator farm will be necessary very early in the process, in order to confidently move the initiative towards launch.

Developing a thoughtful programmatic structure and expectations for incubator, including clear process for transitioning to long-term or permanent farmland, will be a key part of a successful incubator program.

Fostering strong connections with broader farm community will build a supportive network that may help bring new farmers to the incubator, may bring mentors and partners to the program, and will help encourage graduating farmers to move their farm enterprises into the Caswell community.

Farm Equipment Rentals

It is recommended that PCC establish an operating MOA with Caswell County Cooperative Extension to operate the shared equipment program. (Connect with Richmond County Extension for examples and experiences). The shared leasing program among participating incubator farmers should be based on a written agreement that includes a small annual fee for maintenance, fuel, and use to defray ongoing operational costs and accounts for issues such as liability, risk management, cleaning, and repair. Farmers off-site should

also be able to access specialty equipment with an hourly or daily rental fee. Partnerships should also be established with the PCC programs affiliated with small engine repair and agricultural technologies to keep maintenance costs low, and with PPF for any anticipated use in support of food hub operations.

Farm Stand

The farm stand will be an opportunity to expand market sales for both food hub and regional farmers, and to begin increasing agritourism in preparation for the country store and restaurant elements slated for 2026. Because the food hub operator will be the central point of contact for most farmers, it will be efficient and advantageous for them to operate the farm stand once the physical structure is complete.

Although most grant funding will not support this element of the project, the physical costs will not be high and the farmstand operator can coordinate a small upfront fee from participating farmers if needed to assist with initial shelving, cold display storage, and sales infrastructure. Electronic sales are important to agritourism clients in North Carolina, and a separate financial accounting system for the farm stand should be maintained by the operator for clear recordkeeping on profits, growth, and operating costs. The farm stand lease option should be included in the food hub operator's initial lease agreement as a future right of first refusal should they decide not to operate the facility, and provisions for bringing on another private sector partner should be in place in case of that occurrence.

PHASE 3: FUNDING

This phase expands agricultural capacity through three elements: incubator farm plots, farm equipment rentals, and a farm stand. Both the farm stand and the equipment purchases can likely be funded from smaller grant sources geared towards increasing agricultural capacity, such as USDA VAPG for processing equipment and ZSR, Farm Credit and local community foundations for production equipment.

Grant funding may be difficult for farm equipment rentals, although for smaller purchases (for under \$30-40,000 of equipment) some grants may be available from sources such as RAFI, NCTTF, ADFP, or BCBSNC. If economic development and workforce expansion can be demonstrated through specific shared farm equipment, some funders will have clearer understanding of impact

NC Tobacco Trust Fund Commission

- No funding ceiling; typically up to \$100,000
- Rolling deadlines, although some specific programs have summer deadlines
- Also funds AgOptions
- <http://tobaccotrustfund.org>

7.5

PHASE 4: IMPLEMENTATION & FUNDING STRATEGY

NC Community Foundation

- Connects community groups with fundholders, no specific criteria
- Rolling deadline
- <https://www.nccommunityfoundation.org/apply/grants>

Cold Storage Financing Program – Natural Capital Investment Fund and NCGT

- Low-interest loan program for NC farmers
- Covers 20% of the cost of cold storage unit (up to \$3000)
- <https://www.ncifund.org/what-we-do/strategic-initiatives/food-systems/cold-storage-program>

Natural Resource Conservation Service (NRCS) - EQUIP Program

- Offers funding for high tunnels, irrigation, cover cropping and more
- <https://www.nrcs.usda.gov/wps/portal/nrcs/detail/national/programs/financial/equip/?cid=stelprdb1044009>

Value Added Producer Grants in NC – USDA RD

- Helps ag producers enter into value-added activities related to processing and/or marketing of new products
- Planning grants \$75,000; Working Capital Grants \$250,000
- Independent producers, ag producer groups, farmer cooperatives may apply
- Typically in January, although renewal is dependent on Congressional approval
- NC Contact: Lyn Millhiser, lyn.millhiser@nc.usda.gov
- <https://www.rd.usda.gov/programs-services/value-added-producer-grants/nc>

Open Grants Program – Golden Leaf Foundation

- Focus areas: agriculture, economic development, workforce preparedness, healthcare,
- education, community vitality
- Must benefit tobacco-dependent, economically distressed, and/or rural communities
- Must identify the direct positive effects of the project on target communities
- Rolling deadline for online letter of inquiry form
- <https://www.goldenleaf.org/grant-seekers/open-grants-program/>

Target Completion: January 2026

Estimated Total Cost: \$1.4 million

Recommended Legal Structure: Owned by PCC & fully leased to local farmer organization

Evaluation Metric: Leased space operated on an annual basis with market rate revenue to PCC; breakeven targeted in Year 3 of Part 1 space before developing Part 2 space

Description: Based on the operational and entrepreneurial needs of the existing food hub elements, this is an expansion of the food hub to include activities such as produce chopping, bagging, and other minimal processing; flash freezing; meat and/or poultry processing; greater cold storage capacity; commercial kitchen for mixed processing; or other needs. The facility to provide these activities will be fully enclosed and built to high food safety standards. Alternatively, mobile platforms may provide options for some activities, such as meat processing, that avoid higher-cost brick and mortar facilities.

Specifying exactly which activities will be included in this Phase 3 food hub expansion is beyond the scope of this plan. However, the building shell to support a wide range of activities can be located on the site plan, and included in a cost estimate.

Regulatory Issues: Facility must be designed and constructed to support proper hygiene and food safety standards for a wide range of proposed and future food processing and handling activity. Regulatory and audit oversight may differ based on type of processing.

Expected Outcomes: Expanded markets for area farmers. Hands-on education around food processing and handling for Agribusiness Technology students. Growth in local food sector to support intermediary food businesses such as processors, distributors, wholesalers.

Estimated Cost: \$580,000

Recommended Legal Structure: Owned by PCC; operated by private sector businesses with lease agreement structure which include the purchase of up-front equipment and inventory

Evaluation Metric: Annual market rate lease revenue; year 1-3 sales and profit margins; traffic count; annual tracking of Caswell farm vendors

Food Hub Part 2

Country Store

Country Store

Description: This store is imagined as a +/- 1000sf space operated by a third party private enterprise, leased from Piedmont Community College. It is anticipated that the College will develop the site and building, and enter into a use agreement with the store operator.

The store will be designed to generate positive revenue in the form of rent to the Center. The store itself will be a retail access point for Caswell grown and produced fresh produce, meats, eggs, and value-added products. It will be marketed to both Pelham and Caswell residents, as well as to the traffic passing by on Highway 29.

Because Phase 3 is years away, this store concept should be seen as a placeholder. Over time, more will be learned about the retail opportunities afforded by this site, and it is expected that the store idea will evolve.

One particular opportunity is that the farmstand operator could open the farmstand in Phase 2, and be ready to scale up to a conventional store space by Phase 3. This scenario will encourage the scaling up of small enterprise, would directly build off of first-hand site knowledge, and would not rely on the identification of a new operating partner.

Regulatory Issues: County Zoning

Expected Outcomes: Greater market expansion for local products. Greater visibility for CEAD. Revenue source for CEAD. Expanded fresh food access for the neighboring community.

Recommended Legal Structure: Owned by PCC; operated by private sector businesses with lease agreement structure which include the purchase of up-front equipment and inventory

Evaluation Metric: Annual market rate lease revenue; year 1-3 sales and profit margins; traffic count; annual tracking of Caswell farm vendors

Description: A +/- 1500sf full-service restaurant whose concept relates to and supports the agricultural nature of the site. It could be a farm-to-plate operation, a local Southern restaurant, or another concept that celebrates the unique nature of this site. The restaurant should cater to a wide range of customers, including members of the surrounding community as well as highway travelers, through combinations of price points, menu offerings, and hours of operation.

It is expected that Piedmont Community College would lead development of this space, and lease to a restaurant operator.

Regulatory Issues: County Zoning, health department

Expected Outcomes: Revenue source for CEAD. Growth of commercial opportunities on site. Greater visibility for CEAD. Informal community meeting spot.

PHASE 4: OPERATIONAL CONSIDERATIONS

- It is anticipated that the primary food hub operator will continue to operate the food hub as it expands in Phase 4. Continuity of operation will be vital to planning and overall success.
- In creating the store and restaurant, Piedmont Community College will need to act as developer. To support this role, smart partnerships are recommended with organizations that bring development expertise and experience. This may mean seeking out local government partnership, CDFI's, private developers, non-profit lenders, or others who may contribute to a successful development team.
- As the complex of buildings and enterprises on site increases, PCC will need to plan for increased management and administration needs. This is included in the 5-year operational budget, but worth noting here as well.

PHASE 4: FUNDING

This portion of the project will require the most financial planning. Both the country store and restaurant are designed to encourage agritourism and increase the diversity of market channels available to both regional producers and incubator farmers. However, both operations are typically private-sector operations that are not funded through public agencies.

The simplest option for building long-term financial sustainability into the retail and restaurant operations is to account only for the construction of the physical space required for each outlet. Once those costs are determined, and factored into the plan, the store and restaurant can each be leased to a private sector partner for a monthly or annual lease fee that becomes a revenue-producing channel for CEAD. Both private leases could include terms for apprenticeship or training programs for PCC students if desired by their respective programs. This option does, however, take ownership of the quality, style, and branding of these operations out of the CEAD's control.

The alternative - for PCC to operate these retail and restaurant outlets - carries some significant legal and logistical challenges and is not recommended. Keeping the ownership of the retail and restaurant operations in-house under the legal umbrella of CEAD would require the creation of an LLC under the umbrella of PCC to run and manage the business operations, with net profits being funneled back into CEAD. However, this would also require CEAD to project enough in revenues annually to support the initial purchase of equipment and inventory and to hire staff to work in both outlets. The risk increases significantly with this option for non-recoverable financial losses.

Lease agreements for both the country store and the restaurant should include initial equipment costs if purchased by the private partner; terms for maintenance and repair of electrical, water, and physical systems; and lease payment structures that allow for early growth and gradually increase over time with the goal of covering or exceeding PCC's operating costs by Year 3. Restaurant lease costs per square foot vary widely by urban and

rural areas and depend on many other factors, including the presence of second-home communities, commuter and bedroom communities, local industry and wage data, and others. North Carolina's average rent per square foot averages between \$0.80 and \$2.25 depending on location; as such, it is important for PCC to talk with a qualified accountant prior to setting up lease terms that both support the entrepreneurs working in both outlets as well as addressing PCC's expenses and projected costs.

Grants

No grant funding sources are provided for these two elements of the project, as they will be primarily revenue-generating facilities for private-sector partners.

8 APPENDICES

The following financial analyses should be read with the following considerations:

- The analyses is early stage, and while they are vital in developing strategic project approaches, they should be seen as guides and not fixed or 100% accurate projections;
- These numbers are still dynamic - more detail and greater accuracy will emerge as the project team moves forward;
- Many of the calculations are based on well-informed assumptions, but nonetheless all figures should be continually refined and solidified as the project moves ahead.

A. Project's Permanent Sources and Uses Statement/Development Budget: PHASE 1

PHASE 1 May 2019 through January 2021

Project	Center for Education and Agriculture Development
Owner	Piedmont Community College
Lender	

Reported as 2019 Total Sq. Ft: 17,000

Sources Cost per Sq. Ft. \$229,272,470.58

Name of Funding Source	Debt	Equity	Grant	Total Sources	Percent	Status
Connect NC Bond			\$1,400,000	\$1,400,000	35%	
Caswell County				\$0	0%	
Local and Regional Foundations			\$400,000	\$400,000	10%	
Federal Sources			\$300,000	\$300,000		
Other			\$1,944,000	\$1,944,000	48%	
				\$0	0%	
Total Sources	\$0	\$0	\$4,044,000	\$4,044,000	93%	

These are ballpark placeholder amounts

These are ballpark placeholder amounts

Uses	Total Cost	Source:	Source:	Source:	Source:	Source:	Should Equal Zero	% of TDC
		Connect NC Bond	Caswell County	Local and Regional Foundations	Federal Grants	Other		
Soft Costs: PHASE 1								
Architecture and Engineering at 5% construction cost	\$140,000	\$140,000					\$0	0.0%
Appraisal	\$0						\$0	0.0%
Closing Costs and Loan Fees							\$0	0.0%
Consultant	\$40,000			\$40,000			\$0	0.0%
Construction Interest							\$0	0.0%
Environmental Report	\$0						\$0	0.0%
Insurance							\$0	0.0%
Soils Analysis	\$0						\$0	0.0%
Asbestos Report	\$0						\$0	0.0%
Permits/Fees							\$0	0.0%
Marketing							\$0	0.0%
MOU development with partners							\$0	0.0%
Real Estate Taxes							\$0	0.0%
Property Inspection Fees							\$0	0.0%
Survey	\$8,000			\$8,000			\$0	0.0%
Title/Escrow Fees							\$0	0.0%
Furniture, Fixtures, and Equipment	\$400,000					\$400,000	\$0	0.0%
Legal and Accounting							\$0	0.0%
Operating / Vacancy / Lease Up Reserves							\$0	0.0%
Maintenance / Replacement Reserves							\$0	0.0%
Developer's Fee (Max of 10%, net of Dev. Fee)							\$0	0.0%
Soft Cost Contingency (5%)	\$38,000					\$38,000	\$0	0.0%
Other:							\$0	0.0%
Other:							\$0	0.0%
Subtotal Soft Costs	\$626,000	\$140,000	\$0	\$0	\$0	\$438,000	\$578,000	14.8%
Hard Costs: PHASE 1								
Acquisition							\$0	0.0%
Demolition							\$0	0.0%
Land Clearing	\$0						\$0	0.0%
Renovation Costs (incl contrctr fee on hardcosts only)	\$0						\$0	0.0%
New Construction	\$2,635,800	\$1,260,000		\$352,000	\$160,000	\$863,800	\$0	0.0%
On-site Improvements	\$510,000					\$510,000	\$0	0.0%
Hard Cost Contingency (4%)	\$125,832					\$133,032	(\$7,200)	-0.2%
Other:							\$0	0.0%
Other:							\$0	0.0%
Subtotal Hard Costs	\$3,271,632	\$1,260,000	\$0	\$352,000	\$160,000	\$1,506,832	\$3,278,832	85.0%
Total Development Costs	\$3,897,632	\$1,400,000	\$0	\$352,000	\$160,000	\$1,944,832	\$3,856,832	99.8%
Do the sources equal the total uses?	No							

B. Construction Cost Analysis - All Phases

Project	Center for Education and Agriculture Development
Owner	Piedmont Community College

Cost Estimates Created Spring 2019

CATEGORY	UNITS	NUMBER	COST PER UNIT	PHASE 1				PHASE 2				PHASE 3				PHASE 4			
				Land Clearing	Renovation	New Construction	On-site improvements	Land Clearing	Renovation	New Construction	On-site improvements	Land Clearing	Renovation	New Construction	On-site improvements	Land Clearing	Renovation	New Construction	On-site improvements
Main Education Building																			
core education space	sf	5000	\$275			\$1,375,000													
support and circulation	sf	2000	\$200			\$400,000													
flex garage space/shelter	sf	6000	\$120			\$720,000													
landscaping	sf	4000	\$15				\$60,000												
welcome sign	each	1	\$6,000			\$6,000													
Shop building																			
shop space	sf	1000	\$120			\$120,000													
Parking lots and drives																			
	acres	3	\$150,000				\$450,000												
Phase 1 Ag Support																			
greenhouse, 16x30	each	1	\$14,000			\$14,000													
small tool shed	each	1	\$800			\$800													
Food Hub Part 1																			
20' container coolers	containers	4	\$10,000							\$40,000									
packing/washing space	sf	1000	\$80							\$80,000									
loading dock	each	1	\$15,000							\$15,000									
Ag Land Clearing and field prep																			
brush clearing	Acres	15	\$8,000					\$120,000											
tilling and cover crop	Acres	8	\$500									\$4,000							
Trails and Picnic Area																			
Trails (ADA, crushed stone, 48" wide)	miles	0.5	\$50,000										\$25,000						
Trails (natural path)	miles	1	\$10,000										\$10,000						
Picnic tables	each	10	\$250							\$2,500									
Signage	each	1	\$3,000							\$3,000									
Incubator Farm																			
Deer Fencing (10' woven wire)	lin feet	2250	\$5																\$10,125
well	each	1	\$12,000																\$12,000
irrigation	per acre	5	\$400																\$2,000
driveways	acres	1	\$150,000																\$150,000
Phase 2 Ag Support																			
greenhouse, 20x80	each	2	\$48,000										\$96,000						
Equipment shed and post-harvest handling area	sf	2000	\$65										\$130,000						
high tunnel, 30x96	each	6	\$9,000										\$54,000						
Farmstand																			
market space	sf	200	\$90										\$18,000						
3-door refrigerator & display	each	1	\$3,500										\$3,500						
Food Hub Part 2																			
packing space	sf	2000	\$80																\$160,000
processing space	sf	1000	\$180																\$180,000
shared kitchen	sf	600	\$250																\$150,000
cold storage	sf	900	\$70																\$63,000
loading dock	each	2	\$15,000																\$30,000
Store																			
store, general	sf	1000	\$175																\$175,000
Restaurant																			
restaurant, inclusive	sf	1500	\$325																\$487,500
Site Clearing																			
	acres	3	\$8,000																\$24,000
Driveways, Parking																			
	acres	1	\$150,000																\$150,000
SUBTOTAL																			
				Land Clearing	Renovation	New Construction	On-site improvements	Land Clearing	Renovation	New Construction	On-site improvements	Land Clearing	Renovation	New Construction	On-site improvements	Land Clearing	Renovation	New Construction	On-site improvements
				\$0	\$0	\$2,635,800	\$510,000	\$120,000	\$0	\$140,500	\$39,000	\$0	\$0	\$301,500	\$174,125	\$24,000	\$0	\$1,245,500	\$150,000

C. Operating Proforma

Project: Center for Education and Agriculture Development

Reported as of:	04/12/19	Total Built SF (does not include open sheds or greenhouses)	2021	2022	2023	2024	2025	2026
			Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
			14000	15800	15800	18000	23000	25500
		Total Site Improvement Acres	3	18	18	18	21	21

Income Assumptions

Below are operational revenue streams for activities outside of PCC educational activity. No tuition or fee revenues are shown. No faculty expenses are included.

			2021	2022	2023	2024	2025	2026
			Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
SHARED OFFICE RENT In main education building	Annual Increase Percentage	2.0%						
	Rent per sf per month	\$0.75						
	Office Monthly Rent Per Unit	\$75.00						
	Number of Units	3	\$2,700	\$2,754	\$2,809	\$2,865	\$2,923	\$2,981
	Office Size	100						
	Less: Vacancy	20%	\$540	\$551	\$562	\$573	\$585	\$596
	Shared Office Gross Income		\$2,160	\$2,203	\$2,247	\$2,292	\$2,338	\$2,385
FOOD HUB RENT: Part 1 1000sf+800sf cold storage = 1800sf	Part 1 Food Hub base rent per year	\$400.00	\$400	\$400	\$400	\$400		
	Revenue-based annual rent fee (% sales volume)	1.5%	\$5,250.00	\$5,775.00	\$6,352.50	\$6,987.75		
	Estimated initial annual sales volume	\$350,000.00						
	Projected annual sales growth	10%						
	Year 1 pro-rated portion of year	0.6						
	Hub Part 1 total		\$3,390	\$6,175	\$6,753	\$7,388		
FOOD HUB RENT: Part 2 3000sf+1800sf processing+1700sf cold storage = 6500sf	Part 2 Food Hub base rent per year	\$1,000.00					\$1,000	\$1,000
	Revenue-based annual rent fee (% sales volume)	1.5%					\$10,500	\$11,550
	Estimated initial annual sales volume	\$700,000.00						
	Projected annual sales growth	10%						
		Hub Part 2 total		\$0	\$0	\$0	\$0	\$11,500
	Food Hub		\$3,390	\$6,175	\$6,753	\$7,388	\$11,500	\$12,550
INCUBATOR FARM	Farm, shed, & equipment use rental fee per allotment per month	\$50.00			\$7,200	\$7,200	\$7,200	\$7,200
	Number of 1/2 acre allotments	12						
	Months leased	12						
	Less: Vacancy and Weather/Pest Contingency	20%	\$0	\$1,440	\$1,440	\$1,440	\$1,440	\$1,440
		Incubator Farm		\$0	\$5,760	\$5,760	\$5,760	\$5,760
FARMSTAND opens Phase 3	Annual Increase Percentage	2.0%			\$1,920	\$1,958	\$1,998	\$2,038
	Farmstand rent per sf per month	\$0.80						
	Number of sf	200						
	Months rented annually	12						
		Farmstand				\$1,920	\$1,958	\$1,998
RESTAURANT opens Phase 4	Annual Increase Percentage	2.0%		\$0	\$0	\$0	\$0	\$27,000
	Rental Rate per sf per month	\$1.50						
	Space available	1,500						
	Months rented annually	12						
		Restaurant		\$0	\$0	\$0	\$0	\$0
STORE opens Phase 4, ahead of restaurant	Annual Increase Percentage	2.0%					\$9,000	\$9,180
	Rental Rate per sf per month	\$0.75						
	Space available	1,000						
	Months rented annually	12						
		Store						\$9,000

Explanations/Assumptions:

To be negotiated
Estimated average of \$30,000 annual hub sales for each of 12 coop farmers

Assumes annual leasing for cover cropping and soil amendments; assumes cost stays static for first five years of operations; assumes monthly fee for land use and equipment sharing, for a total of \$600 per year, per farmer. This may need to go up eventually but this early in the process it will help to keep it low to encourage participation.

Assumes after year 6 that the store will rent at a higher rate per sf (higher if revenue indicates possibility); can be operated for PCC at a loss as part of entrepreneurship programming

EVENT VENUE RENTAL	Rent per hour	\$80.00			\$4,800	\$4,800	\$4,800	\$4,800
	Hours rented per month	10						
	Months rented	6						
	Event Venue Rental				\$0	\$0	\$4,800	\$4,800
PCC Contribution					\$0	\$0	\$0	\$0
County Contribution					\$0	\$0	\$0	\$0
	Total Gross Income				\$5,550	\$14,138	\$21,480	\$22,198
					\$35,396	\$63,712		

this assumes County coverage of all operational expenses below (based on Yanceyville Campus cost-sharing model)

Expense Assumptions				Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
	Annual Increase Percentage		3.0%						
	Management Fee:	% of Gross Rents =		\$0	\$0	\$0	\$0	\$0	\$0
	Legal and Audit			\$0	\$0	\$0	\$0	\$0	\$0
	Advertising/Marketing			\$0	\$0	\$0	\$0	\$0	\$0
	Utilities	avg \$1/sf/yr		\$14,000	\$15,000	\$15,450	\$15,914	\$16,391	\$20,000
	Cooler Energy Cost (for 9 mo/	rate = \$14/sf/yr		\$0	\$0	\$0	\$0	\$0	\$0
	Water, Sewer, Waste Removal			\$0	\$0	\$0	\$0	\$0	\$0
	Supplies			\$0	\$0	\$0	\$0	\$0	\$0
	Payroll & Fringe Benefits			\$75,000	\$77,250	\$129,568	\$133,455	\$137,458	\$141,582
	Insurance			\$1,200	\$1,236	\$1,273	\$1,311	\$1,351	\$1,391
	Pest Control			\$400	\$412	\$424	\$437	\$450	\$464
	Cold Storage Maintenance				\$2,000	\$2,060	\$2,122	\$2,185	\$2,251
	Equipment Depreciation				\$0	\$0	\$0	\$0	\$0
	Property Taxes								
	Maintenance/Grounds			\$20,000	\$20,600	\$21,218	\$21,855	\$22,510	\$23,185
	Replacement Reserves	Per sq. ft. / yr	\$1	\$14,000	\$15,800	\$15,800	\$18,000	\$23,000	\$25,600
	Total Expenses	Operating Costs/Sq. Ft.:	\$8.90	\$124,600	\$132,298	\$185,793	\$193,093	\$203,346	\$214,373
	Net Operating Income			(\$119,050)	(\$118,160)	(\$164,313)	(\$170,894)	(\$167,950)	(\$150,668)

this cost to be owned by food hub operator

estimate 1.5 FTE staff up to Year 3; 2.5 FTE from there forward, does not include faculty

		Annual Debt Payments							
Debt Service	Loan Amount	Rate	Term of Financing (yrs)	Amortization (yrs)	Year 1	Year 2	Year 3	Year 4	Year 5
Other:	0	2.00%	7	15	\$0	\$0	\$0	\$0	\$0
Other:									
Total Debt Service					\$0	\$0	\$0	\$0	\$0
Debt Service Cash Flow					(\$119,050)	(\$118,160)	(\$164,313)	(\$170,894)	(\$167,950)

Item	Details	Fixed / Mobile	Special Requirements	Price	Suggested Quantity	Total Cost	Leaseable Asset?	Lease Cost	Cost Rationale	Sources	Notes
Scales						\$2,830					
Bench Scale	Easy Weigh BX-Series Digital Platform Scales - Legal for Trade, including RS232 Interface to connect PC and printer.	Mobile	Needs outlet; Standard AC cord; 120VAC	\$550	1	\$550				http://www.itinscales.com/easyv	
Floor Scale	Uline, 5,000lb capacity, 4'x4'	Mobile	Needs outlet; Has 15ft cable and mounting bracket; Operates on 110 volts	\$1,495	1	\$1,495	Available for use by entities that rent food hub space	n/a	n/a	http://www.uline.com/Product/D	
Floor Scale Ramp	Uline, 4'x4'	Mobile		\$525	1	\$525				http://www.uline.com/Product/D	Price is per ramp, a ramp is needed if using a dolly or pallet jack.
Floor Scale Printer	Uline	Mobile		\$260	1	\$260				http://www.uline.com/Product/D	Would be helpful for record keeping and providing receipts to farmers.
Pallet Moving Equipment						\$6,698					
Forklift (semi-electric)	Uline, 2,200lb capacity, 137" max height	Mobile	Needs outlet to be plugged-in and charged; 24 volts	\$6,299	1	\$6,299	Available for use by entities that rent food hub space	n/a	n/a	https://www.uline.com/Product/	
Pallet Jack (basic)	Uline, 5,500 capacity with handbrake	Mobile		\$399	1	\$399				http://www.uline.com/BL_1805/	
Cooling and Transport						\$63,584					
Most small (non-industrial-scale) coolers are not sold, but are constructed on farm. A local contractor is needed who can construct one according to specifications.											
Mobile Hydrocooler (DIY)	Estimated cost, 12' trailer, ice-cooled (no on-board refrigeration), 2-pallet capacity, 7,000 lb capacity trailer (3" axle)	Mobile		\$8,000	1	\$8,000	Available for lease by entities that rent food hub space	\$80/day		http://www.nctrailers.mcjr.net/ec	
	7,000# GVWR equipment trailer			\$2,500							
	Est. cost of parts			\$2,500							
	Est. cost of labor			\$3,000							
Mobile Forced Air Cooler	Estimated cost, 12' trailer, ice-cooled (no on-board refrigeration), 2-pallet capacity, 7,000 lb capacity trailer (3" axle)	Mobile		\$7,250	2	\$14,500	Available for lease by entities that rent food hub space	\$80/day		http://www.nctrailers.mcjr.net/ec	
	7,000# GVWR equipment trailer			\$2,500							
	Est. cost of parts			\$2,000							
	Est. cost of labor			\$2,750							
Ref. Trailer (total)	Parts + Estimated Labor	Mobile		\$5,900	3	\$17,700	Available for lease by entities that rent food hub space	\$60/day		https://plantsforhumanhealth.nc	
	PHH's Pack and Cool Trailer Model (per trailer, including a 3,000# GVWR single-axle trailer, excluding labor)			\$3,400						http://www.nctrailers.mcjr.net/uf	
	PHH's Pack and Cool Trailer Model (estimated labor)			\$2,500							
Truck for towing	2009 Dodge Ram 1500 Truck, payload capacity required to tow these units	Mobile		\$21,000	1	\$21,000	For use by staff only.	n/a	n/a	http://www.autotrader.com/cars-	
Temperature Alarms	Senses temp, humidity, door ajar, flooding, and power failure	Fixed		\$400	4	\$1,600	For use by staff only.	n/a	n/a	http://www.itwatchdogs.com/ter	
Temperature Tracking	Monnit ambient temperature USB tracking gateway to document the cold chain. One USB gateway supports up to 100 sensors	Mobile		\$49	1	\$49	Included for use by farmers that use the Center to store and transport produce to local and regional buyers.	n/a	n/a		
	Monnit sensors	Fixed		\$49	15	\$735					
Ice Machines						\$9,196					
Note: These machines will need a dedicated floor drain.											
Ice Machine (medium capacity)	Cornelius CCM0630AF2 Nordic Series 30" Air Cooled Full Size Cube Ice Machine - 708 lb	Fixed	Needs Outlet; Power usage 208-230 volts; Needs water connection; Water usage 23.4 gal per 100lbs.	\$2,999	2	\$5,998	Ice will be sold per pound to producers and buyers as needed.			http://www.webstaurantstore.co	
Ice Bin	For the 30" Cornelius Machine listed above. 800 lb capacity	Fixed		\$1,399	2	\$2,798				http://www.webstaurantstore.co	
Water Filtration System	C Pure AQUAKING20 20" Single Cartridge Ice Machine Water Filtration System - 25 Micron Rating and 3 GPM	Fixed	Inside of ice machine; To be changed every 6 months	\$200	2	\$400				http://www.webstaurantstore.co	
Cool Storage						\$64,800					
Walk-in Cooler Comp Pricing	\$50/sf installed, new. Recommend (4) 18'x18' coolers for a total of 1296sf, price for this setup shown here	Fixed	Connection to power source	\$64,800	1	\$64,800	Leasing for cross-docking and leasing for short-term leasing for storage and aggregation.	For cross-docking = \$0.75 /case (60 cases per pallet); For short-term rental = \$2/cu ft per month	Based on CEFS 2016 CCC study and discussions with regional distributors		This calculation extrapolated from an estimate from Greensboro Refrigeration Services in 2013
Sanitation						\$3,818					
Three Basin Sink	Advance Tabco, (3) 24"x24" sinks with 24" drainboards	Fixed	connection to water source that meets FSMA req	\$1,559	2	\$3,118	Available for use by entities that rent food hub space	n/a	n/a	http://rapidwholesale.com/com	Let's have one for produce, one for equipment washing
Hand Washing Station	Eagle HSA-10-F-LRS Commercial Hand Sink with Splash Guards	Fixed	connection to water source that meets FSMA req	\$350	2	700	For use by staff and any users or visitors to the facility.	n/a	n/a	http://rapidwholesale.com/eagl	
Chopping/Washing Station						\$21,109					
Electric salad spinner	5 gal capacity, motorized (brand: Dynamic)	Mobile	Needs outlet; power usage 115-230 volts	\$675	1	\$675				http://www.eliterestaurantequipr	
Salad dryer	20-gal capacity, electric (brand: Hobart)	Mobile	Needs floor drain for Drain pipe extension tub or container up to 9" high; 7' three wire cord and plug; power usage 115 volts	\$2,225	1	\$2,225				http://www.webstaurantstore.co	

Item	Details	Fixed / Mobile	Special Requirements	Price	Suggested Quantity	Total Cost	Leaseable Asset?	Lease Cost	Cost Rationale	Sources	Notes
Root Vegetable Peeler	Hobart 6115 20 lb. Portable Potato Peeler	Mobile	needs connection to water source that meets FSMA requirements for rear mounted water inlet with 5' fill hose; 5.5' three wire flexible cord and plug for grounding; power usage 115-230 volts	\$3,250	1	\$3,250				http://www.webstaurantstore.com	Will peel at most 400lbs of product per hour
Vegetable Dicer	Hobart FP400-1 Continuous Feed Food Processor - 2 hp	Mobile	need outlet; power source 208-240/60/3, 7.5 amps; 6ft, 3-conductor power cord; has separate cart with accessories; needs 39.75" clearance in front, see equipment spec. sheet	\$9,250	1	\$9,250	Available for lease by entities that rent food hub space	Rental of the processing station = \$20/hour. Processors have access to 250 sq ft of cooler space.	Comp: http://www.startingblock.biz/get-started-incubator-kitchen-facility.html	http://www.webstaurantstore.com	If the combined vegetable dicer/chopper could be found, this machine would be unnecessary.
Vegetable Dicer and Chopper	Commercial Vegetable Cutter Shredder Chopper Dicer Slicer Machine (Ships from China)	Mobile	Needs outlet; power usage 110/220V	\$4,750	1	\$4,750				http://allbestmachines.com/com	
Knives	Mercer M23840 Millennia 6" Produce Knife	Mobile		\$10	5	\$50				http://www.webstaurantstore.com	
Cutting boards	18"x24" flexible plastic (2 per pack)	Mobile		\$6	5	\$30				http://www.webstaurantstore.com	
Heat sealing machine	24" Impulse Heat Sealer with cutter (includes extra blades and service kit)	Mobile	Needs outlet power usage 110V	\$390	1	\$390				http://www.uline.com/Product/D	
Pea/bean sheller	4-5 bu/hr	Mobile		\$489	1	\$489				http://weeningbrothers.com/han	
Misc. for Building						\$15,735					
Anti-Fatigue Mats	Uline, 4'x6'x3/8"	Mobile		\$60	6	\$360				http://www.uline.com/BL_1751/	
Prep and Packing Tables	Stainless Steel, NSF Certified, 30" x 72"	Mobile		\$470	4	\$1,880				http://www.uline.com/Product/D	
Shelving—shelves	24" x 48" epoxy nsf wire shelf (1)	Mobile	Near equipment washing station for storage; used for dry storage	\$18	36	\$648	Use of these amenities is included with the lease of the facilities for cold storage, processing, packing, or cooling. Dry storage space can be leased separately.			http://www.webstaurantstore.com	
Shelving—posts	74" epoxy nsf wire shelving post (4)	Mobile	Near equipment washing station for storage; used for dry storage	\$28	44	\$1,232		Dry Storage Space = \$35/4'x4' space.	Double the mad river rate, far below sprout rate	http://www.webstaurantstore.com	
Plastic Forklift Pallets	Uline, rackable plastic pallets. Not sure on the quantity needed. This price is per pallet. There are much cheaper options, but these are USDA and FDA compliant. Many of the cheaper ones are not.	Mobile	To be cleaned outside on dock; storage outside facility	\$125	48	\$6,000				http://www.uline.com/Product/D	
Folding tables	30" x 96", molded plastic, 250# capacity	Mobile		\$115	15	\$1,725	For use by renters of the event room.	Event Room Rental = \$150/use (day or evening)		http://www.uline.com/Product/D	
Folding chairs	molded plastic, 300# capacity	Mobile		\$29	120	\$3,480				http://www.uline.com/Product/D	
Mop Bucket	35 qt with wringer	Mobile		\$81	1	\$81				http://www.uline.com/Product/D	
Mops	32 oz, standard, reusable	Mobile		\$13	5	\$65	For use by Center staff.	n/a	n/a	http://www.uline.com/Product/D	
Vacuum cleaner	Upright canister vacuum	Mobile		\$200	1	\$200					
Pushbrooms	30" standard	Mobile		\$32	2	\$64				http://www.uline.com/Product/D	
Office Equipment						\$4,075					
Computer	DELL Desktop PC OptiPlex 3020 05WX1W Intel Core i5 4th Gen 4590 (3.30 GHz) 8 GB DDR3 500 GB HDD Intel HD Graphics 4600 Windows 7 Professional 64-Bit with Windows 8.1 Pro License (AND MONITOR)	Mobile		\$900	2	\$1,800				http://www.newegg.com/Produc	
Desk	Office Depot, Classic Single-Pedestal Desk with storage	Mobile	desk to be added to second office later, for now use folding table	\$550	1	\$550	For use by Center staff.	n/a	n/a	http://www.officedepot.com/a/pr	
Chair	Office Depot, basic office chair	Mobile	chair to be added to second office later, for now use folding chair	\$100	1	\$100				http://www.officedepot.com/a/pr	
Regular Printer	Brother color printer, with toner cartridges	Mobile	printer to be added to second office later	\$375	1	\$375				http://www.newegg.com/Produc	
Label Printer	LX900 label printer. Highly liquid resistant labels for food products, prints up to 4800 dpi in print quality	Mobile		\$1,250	1	\$1,250	Included for use by renters of the processing station.	n/a	n/a	https://www.primeralabel.com/lx	
TOTAL						\$191,845					

Item	Details	Fixed / Mobile	Special Requirements	Price	Suggested Quantity	Total Cost	Leaseable Asset?	Lease Cost	Cost Rationale	Sources	Notes
Ag Production Equipment						\$64,740					
Tractor with front end loader	KUBOTA L3300 with front bucket, 1600hrs	Mobile		\$11,900	1	\$11,900				http://www.equipmenttraderonline.com/	
Implements for tractor	Box Scraper	Mobile		\$700	1	\$700	For lease by incubator farmers	\$30/hour, includes gas	n/a	http://www.equipmenttraderonline.com/	
	Rear Blade	Mobile		\$400	1	\$400				http://www.northerntool.com/shop/tools/	
	Rotary Cutter/Bush Hog	Mobile		\$850	1	\$850				http://www.equipmenttraderonline.com/	
	Rotary Tiller	Mobile		\$800	1	\$800				http://www.equipmenttraderonline.com/	
Compost Trommel (DIY)	Drum screen with motor, small scale, but powered. DIY, hopefully something Ricky can make with plans	Mobile		\$1,000	1	\$1,000	For use by incubator farmers.	n/a	n/a	http://www.popularmechanics.com/home	
Plastic mulch layer	manual plastic mulch layer	Mobile		\$1,400	1	\$1,400	For use by incubator farmers, leased to area farmers	\$30/day	Comparables are difficult to find; rate will allow replace/upgrade after year 3	http://www.duboisag.com/en/terraceck-r	
Plastic mulch layer	tractor powered	Mobile		\$2,825	1	\$2,825	For use by incubator farmers, leased to area farmers	\$50/day	Comparables are difficult to find; rate will allow replace/upgrade after year 3	https://www.elitemetaltools.com/tool-shr	
Strawberry harvester	harvest aid (strawberries)	Mobile		\$17,051	1	\$17,051	For use by incubator farmers, leased to area farmers	\$300/day	True comparables don't exist in rental market; this rate is in line with large equipment rentals at Home Depot	http://weeningbrothers.com/harvest-aid	
Harvest Aid Cart	general, multiple crops	Mobile		\$6,000	2	\$12,000	For use by incubator farmers, leased to area farmers	\$60/day	Comparables are difficult to find; rate generated to align with anticipated labor savings	http://www.pendragonfabrication.com/pi	ABOUT: http://bse.wisc.edu/HFHP/tipsh eets_html/berlaydown.htm
Trailer to transport mulch layer and materials	60"x10' 2K Utility-Currahee	Mobile		\$900	1	\$900	For use by staff.	n/a	n/a	http://www.nctrailers.mcjr.net/utility-land	
BCS Power Safe 750 Tractor		Mobile		\$5,110	1	\$5,110	For use by incubator farmers, leased to area farmers	\$70/day	Priced comparably to Home Depot rototiller day rental	https://bcsamerica.com/product/model-750-ps	
BCS Attachments	Rotary plow, rear tin rototiller, power harrow, chipper/shredder	Mobile		\$9,175	1	\$9,175	For use by incubator farmers, leased to area farmers	One included in tractor rental, each additional \$10/day	n/a		
Jang Seeder		Mobile		\$405	1	\$405	For use by incubator farmers, leased to area farmers	\$10/day	rate is proportional to other equipment being offered, and a nominal fee is suggested to maintain accountability	https://www.johnnyseeds.com/tools-supplies/seeders/jang	
Earthway Seeder		Mobile		\$125	1	\$125	For use by incubator farmers, leased to area farmers	\$5/day	rate is proportional to other equipment being offered, and a nominal fee is suggested to maintain accountability	https://earthway.com/product/1001-b-precision-garden-se	
Tunnel Hoop Bender		Mobile		\$99	1	\$99	For use by incubator farmers, leased to area farmers	\$5/day	rate is proportional to other equipment being offered, and a nominal fee is suggested to maintain accountability	https://www.johnnyseeds.com/tools-sup	

MEETING SUMMARIES

Cooperative Extension

March 13 Meeting takeaways (Erin, Emily and Cori):

- Interest in having a footprint at Center
- Site could include allotment community garden, playground, shared use kitchen, demonstration plots
- Restaurant and local food retail are important to include in site
- Lots of Extension interest/expertise in youth programming
- Caswell food system challenges include farm labor, technology, social divisions

NRCS (short conversation)

March 13 takeaways:

- Lots of dollars available
- Bottleneck in getting dollars out faster is low number of agents processing requests
- Funds available for ag projects that deliver environmental benefit and help farmers maintain, manage, and keep their farms

Long-time Caswell Resident

March 13 conversation takeaways:

- Difficulty getting Caswell folks to spend money in Caswell
- Skepticism about project location and intentions
- Supportive of PCC in general

Piedmont Progressive Farmers Group

March 11 Meeting takeaways (Erin, Emily and Cori):

- Collaboration and shared prosperity is essential
- Interest in managing food hub functions (aggregation and distribution) at new facility
- Eggs, poultry, produce are primary areas for cooperative growth
- Some interest in shared use commercial kitchen
- Soup lunch is high value

March 13 egg facility tour takeaways (Emily):

- Want to learn as much as possible about many different types of agricultural opportunities, feel like they have a role to play in educating their neighbors/friends about farming
- In process of forming for-profit co-op

Economic Development Commission

March 11 meeting takeaways (Erin, Emily and Cori):

- Supportive of Ag Center, hopeful that it will encourage money to stay in Caswell and give residents something to be proud of
- Believe youth are the future of the county and want to provide them with opportunities so they want to stay or come back here with families

Piedmont Triad Regional Council

March 12 conf call takeaways (Erin, Emily and Cori):

- Open to assisting with GIS data
- Referenced studies that we've already seen (we are on the right track)
- They are working hard on regional council that would then move towards creating a regional food system assessment
- Suggested connecting with Impact Alamance (Erin can do this through Ann Meletzke)

Local Foods Council

March 8 meeting takeaways (Erin):

- Do-er's, not policy makers
- Farmers market, kitchen, Soup Lunch, Power of Produce
- Not economic development focused
- Community builders, experimenters
- Not encouraging of new shared kitchen in Pelham
- Recognize challenges and gaps in Caswell food system and economy
- No strong suggestions of what *TO-DO* at new site

Women in Ag Group

March 4 meeting takeaways (Erin, Emily and Cori):

- They are good at growing things
- Interested in collective solutions to shared problems like marketing, bulk packaging purchases, added value opportunities, shared equipment
- See opportunity in capturing high school audience, long term residents, new residents - "Caswell is a place to farm"
- Assets to contribute: Local farm experience, community insights, small farm economic and logistical insights, growing connections to groups like Farmer Foodshare and ECO
- Land is cheap, underutilized

Health Collaborative

March 4 meeting takeaways (Erin, Emily and Cori):

- How to weave into BCBS Community Health Grant?
- Health Equity Report
- Rachel (VISTA) runs Local Food Steering Committee
- They are excited about distribution and aggregation, that this project reflects Caswell needs, placemaking, community gathering space, physical activity spaces, chance to co-locate wrap-around support service access
- Pelham has been seen as 'less-than,' and this is big deal for this area
- How to connect in Institute for Advanced Learning and Research in Danville?

Key Interests or Needs: Equity and health equity, economic development through local foods, develop sense of place in Pelham, community and event infrastructure, physical activity spaces, support for wrap-around social and health services

Assets to contribute: Connection to DRF, strong and growing Caswell presence and relationships, links to Health Center

Positioning in Caswell: Relatively well-resourced, some regional identity that may hinder county influence, ideas have been supported by Board of Commissioners

Other Notes: Important ability to frame root-cause resilience and health issues in economic development terms

Piedmont Community College

February 18 meeting with Kin Watlington and Rodney Jackson (Erin and Cori):

- This project needs to support and not threaten existing efforts
- There is a HS student-led community garden
- Agribusiness Tech currently partnered with 2-4 off-campus farm sites for growing and educational space
- Agribusiness Tech program designed to produce entrepreneurial farmers able to strike out on their own, and to capture more Caswell youth to stay in county
- Land here is cheap
- Healthy eating doesn't exist here at large scale
- Involve faith communities
- Make sure Pelham site serves BY high school students

Matthew Hoagland, County Planner

Feb 14 call takeaways (Erin and Emily S):

- He's available to help brainstorm/troubleshoot site strategies
- Supportive of project