

Reinvestment Partners Project Description & Overview

Useful References on Local and Regional Food Systems

Durham Farmland Protection Plan

NIS: (2009?) UNC City and Regional Planning

Other Food System Assessments

CEFS Food Action Plan—generalized need for aggregation and processing.

Show need at county, state, and neighborhood level.

Are there studies that document need for this at the neighborhood level?]

The Minimally-Processed Kitchen will include the Following Equipment:

Produce washing station
Produce trimming station
Commercial Dishwasher
Certified Scale
Commercial Range and Hood
Spinner (salad dryer)
Ice maker
Labeling equipment and supplies
Shelves and Tables
Sinks and wash stations

Designed to house community organizations, a local farm aggregator, and small food businesses, the proposed Food Hub will serve a wide variety of populations related to food storage, processing, and distribution. New and existing social entrepreneurs, populations with limited access to healthy foods, and local farmers are the primary beneficiaries of the Food Hub, although our assessments show a wide array of convergent benefits to have an impact on the surrounding communities. The main goals of this project are threefold:

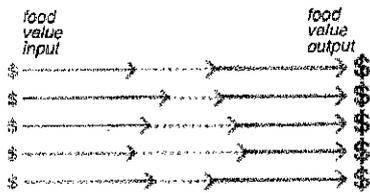
1. Create the physical infrastructure necessary for Community Service agencies to reduce hunger and promote healthy food access in Durham and the region,
2. Build a food storage and processing facility to support local farm aggregation and new food businesses, that will be a source of increased employment, healthful local food products, and revenue to small farmers and local businesses, and
3. Continue the positive urban redevelopment of the East Geer Street Corridor

The Food Hub, as proposed, will transform a 4500sf building at the corner of N. Mangum and E. Geer streets into office space for non-profit community service agencies, space for cooking demonstrations and culinary education, dry storage for these non-profits, 850sf of walk-in cold storage space, 150sf of freezer, a cool-packing room for produce sorting and packing, and a minimal processing kitchen compatible with state and federal standards. This last piece, the minimal processing kitchen, will serve as a certified kitchen facility for food processing businesses. The proposed equipment and amenities listed to the left represent a flexible, multi-purpose mix of processing capability to support these businesses.

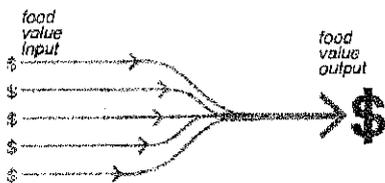
Our research into Durham's food system, based in part on the Durham County Farmland Preservation Plan, helped us identify and prioritize gaps in the local food system, which fall generally into four types of capacity that this Food Hub will provide:

1. Places for small producers and aggregators to **store produce** in compliance with current NCDA recommendations for temperature and humidity,
2. The ability to **minimally process produce** to preserve nutritional value, extend shelf-life, and/or increase value for local marketing, and
3. The ability to **package and label produce** for sale and use in small institutional and retail outlets, such as food pantries, community feeding programs, restaurants, and convenience stores.

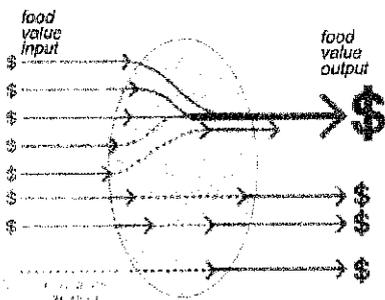
Durham County's Farmland Protection Plan can be found at the following web address:
<http://dconc.gov/ftp/bigfiles/Durham-County-Farmland-Protection-Plan.pdf>



Value-Added Food Processor



Simplified Food Aggregator



Mixed-Model at 902 N Mangum

The proposed Food Hub combines processing and aggregation in one facility, increasing the value to the end consumer while increasing the profits garnered by the farmer and aggregator.

4. The facilities in which to **aggregate and store produce** that is either surplus, gleaned, or off-size. Local producers typically recoup little to no revenue on this produce. This facility will enable community service agency aggregators to purchase this produce at a low cost, and store, process, and aggregate it to serve low-access populations.

This Food Hub addresses all four of these food system gaps, at a scale that is appropriate for the current and projected localized food system. The strategy of the Food Hub is not to grow into a larger food aggregation and processing facility, but to continually serve the needs of local farmers and food businesses, with the expectation that renting participants will outgrow the facility and be replaced in turn by new businesses in early stages of economic development. Success of this Food Hub's mission will be measured by the scaling-up and replacement of viable tenant businesses.

In filling food system gaps, the farm aggregator function of the Food Hub is also designed to address specific recommendations outlined by Durham County's Farmland Protection Plan (see sidenote). The aggregator program is scaled to allow three to five small to medium farmers to cooperatively sell to large institutional buyers. This facility allows the agricultural community of Durham County to take the first steps in growing the capacity within the local food system to serve large buyers.

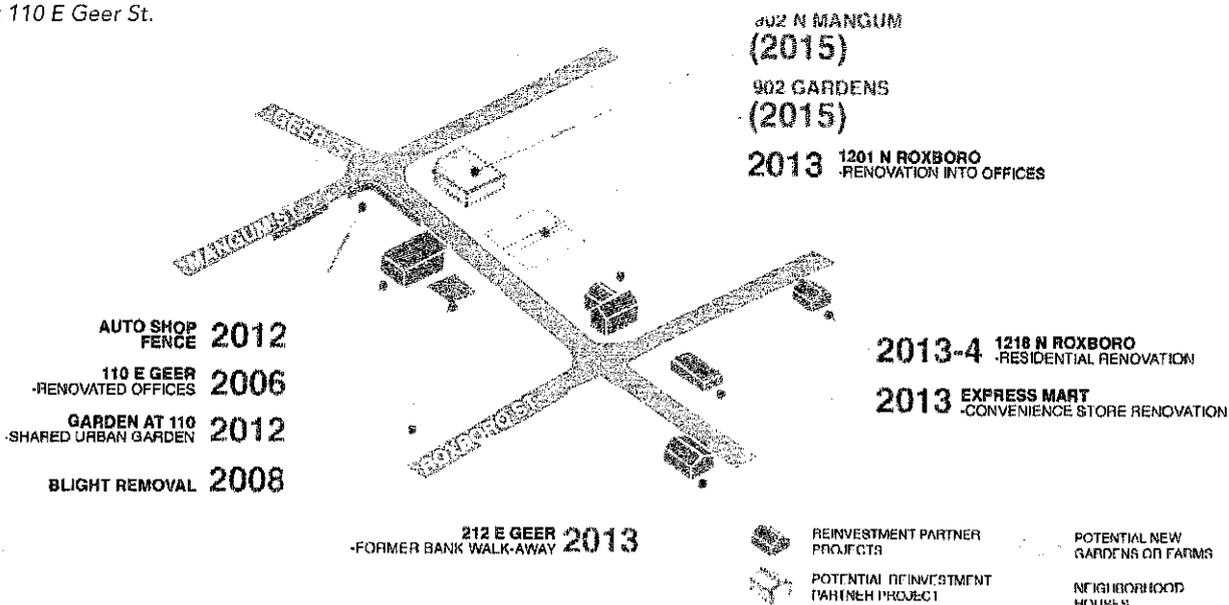
As a way to provide project viability through diverse revenue streams, the Food Hub's facility will provide a mix of services that expands its utility into open segments of the food value chain. Value added processing increases the value of the food product to the consumer. Aggregators increase the value of the produce by their ability to deliver higher volume consistently. By combining these functions within a community service framework, the Food Hub provides flexibility for small producers and beginning entrepreneurs, by combining processing, storage, and aggregation under one roof.

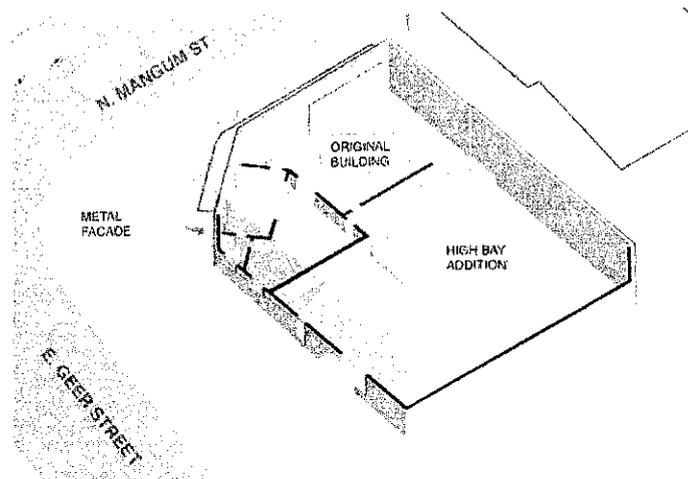
The diagram at the left illustrates the way that the mixed model proposed at 902 N. Mangum provides diversity and stability to the Hub's business. By supporting food storage, value-added food processing, and community service uses, the Hub will have the flexibility to modify its tenant and outreach mix depending on future market shifts, thus limiting its development risk. Diversified revenue streams and multiple value propositions will help the Food Hub attract and develop tenants and create a stable, resilient operation.

The location, organization, and proposed use of this facility build upon the ongoing work of Reinvestment Partners in promoting and protecting community wealth through community economic development. The Food Hub also fits into the broader economic development work of Reinvestment Partners by continuing neighborhood improvement along the Geer/Roxboro Street corridors in ways that serve a community purpose. Additionally, the attention to food system efforts (namely, addressing healthy food access among populations with current low access) broadens the work of Reinvestment Partners to include supporting economic innovation, social entrepreneurship, and shared community resources.

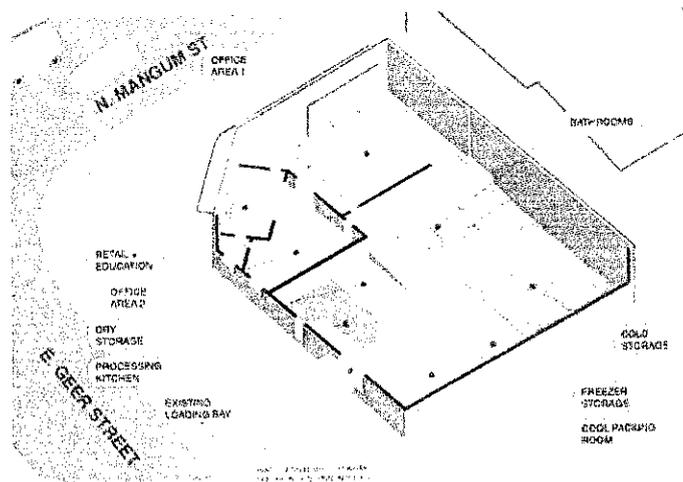
The service area of the Food Hub has a primary geographic focus of Northeast and Central Durham, including urban farms, food businesses, food assistance agencies, and retailers. The facility will connect its participant businesses and organizations to regional facilities as needed. The opportunities presented by this particular location are the convenience to downtown Durham, to I-85 and NC-147, and to the Geer Street "food corridor"—a highly visible location with great potential for Community Service agencies. The existing building is readily convertible to the required building program. The large adjacent lot can be utilized for compatible purposes, including gardens and other productive urban landscapes, as well as potential increases in parking spaces and vehicular turn-arounds.

Reinvestment Partners projects along the E Geer St, N Mangum and N Roxboro blocks, all beginning with the establishment of Reinvestment Partners offices at 110 E Geer St.





Three major parts of existing building



Proposed program activities in the food hub

Cut-away view of building, showing major floor height change and proposed interior ramp.

The last significant part of the building is the brown corrugated metal facade on the south and west sides of the building. The facades don't appear to serve any structural purpose, and the current proposal recommends demolishing these elements. One possible outcome is that we find salvageable masonry walls underneath that can be preserved and treated as a design asset.

Moving from the building to the site, opportunities exist in both the short and long-term to provide significant benefit to the street, to the development of the neighborhood, to the financial picture for the parcel's acquisition, and for the success of the tenants in the Food Hub. Along the street facades of the building is an asphalt apron continuous between the building and the sidewalk. This apron is currently used for parking, and ideally would continue to provide all the necessary parking for the Food Hub.



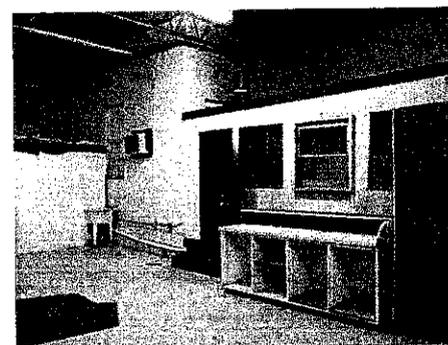
Front corner at Mangum and Geer



Straight-on view from Geer St



Front room at corner of building



Interior of high bay room



Building front at corner of Geer and Mangum, with notes showing proposed improvements

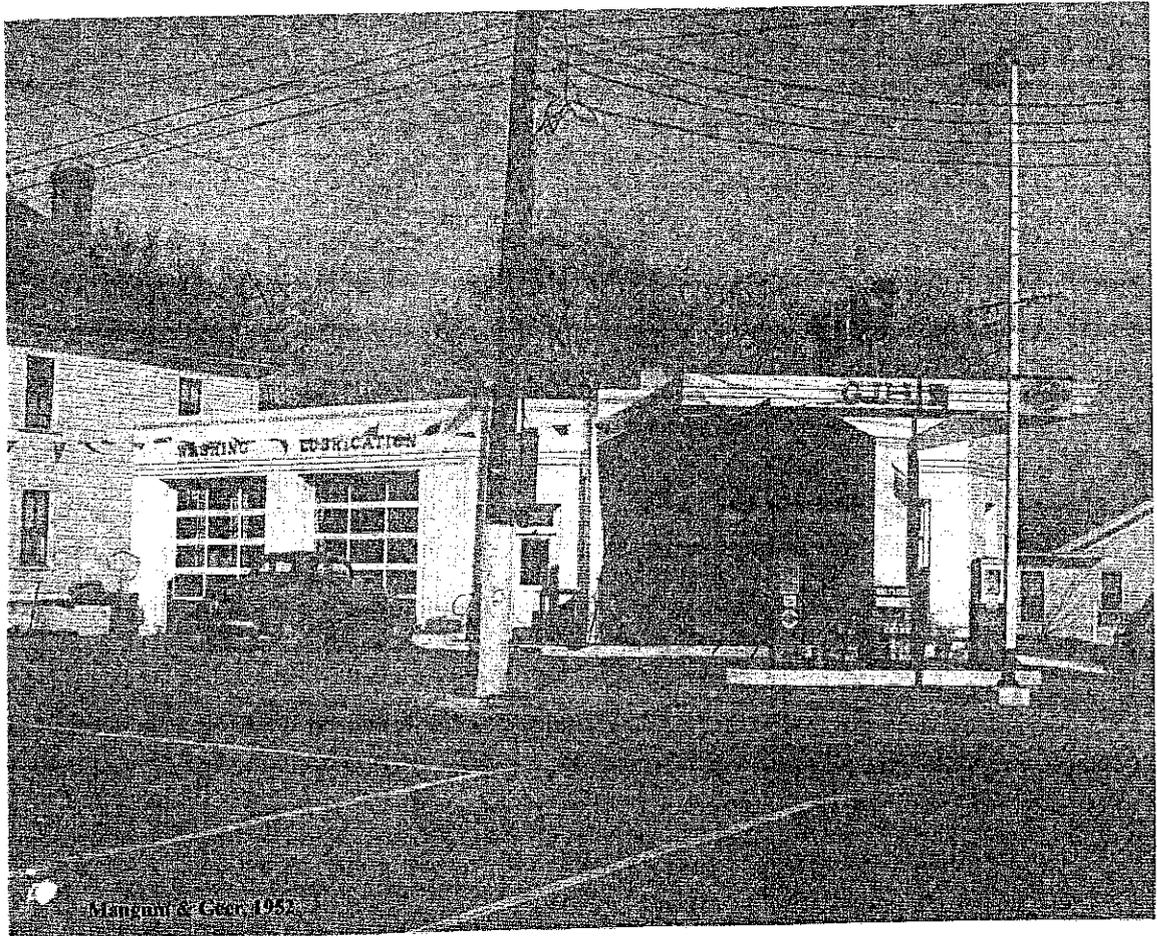
To the east of the building a large open area and a dense stand of bamboo are currently unused, and these represent a significant asset for the site. The area of this part of the site is approximately .5 acres. In the short term this area can be used for food production, either as an urban farm, a community garden, or perhaps a garden that extends the mission of one of the Food Hub tenants.

In the long term, this open area is large enough to conceivably support new development of multi-unit housing or offices. No formal study for these developments has been undertaken yet, but as the neighborhood economy gives indication of a continued upward trend, it is reasonable that in the next 5 to 10 years such new development would be feasible.

Studying the urban context for this project provides a critical understanding of its importance. In designing healthy communities and food systems, the location of a particular project has great impact on its contribution to the quality of a place. Designers and developers must ask questions like: What is the proposed project site adjacent to? What is services and populations are nearby? What communities is it meant to serve, and does the location facilitate that service? Is it within walking distance of residences and other services? Does it fill a particular need of the neighborhood?

When these questions are asked, and when the full vision of revitalization of the Geer Street block is considered, the full value of a healthy, community-oriented redevelopment of 902 N. Mangum is understood, and the project becomes imperative for continued positive progress.

HISTORIC PICTURE OF 902 N. MANGUM STREET, DURHAM, NC 27701



A. Project's Permanent Sources and Uses Statement/Development Budget							
Project	902 N Mangum						
Owner	Reinvestment Partners						
Lender							
Reported as of:	5/11/14			Total Sq. Ft.	4,500		
Sources				Cost per Sq. Ft.	\$131.44		
Name of Funding Source		Debt	Equity	Grant	Total Sources	Percent	Status
Reinvestment Partners			\$220,000		\$220,000	38%	Committed
City of Durham				\$100,000	\$100,000	17%	Requested
PNC Loan		\$200,000			\$200,000	34%	Committed
ADFP Grant (Hard Costs)				\$65,000	\$65,000	11%	Requested
Total Sources		\$200,000	\$220,000	\$165,000	\$585,000	100%	
Uses		Total Cost	Source:	Source:	Source:	Source:	Source:
Soft Costs			RP	City of Durham	ADFP	PNC	% of TDC
Architecture and Engineering		\$20,000		\$7,500		\$12,500	
Appraisal						\$0	
Closing Costs and Loan Fees		\$2,500				\$2,500	
Consultant		\$6,300				\$6,300	
Construction Interest						\$0	
Environmental Report		\$2,100				\$2,100	
Insurance		\$1,500				\$1,500	
Soils Analysis		\$600				\$600	
Asbestos Report		\$1,500				\$1,500	
Permits/Fees		\$3,500				\$3,500	
Marketing						\$0	
Real Estate Taxes						\$0	
Property Inspection Fees						\$0	
Survey		\$1,000				\$1,000	
Title/Escrow Fees						\$0	
Furniture, Fixtures, and Equipment		\$89,000			\$65,000	\$24,000	
Legal and Accounting						\$0	
Operating / Vacancy / Lease Up Reserves						\$0	
Maintenance / Replacement Reserves						\$0	
Developer's Fee /Max of 10% net of Dev. Fee						\$0	
Soft Cost Contingency		\$15,000				\$15,000	
Other:							
Other:							
Subtotal Soft Costs		\$143,000	\$0	\$7,500	\$65,000	\$70,500	\$0
Hard Costs							
Acquisition		\$220,000	\$220,000				
Demolition		\$15,000		\$7,500		\$7,500	
Renovation Costs		\$160,000		\$80,000		\$80,000	
New Construction							
On-site Improvements		\$10,000		\$5,000		\$5,000	
Hard Cost Contingency @ 20%		\$37,000				\$37,000	
Other:							
Subtotal Hard Costs		\$442,000	\$220,000	\$92,500	\$0	\$129,500	\$0
Total Development Costs		\$585,000	\$220,000	\$100,000	\$65,000	\$200,000	\$0