DECEMBER 2021

KENT VALLEY FOOD ENTREPRENEURSHIP CENTER

FEASIBILITY STUDY FINAL REPORT

King County

KENT WASHINGTON

Port of Seattle

PREPARED BY:

NEW VENTURE ADVISORS LLC

This feasibility study was conducted by New Venture Advisors for three project partners: King County, the City of Kent, and the Port of Seattle.

King County, along with its community partners, pursues methods to strengthen local food systems and empower residents to start new businesses, thereby increasing access to healthy, affordable food for underserved communities. These efforts hit a major milestone in 2014, when King County adopted the Local Food Initiative—a roadmap for reinforcing and enhancing the local food systems across the King County region. During and since that time, several needs assessments and market evaluations have been conducted related to the local food system infrastructure. These studies have analyzed the pressure points and gaps in private market facilities and the benefits of a consolidated local food facility. King County is the lead partner in the proposed development with the goal of supporting local food system infrastructure.

Kent Valley is the Seattle Metro's premier manufacturing hub with more than 10,000 businesses and 49,000 manufacturing jobs. Combining the benefits of a specialized workforce, conveniently accessible location, and advanced expertise in the manufacturing industries, Kent is a strong partner in the development of a facility that will support the diverse communities of the southern King County region.

The Port of Seattle's Economic Development Division is responsible for spurring the regional economy, sustaining, and creating family-wage jobs by supporting small businesses, workforce development, and tourism and leveraging real estate development to create jobs. The Port is a strong partner focused on how this project will support the creation of local jobs and support small businesses.

New Venture Advisors (NVA) is a consulting firm that specializes in food system planning and infrastructure development. Since 2009, NVA has helped hundreds of communities across North America identify strategies to develop food systems, food enterprises, and food policies that are good for farmers, food entrepreneurs, consumers, and the intermediaries that connect them.

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Project Background

Purpose and Vision

King County, the City of Kent, and the Port of Seattle spearheaded a **Kent Valley Food Entrepreneurship Center** (KVFEC) feasibility study with the **goal** of providing needed infrastructure to support the scale and growth of food businesses and the food manufacturing and processing industry for the region. The proposed multi-functional facility will support small food business development and entrepreneurship, urban farmer and producer capacity, and training for job seekers or those looking to hire workers in the food manufacturing and food processing industries.

The **vision** for the KVFEC is to support the diverse cultural communities that make up southern King County, to encourage economic development and job creation, and to provide needed resources and assets for the growth and scale of businesses owned and operated by these community members. A multi-functional facility will provide the infrastructure that this community needs to realize this vision and sustain long-term growth and economic opportunities for its members.

Study Funding

The feasibility study was funded by King County as an extension of the 2014 Local Food Initiatives effort, building local infrastructure and related resources to support a growing and developing food system throughout the county. New Venture Advisors (NVA) was engaged to conduct the study.

Findings and Analysis

Market Analysis

The scope of work included evaluating several components and use cases of the proposed facility. The primary focus of the KVFEC will be to provide spaces to support the scale and growth of food manufacturing and food processing businesses, including the following:

- Food hub, warehouse, and storage space
- Shared processing, production, co-packing, and kitchen facilities
- Private production space
- Supporting spaces, such as event, retail, and office spaces.

The study was also designed to evaluate the feasibility of integrating programs and uses for the proposed spaces, including business incubation to support scale and growth, workforce training and job placement opportunities, support for food access programming, and community engagement and place-making spaces and programs.

For this project, NVA utilized several research tools to evaluate opportunities, elicit feedback and interest, and assess the regional landscape:

1. Secondary research to gain a better understanding of regional demographics, health and economic conditions, the local food landscape, the regional marketplace, and demand for local products

2. Interviews with 30 stakeholders, community organizations, local businesses, and individuals to assess interest in the facility, identify operators and tenants, and gather feedback about potential design, facility space components, and suggested uses.
3. A survey distributed to local food businesses, interested entrepreneurs, and local/regional farmers to gather interest in the facility from potential users and technical and pricing input about the facility design. 50 responses were received with 37 used for analysis.
4. Three stakeholder design charrettes where initial operational models, facility designs, and financial models were shared for input and feedback and continued engagement around potential operators, tenants, and users.

Overall, research indicates that the KVFEC has an opportunity to provide infrastructure to a growing, culturally diverse community in need of resource and opportunity supports. The proposed facility will add value to the ecosystem of existing incubation, small business development, and entrepreneurial programming and could offer resources to enable companies and entrepreneurs to grow and scale. Survey responses and interviews confirmed that there is demand for space and services which this facility can provide.

The following summarizes key findings from the research:

- **Demand exists for space and services that this facility can provide.** 59% of survey respondents and 75% of interviewees said the facility was of interest and the commercial opportunities provided by the spaces were needed for their growing businesses or community members. An additional 28% of the survey respondents who expressed interest in the facility confirmed that the opportunity to scale their business was their reasoning for being interested in the facility.
- **Strong community partnerships will be essential to creating a facility that contributes to the existing ecosystem rather than competes.** The core study team and other project partners will need to continue to build strong partnerships among existing incubation, business development, farmer training, technical assistance networks, and community groups that support food businesses and the food industry in the region. The proposed facility has the opportunity to act as a hub for these resources and expand the scope of needed resources to focus on scale and growth that supports industrial development and job creation for the region. The proposed facility must ensure that it does not duplicate existing programs or services provided by community partners but instead offers unique, desired services that benefit the community.
- **Resources will need to be responsive to community needs and abilities.** The community that is the focus of this proposed facility is a culturally diverse community with representation from immigrant and refugee groups. The operator will need to ensure that access and pricing allow these groups to use resources and facility spaces and that anti-racism policies and language and cultural connections are built into the facility design and concept.
- **Location is a key factor.** The project partners are considering two potential sites in Kent for the facility that offer different benefits based on their proximity to other community resources, transit assets, and space assets. Both proposed sites will have factors impacting the operational and facility design and may influence the project's total price tag.
- **Breakeven will require multiple income sources and strong management.** Similar facilities with the proposed combination of programming and services require a diverse set of revenue options to break even. Mission-driven facilities of this nature that focus on meeting a social need and

engaging lower-income populations often rely on robust fundraising activities, strong grant and facility management, and innovative partnerships that bring financial resources from the outside. The proposed facility has an identified strong anchor tenant that may offset some of the operating revenue needed via their lease and committed investment in the facility.[1]

- **Collaborative spaces that focus on scaled production are most strongly desired.** The predominant interest is in spaces that encourages the commercial viability of small businesses through access to mechanized processing or production equipment. There is nominal interest in community placemaking space.
- **There is limited demand for retail and independent production space, but it is undefined.** Interviewees and survey responses expressed interest in retail and private production space and noted the lack of available spaces in the area. However, both of these were expressed as interest with very limited feedback on technical size or qualifications to shape the design of the space in early renderings. Additional development work will be needed to quantify this component and final facility design.

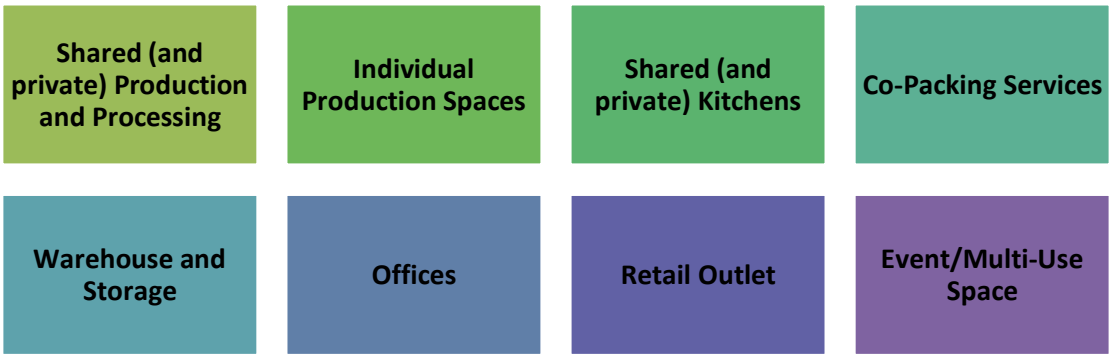
Operating Model Overview

To determine if the proposed KVFEC can operate profitably or at breakeven, a financial model simulating a pro forma profit and loss statement (P&L) was developed. The financial model's structure was based on the following operating and business model. Inputs were derived from the surveys, interviews, and operating data from analogous facilities cited in the case studies.

Component Outline

Following the market analysis, the concept of the proposed facility had been refined to reflect a heavy emphasis on large-scale, volume food-production and food-manufacturing spaces. The model would need to include the refined components updated from the original concept and demonstrated in figure 1.

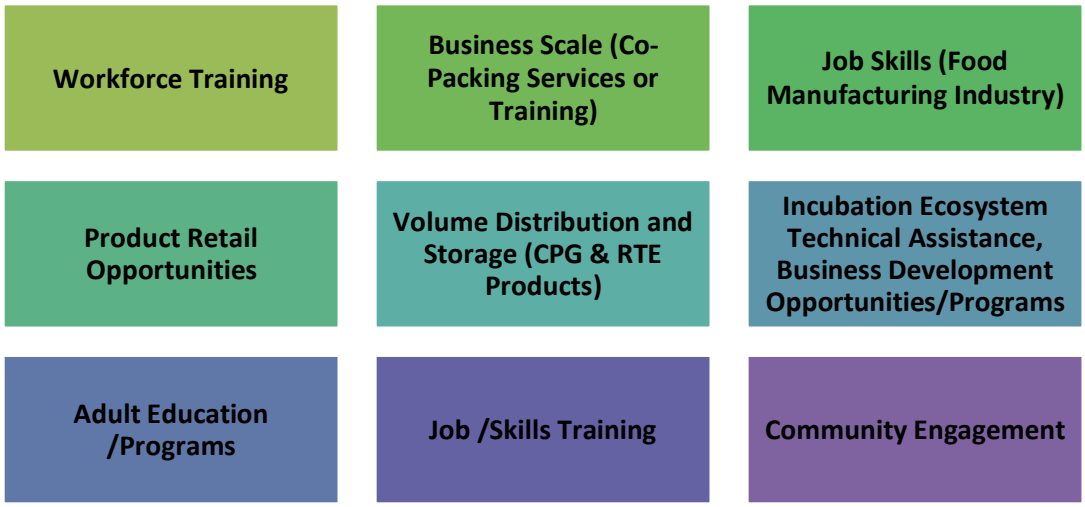
Figure 1: Proposed Facility Components



[1] Throughout the report facility spaces are referred to as either ***public*** or ***non-public/private*** spaces. For the purposes of this report, public spaces (and revenue derived from those spaces) are those spaces, services, and programs which will be accessible (via rent, lease, or single use fee) by members of the public and stakeholder organizations. Non-public or private spaces are those spaces, services, and programs which will be accessible only by anchor tenants who commit to leases, rents, or fees associated with those spaces. The distinction, for example in the case of Fare Start who has been identified as the anchor tenant, is for production, kitchen, and office space that they will solely occupy and pay rent which will offset overall operational costs of the facility.

The proposed model would also need to be reflective of updated usage and programming needs for the facility demonstrated in figure 2.

Figure 2: Proposed Facility Programming and Potential Uses



Facility Overview

The proposed KVFEC is a multi-functional facility that will integrate six to seven primary space components to support the scale and growth of food industry businesses. The facility will have an emphasis on contract manufacturing and co-packing to support local food access programs and outlets. These businesses may include the following:

- Scaling CPG product development and production[2]
- Scaling RTE or food access meal development and production (anchor tenant)[3]
- Raw ingredient (farm crops) processing (fresh/frozen products)
- Scaling food manufacturing or co-manufactured food products
- Scaling food service businesses (catering, food trucks, etc.).

Design for the proposed facility considered the requirements of two sites located in Kent, Washington (although future development phases may consider other sites). These sites include the proposed Sound Transit station expansion in Kent and the Naden Street industrial development site that will support expanded retail and industrial functions for the City of Kent. Both sites, upon initial evaluation, can support all stated facility needs but may require different configurations based on constraints.

[2] CPG stands for consumer-packaged goods and represents packaged, branded products sold to the public (i.e., bags of chips, salad dressing, beverages, etc.).

[3] RTE stands for ready-to-eat meals and can be meals prepared for reheating or frozen meals prepared for short-term storage for future reheating.

Financial Summary

Revenue Model

Public spaces revenue[4] for the proposed facility will come from the following streams:

- Production leases and rentals—annual or longer-term anchor tenant leases and short-term users who pay a per-run fee (including labor, prototyping, and operational costs)
- Commercial and demo kitchen rentals—longer-term tenants and short-term users who pay an hourly fee (or set time frame fee such as a monthly fee)
- Service fees—contract manufacturing or co-packing services, value-added services, access services (loading dock, parking, etc.)
- Retail, office, and event space leases and fees—annual or longer-term tenant leases, potential pop-up or short-term rental fees for retail access, co-work and shared office access, and conference/classroom/meeting pod facilities
- Facility usage fees—dry or warehouse, cold, and frozen storage
- Support programming and services offered by the primary operator or partners—skills training, business incubation, or distribution opportunities.

Financial Analysis: The pro forma profit and loss (P&L) shows a net loss of -$832,888 on $1,322,000 in public revenue in year 1 decreasing to -$431,000 on $1,909,000 in public revenue by year 5[5]. Revenue is based on utilization - the proportion of available capacity that is leased or sold - at the same rate for all lines of business. In year 1, utilization is estimated at 45 percent, a conservative estimate for the first year of operation, increasing five percentage points per year, reaching 65 percent in year 5.

The majority of public revenue comes from the commercial/demo kitchen and production components that comprise 79 percent of total public revenue during the five-year forecast. Operating expenses include both anchor tenant and public space costs budgeted for the entirety of the space and consist of payroll, utilities, property taxes and insurance, SG&A, and debt financing (principal and interest).[6] Based on these assumptions, public space will break even at an estimated utilization rate of 75–80 percent.

Table 1: Proposed Public Facility Summary/Consolidated 5-Year Projections (Overview)

In $1,000s	Year 1	Year 2	Year 3	Year 4	Year 5
Utilization Rate	**45%**	**50%**	**55%**	**60%**	**65%**
Total Public Revenue	$1,322	$1,468	$1,615	$1,762	$1,909
Annual Growth Rate		*11.1%*	*10.0%*	*9.1%*	*8.3%*
Operating Expenses	$2,154	$2,180	$2,285	$2,312	$2,340
Net Profit	-$833	-$712	-$670	-$550	-$431
Profit Margin	*-63.0%*	*-48.5%*	*-41.5%*	*-31.2%*	*-22.6%*

[4] As stated in footnote 1, public space revenue is referring to revenue derived from rentals, leases, single use fees, and service fees associated with the spaces that will not be leased to anchor or private tenants.

[5] Private revenue is still to be defined based on agreements that are reached with Fare Start and any other anchor tenants in terms of their long-term rental of private space in the facility.

[6] Operating expenses include cost of sales and SG&A. Cost of sales includes personnel and benefits, rent and utility costs, etc. SG&A—selling, general and administrative expenses— include marketing expenditures, computer equipment and other overhead costs.

Conclusions and Recommendations

This feasibility study affirms the project's hypothesis of the potential to support small business development and food industry growth in the Kent Valley via a multi-functional mixed-use facility. Food system infrastructure dedicated to small food businesses and their unique challenges is essential in bringing sustainable food system change to any community. The proposed facility, at either of the proposed site locations in Kent, has the ability to significantly support diverse community development and growth via an emerging food manufacturing industry and by building upon existing local resources.

Project Background

Purpose and Vision

King County, the City of Kent, and the Port of Seattle engaged New Venture Advisors (NVA) to evaluate the feasibility of a food entrepreneurship center to serve the needs of small businesses in the Kent Valley. The purpose of the feasibility study was to evaluate four objectives:

1. To understand the local landscape of need (resource, programmatic, and infrastructure) among small businesses, local urban farmers, and nonprofit economic development organizations supporting diverse populations of southern King County, specifically immigrant, refugee, and culturally diverse communities that make up a significant percentage of the residents
2. To understand the ability for a central, multi-functional facility to support needed scale and small business growth, specifically in food businesses and small foods manufacturing, and the ideal way to incorporate these into the design, operations, and business plan for the facility
3. To determine the size, facility resources, and technical specifications needed to support these objectives
4. To evaluate which of the sites in consideration is best suited to the proposed facility's overall goals and uses.

The vision behind the proposed facility is a multi-functional, shared-use food center that would strategically co-locate multiple spaces and programs within a single facility to allow for synergies that would positively influence small business growth and scale, funding, economic development, and job creation.

To inform the development process, the primary partners—King County, the City of Kent, and the Port of Seattle—assembled an advisory board consisting of operating businesses along the regional food value chain, nonprofits engaged in development and incubation work, and public entities supporting business development and training throughout the region.

The primary partners hypothesized that access to right-size infrastructure would allow small businesses to grow and connect with target markets and organizations to expand their capacity and impact. In addition, such a facility would build the capacity of the growing hunger relief system with support for entrepreneurs. With the assistance of the advisory board, the partners determined the initial goals and requirements for the KVFEC outlined in table 2.

Table 2: Feasibility Study Goals and Requirements

Goals	*Requirements*
• Financially sustainable facility supported by operations	• Sufficient space and services to attract and offer growth/scale opportunities to food entrepreneurs and small food businesses within the designated communities
• Supports the access needs and enunciated growth opportunities for the designated community groups	• Sufficient space and services to support workforce development and new worker opportunity within food manufacturing
• Engages food system partners for the purpose of accomplishing project objectives	• Space and services to support program extensions that represent next stage development for existing incubation, business development, and job training within the region
• Contributes to the landscape of existing resources to promote scale and development in food processing, food manufacturing, and food business development	• Space to support gathering, community placemaking, and related community development needs for the designated communities

The goal of the feasibility study was to perform a market analysis of the southern King County region, including the following:

- Assessing the desire for growth and need for resources in these communities related to local food entrepreneurship, small food business development, and small food manufacturing and processing
- Identifying potential anchor tenants, users, and businesses interested in the facility's offerings
- Determining an optimal operational model for the proposed facility based on the stated goals, requirements, and researched need
- Assessing the proposed food center's financial viability to operate at a capacity that could achieve break even.

The study area would focus on King County in Washington State, with an emphasis on Kent and the surrounding counties of the southern region.

Study Hypothesis and Funding

The intent of this project is to build upon King County's efforts via its 2014 Local Food Initiative—a roadmap for reinforcing and enhancing local food systems across the King County region. Between 2014 and 2021, King County conducted several needs assessments and market evaluations of food system infrastructure. This project builds upon these past efforts by working with potential operating partners to refine the operating model and facility plan for a local food hub, including the proposed space

components and use cases demonstrated in table 3. Additionally, the study aimed to evaluate the facility's total project cost and financial sustainability.

Table 3: Feasibility Study Components and Use Cases

Proposed Project Space Components	Proposed Project Use Cases
• Food hub, warehouse, and storage spaces • Shared processing and production facilities • Co-packing space and equipment • Individual production spaces • Event spaces • Co-located offices for food and ag businesses • Retail space	• Business incubation/business scale • Workforce training opportunities • Co-packing services or related programming • Food access program collaborations • Job training and creation • Community engagement opportunities • Small business revenue opportunities

King County solicited proposals from interested and qualified consultants to provide conceptual site design services and chose NVA to support these efforts. The study was funded by King County.

The scope was also adapted to evaluate the operating model, facility designs, and financial sustainability in terms of a specific location that was being evaluated in partnership with a transit site expansion project funded by Sound Transit.

For this project, NVA utilized a range of research tools, including a survey of local food businesses and farmers, 35 interviews of stakeholders to identify opportunities, and secondary research that examined local marketplace data, regional studies, and highlighted comparable facilities around the United States.

Project Teams

NVA executed this feasibility study with a team composed of project leads from King County and the City of Kent. NVA is a Chicago-based consulting firm with expertise in the assessment, design, launch, and development of businesses in the local food and sustainable agriculture arena. Since 2009, NVA has worked on hundreds of food enterprise ventures and food systems projects across North America. The King County study team was led by Michael Lufkin, who serves as the local food economy manager for King County, in partnership with the economic development project team from the City of Kent, forming the core team.

Table 4: Feasibility Study Project Teams

Team Member	Organization	Title	Project Role
KING COUNTY STUDY TEAM (Core Team)			
Michael Lufkin	King County	Local Food Economy Manager	Project Lead
William Ellis	City of Kent	Chief Economic Development Officer	Project Lead
Michelle Wilmot	City of Kent	Economic Development Project Manager	Project Lead

Team Member	Organization	Title	Project Role
Jillian Robinson	King County	Programs Assistant, King County	Project Support
ADVISORY COMMITTEE			
David Bulinda	Wakulima USA	Executive Director	Member
Ericka Cox	King County	Workforce Development Council of Seattle	Member
Brenna Davis	PCC Markets/Uwajimaya	VP–Social & Environmental Responsibility	Member
Bookda Gheisar	Port of Seattle	Senior Director of the Office of Equity, Diversity & Inclusion	Member
Matt Gurney	Fare Start	Chief Innovation Officer	Member
Chitra Hanstad	World Relief Seattle	Executive Director	Member
Shamso Issak	Living Well Kent	Executive Director	Member
Deepa Iyer	International Rescue Committee	Senior New Roots Program Coordinator	Member
Domonique Juleon	Business Impact Northwest–The Food Business Resource Center	Chief Program Officer	Member
Sam Kaplan	Highline College, Center for Excellence of Global Trade and Supply Chain Management	Director	Member
Eric Lane	City of Des Moines	Economic Relief & Resource Coordinator	Member
Leslie Mackie	Macrina Bakery	CEO	Member
Kara Martin	Program Director	Food Innovation Network, Global to Local, Spice Bridge	Member
AJ McClure	Executive Director	Food Innovation Network, Global to Local, Spice Bridge	Member
David McFadden	Port of Seattle	Managing Director	Member
Craig Muska	TILT Investments	Partner	Member
Bret Neely	Seattle Gourmet Foods	President	Member
Van Nguyen	Executive Director	Project Feast	Member
Yasmeen Perez	King County	Department of Community and Human Services–Equitable Development Program Manager	Member
Chris Pierson	Aerospace Joint Apprenticeship Committee	Community Partnerships Manager	Member
John Schofield	Culinex	Facilities Manager	Member
Rich Shockley	Highline College	Startzone Director	Member

Team Member	Title	Project Role
NEW VENTURE ADVISORS		
Kathy Nyquist	Principal	Lead Project Partner
Andrea Carbine	Senior Project Manager	Project Lead, Operations Specialist
Caroline Myran	Project Manager	Research Analyst, Study Author
Sheree Goertzen	Research Analyst	Research Analyst, Writer
Julia Larouche	Research Analyst	Research Analyst
Negin Moayer	Architect, Design Specialist	Conceptual Facility Design
Robert Clemens	Financial Specialist	Financial and Revenue Modeling
Deb Wilkinson	Operations Manager	Project Support
Emmy Nyquist	Research Assistant	Project Support

Project Plan

The project plan included several stages of work as demonstrated in table 5.

Table 5: Feasibility Study Project Plan Outline

Stage	Steps
Project Initiation and Background Research	1. Hold kickoff meeting with core team and stakeholders 2. Gather background material from client. 3. Review, summarize, and draw insights from all background material provided by client. 4. Identify valuable examples across the country. Conduct case studies and draw insights and takeaways relevant to the proposed facility.
Market Analysis and Primary Research	5. Interview stakeholders across the King County food system. 6. Conduct external interviews to assess opportunity, community perception, and demand for local food products in the region. 7. Conduct secondary research of the food landscape, including area demographics, existing food system players, supply, demand, current infrastructure, competition, etc.
Comprehensive Synthesis and Progress Review Meeting	8. Identify important takeaways and implications for the proposed facility from all research steps above. 9. Visit site to present synthesis, discuss implications on operating model and assess potential locations for the proposed facility. 10. Identify 3-5 follow-up interviews to be conducted to further refine synthesis and takeaways.
Operating Model Development	11. List and evaluate each potential operation within the proposed facility. This outlined all current and potential food initiatives, with initiatives/programs evaluated based on how well each would fit into a food center. 12. Develop 2-3 potential food center models based on assessment of potential operations. 13. Develop steady state revenue and cost assumptions for all aspects of the proposed facility. 14. Develop baseline financials for each facility model. 15. Select strongest facility scenario.

Stage	Steps
Facility Design and Startup/Capital Cost Structure	16. Develop mockups / designs of proposed facility. 17. Establish detailed cost structure and capital expenses for the proposed facility.
Final Deliverable and Presentation ● *Transit Report* ● *Feasibility Study Report*	18. Capture a high-level overview of the inputs, analysis, decisions, and strategies from the study in a professional report for Sound Transit. 19. Compile all study inputs, analysis, decisions, and strategies in a comprehensive final report to share with stakeholders. 20. Prepare an executive summary presentation to share conclusions with the community. 21. Present final materials for discussion among the advisory committee and stakeholders and determination of next steps.

Timeline

The feasibility study was conducted between August 2021 and December 2021, with the final report provided on December 30, 2021 according to the timleine illustrated in table 6.

Table 6: Feasibility Study Timeline

Project Initiation and Background Research	August 2021
• Held kickoff meeting with core team • Finalized project workplan and timeline for study	
Market Analysis and Primary Research	**September–October 2021**
• Finalized research plan with core team • Identified stakeholders and interviewees • Finalized interview tools and guides • Researched food system landscape for King County and the surrounding foodshed • Researched and analyzed relevant case studies for use cases and facility goals • Conducted interviews, synthesized notes, and analyzed themes • Developed, conducted, and closed surveys and analyzed results	
Operating Model Development	**October 2021**
• Held meeting with potential site developers to define site parameters, needs, and development goals • Developed operating models (small, medium, and large) • Built initial financial model—total project cost analysis • Conducted site visit to present research findings, operating model recommendations, case study examples, and beginning financial modeling to core team	
Community Engagement	**October–November 2021**
• Held three design charrettes with stakeholders to present research findings, operating model recommendations (three models), case study examples, and beginning financial modeling • Held follow-up interviews to engage anchor tenant organization (Fare Start) and key stakeholders • Drafted facility design and financial analysis • Refined operating model to hybrid model with inputs from anchor tenant, key stakeholders, and design charrette feedback • Refined building program, tenant requirements grid, and programming model with inputs from design charrette (for new hybrid model) • Refined capacity model and developed preliminary breakeven models with refined hybrid model	

- Developed initial visualizations (bubble diagrams) of three site iterations (two sites – two views for Sound Transit site, one view for Naden Street site)
- Built and refined financial model with estimated construction costs and financing strategy, pro forma financial projections through breakeven

Transit Report	November 2021

- Summarized initial recommendations for Sound Transit site into a technical report detailing the operating model, equipment and build needs, and high-level financial overview

Finalization	November–December 2021

- Presented progress report to core team and advisory team members with operating model, market analysis synthesis, financial overview, and recommendations
- Conducted risk and impact assessment
- Drafted full feasibility study final report and developed roadmap
- Prepared executive summary presentation and final report
- **(January 2022)** Present final summary presentation to core team and key stakeholders

Market Analysis

Research Plan and Key Milestones

Building upon existing King County assessments and studies, the research plan was designed to define the purpose and space components of the proposed facility and to evaluate how it might be best used by the community. A copy of the research plan is in appendix 1.

The research plan evaluated the key areas described in figure 3.

Figure 3: Research Plan Objectives

Assess Operator and Potential Tenant Interest	Gather and Assess Potential User Needs	Gather and Assess Stakeholder and Community Needs	Assess Local Buyer and Procurement Marketplace
• Identify anchor tenants • Find space or component operators • Identify program partners • Identify potential users	• Identify potential user interest in and support for concept (small business, entrepreneur, food manufacturing, small farmer) • Identify potential facility uses • Identify equipment or technical needs	• Listen to and gather stakeholder and community needs that infrastructure can support • Listen to and gather community feedback on concept and proposed facility plan • Assess how to incorporate needs and desired benefits into proposed design	• Identify buyers, distributors, and procurement networks supporting local products • Assess demand for local products • Identify marketplace and capacity for local products • Understand local pricing, scale, and volume needs

Between September and October 2021, research was completed according to the following schedule:

- **September 10–October 1:** Secondary research to assess King County and regional foodshed impacts on the project and to refine primary research plans (surveys, interviews, and community engagement/charrettes).
- **September 17–October 8:** Interviews to identify anchor tenants, potential operators, and program partners; engage key stakeholders; and understand the local buyer and procurement landscape for locally produced goods.
- **October 8–29:** Survey to engage local small business owners, entrepreneurs, urban farmers, and related stakeholders.
- **October 18–22:** Design charrettes with key stakeholders to gather feedback on operational models, share research analysis, and review initial financial modeling and proposed facility design.

Secondary Research Overview

Secondary research was conducted to gain a better understanding of regional demographics, agricultural and economic conditions, and the food system landscape. Public and syndicated data was accessed to create an overview of the local, regional, and statewide food systems. The core study team reviewed high-level research findings and initial themes on October 11, 2021. The research surfaced several factors that were considered in the recommended operating model for the KVFEC.

Background on Kent Valley

Figure 4: Kent Valley Map

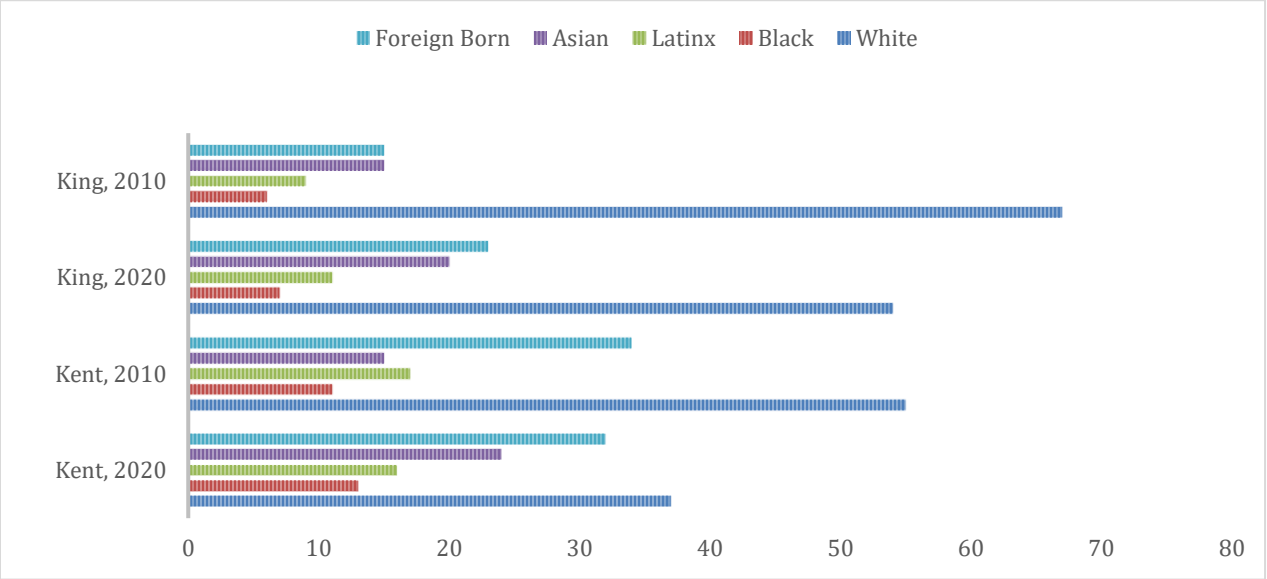
Kent is in the southern end of King County, located about 20 miles south of Seattle and 8 miles from Seattle Tacoma International Airport, a major transit hub. The study also references "Kent Valley," which is an economic development zone created by the City of Kent and defined as the area that falls halfway between Seattle and Tacoma.[7]

King County is the most populous county in Washington State, with most of the population residing in Seattle. Since 2010, King County has grown in population by 15.5 percent, recording 2,269,675 residents. However, Kent has grown at a faster rate, increasing by 47.8 percent with a current population of 136,588 residents.[8] Compared to the rest of the county, Kent is the most racially diverse city. From 2010 to 2020, the demographic in Kent that grew the most was people of Asian descent (illustrated in Figure 5).

[7] Kent Valley Economic Development, "Why Kent Valley," accessed September 20, 2021, www.kentvalleywa.com/why-kent-valley/.

[8] U.S. Census Bureau, "Quick Facts Estimates," July 1, 2019, accessed September 20, 2021.

Figure 5: King County Demographics - Ethnic Group Representation by Percent of Total Population



The median income in Kent is $81,423. While that income is higher than the State of Washington median at $78,687, it is lower than the King County median at $102,594.[9] The poverty rate in Kent and Washington State are the same at 9.8 percent, with 33 percent of households in Kent designated as ALICE (asset limited, income constrained, employed), a metric created by United Way that represents the individuals and families who are working but are unable to afford the basic necessities such as housing, food, childcare, health care, and transportation.

Furthermore, ALICE hardships disproportionately affect Black families, Hispanic families, and single female-headed families. In addition, only one in four adults in Kent has a bachelor's degree, compared to more than half of adults in all of King County.

Unemployment before COVID-19 in King County and Kent were 2.5 percent and 3.8 percent, respectively. As of August 2021, unemployment in King County was 4.8 percent.[10] While current unemployment rates are not available for Kent, historically they have been higher compared to the county.

In 2019, 68.2 percent of the population in Kent was in the workforce. The five largest employment sectors are retail (17.6 percent), transportation and warehousing (16 percent), administrative and support and waste management (14 percent), health care and social assistance (11.6 percent), and accommodation/food service (11.4 percent).

[9] United Way, "United for ALICE," 2018, accessed September 20, 2021, www.unitedforalice.org/county-profiles/washington.

[10] Washington State Employment Security Department, "Labor Area Statistics," accessed September 20, 2021, esd.wa.gov/labormarketinfo/labor-area-summaries.

Landscape of Agricultural Production

The foodshed for King County includes surrounding counties Pierce, Skagit, and Snohomish. There are 997,746 total acres in production in the foodshed. The number of farms in the foodshed have decreased slightly since 2012, by 1.2 percent, and the number of acres farmed has also decreased in the area by 9 percent. The only counties to see an increase in total farms were Pierce and Snohomish counties, which increased by 8 percent and 9 percent, respectively. The average (any) farm size is 47 acres. The average value for an acre in this region is $22,247, which is significantly higher than the state average of $2,789 per acre. The per acre cost in King County is $35,248.[11]

Table 7: Overview of Farm Operations and Sales

	King	Pierce	Skagit	Snohomish	WA State
Farm Operations in 2017	1,796	1,607	1,041	1,558	35,793
% change since 2012	-2%	9%	-3%	8%	-4%
Total Farm Sales	$135,464,000	$68,876,000	$287,096,000	$157,565,000	$9,634,461,000
Vegetable Farms	195	127	101	159	2,355
Vegetable Sales	<$5,000	$7,922,000	$86,674,000	$11,492,000	$1,094,944,000
Fruit Farms/ Orchards	124	128	94	74	4803
Fruit Sales	$3,354,000	$5,456,000	$21,905,000	$8,344,000	$3,614,885,000

There are 10,650 producers within King County, representing the third largest number of producers in the state of Washington. Of the total viable farm operations, 17 percent sell direct to consumer. Notably, the average net income for farm operations in King, Pierce, and Snohomish counties are significantly below the state average of $47,641, while Skagit County is just below at $42,220.

Farm to Farmer, a program of Washington Farmland Trust, provides an accessible pathway for new and aspiring farmers to access farmland through technical assistance. The program helps farmers find the land opportunities they need to grow their businesses and helps landowners sell or lease their land to keep it in farming.

Food Access

Access to healthy food options is essential to healthy eating habits, which are, in turn, essential to good health. Food access is determined by three factors:

1. A consumer's ability to physically get to places where healthy foods are available for purchase
2. The affordability of healthy food options within that regional designation
3. The availability of assistance to ensure consumers have the means to purchase healthy food.

In 2019, the overall food insecurity in King County was 8.7 percent, which is lower than the state average of 10.4 percent. Records indicate that 15.63 percent of households in Kent and 7.4 percent of households in King County received SNAP benefits.[12]

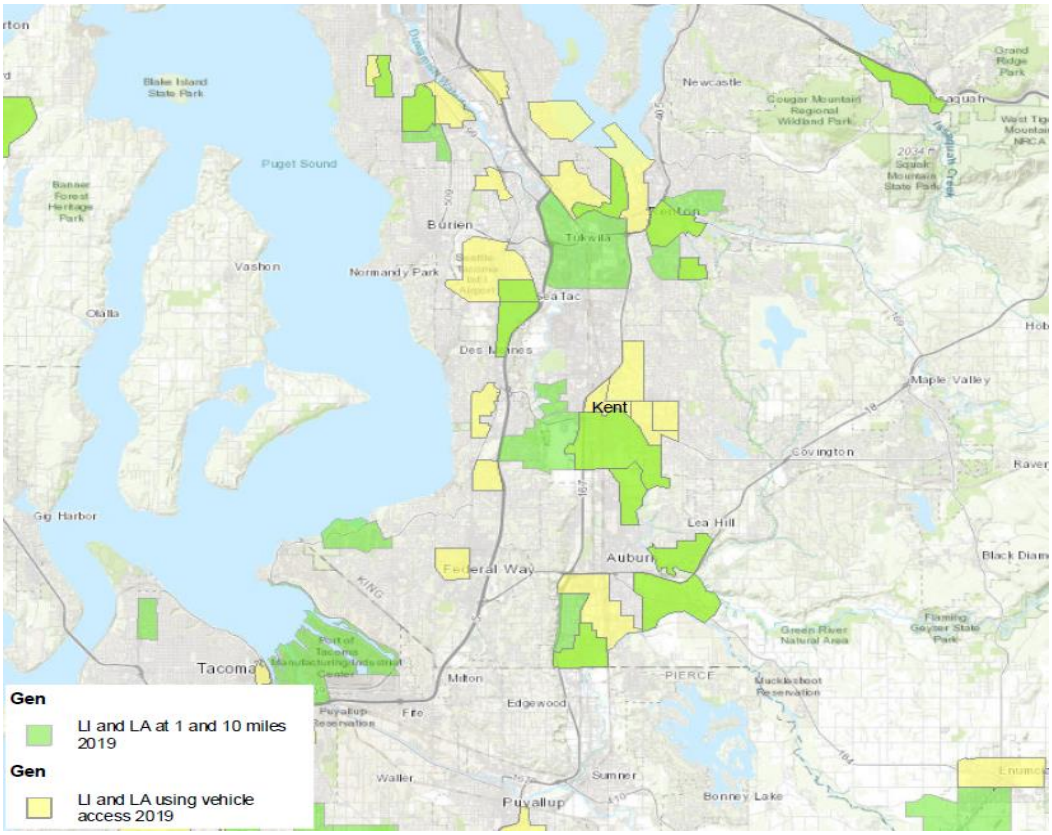
[11] USDA National Agriculture Statistics Service, "2017 Census of Agriculture, Washington," 2017, accessed September 20, 2021, www.nass.usda.gov/Publications/AgCensus/2017/Full_Report/Census_by_State/Washington/index.php.

[12] Feeding America, "Food Insecurity in Washington," 2019, accessed September 20, 2021, map.feedingamerica.org/county/2019/overall/washington.

Low Food Access Areas

People living in urban settings more than one mile from a supermarket or grocery store or in rural settings more than ten miles from a grocery store are considered to have low food access. Figure 6 shows the low access areas that fall within low-income areas (green) and the corresponding low income/low access areas where there is low vehicle access (yellow).[13] The city of Kent is heavily represented within both parameters.

Figure 6: Low-Income and Low-Access Areas (King County)



Food Access Distribution

King County has been proactive, especially during the COVID-19 pandemic, in improving access to local food through a series of initiatives. The following programs demonstrate these initiatives:

- **King County Farmer's Share**, launched by Harvest Against Hunger, creates direct supply chains by building relationships between the agencies that distribute emergency food and the farms that grow it. The goal of the program is to increase the resilience of the field-to-fork supply chain, ensuring fresh, healthy food goes to people rather than to waste. Figure 7 shows the significant increase of the program from 2019 to 2020. [14]

[13] USDA Economic Research Service, "Food Access Environment," 2019, accessed September 20, 2021, www.ers.usda.gov/data-products/food-access-research-atlas/.

[14] King County, "Local Food Initiative Annual Report," 2020, accessed September 20, 2021, your.kingcounty.gov/dnrp/local-food/documents/2020-LFI-Annual-Report.pdf.

Table 8: Harvest Against Hunger Data

Program Outcome	2019	2020
$ distributed to hunger relief for local farm purchasing	$37,500	$297,634
# of participating King County hunger relief organizations	12	15
# of King County farms purchased from	24	51
Lbs. of produce purchased and delivered	20,592	90,792
Lbs. of produce donated and gleaned	4,815	6,313

- **EastWest Food Rescue** acquires or purchases surplus food, predominately from farmers, and distributes it to people in need. The program, which started at the beginning of the pandemic, has distributed over 5.5 million pounds of food through October 31, 2020.
- **SNAP Programs:** 23 farmers markets in King County participate in the ***SNAP Market Match*** program, which offers double SNAP benefits at farmers markets. In the summer of 2020, they distributed $582,077 in SNAP benefits and incentive dollars, which was a 5 percent increase from 2019. King County also supported incentives through the **Complete Eats** program, which offers fruit and vegetable prescriptions that are redeemable at Safeway stores. An additional $497,582 of incentives were distributed to SNAP users through these two programs to increase access to fruits and vegetables.

Community organizations continued to develop new approaches to support families with limited food access during the pandemic. A group of these organizations also focused on ways to make that food more culturally relevant to their clientele. One example is Alimentando El Pueblo, or Feeding El Pueblo, which began distributing culturally relevant food in the Highline area of King County in the summer of 2020. They worked to source produce from local Latinx grocers and farmers to support their community.

Local Food Purchasing Initiatives

While King County does not have a formal local food procurement policy, program initiatives have been proposed or funded to help improve equitable access to locally grown foods. In addition, there are incentives and programs that subsidize local purchasing costs.[15]

Table 9: King County Local Food Purchasing Initiatives

Farmers Market 20% Commitment	As of 2019, all farmers markets in the city of Seattle have established a minimum requirement that processors and prepared food vendors source at least 20 percent of their raw ingredients (by items listed) directly from Washington farms, and distinct seasonal ingredients preferably from market farmers.

[15] Washington State Department of Agriculture, "Food Purchasing Resources," accessed September 20, 2021, agr.wa.gov/services/food-access/hunger-relief-resources/food-purchasing.

WSDA's Farm to Food Pantry	This initiative utilizes state Emergency Food Assistance Program (EFAP) funds to help hunger relief agencies across the state purchase fresh produce from their local farmers, increasing access to healthier food options for low-income residents of Washington.
King County Farmer's Share	Harvest Against Hunger is expanding upon the Farm to Food Pantry program within King County. Through the King County Farmer's Share (KCFS), they are collaborating with hunger relief agencies, small farms, and aggregators within the county. A two-year grant from the King Conservation District has allowed agencies to apply for funding to purchase produce directly from farmers.
The Emergency Food Assistance Program (TEFAP)	This is a federally funded (USDA) program that helps supplement the diets of lower-income Washingtonians, including the homeless. Through TEFAP, WSDA provides food and limited operational funding to eligible nonprofit organizations, such as community action councils, food banks, food pantries, meal programs, and shelters.
Farm to Food Bank (FTFB)	This is a federally funded (USDA) program whose purpose is to reduce food waste by capturing donated food; to build relationships between hunger relief organizations and agricultural producers, processors, and distributors; and to provide food to those who need it. FTFB provides funding to eligible nonprofit organizations to pay for the harvest, processing, packaging, or transportation of unharvested, unprocessed, or unpackaged commodities donated by agricultural producers, processors, or distributors for use by TEFAP food pantries and meal programs.
WA State Farm to School Initiative	WSDA put together a toolkit and provides training for education and health institutions who wish to increase their local, healthy food purchasing.

Local Food Infrastructure

A Local Food Facilities Opportunity Report completed in 2020 outlines the following key food landscape infrastructure in King County.[16]

Co-Packers

Recent studies estimate that there are approximately half a dozen co-packers in the western Washington region. However, these studies also indicate that few of these co-packers are set up to assist small to medium-sized food companies.

[16]King County, "Local Food Facilities Opportunity Report," 2020, accessed September 20, 2021, https://your.kingcounty.gov/dnrp/local-food/documents/2020-KCLFF-Opportunities-Report.pdf

Food Processing
There are many food processing businesses—a similar business to co-packing—across Washington. Most are not equipped—or regulatorily capable—to offer their services to external clients. The Local Food Facilities Opportunity Report concluded that there was a lack of co-packing facilities for local farmers. Thus, some farmers/food companies reportedly take their products to Oregon to be processed.

King County has experienced growth in food processing, as the number of small, owner-operated food manufacturing establishments increased by 21 percent between 2009 and 2013. Southern King County cities make up more than one-fourth of all food processor licenses. The City of Kent makes up the largest cluster of licenses, with Renton, Vashon, and Tukwila following.

Cold Storage
Recent studies show that in King County there are at least 17 cold storage facilities and 6 major distribution facilities. While there are large warehouse facilities in southern King County, there are limited options to accommodate small-scale dry and cold storage needs. Small-scale food producers need storage space to hold products as well as drop-off points for customers and aggregation.

Shared Commercial Kitchen Spaces
Research indicates that demand for commercial kitchen space in western Washington currently outstrips supply. In King County, there are as many as 90 formal and informal shared commercial kitchen spaces, with most being shared informally. Recent studies show that many of these kitchens have four or more businesses licensed out of the same space. Most appear to be leased on an hourly basis.

Food Business/Entrepreneur Incubator Facilities and Programs
While more than 60 incubators/accelerators exist across the western Washington region, few cater to the small and midsized food producers listed in table 10.

Table 10: King County Incubator or Entrepreneurship Facilities and Programs

Food Business Resource Center	A one-stop-shop for food entrepreneurs to access skills, resources, networks, and marketplace opportunities needed to start, run, and grow a successful food-related business	Developed and launched ***On-Demand Packaged Food Course***
Food Innovation Network's Food Business Incubator Program	Helping entrepreneurs launch food businesses, providing training, mentorship, subsidized commercial kitchen access, and support with permitting, licensing, menu planning, and marketing	***Spice Bridge*** became home to Food Innovation Network's Food Business Incubator Program, which supports under-resourced southern King County residents, primarily women of color and immigrants. Food entrepreneurs have access to a commercial kitchen, restaurant space, and a community hub.

Rainier Beach Food Innovation Center	A project of Rainier Beach Action Coalition (RBAC) is a Black-led community organization that is actively seeking to address the racialized economic disparity. RBAC will close on a site adjacent to the Rainier Beach light rail station.	RBAC Center will support economic opportunity through small new food businesses, as well as education and workforce development. The concept includes classrooms and teaching kitchens, an entrepreneurship center, a marketplace, a food production facility, and community services.
Seattle Good Business Network's Good Food Economy	Offers three programs that are focused on food as a means of small business development	***Good Food Kitchens*** supports local farms and restaurants to feed community members in need. ***Good Food Forum*** connects stakeholders to strengthen the farm/sea-to-plate pipeline. ***Foodtrepreneurs*** supports food-industry entrepreneurs with community support and networking.

Competitive Landscape

The competitive landscape was analyzed to understand the existing resources available in the Kent Valley region that help support and sustain small businesses. This also included highlighting the regulations and permits that can often create barriers to entrepreneurs.

Small Business Trends in King County

A recent SmartAsset study ranked King County 7th best among Washington's 39 counties for small business owners in 2020. Other Puget Sound–area counties include Snohomish County (23rd) and Pierce (30th).[17] In King County, almost 23.5 percent of the tax-filing population reported small-business income and over 7.9 percent of total income was from small businesses.

Employment in the food manufacturing industry remained relatively stable despite the pandemic. Food service employment trended downward in 2020 but appears to be in recovery as illustrated in table 11.[18]

Table 11: Nonfarm Food Industry Employment for King County

Industry Type	August 2018	August 2019	August 2020	August 2021
Food & Beverage Stores	24,000	24,000	25,000	29,000
Food Manufacturing	12,000	13,000	12,000	12,000
Food Services & Drinking Places	105,000	106,000	71,000	90,000

The total number of King County establishments in the accommodation and food service industry grew by 7.7 percent between 2016 and 2019, with the greatest increase in the small business categories of 5–

[17] Puget Sound Business Journal, "Study: Here's Where King County Ranks Among the Best Places for Small Businesses," 2021, accessed September 20, 2021, www.bizjournals.com/seattle/news/2021/04/04/king-county-ranked-wa-for-small-businesses.html.

[18] Washington State Employment Security Department, "Labor Area Statistics."

9 and 20–49 employees with about a 12 percent increase. Interestingly, annual payroll for these establishments increased nearly four times the rate of increase for the number of establishments.[19]

Table 12: Accommodation and Food Services for King County

Year	# of Establishments	Annual Payroll ($1,000)	# of employees
2016	6,274	2,820,720	112,942
2018	6,676	3,337,076	118,863
2019	6,754	3,566,246	122,992
Total % Growth (2016–2019)	7.7%	26.4%	8.9%

Training and Educational Programming

Washington State and King County have a network of both public and private organizations working to improve food systems progress by offering training and educational programs to local food entrepreneurs and by fostering relationships between various stakeholders.

Washington State

- ***Department of Agriculture:*** food processing; Food Safety Modernization Act compliance
- ***Food Business Resource Center:*** free monthly food business tool and training webinars; farmer finance courses; packaged foods; business coaching

King County

- ***King Conservation District LIFT Farm to Education Program:*** establishes links between farms and schools and introduces policies to support farm to school activities
- ***The Tilth Alliance***: vegetable gardening; food preservation and cooling; permaculture; urban livestock
- ***SnoValley Tilth:*** year-round mentoring and skill-sharing between experienced and beginner farmers; livestock operational support; farm business-focused workshops
- ***21 Acres Farm:*** sustainable agriculture skill development
- ***Highline College's Sustainable Agriculture Certificate/Degree Program:*** certificates related to farming, conservation, education, nonprofit, and food system-related work
- ***Viva Farms:*** offers a practicum in sustainable agriculture and a farm business incubator program
- ***Organic Farm School***: provides an experiential training program for aspiring farmers to learn and practice the skills they need to run a small-scale organic farm
- ***Washington State University's Cultivating Success Program:*** provides planning and decision-making tools, production skills, and support necessary to develop a sustainable small acreage farm
- ***King County's Local Food Initiative***: promotes local food partnerships and collaboration through outreach.
- ***Ventures***: nonprofit offering business training and commercial kitchen rental

Inspection Regulations

Food establishments, including private homes, that manufacture, process, pack, or hold food for sale are subject to the Washington food laws and related regulations. It is unlawful to operate a food business

[19] U.S. Census Bureau, *Data for Accommodation & Food Services 2016, 2018, 2019, https://www.census.gov/data/tables/2017/econ/economic-census/naics-sector-72.html.*

until it has been licensed and inspected by the local health jurisdiction as a Retail Food Establishment. Catering food businesses need a food permit to prepare and serve food to private parties and events. The state also requires that a catering business be operated from an approved commissary kitchen. Producers must obtain a WSDA Food Processor License from the WSDA Food Safety Program to sell processed foods whether selling direct to consumers at farmers markets, at farm stands, through CSAs or selling to grocery stores, restaurants, or institutions as outlined in table 13.[20]

Table 13: Washington State (WSDA) Food Processor License Requirements

A WSDA Food Processor License is needed to:	Producers are exempt and do not need a WSDA Food Processor License if they:
• Cook, bake, freeze, slice, dehydrate, smoke, roast coffee beans, bottled water, or repackage any type of food • Process/package food for someone else • Make shelf-stable, low-acid canned food—i.e., canned vegetables, canned fish, retorted pouches (vegetable or fish), bread or cake in a jar, and chocolate sauce • Further process finished dairy products (i.e., cheese cutting, flavored dairy products, frozen ice cream desserts) • Process dietary or nutritional supplements that do not make health claims • Process food that contains no more than 2 percent cooked or 3 percent raw USDA meat ingredients by weight • Process more than 1,000 poultry annually	• Merely wash and trim a raw agricultural product and prepare or package for sale in their natural state (i.e., fruits and vegetables) • Process honey and are licensed under Chapter 69.28 RCW Washington State Honey Act • Are an egg handler/dealer licensed under Chapter 69.25 RCW Washington Wholesome Eggs and Egg Products Act • Are licensed under Chapter 16.49 RCW Custom Meat Slaughter Act and do NOT process wild game or poultry • Handle shellfish and have a Certificate of Compliance under Chapter 69.30 RCW Sanitary Control of Shellfish Act • Are licensed by the Liquor Control Board as a Winery and Brewery operation

In Washington State, cottage food law makes it possible for farmers and food businesses to sell products made in an inspected home kitchen instead of in a commercial kitchen. The Cottage Food Permit offers a way for small-scale, home-based food entrepreneurs to make and sell specific prepared and processed foods. Qualifying foods must be considered "low risk" and can only be sold directly to consumers (not wholesale) at places such as farmers markets, farm stands, seasonal events and through CSAs.[21]

While cottage laws make it possible to sell produce and processed food, King County Farmer's Market Food Permit fees can be cost prohibitive to small business as illustrated in table 14 which shows the prices as of 2020.

[20] Washington State Department of Agriculture, "Handbook for Small and Direct Marketing Farms," 2019, accessed September 20, 2021, agr.wa.gov/departments/business-and-marketing-support/small-farm/the-green-book/regulations-for-food-processing.

[21] Washington State Department of Agriculture, "Regulations for Food Processing: Cottage Food Permit," accessed September 20, 2021, cms.agr.wa.gov/WSDAKentico/Documents/DO/RM/RM/24_CottageFoodPermit.pdf.

Table 14: King County Farmers Food Permit Fees

	Single Permit	Unlimited Temporary Permit
Minimal food handling	$128	$252
Moderate (Sampling potentially hazardous foods; reheating)	$309	$801
Complex (Foods cooked from raw animal products; foods cooked and cooled)	$374	$908

Buyer Landscape

There are many opportunities to purchase and consume local food in King County. The Sustainable Connections Food and Farming Program launched the Eat Local First campaign in 2011 to encourage people in Northwest Washington—residents and tourists—to choose local food. The Washington Food and Farm Finder webtool provides listings of local businesses and organizations within the King County area (see table 15).[22]

Table 15: Businesses Selling Local Food Products (King County)[23]

Category	Examples within Category	# of Entities/Locations within and around King County
Farms	Dairy, eggs, flowers, nurseries, tree nurseries, fruit, berries, meat, poultry, nuts, grains, beans, plant seedlings, plant starts, vegetables, herbs	141
Markets & Grocers	Farmer's market, food co-op, grocer, local food box, meal kits, online marketplace, food hub	49
Locally Made Products	Beer, cider, wine, spirits, bread, baked goods, desserts, ice cream, honey, pasta, preserved foods, tea, body and home care, yarn, fiber, wool	39
Eat & Drink	Bakery, desserts, brewery, catering, coffee, tea, distilled spirits, food truck, restaurant, cafe	17
Local Resources	Community garden, food bank, meal program, food education, nonprofit, government programs, agencies	31

Within the four-county foodshed area, local produce is accessed through a variety of channels. Table 16 breaks down the key channels by county.

[22]Eat Local First, WA Farm & Food Finder, accessed September 20, 2021, www.eatlocalfirst.org/wa-food-farm-finder/.

[23] This search was conducted using the WA Farm & Food Finder within 25 miles of a centrally located ZIP code in King County, 98065.

Table 16: Local Food Channels in the Foodshed[24]

	King	Pierce	Skagit	Snohomish	WA State
Farmer's Markets	40	8	4	7	36
Community Supported Agriculture (CSAs)	5	2	1	5	28
Food Hubs/ Distributors	3	1	1	0	8
Grocers (locally sourced)	33	2	5	6	-
Restaurants (locally sourced)	60+	9	7	4	-
Farm to School: # of Schools	259	78	24	137	1098

While there is a plethora of sales channels, the NVA *MarketSizer*® shows there is additional potential to meet some of the demand for local products with food that is produced locally.[25]

Table 17: The NVA MarketSizer®

What is the NVA *MarketSizer*®?	A tool using data from public and private sources to calculate unmet demand for local food at the state and county level
The NVA *MarketSizer*® Evaluates:	The potential for food to be produced in a chosen geographic area
***MarketSizer*® Components**	
Local Quotient:	The percentage of category food sales produced within the area. A result of greater than 100 percent indicates that local demand could be met entirely with local production if it were directed to these markets through a local food system.
Local Food Demand	The approximate value of category wholesale sales that could come from local sources if supply were available
Local Food Supply	The approximate value of category wholesale sales produced within the area based on the county level

Using inputs from the local region, the *MarketSizer*® reveals unmet demand for local dairy, meat, poultry/eggs, and fruit/vegetable products in the King County foodshed. Local quotients do not consider commodity exportation. While Skagit County could meet the local demand, much of their production is sold outside the area (Skagit County is a leading producer in the nation for berries).

Table 18: Estimates for Unmet Demand for Locally Produced Food

	King	Pierce	Skagit	Snohomish	WA State
Fruits & Vegetables					
Local Quotient	1%	7%	390%	12%	250%
Local Demand	$660,000,000	$250,000,000	$38,000,000	$220,000,000	$2,200,000,000
Local Food Supply	$4,600,000	$18,000,000	$150,000,000	$27,000,000	$5,500,000,000

[24] Eat Local First, WA Farm & Food Finder, accessed September 20, 2021, www.eatlocalfirst.org/wa-food-farm-finder/.

[25] New Venture Advisors, Local Food *MarketSizer®*, accessed September 20, 2021, https://toolsite.newventureadvisors.net.

	King	Pierce	Skagit	Snohomish	WA State
Meat					
Local Quotient	2%	0%	50%	6%	66%
Local Demand	$200,000,000	$76,000,000	$12,000,000	$68,000,000	$670,000,000
Local Food Supply	$3,200,000	$180,000	$5,800,000	$4,200,000	$440,000,000
Poultry & Eggs					
Local Quotient	0%	0%	0%	28%	25%
Local Demand	$95,000,000	$36,000,000	$5,500,000	$32,000,000	$320,000,000
Local Food Supply	$160,000	-	-	$9,200,000	$80,000,000

Further insight into farmer's markets in King County shows that there has been a steady increase in both sales and number of vendors from 2017 to 2019. It is hypothesized that the pandemic in 2020 changed the purchasing habits of a large portion of the population.[26]

Table 19: King County Farmer's Market Vendors and Sales 2017–20

Farmer's Market (FM) Metric	2017	2018	2019	2020	% Change (2017–19)
# of Markets Reporting	35	35	37	28	6%
Total # of All Vendors	1,885	1,733	2,120	1,236	12%
Total # of All Farm Vendors	827	875	850	695	3%
Average # Farm Vendors per market	24	26	24	25	0%
Total Sales All Vendors	$27,209,947	$23,712,584	$30,640,713	$15,482,976	13%
Total Sales All Farm Vendors	$17,261,922	$14,348,534	$18,941,519	$11,375,947	10%

Secondary Research Analysis

The research highlighted some notable impacts on the proposed facility that correlated to the project goals and influenced the operational design. [27]

Regional Landscape Analysis

- Diverse population in Kent is rapidly increasing compared to the growth rates for King County. Kent has a nonwhite majority at 37.4 percent, whereas 54 percent in King County identify as White only. Further, three out of ten persons in Kent is foreign-born. The proposed facility's stakeholder and advisory groups are reflective of this larger proportion of refugees and immigrants in the local population. Their input will be important to shape a facility that is culturally relevant to the diverse community of Kent.
- King County has a slightly lower unemployment rate (4.8 percent) than the State of Washington rate of 5 percent as of August 2021. While current unemployment rates are not available for Kent, historically they have been higher compared to the county. Opportunities within the proposed center to provide workforce programming, skill-training related to food processing and food manufacturing occupations, and adult education to support small business development will positively impact the local community.

[26] Washington State Farmer's Market Association, "King County Farmer's Market Reports," 2018, 2019, 2020.

[27] King County, Local Food Initiative Annual Report, 2020.

- While the average annual household income in Kent ($81,423) is higher compared to the state average ($78,687), it is much lower than the average of all of King County ($102,594). In addition, 33 percent of households in the southern King County–Kent region were ALICE households, a higher percentage than the other regions in King County. Food insecurity, food access, and affordable food options will continue to be themes of this proposed development and should be integrated into the facility design and programming considerations.
- As gauged by local food licensing data, approximately 25 percent of all food processor licenses applied for in the last two or three years are in southern King County, with the City of Kent making up the largest cluster of licenses (followed by Renton, Vashon, and Tukwila—all southern county cities). Kent supports a growing number of small, predominantly minority-led small businesses focused on food products and services that support the proposed development's functions and goals.

Agriculture Landscape Analysis

- Between 2012 and 2017, the number of farms in King County only decreased by 2 percent, but the number of acres in production decreased by 10 percent. Further, average net farm income in King County is only $4,052, which is much lower than the state average. The continued decline of income, acreage, and access to farms is a state-wide and county-wide concern. The Kent Valley area supports many small, minority or refugee-focused farming collectives and training programs focused on urban agricultural options and opportunities. The proposed facility's final design should consider the needs of this group as farmer/agricultural inputs can often be different than those of small business/manufacturing.
- The high price per acre in King County makes agricultural production inaccessible.

Food Access Analysis

- Food insecurity has improved in King County. In 2019, annual estimates suggest 8.7 percent of the population was food insecure, while in 2017 the estimate was 11.5 percent. While food insecurity spiked with the pandemic, 2021 projections suggest that food insecurity remains close to the 2019 rates.
- In Kent, 15.6 percent of households are enrolled in SNAP, which is double the county rates. Available and accessible healthy foods remain a challenge in Kent. Unfortunately, food access disproportionately affects people of color and seniors. The emphasis of the proposed facility on providing programming and production that supports the creation of more affordable, culturally relevant food options for the community is well connected to community need.

Local Food Landscape Analysis

- King County has a strong local food system and has the support for stronger local procurement policies and incentives.
- While there are abundant infrastructure components for local food, there is a lack of access for small-scale food entrepreneurs. Cold storage, distribution infrastructure support, and co-packer availability is well below marketplace demand, with small businesses reporting a "lack of resources" as a major impediment to growth. Further, existing cold storage, distribution facilities, and co-packer facilities are, by majority, sized to support larger industrial customers and companies, leaving a marketplace deficit for small and scaling companies. The proposed facility presents an opportunity to provide infrastructure that responds to that demand.

Competitive Landscape Analysis

- King County is ranked as a favorable place for small business enterprises, and the number of small businesses appears to be growing. The state of Washington's food production and processing laws are not prohibitive and are typical of those policies of other states. King County has standard regulations for food processing, although permitting for those products that require refrigeration (e.g., meat and eggs) is cost prohibitive. The proposed facility will need to integrate training programs to support licensed food business use of the facility.
- The cost of farmer's markets permits is high and potentially cost prohibitive, which may inhibit some small businesses from having clear avenues for retail entry into the local marketplace (which farmer's markets typically provide). The pricing of the proposed facility's retail space will need to be accessible to the intended audience.
- There are several educational and training programs to support individuals and businesses in the King County local food sector. Providing a space for local food businesses to scale presents an opportunity to integrate with rather than compete with existing programs.

Buyer Landscape Analysis

- Currently King County has a vibrant local food economy featuring farmer's markets, CSAs, locally sourcing grocers and restaurants, food hubs and small distributors, and farm-to-school programming. Based on the Marketsizer data, demand for local product among shoppers and wholesale buyers will support the growth and scale of small businesses utilizing the proposed facility.

Primary Research Overview

NVA utilized three primary research tools—interviews, surveys, and community engagement meetings—to complete the assessment needed for this feasibility study. These tools helped specifically to provide qualitative inputs for the community and stakeholder needs assessment.

Figure 7: Primary Research Tools and Output Goals

Interview Goals	Survey Goals	Charrette Goals
• ***Stakeholder Groups:*** Assess needs of their clients/community members and interest in the project • ***Community Groups:*** Create a landscape assessment of community need and potential facility offerings • ***Buyer/Procurement Sources:*** Asses the local purchasing landscape that would support small business scale • Identify potential anchor tenants, operators, and users	• Gather interest in the proposed facilities space components, offerings, and programs from small businesses, food manufacturers, entrepreneurs, and small farmers • Gather information about technical and equipment needs to shape facility design • Gather pricing information to shape facility financial modeling	• Share research findings and analysis with stakeholder and community groups interviewed and surveyed • Gather inputs into initial operating and financial models and facility designs • Continue the open conversation to bolster community interest and support

Interviews

During the interview phase of research, NVA completed **25** initial interviews, which included nonprofits, local businesses, education entities, co-packers, food manufacturers, incubation providers, funders, grocery/retail, agricultural groups, and public agencies (**5** additional follow-up interviews were conducted with existing resources following the charrettes in late October). The interviewees were sourced from advisory committee members, stakeholders who expressed interest in or provided input into the project, and community organizations or businesses in the Kent Valley area who had relevant input to share. The core study team's recommendations were based on a desire to gain perspectives from these groups and insight into their needs and challenges. NVA tailored an interview guide for each audience (see appendix 2). Table 20 outlines the stakeholders and community members who were engaged during the interview process.

Table 20: Primary Research—Interview Roster

	Name	Organization	Title
1	AJ McClure	Food Innovation Network, Global to Local, Spice Bridge	Executive Director
2	Kara Martin	Food Innovation Network, Global to Local, Spice Bridge	Program Director
3	Van Nguyen	Project Feast	Executive Director
4	Matt Gurney	Fare Start	Chief Innovation Officer
5	Shamso Issak	Living Well Kent	Executive Director
6	David McFadden	Port of Seattle	Managing Director
7	Chris Coburn	Rainer Food Works	Owner
8	Chris Teeney	Pacific Coast Harvest & Farm Stand Local Foods	Co-Owner
9	Jennifer Antos	Neighborhood Farmers Markets	Executive Director
10	Brenna Dacis	PCC Markets/Uwajimaya	VP - Social & Environmental Responsibility PCC Community Markets
11	Scott Owen	PCC Markets/Uwajimaya	
12	David Bulinda	Wakulima USA	Director
13	Deepa Iyer	International Rescue Committee	Senior New Roots Program Director
14	Tahmina Martley	World Relief Seattle	
15	Rich Shockley	Highline College, Startzone	Startzone Director
16	Dominique Juleon	Business Impact Northwest – Food Biz Resource Center	Chief Programs Officer
17	Chris Pierson	Aerospace Joint Apprenticeship Committee	Community Partnerships Manager
18	Leslie Mackie	Macrina Bakery	CEO
19	Bret Neely	Seattle Gourmet Foods	President
20	Eric Lane	City of Des Moines	Economic Relief & Resource Coordinator
21	John Schofield	Culinex	Facilities Manager
22	Eric Flintoff	MedoSweet Farms	CEO/President
23	Ginger Kwan	Open Doors Multicultural Families	Executive Director
24	Edward Butterfield	Sound Transit	Senior Project Manager, Transit Oriented Development
25	Mark Crowell	Culinex	CEO

Results and Analysis

The interviews identified **Fare Start,** a local nonprofit focused on workforce development programs in the food industry, as an anchor tenant looking to secure approximately 30,000 square feet of production space for co-packing and food-access support services and training. Fare Start also stated interest in acting as primary operator for the facility overseeing all operational spaces day-to-day.

Fare Start

- **Anchor tenant** (@30,000 sq. ft. of production space)
- **Primary facility operator**
- **Willing to share and collaborate** in production and support spaces (office, event, etc.)
- **Can offer co-packing service, training, and support** options for the facility

An additional **seven** organizations also expressed interest in accessing space in some capacity (primarily kitchen, event, and office space) and/or having access to the production spaces for their program graduates or community members.

Five organizations, including Fare Start, shared programs, services, or training that they could support for other facility users, including co-packing services, adult education around business development, and manufacturing support services. **One** interviewee shared an ability to provide capital or funding supports to businesses and users of the facility.

Two priority themes emerged from the interviews:

1. ***Scalable Production Focus:*** The priority for the proposed facility among stakeholder groups was to support scale and growth for food businesses emerging from primary incubation, acceleration, or small business development programs and services. Anecdotally, interviewees noted that the region supports several programs aimed at first-stage development for food businesses and entrepreneurs and that this facility should not compete in this marketplace. The facility would need to diversify its offerings to focus on businesses looking to produce at volume, at scale, and with access to higher-capacity production lines and offerings.

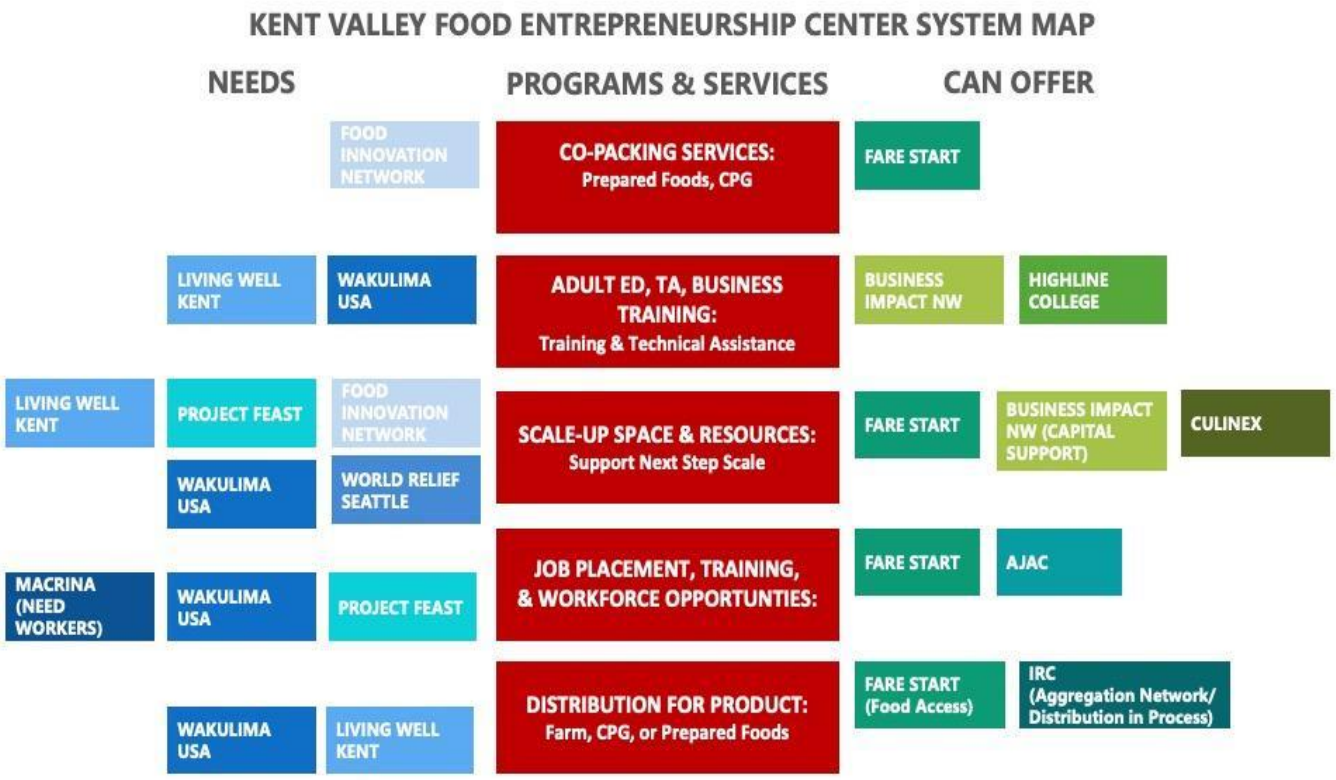
2. ***Designated Community Voice and Inclusion:*** Stakeholders expressed concern that previous projects had enunciated an early commitment to supporting refugee, immigrant, and diverse communities in southern King County but eventually focused more on revenue-generating clients or companies from Seattle or more established areas. Clear interest was expressed for the long-term ability to integrate community review of resources, offerings, and structure of the facility and to integrate these stakeholder voices and needs throughout the entire design, development, and operational process.

The interviews also helped shape a developing collaborative system comprised of organizations, community groups, and individuals. The stated priority of most of these groups was to provide continuing opportunities to connect their existing clients, users, and community members with access, resources, capital supports, and other tools to ensure their continued growth (whether personal or small business development).

To this end, NVA created a system map (illustrated in figure 8) to define the programs and services the facility can accommodate ("Programs & Services"), the organizations needing these programs and

services ("Needs") and the organizations in a position to offer them at the facility ("Can Offer"). This map will continue to be shaped as development continues with the stakeholder groups.

Figure 8: Kent Valley Food Entrepreneurship Center System Map



Survey

The King County survey of food businesses and regional farmers was open for three weeks in September–October 2021. There were **50** total survey respondents and 37 responses used for analysis. Due to the low number of respondents, a cross-tabulation of the data was not possible. The survey had a 64 percent completion rate and took an average 11 minutes to complete. Surveys were completed via an online survey tool which was distributed by the core project team and stakeholder organizations to their constituents, members, community representatives, and graduates.

Results

The following are the results for each question asked in the survey.[28]

Respondent Demographics and Business Makeup

Demographic questions were not required and were answered by 24 out of 37 respondents.

[28] Tables not referenced in the analysis here are provided in appendix 3. A full draft of the survey is provided in appendix 4.

Table 21: Survey Respondent Demographics (Table 1 of 2)

Education		Income		Ethnicity	
Most respondents had a bachelor's degree or higher		*Most respondents were considered middle income for the region (make over $80k)*		*Most respondents were White*	
10	M.A.	**7**	$100k+	**14**	White
7	B.A.	**6**	$80–$100k	**7**	Black/African American
5	Associate	**4**	$60–$80k	**2**	Biracial
1	Some college	**2**	$20–$40k	**1**	Asian
1	H.S. Degree				**nonwhite total = 10*

Table 22: Survey Respondent Demographics (Table 2 of 2)

Business Type		Business Stage		Business Location	
Most respondents were specialty packaged product companies		*Most businesses were start-ups or early stage in earning revenue*		*Almost all businesses were located in King County*	
10	Specialty packaged prod.	**15**	Under 3 years*/ not launched	**31**	King (*16 Seattle, 7 Kent, 8 Other)*
8	Restaurant	**4**	3–5 years	**1**	Kitsap
7	Farmer	**2**	5–10 years	**1**	Pierce
6	Food Reclamation	**7**	10+ years	**1**	Skagit
4	Beverage	**years earning revenue*		**3**	Snohomish
2	Baked Goods				

Respondent Location and Business Specs (Q1–Q5, Q11)

Respondents came from 13 cities within King, Snohomish, Kitsap, Pierce, and Skagit counties. Most respondents were from Seattle and Kent in King County. Of the 37 respondents, 28 operated a licensed food business, with 9 respondents reporting that they are either not licensed or have not launched a business yet. Most respondents (10) were specialty packaged product companies that produce fruit spreads, herbs/spices, shelf stable products, beverages, sauces, condiments, and syrups. Eight respondents were restaurants/caterers/food trucks and 7 were farmers. Most business respondents report being nascent or start-up businesses at under three years old, while 7 businesses have been generating revenue over ten years.

Table 23: Survey Q4

Q4: Type of Food Business	Count
Specialty packaged product	10
Caterer/Restaurant/Food Truck	8
Farmer processing crops for value-added products	7
Food reclamation	6
Beverage (including beer/wine/spirits)	4
Baked goods	2
Total Respondents	**37**

Table 24: Survey Q5

Q5. Operation/Items Produced[29]	Count
Prepared foods (tamales, pies, burritos, hummus, meals)	7
Produce/Vegetables/Frozen Veggie Soups	6
Ethnic food (Chai, vegetables)	5
Beverages	3
Blended herbs and spices	3
Meal Kits	3
Other: Dog food/treats, ice pops, market lambs	3
Fruit spread/conserves	2
Sauces, dressings, condiments	2
Shelf stable products	2
Syrup/to mix in adult beverages	2
Total Respondents	**37**

Table 25: Survey Q11

Q11: Time Generating Revenue	Count
<1 year	2
1–3 years	11
3–5 years	4
5–10 years	2
10+ years	7
Have not yet launched	2
Prefer not to answer	9
Total Respondents	**37**

Farmers interested in selling to a food hub (Q6 and Q7): Of the five farmer respondents, four reported interests in selling to a food hub. Three farmers listed products they'd be willing to sell to a food hub. Vegetables, herbs, peppers were the main items; however, amounts were very small, averaging about ten cases of vegetables per month. Due to low farmer response rate and interest and low volumes reported, it would be difficult to support local farm product aggregation and sales for this facility.

Table 26: Survey Q6

Q6: Interested in Selling to Food Hub	Count
Yes	3
No	1
Maybe, if I had more information	1
Total Respondents	**5**

Table 27: Survey Q7

Q7: Products Interested in Selling to Food Hub	Amount/mo.
Vegetables	35 cases
Peppers	10 cases
Green onions	25 cases
Total Respondents	**3**

[29] Operations included: Bakery, Conserve Company, Farmer, Grocery Supplier, Restaurant Owner & Supplier, Tea Brewer, West African Food Company

Current production location / kitchen use (Q8–Q10): Of the 37 business respondents, 11 reported currently producing out of a commercial kitchen (their own or someone else's) and 4 report using an existing shared kitchen. Five use a co-packer or co-manufacturer.Respondents reported using shared kitchens in Tukwila and Bremerton and specifically using Macrina Test Kitchen (2), Northwest Gourmet Foods, Meritage, Spice Bridge, and TOJO Commissary. Three companies reported using the following co-packers: Food Lifeline, Hopelink, Fare Start, and Sky Valley Foods in Monroe.

Table 28: Survey Q8

Q8: Production Location	Count
A commercial kitchen	11
At home	7
I am not currently producing	7
A shared kitchen / incubator kitchen	4
I use a co-packer/co-manufacturer	5
I am not current producing	2
Food truck or mobile kitchen	1
Total Respondents	**37**

Existing sales channels and wholesale interest (Q12 and Q13): Of 37 businesses, 20 report selling directly to retailers like grocery stores or cooperatives. The majority of businesses (33) report doing direct-to-consumer sales through their own business or farmer's market. Twelve businesses report selling through distributors or wholesalers. This indicates that the majority of business respondents may need support in scaling their business in order to reach larger sales channels. However, 35 respondents indicated at least some interest in selling to new wholesale buyers while only 2 were not interested.

Table 29: Survey Q12

12. Where do you / will you sell your products?	Count
Retailers, grocery stores, cooperatives	20
My own store, e-commerce store, restaurant, or food truck	17
Farmer's market, farm stand or CSA	16
Wholesale or institutions (schools, hospitals, etc.)	12
via Distributors	12
Restaurants and cafes	11
Food hubs	9
via Co-packer	4
Other	2
Total	**37**

Table 30: Survey Q13

Q13: Interested in Selling to new Wholesale Buyers	Count	%
Yes	27	73%
No	2	5%
Maybe, if I had more information	8	22%
Total Respondents	**37**	

Suppliers of raw food materials (Q14): 17 businesses reported farmers as a primary supplier of local farm products, and 9 reported getting local produce from traditional wholesalers. Only 2 businesses reported not sourcing local products for their food business. This signals that there's potential for food businesses to purchase local products directly from a source located within the facility where they work.

Table 31: Survey Q14

Q14: Primary Suppliers of Local Product	Count	%
Farmers	17	46%
Traditional wholesalers (i.e., Sysco, US Foods, etc.)	9	24%
I do not source local farm products for my food business	3	8%
Agricultural cooperative	2	5%
Food hub	2	5%
Other (please specify)	2	5%
Retailers (i.e., other grocery stores)	2	5%
Total Respondents	**37**	

Survey Responses Regarding Commercial Kitchen Facility Interest and Requirements

Commercial kitchen interest (Q15–Q17): Out of 37 respondents, 22 reported they would be "extremely interested" or "very interested" in using a new commercial kitchen in the region. In an unaided question asking what made users most excited about a new production space, 8 out of 28 cited opportunities to scale and access to more space as the top reason, followed by access to equipment (6) and access to services like a loading dock and technical assistance (4). Other responses mentioned networking (3), lowering production costs (3), and the location (2). Those who were not interested in utilizing a new production space mostly cited that another space is meeting their needs or that they have their own space (4 responses).

Table 32: Survey Q15

Q15: Interest in Using New Commercial Kitchen	Count
Extremely interested	14
Very interested	8
Not very interested	3
Not at all interested	2
Undecided	10
Total Respondents	**37**

Facility requirements (Q18 and Q19): Out of 32 respondents, 19 selected storage square footage as a top requirement for the facility. This was followed by specialized equipment for kitchen production or food manufacturing (17) and special access hours (15). Co-packing services was also cited by almost half of the respondents (15). This aligns with Q28, where "access to equipment" was listed as the top barrier to scaling a business. Write-in responses included USDA certification and access to a forklift. Private production space was required by 10 respondents, 1 of which specified they would need 1,500–3,000 square feet of private space. No other respondents listed their requirements for private square footage, but 4 called out equipment needs: spice grinding equipment, cook kettles, hot-fill bottling equipment (2), and packaging equipment.

Table 33: Survey Q18

Q18: Top Requirements	Count
Storage square footage or pallet space (cold, frozen, or dry)	19
Specialized equipment – kitchen production or food manufacturing	17
Special access hours (i.e., 24-hour access, night access, daytime only, weekend access)	16
Access to co-packing service that processes my products according to my specifications	15
Private production space that only I can access	10
Access to a loading dock	4
Proximity to public transportation	3
Other (please describe)	3
Allergen free area	2
Total Respondents	**32**

Processing techniques (Q20): Top techniques listed by respondents included specialty cooking; cutting, slicing, and shredding of fresh produce; canning; freezing; assembly of dry ingredients; bottling; and grinding. Only one respondent listed smoking as a technique.

Table 34: Survey Q20

Q20: Processing Techniques Used	Count
Specialty cooking (e.g., large scale braising, roasting, steaming)	8
Cutting, slicing, shredding of fresh produce	8
Canning or preserving in jars	7
Freezing - blast chiller	7
Assembly of dry ingredients	6
Bottling	6
Grinding	5
Other (please specify)	4
Drying, dehydration	4
Milling or grinding	4
Juicing	3
Baking	3

Fermenting	1
Smoking	1
N/A	1
Total Respondents	**19**

Facility utilization (Q21–Q23): Out of 20 respondents, 12 reported year-round use of the facility, which is a positive indicator of consistent utilization throughout the year. Seasonal utilization rates peaked between May and October, with September as the busiest month. This bell curve is in line with the growing/harvest season and the production cycle that ramps up in preparation for the holiday sales season that retail businesses push for toward the end of the year. Businesses reported an average of 23 hours of kitchen utilization per week and three staff members present per business while in production.

Table 35: Survey Q21

Q21: Production Months	Count
January	1
February	1
March	2
April	2
May	6
June	6
July	6
August	7
September	8
October	7
November	3
December	2
Not seasonal / Year-round	12
Total Respondents	**20**

Table 36: Survey Q22

Q22: Hours Per Week in Production	Count
1–20 hours	10
21–40 hours	6
Over 40 hours	4
Average	**23.2**
Total Respondents	**20**

Table 37: Survey Q23

Q23: People in the Kitchen	Count
1	3
2	11
3	2
4	1
Over 8	3
Average	**3.1**
Total Respondents	**62**

Preferred pricing structures and rates (Q24 and Q25): Out of 20 businesses, 17 preferred or considered a monthly fee for a set number of hours and storage to be the ideal pricing structure. An hourly fee structure was least preferred. An hourly rate between $10 and $20 per hour was considered the ideal range of pricing, with almost all respondents reporting any rate over $35 per hour too expensive to consider.

Table 38: Survey Q24

Q24: Pricing Structures	would prefer	would consider	would not consider	Top 2 box
Hourly fee for kitchen use & monthly fee for storage unit	2	11	7	13
Monthly fee for a set number of hours and storage	8	9	3	17
Annual fee for unlimited hours and set storage	5	8	7	13
Total Respondents			**20**	

Table 39: Survey Q25

Q25: Commercial Kitchen Hourly Rate	so inexpensive you doubt the quality	a bargain	a good value	too expensive to consider	Top 2 Box (bargain, value)
<$10	8	9	3	0	12
$10	5	8	4	3	12
$15	2	8	6	4	14
$20	1	4	7	8	11
$25	1	2	7	10	9
$30	1	0	5	14	5
$35	1	0	4	15	4
$40	1	0	3	16	3
$45	1	0	2	17	2
>$45	0	1	0	19	1
Total Respondents				**20**	

Annual production volume (Q26): Businesses reported production volume in cases, units, meals, jars, and pounds, with meals and pounds of product being the highest outputs by volume. Six write-ins noted that the respondents didn't know how much they produced or how to quantify their production.

Table 40: Survey Q26

Q26: Annual Production Volume	Total
Cases	13,350
Units	47,000
Meals	1,600,000,000
Jars	1,000

Pounds	500,000
Total Respondents	**20**

Technical assistance services (Q27): The top five most valuable training services were navigating food safety requirements; how to scale or produce at volume; marketing / sales support; accounting / bookkeeping; and distribution support. Least valuable were collective purchasing, being part of a business community, and fundraising.

Table 41: Survey Q27

Q27: Most Valuable Training	Count
Navigating food safety requirements	14
How to scale or produce at volume	12
Marketing, branding, sales support	12
Accounting and bookkeeping	7
Distribution	7
Hiring, human resources and/or access to shared labor	6
General business strategy support / business plan development	5
Business growth strategy	5
Local sourcing	5
Recipe testing and support	5
Collective purchasing	4
Being part of a food business community	4
Fundraising and valuation	3
Other (please specify)	1
Total Respondents	**20**

Barriers to scaling business (Q28): Top barriers to scaling or producing at volume were access to equipment, access to space, and access to capital. All three of these barriers could fall under the access to capital barrier, as space and equipment need investment to be obtained. A facility that can provide these resources at a low rate or fee would be of high value to these businesses.

Table 42: Survey Q28[30]

Q28: Barriers to Scale	Count
Access to equipment	14
Access to space	12
Access to capital	9
Access to sales channels / buyers	6
Other (please specify)	2
Knowledge/experience	2
Total Respondents	**20**

[30] Other: Sourcing at coop or wholesale price; compostable spice packaging; large customers' insurance and paperwork requirements

Shared spaces and retail spaces (Q29 and Q30): Retail space and demo space for meetings with clients or tastings were the top shared spaces listed by respondents (12). Classroom space and event space followed, with 11 respondents reporting interest in these spaces. Event space received the highest interest when combined with public and private space interest. Little interest in shared or private office space. Of those respondents interested in retail space, a pop-up or temporary retail space was most desirable (7 out of 10 respondents) while a short-term lease of a retail space was least desirable (3).

Table 43: Survey Q29

Q29: Shared Space Interest	Not interested	Moderately interested	Very interested	Top 2	N/A
Large gathering/event space used for public events, fairs, lectures, conferences	6	6	4	10	4
Shared office space	12	4	1	5	3
Private office space	10	1	6	7	3
Classroom for food-related activities, seminars, trainings, demonstrations	6	6	5	11	3
Retail space	6	5	7	12	2
Event space for private functions (reunions, parties, etc.)	6	5	6	11	3
Demo space for meeting with clients or tastings	6	6	6	12	3
Other: Video production space for marketing, Root crop wash station		3			-
Total Respondents		**20**			**-**

Ideal locale and transportation (Q31-Q33): In an unaided question, 8 out of 20 respondents listed southern King County as the best location for the facility. Write-in responses were most concerned with access to space to load/unload and easy to travel to. As 18 out of 20 respondents would use a car to access the facility, proximity to freeways is important. Only 1 respondent said they would take a bus or Sound Transit. Nine respondents reported willingness to travel 11–20 miles to access the facility, with 6 reporting they'd be willing to travel over 20 miles to a site.

Table 44: Survey Q31

Q31: Ideal Location	Count
North King County	2
South King County (Skyway, Kent, Tukwila)	8
Anywhere in King County	4
Near Vashon/ferries	2
Other	4
Total Respondents	**20**
place with loading docks/truck access	
place with easy access for workers	

Market for local (Q35): All respondents were asked questions about how they view the market for local products in King County. Most agreed that individual shoppers and diners seek out and are willing to pay more for locally made goods (17 out of 24) but that institutional buyers are not as willing to pay a premium or seek out local products. There was less certainty around the institutional market and trends, with most respondents unsure how they behave. Most respondents agreed that there's potential for farmers to sell, grow, and market local products but were less sure about whether the demand for local product exceeds supply, with more than half of respondents saying they disagreed or were unsure.

Table 45: Survey Q35

Q35: Market for Local Products	Agree	Unsure	Disagree
Shoppers and diners seek out locally produced products	17	5	2
Shoppers and diners are willing to pay more for locally produced products	17	4	3
Shoppers and diners need education on the value of buying locally produced food	18	3	3
Institutional buyers seek out locally produced products	7	13	4
Institutional buyers are willing to pay more for locally produced products	5	14	5
Farmers can sell large quantities of locally produced products	12	7	5
Farmers can grow and sell a diverse set of products	14	1	9
Farmers have a diverse choice in customers to sell to	13	3	8
The demand for local product exceeds supply	10	3	11
Total Respondents			**24**

Demographics of Respondents

Age, gender, education, income, and ethnicity of respondents (Q36–Q40): Demographic questions were optional, and 24 respondents answered. More than half respondents were between 40 and 60 years of age (15) and were female (16). Respondents had high education attainment, with most (17 out of 24) having higher than a bachelor's degree and 10 with a master's degree. Only 1 respondent had some college and a high school degree. Education level was reflected in the average incomes, which skewed middle income with 13 respondents making over $80,000 a year and 7 of those making over $100,000 a year. Only 2 respondents were low income. Most respondents were White (14 out of 24), and 10 out of 24 reported being nonwhite; 7 were Black or African American.

Table 46: Survey Q36

Q36: Age	Count
20–29	1
30–39	3
40–49	6
50–59	9
60–69	5
Total Respondents	**24**

Table 47: Survey Q37

Q37: Gender Identification	Count
Female	16
Male	7
Prefer not to answer	1
Total Respondents	**24**

Table 48: Survey Q38

Q38: Education	Count
High school degree or equivalent	1
Some college (1-4 years, no degree)	1
Associate degree (including occupational or academic degrees)	5
Bachelor's degree (BA, BSc, AB, etc.)	7
Master's, Professional, or Doctorate degree	10
Total Respondents	**24**

Table 49: Survey Q39

Q39: Income	Count
$20,001 – $40,000	2
$41,000 – $60,000	0
$60,001 – $80,000	4
$80,001 – $100,000	6
$100,001 or over	7
Prefer not to answer	5
Total Respondents	**24**

Table 50: Survey Q40

Q40: Ethnicity	Count
White	14
Black or African American	7
Biracial	2
Asian	1
Total Respondents	**24**

Analysis

The survey sample size was very small when compared to the population of the region and number of businesses that exist in and around King County. It is hard to draw solid conclusions based on the low response rate (37 total) and respondent completion rate (24 by the end). In addition, the demographics of survey takers skewed toward White, middle income, highly educated respondents. There was significant alignment among these survey responses, with often more than half of respondents agreeing on specific features and requirements. Thus, survey results, when combined with other research and community inputs, can signal a specific direction for the potential facility build-out.

With this caveat, these survey results speak to the user needs, desired features, and required services of a commercial kitchen and production space located in King County. The importance of the caveat is to note that this facility is being developed with a diverse, minority audience in mind. As noted, other primary research tools collected direct input from these audiences.

Survey Respondent Identifying Features

Most business respondents were specialty packaged product companies followed by caterers/ restaurants and farmers. Food reclamation was another subset of respondents. The businesses and organizations that provided input in the survey were small, startup food or early-stage businesses with an interest in scaling, accessing additional equipment and storage space (dry, cold, freezer), increasing wholesale sales with distribution support, and gaining access to additional capital. Only about a third of businesses reported already selling through a distributor or wholesaler, which means that most businesses would need technical assistance to produce at scale to meet wholesale requirements and volume. Wrap-around services that help small business incubation and growth should consider a focus on food safety requirements, marketing, branding and sales support, and basic business accounting and hiring best practices.

Commercial Kitchen Access and Space

The top two responses (Extremely Interested and Very Interested) show that 22 out of 37 respondents would be interested in using a new commercial kitchen in the region. In an unaided question asking what made users most excited about a new production space, 8 out of 28 cited opportunities to scale and access to more space at the top reason, followed by access to equipment (6) and access to services (4) like a loading dock and technical assistance. Other responses mentioned networking (3), lowering production costs (3), and the location (2).

Facility Location and Access Needs

In an unaided question, eight out of 20 respondents listed southern King County as the best location for the facility. Write-in responses were most concerned with access to space to load/unload and easy to travel to. As 18 out of 20 respondents would use a car to access the facility, proximity to freeways is important. Only 1 respondent said they would take a bus or Sound Transit.

Pricing and Fee Structures

Businesses would support a monthly fee structure and could pay at most $20 per hour (or approximately $1,500–$1600 per month based on an average of 20 hours of use per week). It is

preferred that the monthly fee structure would include storage and a set number of hours of usage of the kitchen and/or production spaces. Many businesses reported seasonal usage with utilization peaking in September and slowing down by December. It will be important to secure business clients that would use the facility consistently, year-round, especially in winter months.

Equipment Needs

Additionally, equipment for rent or use on site would be of great use to businesses, both in the kitchen space and in the general facility. Standard kitchen equipment for specialty cooking on a large scale in addition to canning, freezing (blast chiller), and processing fresh produce was of great interest. Packaging equipment and bottling equipment were also noted, in addition to forklifts and palletizers. Out of 32 respondents, 19 selected storage square footage as a top requirement for the facility. This was followed by specialized equipment for kitchen production or food manufacturing (17) and special access hours (15). Co-packing services was also cited by almost half of the respondents (15). This aligns with Q28, where "access to equipment" was listed as the top barrier to scaling a business. Write-in responses included USDA certification and access to a forklift.

Additional Space Interest (Supporting Facility Spaces)

Survey respondents noted that providing storage or warehouse space—dry, frozen, and cold—is a key requirement for the facility, as such space is a limited resource in the county. Pop-up temporary retail space, a demo space, and some type of flexible event space (large enough for public gatherings but also available for private rentals) had a lot of interest from respondents. These spaces could be combined in a flexible arrangement to meet the needs of the business users and to aid in cash flow for the facility through other rentals. Private production space had some interest; however, it was unclear from respondents whether they wanted a sealed off private room or just a place to produce their goods, as almost no respondents provided square footage needs and most cited access to equipment and capital as a major barrier to growth. Private production space was required by 10 respondents, 1 of which specified they would need 1,500–3,000 square feet of private space. No other respondents listed their requirements for private square footage, but 4 called out equipment needs: spice grinding equipment, cook kettles, hot-fill bottling equipment (2), and packaging equipment.

Farmer Inputs

Very few farmers completed the survey. Those that provided input were small farms that had very small utilization needs for a commercial kitchen. However, there was some interest in selling produce directly to the facility, although reported volumes were small. It is unclear whether this facility could support local farm product aggregation or sales given the lack of input from this stakeholder group.

Stakeholder Design Charrettes

Three design charettes—two virtual and one in person—took place over two days from October 19–20, 2021, in Seattle and Kent, Washington. Key stakeholders, potential users, and tenants were invited to participate in the operating model discussion and design sessions. In total, 17 people participated in the charettes. NVA shared a synopsis of all market analysis conducted to date, a preliminary straw-man operating model sized against three variations (small, medium, and large versions), and initial financial budgets for the build-out of the three model sizes.

Table 51: Community Charrettes - Participating Individuals and Organizations

	Name	Title	Affiliation/Organization
1	Michael Lufkin	Local Food Economy Manager	King County
2	William Ellis	Chief Economic Development Officer	City of Kent
3	Michelle Wilmot	Economic Development Program Manager	City of Kent
4	Justine Berk	Farm Services Program Manager	SnoValley Tilth
5	Leslie Mackie	Owner	Macrina Bakery
6	Jessica Tousignant	Program Manager	Seattle Good Business Network
7	Kelly Okumura	Program Manager	Farm to Table
8	Eric Flintoff	CEO	Meadowsweet
9	Rich Shockley	Director	Small Business Development Center, Highline College
10	Dave Glenn	Executive Director	SnoValley Tilth
11	Seth Schromen-Wawrin	Food Access Project Manager	Public Health – Seattle and King County
12	Cynthia Yongvang	President; Entrepreneur	Hmong Association of Washington
13	Vero Vergara	Farmer; Consultant	Sweet Hollow Farm; Groundworks Food Hub
14	Matt Gurney	Chief Innovation Officer	Fare Start
15	Meg Viera	Senior Manager, Community Engagement	Fare Start
16	Domonique Juleon	Chief Program Officer	Business Impact Northwest
17	Kara Martin	Program Director	Food Innovation Network; Spice Bridge

Results and Analysis

The design charrettes were intended to re-engage stakeholder and community groups in order to:

- Share research findings and analysis with those who were interviewed and surveyed
- Gather their input on initial operating model, financial analysis and facility designs
- Continue the open conversation to bolster community interest and support.

The market analysis, initial operating models (across three sizes), and initial financial budgets for those models were shared in a brief presentation. The charrette was conducted in three sessions spent in conversations with the attendees facilitated by NVA and the core study team, covering the topics illustrated in figure 9.

Figure 9: Charrettes–Key Topics

Small Business Challenges

Key challenges mentioned for potential clients and users of the facility focused on the ability of these small businesses to meet larger buyer volumes, quality control, and compliance. There will be a large jump from receiving free services or production space currently available to start-ups in the region to paying a monthly fee or lease rate. In addition, the jump in rate from shared to private production space was seen as even more insurmountable for many small businesses. They will need support in making the transition—whether via continued services, training offerings, programmatic elements, or capital and financial offsets to allow for free or very low-cost access.

There was some discussion of buyers like PCC Markets and local restaurants who struggle to find local product at the **consistency and volumes** they need to commit to buying from small businesses. Small farms also face these challenges and struggle to provide consistent volumes or the specific produce of interest to buyers. This discussion connected back to the initial goal of helping both small businesses and farmers achieve scale to take advantage of these buyer relationships and opportunities.

Facility – Refinement of Concept (Space Uses)

Flexibility will be required (out of the facility design and concept) to meet the needs of a diverse set of businesses. Stakeholders recommended keeping the physical space fluid to adjust and grow with the businesses as they scale. There is interest in **retail space** by some potential users to be used as a showcase space (versus a store) and a place to test out product/packaging. Some interest in **community kitchen** usage that would potentially only be used a few times a year by specific community groups, such as Wakulima USA, who noted that they would not want to own or run their own space. Fare Start was clear that they want a collaborative space—not separate from other users (as anchor tenant and primary facility operator)—with some private production space.

Processing space for handling raw farm product would be of interest and useful to Farm to Table, who wants to process large volumes of produce a few times a year and store on site to be distributed to their own clients (daycares, childcare facilities) throughout the year. They would also be interested in **contracting out this service** and paying the facility to process the farm product for them.

Co-Packing Needs and Services

Co-packing space was of high interest, but stakeholders stressed that the space should be very flexible to accommodate for growth and ensure the lines could fit across many products (from bottling to packaging to canning). There was also discussion around the possible role Fare Start could play in offering co-packing services to other users rather than having facility users directly operate the advanced equipment of manufacturing lines (which would require additional labor supports and training).

Storage Needs

Storage was a top requirement discussed among all stakeholder groups. It was reported that demand for cold storage may double in the next few years, so it was recommended to overbuild frozen and chilled storage space. Produce and flower farmers need cold and frozen storage and would like rental space inside a cooler to limit the need for transporting product back and forth. Longer term storage of processed produce was also of interest Farm to Table.

Business Technical Support and Adult Education Needs

It was identified during discussions that small businesses need support in **basic accounting, business planning, and marketing/branding** to develop a compelling story. These businesses need this story or narrative to command premium pricing (and thus expand sales opportunities with their scale). There was also discussion around **financial and growth support** for businesses making the jump from free to pay-for-service access. The proposed facility could act as an information hub/clearing house for small business entrepreneurship and growth, connecting organizations with existing infrastructure in the region, especially if the facility isn't the right fit for a particular business.

There was limited discussion around the potential for buyers to work directly with entrepreneurs to **scale up and meet buyer requirements** and/or get a reduction in the needed volume requirements to begin selling into larger networks and distribution connections, with a stated desire for the county or city (in supporting the facility) to line up buyers and have them heavily invest in the outcomes of the vetted businesses involved.

There was also limited discussion on the **adult education needs**—such as continuing skill development related to job opportunities and workforce training—that the proposed facility could address. Fare Start noted that their use of the facility will be to support expanded workforce development programming focused on co-packing and producing prepared meals and products for food access organizations and related community needs. This training will expand to logistics and warehouse training as well (on site). Additional needs expressed were for cross-training in culinary skills (advanced) or food manufacturing skills that could translate to positions and job placement opportunities with larger manufacturers in the region.

Governance and Partnerships

The facility will not be government run. A **singular manager** would provide the funding and leadership to operate such a facility, but stakeholders stressed the need to include the community voice in operating model design and development. There was discussion around building in input from the community like a board or advisory council to ensure longevity and community buy-in and drive growth.

Fare Start confirmed interest in being an **anchor tenant and primary operator of the facility.** Seattle Good Business Network expressed interest in **partnering** and providing business and marketing support to clients. Culinex and the Food Innovation Network have also expressed interest in partnership. The idea of an incubator pipeline with existing facilities—Spice Bridge and Culinex, for example—was discussed as the facility presents an opportunity to help determine the "best" space for graduates of programs from around the region and to help match individual company needs to facility offerings. Spice Bridge also confirmed interest in partnering and supporting efforts at the facility.

There was a discussion around the potential for the facility to provide **sliding scale rates** to be subsidized by larger companies, that is, larger anchor tenants would help offset costs for smaller businesses where access is a need or focus. This discussion, however, conflicted with the facility's overall goals of focusing on resources to support the minority and diverse communities of Kent and the surrounding communities, and it was stressed by attendees that they do not want to see this facility focus on attracting larger users from Seattle or northern regions just to cash flow or create revenue at the facility.

Finally, there was an active conversation around the desire to construct a **community contract** or related tools that would help ensure access, resource offerings, and related points for the core stakeholder and community audiences involved in the development process.

Primary Research Findings

The following themes emerged from analysis of the survey results, interview synthesis, and stakeholder design charrettes conducted in September and October 2021. Additional insights from relevant case studies and market analysis data also inform this summary.

An important objective of this research was to gather qualitative information that validated the proposed concept of the KVFEC and clarified the needs and desired uses of stakeholders and local communities for which the facility would provide access and services.

Overall, there is a large demand for a multi-functional facility in Kent and the immediately surrounding communities. A facility that promotes and supports the scale and growth of food-focused small businesses, increases and supports food access (and food access programs), and provides continuation services for the food business ecosystem would meet the core needs of region.

Table 52 summarizes key findings uncovered in the research:

Table 52: Qualitative Research Key Findings

Key Findings	Core Discussion Points
Strong community partnerships and voice in the development and operation of the facility will be necessary to support growth and utilization.	To be a viable and successful center that delivers against the stated goals for the diverse communities of need, the operator of the proposed facility must ensure that these communities maintain an active voice in its design and operation and that facility spaces, uses, and services are priced to be accessible to them. A model that lacks community engagement, or that focuses on revenue over mission, will not meet the stated needs of the greater Kent communities that have provided input to this study.
Resource and program overlaps will exist, but this center has an opportunity to be a "next step" in the local incubation ecosystem.	The center will need to ensure that its design, service offerings, and programs do not duplicate existing programs or services provided by community partners but instead focuses on offering next-stage development, scale opportunities, and growth-oriented programs and spaces. Partners will then be supportive of offering their own resources, programs, and expertise to cross-support functionality of the facility.
Traffic patterns – access for cars and trucks – is an important consideration for the final site selection.	Potential users across all primary research tools expressed the need to be able to access the facility via car or program van (for loading/unloading of products and raw goods) and to accept deliveries. The final site will need access points for two to three docks to support the expressed traffic volumes, and parking will be a key issue if the transit site is chosen as a final location.
Production and co-packing space and services are of high interest, but skills or labor to support them are of concern.	Potential users and stakeholders across all primary research tools expressed interest in the co-packing and advanced manufacturing production spaces. Secondary data and comparable facilities also provided support that there is a deficit in the marketplace around these resources, access to equipment and service supports. However, qualified labor that can support user function on the equipment is a documented need demonstrated by comparable facilities and expressed by stakeholders familiar with the skill levels of potential users. Fare Start's ability to offset co-packing needs with service offerings or training against equipment use might be a key feature of the facility.

Key Findings	Core Discussion Points
Event, office, and retail spaces are in demand (and nominally, independent production spaces), but financial means to support them will be limited from the targeted audience.	Stakeholders and potential users both expressed limited means to support use or access of event, office, retail, and private production spaces. Stakeholders emphasized the delta between existing free programs and resources that potential users have access to and graduating to shared and then private access spaces with costs attached. Providing subsidized access points for all facility features – but especially these spaces – will be needed to guarantee access for some community members.
Food access is a need in the community, and the facility should aim to both create food options and support food access efforts locally.	Food access, both according to secondary data and primary inputs, is a crucial element in Kent and the surrounding communities. Fare Start's stated desire to use the facility to produce meals and products that will go into food-access service streams supports this need. The facility should also ensure that the retail or food service opportunities are accessible options that don't exceed local price points.
Sustainable operation of the facility will require income from public users and anchor tenants.	Research shows that comparable facilities must have a combination of revenue from multiple streams to break even and support overall operations in the first five years of operation. Public users can offset a large percentage of revenue needed via kitchen rentals, production space rentals, and related uses, but the deficit in overall revenue will need to be matched by Fare Start's rent and operational input as anchor tenant. The mix and balance of these revenue streams will be complex and need to be responsive to user needs and access requirements over time.

Business Model Implications

The following business model implications emerged from the primary research outlined above.

- ***Site Selection:*** The final site selection will need to consider parking and truck traffic in allocating parking spots and designing loading dock access areas.
- ***Kitchen/production spaces:*** These spaces should be sized to accommodate volume production and fully or partially automated production lines.
- ***Event/office/retail spaces:*** These spaces should be very flexible to be able to transition to different set-ups and uses.
- ***Independent production spaces:*** These spaces should be positioned within the facility to be able to support flexible use (or alternate use) if initial interest does not pan out with production tenant demand for years 1–3.
- ***Fare Start uses:*** Fare Start is willing to share all spaces except some private kitchen and production space. All spaces should be designed to maximize initial investment and lower build-out costs by placing equipment lines, hood lines, and supporting mechanical needs along common walls, and so on.

- ***Retail spaces:*** Food service and pop-up opportunities are top interest areas for retail, which means that the spaces will need to have access to foot traffic from customer groups looking for food options. Alternatively, having other destination retail or food service options at the same property could help attract an audience to the facility's offerings.

Business Analysis and Facility Design

NVA worked with the core study team to develop a chosen operating model, identify case studies to support the model, provide site selection criteria, perform preliminary breakeven and capacity modeling, and finally, develop and submit the building program that lays the groundwork for future architectural design.[31]

Facility Feature Summary

Based on findings from the market analysis, the concept of the KVFEC was refined with a heavy emphasis on large-scale, volume food-production and food-manufacturing spaces and services as demonstrated in table 53.

Table 53: Refined Facility Components and Use Cases (updated)

Proposed Space Components	Proposed Use Cases
Shared (and private) Production, Kitchen, and Processing Spaces	Business Scale (Production) Volume Food Manufacturing Volume Food Processing Volume Food Access RTE Meals Limited Small-Scale Ag Processing
Co-Packing Space and Equipment	Business Scale (Co-Pack) Workforce training opportunities Co-Packing Services or Training Job Skills (Food Manufacturing Industry)
Individual Production Spaces	Business Growth Flexible use for food-related businesses of all sizes
Warehouse and Storage Spaces	Volume Distribution and Storage (Product – CPG & RTE) Limited Ag Cold Storage Options
Office Spaces	Flexible, Multi-Functional Private & Shared Access
Retail Spaces	Small-Scale Access Product Retail Opportunities
Event Spaces	Incubation Ecosystem Technical Assistance, Business Development Opportunities/Programs Adult Education Opportunities/Programs Job Training/Skills Training Opportunities Community Engagement Opportunities
Outside/Support Spaces	Community Engagement Opportunities (Cross-Programming)

[31] Relevant excerpts from this work are provided in appendix 5, including: the business matrix laying out the project's business model, the building program which categorizes all facility square footage, and space plans ideating operating models..

Facility Overview

The proposed KVFEC is a multi-functional facility that will integrate six to seven primary space components to support the scale and growth of food businesses. The facility will have an emphasis on contract manufacturing. These businesses may include:

- Scaling CPG product development and production
- Scaling RTE or food access meal development and production (anchor tenant)
- Raw ingredient (farm/ag) processing (fresh/frozen products)
- Scaling food-manufacturing or food co-manufacturing products
- Scaling food service businesses (catering, food trucks, etc.).

During the feasibility study, a single anchor tenant was identified: **Fare Start**. Fare Start is a Seattle-based nonprofit organization focused on workforce development in various food industry fields. Fare Start is looking to expand its training programming to include co-manufacturing, co-packing of prepared meals, and warehouse/logistics skill sets. The proposed facility offers an opportunity to integrate these program expansions into collaborations with local stakeholders, community groups, and small businesses looking for these services.

Additionally, the proposed facility would offer Fare Start an opportunity to collaborate with other stakeholder groups to diversify their offerings and products to be more culturally representational with the communities they serve. In exchange for these benefits, Fare Start has verbally expressed interest in supporting the facility as a primary operator and anchor space tenant. Their space needs are detailed in the component sections to follow.

The proposed facility is being designed with considerations for the requirements of two proposed site locations in Kent, Washington (although other sites may be considered in future development phases). These sites include the proposed transit station expansion in Kent being developed by Sound Transit and the Naden Street industrial development site being developed to support expanded retail and industrial functions for the City of Kent. Both sites, upon initial evaluation, can support all stated facility needs but may require different configurations based on site constraints.

The proposed facility will also need to integrate programming and resources that support small business users during scale and growth stages. The market analysis and research inputs clearly illustrated that there is a significant delta that small businesses must overcome between early-stage launch and start-up development and next-stage growth and scale. This delta is often referred to as the "Valley of Death" and is the term used to refer to the difficulty of covering the negative cash flow in the early stages of a startup before their new product or service is bringing in revenue from customers.[32] Conversations during the qualitative research phase highlighted that this is evident in the region and that small-business failure is seen locally when small businesses do not have quality support for continuation services, growth/scale training or assistance, financial or capital assistance, and support services related to buyer and procurement relationship development. If the facility can tap into its network of partners to support and offer these types of services and training programs, then it will increase the likelihood of success among users, which will, in the long-term, help to support the sustainability of the facility.

[32] Martin Zwilling, "10 Ways for Start-Ups to Survive the Valley of Death," *Forbes* (February 2013), www.forbes.com/sites/martinzwilling/2013/02/18/10-ways-for-startups-to-survive-the-valley-of-death/?sh=4cc37c1669ef.

Revenue-Generating Spaces and Uses of the Facility

The facility will generate revenue from usage across all its spaces and may be able to generate additional revenue from services and programming fees. These potential sources of revenue are illustrated in table 54 and detailed in upcoming sections.

Table 54: Revenue-Generating Spaces

Revenue Types	Relationship to Spaces	Relationship to Programs
Lease Rent (Long Term)	● Fare Start (anchor tenant) production space ● Independent production space ● Office space ● Retail space ● Structured as per-unit lease rates (per square foot or per space designation) associated with a set frame – i.e., annual, multi-year, or shorter term	N/A
Rental Fees (Short Term)	● Production and kitchen spaces ● Event, office, or retail spaces ● Structured as per unit fees associated with a set time frame – i.e., short term, pop-up use, hourly, monthly, etc.	N/A
Storage or Warehouse Fees	● Set cost fees associated with specific units of storage, warehouse space, or other specific resource spaces ● May be bundled with one of the two above fee or lease structures	N/A
Program Fees	● Programs can cross-populate production, kitchen, and event spaces to offer supporting services needed by small businesses and could also be bundled into fees associated with those spaces (*for example, a set fee could be bundled with kitchen access and storage for all small businesses using the space*)	Workforce, business development, and adult education related programming
Service or Support Function Fees	● Parking, loading dock access (or for above set usage limits), trash or utility percentage fees associated with other tenants of the facility and/or long-term or heavy access users	N/A

An important note is that the final operating design selected by the study group splits functionality of the space between Fare Start's needs as the anchor tenant (at about 45-50 percent of the space usage) and the public user needs across all space components. Equally, the financial model was designed around the facility's priority to provide access using both local market rates and subsidized rates (rental rates, square footage rate estimates, associated program fees, etc.) to benchmark what revenue could be expected to be generated by public users of the facility.

Fare Start, as the anchor tenant and primary facility operator, will also need to contribute to overall facility operating budgets with a lease that makes up the deficit between the revenues contributed by the public revenues and additional operational costs, which include:

- Payroll costs associated with labor needed to operate and oversee all the primary space components

- Utility costs for the facility
- Property taxes and insurance
- SG&A costs
- Debt financing costs (principal and interest)

Initial Models (Small, Medium, and Large)

The purpose of this section is to lay out the operational model options recommended by NVA for the development of the proposed facility. This will include an updated narrative description of the final hybrid model selected by the project partners, schematic designs, and complete financial projections including construction and startup costs.

Initially, three model options based on size (small, medium, and large) were proposed for consideration.

1) ***Small Model:*** This option was used as the base model. It retains all the primary function desired in the proposed facility but includes only those use cases that were identified by stakeholders and initial analysis to have wide support and interested users. This model represents the minimum to support stated functions—some functions are combined in spaces and some programming is reduced to lower costs and overhead. In the initial base model, Fare Start's spaces were kept separate in order to begin to understand where functional overlaps could be built in.
2) ***Medium Model:*** A scaled-up model that includes all use cases and facility components initially identified. Storage and warehouse space were expanded to support the additional production spaces, and all programming could be supported.
3) ***Large Model:*** This large-scale model integrates both additional growth space and supports a higher volume of users. These elements were built in to increase foot traffic and revenue streams through added programming and space that improve financial viability.

These initial three models were included in the charrettes held in late October to gain feedback from project stakeholders on size, space use, and overall facility budget. Based on that feedback and the identification of Fare Start as a primary anchor tenant, a series of conversations were held post-charrette with Fare Start and several other stakeholders who expressed interest in spaces as potential tenants, active community users, or program partners. Several conversations were also held with other facilities in the region to better understand the resources and spaces they provide to ensure that the final model developed is collaborative and not competitive to the local maker ecosystem.

The three size models were refined into one hybrid version that was more reflective of Fare Start's needs for independent production space and desire to integrate public usage needs into some additional shared spaces.

Revised Operating Model: Hybrid Model

A final hybrid model, informed by the project partners and Fare Start, was presented to stakeholders and the advisory committee in mid-November 2021. The model, detailed in table 55, reflects both private needs (Fare Start) and public needs (users, stakeholder community members) and integrates shared spaces, when possible, to maximize initial build investment and resource usage.

In the following sections, a detailed description of each space component of the hybrid model is provided, along with breakeven projections. Case histories were provided to the stakeholders and may be referenced; the full case histories are provided in the appendix (appendix 6).

For each component, considerations relevant to the two proposed sites have been identified. The final recommendations show that the facility could feasibly be sited in either of the two proposed locations.

Table 55: Hybrid Operating Model Outline

Space Component	Use Description	Size Considerations
Overview	▪ Model with dedicated space for all use cases and space components ▪ Full ability to integrate all desired programming ▪ Combination of allocated private production space for anchor tenant and other initial tenants and public-access spaces ▪ Some spaces are shared function (i.e., both Fare Start and public users would share these functions and access points)	50,230 square feet[33] ▪ 23,855 anchor tenant ▪ 26,375 – public space / shared spaces
Commercial Kitchen Space	▪ Production kitchen for food access and volume production, set-up with hot, prep, processing stations ▪ Demo kitchen for use for presentations, classes, or other public-facing functions ▪ Ability to convert for community (gathering) volume cooking needs ▪ Dedicated crop-processing space allocated ▪ Shared scullery space ▪ Configurable into 2 hot stations, 2 cold/prep stations, 1 processing station, 1 demo kitchen space	10,025 square feet ▪ 8,000 anchor tenant ▪ 2,025 public space
Production Space	▪ Food-safe production space with access to mechanized manufacturing lines (i.e., packaging line, IQF, bottling line, or similar) ▪ 3 production lines sized into space	8,300 square feet ▪ 5,000 anchor tenant ▪ 3,300 public space
Hub/ Warehouse Space	▪ Designated warehouse for incoming/out-going product holding (pallet-based storage and racking) ▪ Loading Docks (full size with levelers x 2, ground access x 1) ▪ Related equipment spaces to support functions	5,775 square feet ▪ 3,775 anchor tenant ▪ 2,000 public space
Storage Spaces	▪ Dry, refrigerated, and frozen storage spaces ▪ Pallet, shelf, and lockable cage storage options	12,600 square feet ▪ 6,600 anchor tenant ▪ 6,000 public space
Individual Production Spaces	▪ Leasable white box production space to be outfitted by tenant ▪ Configurable to support: 4 spaces at 250 sq. ft. and 6 spaces at 500 sq. ft. ▪ Spaces could be repurposed for additional retail space if there was higher demand.	5,000 square feet (all public space)
Retail Spaces	▪ Public-facing white box retail spaces to be outfitted by tenant	750 square feet (all public space)

[33] *Additional square footage for outside components (such as parking, truck lanes, and related outside support areas) is still to be determined based on final layout chosen and is not included in listed totals here.*

	▪ Pop-up, short-term, or long-term lease options ▪ Configurable to support 3 spaces (250 sq. ft.)	
Space Component	**Use Description**	**Size Considerations**
Event/Multi-Purpose Spaces	▪ Multi-functional space that can be configured to support multiple uses, including: ▪ Shared conference room (12 pp) ▪ Welfare/gathering space for users and staff (20 pp) ▪ Classroom or event Space ▪ Private meeting pods (2–3 pp per use)	2,350 square feet (all shared)
Office Space	▪ Private office spaces and co-working shared space ▪ 4 units of private office space (@100–125 sq. ft. each) ▪ 12–15 desks co-working space	1,380 square feet[34] ▪ 480 anchor tenant ▪ 900 public space
Support Spaces	▪ Building support spaces, including janitorial closet, mechanical room, public and private toilets, transit spaces, corridors	4,050 square feet (all shared)
Outdoor Support Spaces	▪ Function support space, including garbage, recycling, composting, external compactors, external generator holding, and potential solar or energy components	Square footage TBD (dependent on final site selection and function)
Outdoor Access & Parking Spaces	▪ 2 x full-size loading docks (with levelers) to support truck traffic of 5 trucks per day delivery (53-foot semi, 20–27-foot box) ▪ 1 x ground level access dock to support program vans, small box trucks, and standard vehicle traffic of 2–3 trucks per day ▪ Parking supports for approximately 75–90 cars per day (variable timing, higher volume in afternoon/evening)	Square footage TBD (dependent on final site selection and function)

Building Program

The building program is a tool that defines and describes each individual space within the facility, the activities that will occur there, and its approximate square footage. It also details the users of the space, physical and adjacency requirements, and technical specifications. NVA has expanded the development of the building program into an operational workbook that is completed with the client and includes outlines of the following information (the relevant worksheets of this workbook are included in appendix 5):

- ***Business Matrix,*** which details all space components and business functions within those spaces and identifies users and revenue drivers for all spaces. The matrix is an outline that is based on the Food Business Model Canvas, a tool used in business schools to help define and identify business needs
- ***Space Plan,*** which begins to design the space as a physical space and breaks down the uses within each space

[34] *Initial estimate of breakdown between anchor tenant and public space use of office space is based on estimated need by Fare Start. The final breakdown of space is still to be determined.*

- ***Technical Build-Out Tables,*** which begin to refine the technical elements of each of the spaces, including the detail of equipment, physical building technical specifications, and specific needs such as defining labor and other functions
- ***Building Program,*** a technical sheet that acts as the foundation for future architectural design and direction and contains accurate breakdowns of square footage
- ***Cost Model,*** the first step in creating an overall budget model for the project. This initial financial worksheet is a dynamic worksheet that allowed the core study team and relevant stakeholders to evaluate overall build budgets for various model sizes.

Hybrid Operating Model: Component Details

The proposed KVFEC will consist of several shared and dedicated spaces that will support the facility's viability and meet the needs of the broader Kent Valley community. In the sections below, each component is detailed to evaluate the following parameters:

- A description of the uses and program inputs
- An examination of the technical, logistical, and equipment-related considerations
- A description of the revenue potential and the drivers for revenue and cost assumptions built into the financial model
- A detail of the considerations impacting the overall facility being sited on the Sound Transit proposed station build-out.

The full facility would be operational 24 hours per day, 7 days per week, over 52 weeks per year. With this usage need – and to allow appropriate or designated access to all spaces – a security or key-card system with designated access areas will need to be integrated into final facility designs. Further, video cameras and related security measures will need to be incorporated into an overall facility plan to ensure that food safety, user safety, and community safety is protected.

Ideally, the full functions of the facility would be sited as a single facility on one level to allow for adjacencies of space and shared function. **It is important to note that the hybrid model, outlined below, has been designed to take advantage of synergies of co-location and related uses and that the accompanying financial model (and overall project budget) has been designed with these synergies (which take advantage of savings related to equipment, build-out, space usage, etc.) built into the model analysis and financial assumptions.**

However, the facility could be split into two buildings or across multiple floors as delineated below:

- ***Building 1 - Industrial Component Spaces:*** Includes kitchen spaces, production spaces, independent production spaces, warehouse space/loading docks, storage spaces, and external support spaces (garbage, recycling, generator pads, etc.) all sited in a single facility, preferably at ground level or at grade. Truck access (for all size trucks and program vehicles) would need to be available for three loading dock access points (two full size and one at grade).
- ***Building 2 – Public Facing Spaces:*** Includes retail space, office space, and event space that can each be sited independently or together in a second facility. Ideally, this second facility should be at ground level to maximize exposure to foot traffic and allow for easy public access into these spaces.
- ***Variables (All Components):*** The following space components have multiple options in terms of their final location within the two buildings detailed above –
    - ***Demonstration Kitchen*** – Ideally the demo kitchen should be sited near the other kitchen components to maximize usage and build-out resources. However, it should still have the ability to

allow public access (community members, user clients, guests) into the space during its use and thus could be independently sited away from the industrial components.

- ***Independent Production Spaces*** – Independent production spaces could be utilized as additional retail space if they were co-located within that space. If they are located within the industrial functions, this re-purpose of space option would be negated.
- ***Office Space/Event Space*** – Both the office and event spaces do not require ground-level siting. As space allows, either of these could be sited on an above-ground floor adjacent to other uses (i.e., second floor, top floor, etc.).

Moving these space components to a nearby building, floor, or alternative site or space will remove the flexibility built into the hybrid model, which was designed to allow room for growth, alternative usage options to offset light usage or lack of support for a specific space, and the ability to allow additional access points for community groups or stakeholders.

The hybrid model and its related financial model are dynamic models that have been designed to allow for adaptation as this development process continues. However, these adaptations or changes may eliminate options of use as laid out in the language of each space component below.

Bubble Diagrams of Hybrid Operating Model

NVA created three facility layouts that reflect the hybrid operating model design outlined below and are responsive to the needs of the two proposed sites. Snapshots of these bubble diagrams are included below; full versions are included in the appendix (appendix 7).

Please note, these concept renderings are being provided to illustrate the space concept and are not fully detailed for access, compliance, or full-scale usage at this time. Layout and full-compliance access considerations, such as hallways, stairs, elevator shaft area, doorways, lobbies, reception portals, vestibules, and common restroom facilities have been considered in the general and total-square-footage allocations for the build-out.

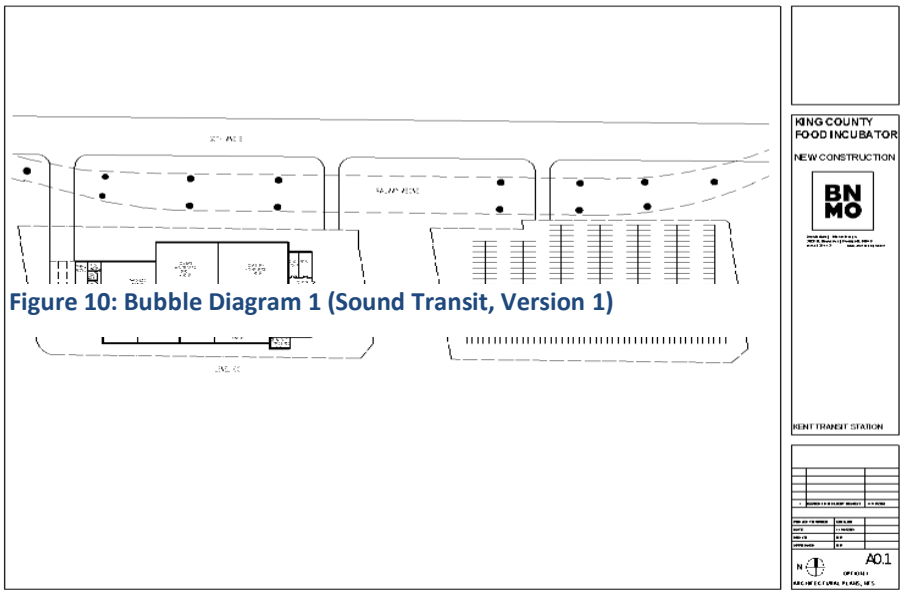
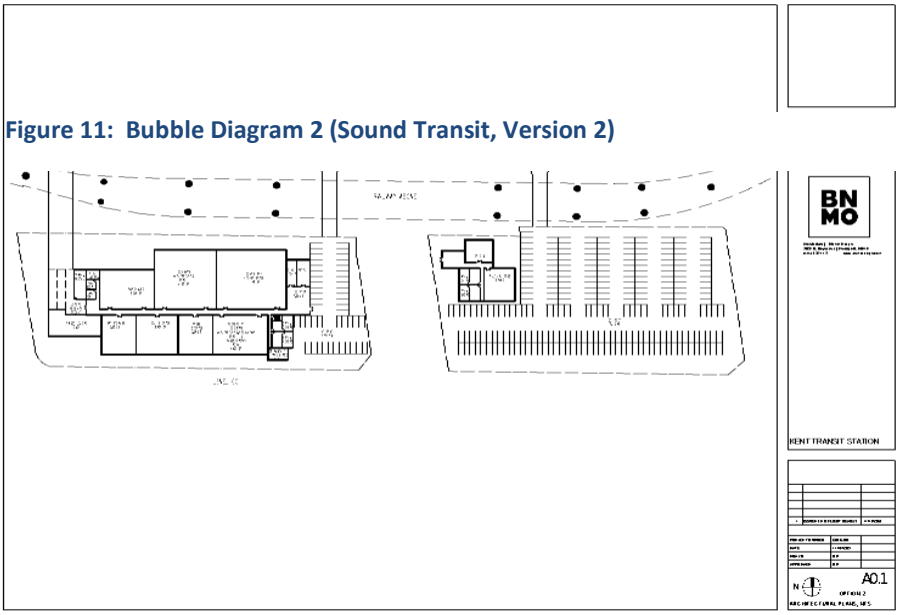


Figure 10: Bubble Diagram 1 (Sound Transit, Version 1)

Bubble Diagram Version 1 – Sound Transit Site (Single Building)

The first diagram (figure 10) is a single-building, single-level layout that fits onto one of the two proposed locations available at the Sound Transit proposed transit station location. The single building would be at ground level and offer all space components in one facility, with limited parking adjacent.

Figure 11: Bubble Diagram 2 (Sound Transit, Version 2)

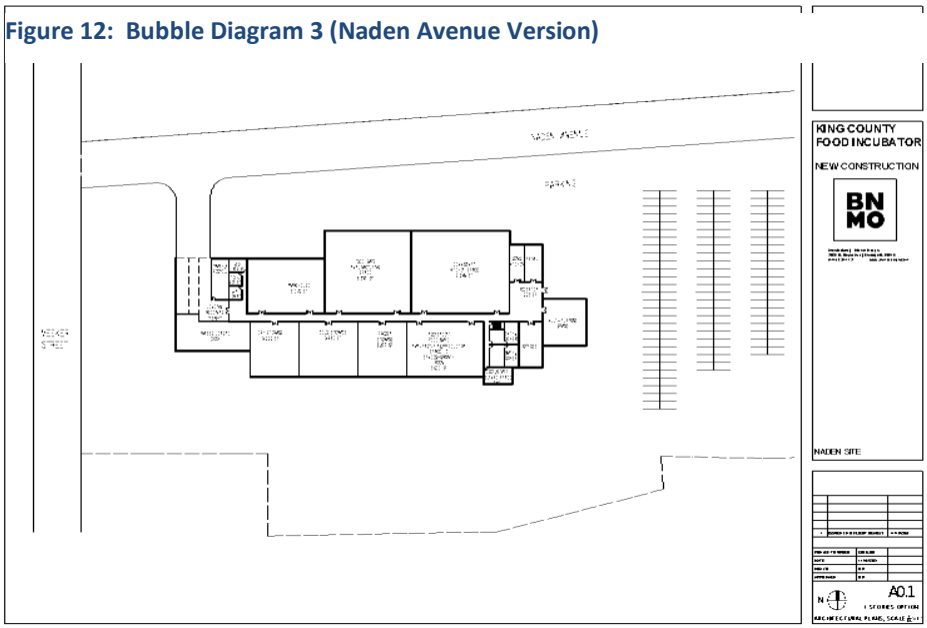


Bubble Diagram Version 2 – Sound Transit Site (Multiple Buildings)

The second version (figure 11) is an alternate layout that spreads facility components across two or more buildings on the two proposed locations available at the Sound Transit station location. The larger building housing the primary production space and industrial functions would be at ground level and offer these space components in one facility, with limited parking adjacent.

The event, retail, and office spaces are grouped in a second facility and could be in an adjacent building or on higher-level floors of the same or adjacent buildings. It is recommended that these spaces still have walkable access back to the functional spaces in the primary building to allow users and staff access to all functions of the facility(s). Parking would be split between both lots and could also be further reduced to support additional retail, housing, or alternate uses on one or both lots.

Figure 12: Bubble Diagram 3 (Naden Avenue Version)



Bubble Diagram Version 3 – Naden Avenue Industrial Site (Single Building)

The final diagram (figure 12) is a single-building, single-level layout that fits onto the proposed development at the Naden Avenue industrial site. The single building would be at ground level and offer all space components in one facility, with parking adjacent.

Commercial Kitchen Space

The commercial kitchen space will be a state-of-the art technical production space focused on large-scale, high-volume production by both the anchor tenant and public users. The users of the kitchen spaces will include both anchor tenant staff and clients (Fare Start) and public users (stakeholder members/graduates, public community members, small businesses, and entrepreneurs).

Programmatic plug-ins for the kitchen spaces will focus primarily on skill-based workforce training. This training will be a part of the anchor tenant's (Fare Start) workforce development programming. Training on co-packing/manufacturing line equipment, job-based skills around logistics and co-manufacturing, and skills training around high-volume production could all be offered by partners to users of the kitchen space.

The kitchen space will need to be designed to accommodate four primary use groups each with a designated area. Multiple configurations are possible and should be considered in the final design.

Table 56: Kitchen Space Component Technical Specifications

Use Group	Use Description	Square Ft. Allocation	Technical & Space Considerations
Anchor Tenant (Fare Start) Kitchen Space	Fare Start will require autonomous space outfitted with high-volume commissary kitchen equipment to allow to produce food access meals (frozen and ready to eat), prepared food items, and processed and/or frozen fruit and vegetable production (i.e., chopped, cleaned fruit and vegetables for use at area schools, pantries, and related users). The space has been sized to support total annual meal counts and food pounds required by Fare Start, which will require staff spacing for approximately 50 pp during production times.	8,000 sq. ft.	• Ansel and steam hoods (no specialized) to cover equipment (40+ feet of run combined) and related ducting to exterior joint control for all hoods (roof) • Standard height ceilings (min 12-15 ft) • HVAC sized to control for temperature (heat/cool) and humidity of environment with related ducting to exterior • All surfaces commercial grade for food handling and bacterial management (food-safe, smooth, cleanable surfaces) • Floor drains, equipment drains, and hose-down floor slope incorporated into design (count TBD) • Commercial sinks (1, 2-bay, and hand sinks as code designated, approximately 6-10 total) • 3-phase electrical build for equipment needs (high volume, high demand) • High volume, high demand for gas connections (with shut-off related to Ansel system and back-flow regulators integrated into design) • If above grade, reinforced floor for total equipment weight (high)
Commissary (Public Use) Kitchen Space	Shared space designated for high-volume production for CPG, culinary/catering, or food access organizations. Equipment and design include the ability to segment the space for up to four (4) simultaneous users (1-4 employees/staff each) or a smaller number of	1,425 sq. ft.	• Ansel and steam hoods (no specialized) to cover equipment (12+ feet of run combined) and related ducting to exterior joint control for all hoods (roof) • Standard height ceilings (min 12-15 ft) • HVAC sized to control for temperature (heat/cool) and humidity of environment with related ducting to exterior • All surfaces commercial grade for food handling and bacterial management (food-safe, smooth, cleanable surfaces)

Use Group	Use Description	Square Ft. Allocation	Technical & Space Considerations
	higher-volume users using full space. Space allocation includes scullery station with 3-bay sink, pass-through dishwasher set-up, and space to support two (2) staff for all kitchen functions (all user groups).		• Floor drains, equipment drains, and hose-down floor slope incorporated into design (count TBD) • Commercial sinks (1, 2-bay, and hand sinks as code designated, approximately 6 total) • 3-phase electrical build for equipment needs (high volume, high demand) • High volume, high demand for gas connections (with shut-off related to Ansel system and back-flow regulators integrated into design) • If above grade, reinforced floor for total equipment weight (high)
Crop/Produce Processing Space	Shared-use space designated for the cleaning, sorting, and prep related to field crops. Equipment and design sizes the space for one user (1-2 employees/staff) using the full space.	100 sq. ft.	• No hoods • Standard height ceilings (min 12-15 ft) • HVAC sized to control for temperature (heat/cool) and humidity of environment with related ducting to exterior • All surfaces commercial grade for food handling and bacterial management (food-safe, smooth, cleanable surfaces) • Floor drains, equipment drains, and hose-down floor slope incorporated into design (count TBD) • Commercial sinks (2-bay, and hand sinks as code designated, 2 in space total) • Standard electrical demand • No gas connections in space • Standard load for floor
Demo Kitchen Space	Shared-use, public-facing space designated for presentations, demonstrations, or cooking classes for users/community members with integrated technology supports (recording, sound support, demonstration screens). Equipment and design sizes the space for one user (1-2 employees/staff) using the full space and approximately 6-12 guests.	500 sq. ft.	• Low-sound Ansel system hood (5 ft maximum run) • Standard height ceilings (min 12 ft) • HVAC sized to control for temperature (heat/cool) and humidity of environment with related ducting to exterior • All surfaces commercial grade for food handling and bacterial management (food-safe, smooth, cleanable surfaces) • Standard floors (tiled) • Commercial sinks (1-bay, and hand sinks as code designated, 2 in space total) • Standard electrical demand • Standard gas demand • Standard load for floor
TOTALS		**10,025 sq. ft.**	

The kitchen spaces will be a primary revenue driver for the building. Revenue will be generated from the anchor tenant's lease and hourly, monthly, or bundled rentals of the other three kitchen spaces. In the market analysis, survey respondents expressed interest in receiving a set bundled price for kitchen access, storage, and related support fees (utility demand, loading dock access, parking, etc.).

- ***Lease Revenue*** – An annual or multi-year lease for the anchor tenant's (Fare Start) use of their dedicated space at market rates.
- ***Rental Rate Revenue (Market Rates)*** - Pricing rates for the public space components (commissary kitchen space, processing space, and demo kitchen space) were configured to reflect market rates—approximately $20 per hour hot line, $15 per hour cold line, and $10 per hour processing space. The demo kitchen would rent for a market rate of $100 for a usage of approximately 2-4 hours.
- ***Rental Rate Revenue (Subsidized Rates)*** – A percentage of the user base will also be intermixed with those supporting subsidized or no-cost access rates based on commitments to the stakeholder groups and community groups involved in the project. For example, it is assumed, in setting capacity for this component, that 10–15 percent of the time clients of community and stakeholder groups may be using the space at discounted rates or no-cost access for community groups cooking for a benefit or placemaking event.
- ***Capacity Assumptions -*** The financial model assumes that the facility would be open and accessible to users 24 hours per day, 7 days per week, 52 weeks per year (100 percent capacity). To allow for this access, which supports users that have alternate jobs (day jobs) or are looking for production patterns to support specialty needs (i.e., overnight baking to support morning delivery demands), a security card system or key-card system to allow designated access for the facility and security cameras to monitor users would be recommended for the site.
- ***Breakeven Capacity*** - The public commercial/demo kitchen and production components were combined in the financial model and have an assumed capacity usage of 45–55 percent in the first three years, nearly breaks even by the end of year 3, and generates a profit in the forecast thereafter. Net profit in year 4 is $76,000 and in year 5 is $177,000.
- ***Cost Assumptions*** - The kitchen spaces have been allocated approximately 28 percent of the operational burden of the overall facility lease (based on their revenue potential and overall percentage of space). This lease rate includes the space component's portion of utilities, labor needs associated with overall building upkeep, and a portion of overall building SG&A. A dedicated kitchen manager will be required to oversee booking, operation, and upkeep of the space during primary business hours (5 days per week). A salary of $65,000 per year (includes tax and benefits) was allocated for this role and assumed as a cost for this component.

In terms of logistics within the overall facility layout, the kitchens should be sited near the production space, storage spaces, and warehouse spaces if possible. All corridors connecting the kitchen and these spaces will need to be food safe—meaning users will need to wear hair nets and appropriate attire—or else appropriate measures will need to be taken to package and secure food items before transiting to other spaces.

Impacts on the proposed site locations relating to the build and development are considerations about noise, ducting, and the load bearing required for the construction of this space. The considerations are detailed in table 57.

Table 57: Kitchen Space Component Site Considerations

Site Considerations	Naden Site Implications	Transit Site Implications
Ducting for Ansel/steam hoods will need to run to an external point with full access for repair and cleaning, typically an accessible rooftop location.	• Additional cost considerations for extensive duct runs	• Additional cost considerations for extensive duct runs • Sound/vibration considerations related to hood run noise (during all operating hours) for tenants or resident units
HVAC will need to be appropriately sized to control for temperature (heat/cool) and humidity of environment. And ducting will need to be run to an external access point (as delineated in the hood section above).	• Additional cost considerations for extensive duct runs • Additional cost for integration of humidity control	• Additional cost considerations for extensive duct runs • Sound/vibration considerations during high-use periods (fans/motors) for tenants or resident units • Additional cost for integration of humidity control
Kitchen and production spaces (and segments of warehouse) will need to be outfitted with floor drains, equipment drains, and/or concrete or related surface floors that can be hosed down (with the appropriate floor slope incorporated into design) for easy cleaning.	• Planned integration into design is standard for commercial builds	• Planned integration into design is standard for commercial builds
Sewage and waste access piping needs to be appropriately sized to handle flow from equipment drains for high-volume drainage and emergency use.	• Planned integration into design is standard for commercial builds	• Planned integration into design is standard for commercial builds
High-volume equipment will require 3-phase connections and have high-demand pulls during peak usage operational times.	• Additional service to site during build and development	• Additional service to site during build and development
Gas demand will be high for the commercial kitchen component and will require appropriate regulators and shut-off builds integrated into the line and hood operating systems.	• Planned integration into design is standard for commercial builds	• Planned integration into design is standard for commercial builds • Gas company assessment for demand against commercial and residential users
Equipment total tonnage may be higher than normal for both kitchen and production spaces depending on final equipment chosen.	• Planned integration into design is standard for commercial builds	• Equipment tonnage may require reinforced floor joists to offset load depending on final site layout and location of component spaces

Production Space

The production space will allow for small and medium-scale food manufacturing and processing to occur within the facility. The primary function of the production space is to provide food-safe space in which mechanized, or partially mechanized, manufacturing lines can be run to allow both private and public users to manufacture or package food products at high-volume scale.

The anchor tenant, Fare Start, will use their allocated space for high-volume packaging of prepared meals and processed foods. Their space may include a packaging line, IQF (individually quick freezing) line, or related manufacturing lines to support these functions. The public spaces have been sized to accommodate two to three initial manufacturing lines that will be chosen based on final demand from users. Based on survey input and interview input the leading options are a packaging line, bottling line, liquid extruder set-up, IQF line, or dehydration station. The users of the public space will be primarily CPG companies looking to develop scale for distribution.

Programming related to the production space will be primarily focused on workforce development but should take the following into consideration:

- The operations of the anchor tenant (Fare Start) in their primary production spaces will integrate workforce development programming designed to teach production, warehouse/logistics, and manufacturing skills that would be useful across food-related industries.
- With the skills programming being designed by Fare Start and the complexity of operational need for many of the proposed manufacturing equipment lines, it may be advisable that Fare Start handle the operation of the manufacturing lines in the public spaces, offering these runs at a price that includes labor and final product run time. This will promote training of their client base and allow public users to have skilled operation of the equipment.
- Alternatively, if Fare Start does not offer this as a service, skilled labor that can support the function of the manufacturing lines in the public spaces and training for public users would need to be incorporated into program offerings to make this space usable and safely functional.

The production space will need to be designed to accommodate manufacturing equipment with two different primary user groups as detailed in table 58.

Table 58: Production Space Component Technical Specifications

Use Group	Use Description	Square Ft Allocation	Technical & Space Considerations
Anchor Tenant (Fare Start) Production Space	Fare Start will require autonomous space outfitted with manufacturing lines that allow for the finish and packaging of prepared meals, frozen meals, and processed food products. This may include: ● IQF lines ● Packaging lines ● Bottling or liquid fill lines The space has been sized to accommodate equipment plus approximately 12–15 production staff during peak times.	5,000 sq. ft.	● Extended height ceilings (min 18–20 ft.) ● Standard HVAC for cooling/heating control ● All surfaces commercial grade for food handling and bacterial management (food-safe, smooth, cleanable surfaces) ● Floor drains, equipment drains, and hose-down floor slope incorporated into design (count TBD) ● Commercial sinks (1, 2-bay, and hand sinks as code designated, approximately 3–4 in space total) ● 3-phase electrical build for equipment needs (high volume, high demand) ● If above grade, reinforced floor for total equipment weight (high)

Use Group	Use Description	Square Ft Allocation	Technical & Space Considerations
Public Use Production Space	Shared space outfitted with manufacturing lines that allow for CPG production and packaging at volume. This may include: ● IQF lines ● Packaging lines ● Bottling or liquid fill lines ● Canner/retort or pasteurizer ● Dehydration equipment ● Basic wet-fill or dry-bar production lines The space can accommodate 2–3 manufacturing lines (depending on final selections) that can support 1 company per 8 hours of run, or 3 company runs per day.	3,300 sq. ft.	● Standard steam hood may be required for specific equipment pieces (retorts) with external ducting ● Extended height ceilings (min 18–20 ft) ● Standard HVAC for cooling/heating control. ● All surfaces commercial grade for food handling and bacterial management (food-safe, smooth, cleanable surfaces) ● Floor drains, equipment drains, and hose-down floor slope incorporated into design (count TBD) ● Commercial sinks (1, 2-bay, and hand sinks as code designated, approximately 3–4 in space total) ● 3-phase electrical build for equipment needs (high volume, high demand) ● High volume, high demand for gas connections (with shut-off related to Ansel system and back-flow regulators integrated into design) ● If above grade, reinforced floor for total equipment weight (high)
TOTALS		**8,300 sq. ft.**	

The production space will be a primary revenue driver for the building. Revenue will be based on both lease revenue derived from the anchor tenant's allocated space and rental revenue derived from hourly, monthly, or bundled usage of the other three kitchen spaces.

To devise a fair market rate for public use of the manufacturing line equipment and space, several assumptions/costs need to be built into that rate, which include:

- ***Prototype Time and Materials*** – A minimum of 3–5 hours per product will need to be built in for prototyping and setting up the product on specific equipment lines (such as wet fill, dry bar, high pressure processing, etc.). For the financial model, a 5-hour prototype fee of $150 per hour was assumed to offset this time, material costs, and labor costs.
- ***Labor Costs*** – Most of the equipment pieces in the production space will be sophisticated manufacturing equipment that will either need to be operated by skilled labor or offer training for public users with labor allocated for assistance and oversight during run times. For the financial model, a labor fee of $23 per hour was matched for each hour of run time to allocate for one individual to serve in this role.
- ***Run Times*** – A standard run time on most of the equipment pieces specified for the production space will require 6–8 hours to produce 1–4 pallets of product depending on the skill of the operator and other factors (correct formula/product specifications, adequate prototyping, etc.). For the financial model, an 8-hour run time (or one run per day) was built into the assumptions at a rate of $80 per hour for peak usage hours (8 am – 8 pm).
- ***Run Breakeven*** – Based on an analysis of the cost of run times and associated fees, most public users will need to complete 6-8 "runs" of their product in a calendar year to break even on the prototyping investment into the manufacturing lines.

All these assumptions were built into the financial model to reflect lease rate revenue and rental rate revenue and to determine capacity needs for the production space component to break even. The largest single factor involved in this space component breaking even is the investment into the equipment, which is being offset by public investment from King County and the City of Kent and integrated into the overall lease burden assigned to all components.

- ***Lease Revenue*** – An annual or multi-year lease for the anchor tenant's (Fare Start) use of their dedicated space at market rates.
- ***Rental Rate Revenue (Market Rates)*** – Pricing rates for the public production space component integrated all the costs detailed in the section above, producing a market rate of $1,574 for a single run (includes prototype fee, labor costs, and total run of 8 hours).
- ***Rental Rate Revenue (Subsidized Rates)*** – An assumption has been built into the financial model that a percentage of users would be able to support market rates, intermixed with users at subsidized or no-cost access rates based on commitments to the stakeholder groups and community groups involved in the project.
- ***Capacity Assumptions*** – The financial model assumes that the facility would be open and accessible to potential users 24 hours per day (allowing 3 runs per day), 7 days per week, 52 weeks per year (100 percent capacity). To allow for this access, which supports users that have alternate jobs (day jobs) or are looking for production patterns to support specialty needs (i.e., overnight baking to support morning delivery demands), a security card system or key-card system to allow designated access for the facility and security cameras to monitor users would be recommended for the site.
- ***Breakeven Capacity*** – The public commercial kitchen components and production space components were combined in the financial model. With an assumed capacity usage of 45–50 percent in the first two years across both spaces, they would be able to break even and generate a profit by year 2. This would generate approximately $80,000 in revenue in year 2.
- ***Cost Assumptions*** – The production spaces have been allocated approximately 28 percent of the operational burden of the overall facility lease (based on their revenue potential and overall percentage of space). This lease rate includes the space component's portion of utilities, labor associated with overall building upkeep, and a portion of overall building SG&A. Three part-time (30 hours a week) production staff were built into costs for this space to oversee its operation, upkeep, and equipment during primary business hours (5 days per week).

In terms of logistics within the overall facility layout, production space should be sited near storage, warehouse, and kitchen spaces if possible. All corridors connecting production to these spaces will need to be food safe—meaning users will need to wear hair nets and appropriate attire—or else appropriate measures will need to be taken to package and secure food items before transiting to other spaces.

Impacts on the proposed site locations are considerations about noise, ducting, and the load bearing required for the construction of this space. The considerations are detailed in table 59.

Table 59: Production Space Component Site Considerations

Site Considerations	Naden Site Implications	Transit Site Implications
Ducting for steam hoods (depending on final equipment mix chosen) will need to run to an external point with full access for repair and cleaning, typically an accessible roof-top location.	• Additional cost considerations for extensive duct runs	• Additional cost considerations for extensive duct runs • Sound/vibration considerations related to hood run noise (during all operating hours) for residential units on site
HVAC will need to be appropriately sized to control for temperature (heat/cool) and humidity of environment. And ducting will need to be run to an external access point (as delineated in the hood section above).	• Additional cost considerations for extensive duct runs	• Additional cost considerations for extensive duct runs • Sound/vibration considerations related to hood run noise (during all operating hours) for residential units on site
Production spaces will need to be outfitted with floor drains, equipment drains, and/or concrete or related surface floors that can be hosed down (with the appropriate floor slope incorporated into design) for easy cleaning.	• Planned integration into design is standard for commercial builds	• Planned integration into design is standard for commercial builds
Sewage and waste access piping needs to be appropriately sized to handle flow from equipment drains for high-volume drainage and emergency use.	• Planned integration into design is standard for commercial builds	• Planned integration into design is standard for commercial builds
For appropriate clearance around certain manufacturing lines, a high-bay room height would need to be integrated into the design plan.	• Planned integration into design is standard for commercial builds	• Planned integration into design – may impact where this space can be sited depending on final layout (and uses of space on upper floors sited above)
High-volume equipment will require 3-phase connections and have high-demand pulls during peak usage operational times.	• Additional service to site during build and development	• Additional service to site during build and development
Gas demand will be high for the commercial kitchen component and will require appropriate regulators and shut-off builds integrated into the line and hood operating systems.	• Planned integration into design is standard for commercial builds	• Planned integration into design is standard for commercial builds • Gas company assessment for demand against commercial and residential users
Equipment total tonnage may be higher than normal for both kitchen and production spaces depending on final equipment chosen. [35]	• Planned integration into design is standard for commercial builds	• Equipment tonnage may require reinforced floor joists to offset load depending on final site layout and location of component spaces

[35] If a full-size IQF (individual quick freezing) or HPP (high pressure processing) line is integrated into the design, the floor will require significant reinforcement to offset these loads.

Warehouse and Storage Spaces

The warehouse and storage spaces are support spaces that may be used by all facility users (private tenants, public users) to support the functions of other space components.

Programmatic plug-ins relate mainly to the warehouse components, which will be primarily focused on skill-based workforce training, such as the training that will be a part of the anchor tenant's (Fare Start) workforce development programming including job-based skills training around logistics and warehousing.

These support spaces will need to allocate appropriate space for the functions detailed in table 60. Storage space is the most frequently cited component that facilities undersize and run out of quickly, especially if they have high usage and demand. Further, survey respondents reinforced the need for warehouse and cold storage in their responses.

Table 60: Warehouse/Storage Space Components Technical Specifications

Use Group	Use Description	Square Ft Allocation	Technical & Space Considerations
Warehouse Space (Includes loading docks)	The warehouse space for both private and public uses has been designed primarily for the holding of pallets of incoming materials/supplies and outgoing finished product. All warehouse space was sized against the assumption of approximately 200 pallets of product transiting the space per month, with approximately 100–120 pallets holding in place in the warehouse. The warehouse sizing also incorporates internal turn-around space for equipment to move among racking and 3 loading dock sites (2 full size with levelers, 1 ground level).	5,775 sq. ft.	• Extended height ceilings (min. 20 ft.) • Monitoring for temperature and humidity for product holding • Commercial sinks (hand sinks as code designated, approximately 1–3 in space total) • If above grade, reinforced floor for total equipment weight and product loads (high) • Traffic considerations for truck, program vans, and user vehicles transiting to loading areas during all production times (volume of traffic, under facility loading access, and noise/pollution considerations)
Storage Spaces	Storage integrates dry, refrigerated (walk-in), and frozen (walk-in) holding for in-process, raw, or finished product. To this end, storage was sized to accommodate pallet, standard shelving, and lockable FSMA approved individual shelfing cages. [36] The warehouse sizing assumes the holding of @100–150 pallets (or comparable smaller sized goods) across all three types of storage.	12,600 sq. ft.	• Extended height ceilings (min. 18–20 ft.) • Monitoring for temperature and holding for product holding. • Walk-in boxes will require external or well-ventilated siting for compressor and fan units. • 3-phase electrical build for equipment needs (high volume, high demand)

[36] The federal Food Safety Modernization Act (FSMA) was updated in 2019 to reflect new standards for storage in shared facilities and food manufacturing facilities to ensure autonomy and secure storage of product and to prevent contamination of foodstuffs that will be entering the public food streams.

			● If above grade, reinforced floor for total equipment weight and product loads (high)
TOTALS		**18,375 sq. ft.**	

The warehouse and storage space components, while integral to the overall building's needs and value, do not generate significant revenue. Frequently, the fees that generate nominal income for these space components are wrapped into total pricing against other spaces (i.e., kitchen space, production space, or retail space). Users of the storage and warehouse spaces will be both private tenants and public users and most frequently associated with usage of the kitchen, production, and retail space components.

The financial model was built using the following assumptions regarding rates for these spaces:

- ***Lease Revenue*** – An annual or multi-year lease for the anchor tenant's (Fare Start) use of their dedicated storage and warehousing spaces at market rates.
- ***Rental Rate Revenue (Market Rates)*** – Pricing for public users to store product in the warehouse or storage spaces would be set according to type and amount of storage. To ensure all storage space and upkeep is adequate, pricing would be at market rates.
    - ***Pallet Based Storage***: Pallet storage would be priced at $45 per month per pallet for dry or warehouse storage and $55 per month per pallet for refrigerated or frozen storage.
    - ***Shelf Based Storage***: Secure shelf storage (shared racking) would be priced at $25 per month per standard (24"x 48") shelf for dry or warehouse storage and $30 per month per standard shelf for refrigerated or frozen storage.
    - ***Cage Based Storage***: A FSMA-approved, secure, lockable storage cage (typically on wheels) would be priced at $60 per cage per month for all storage types.
- ***Additional Fees*** – If the facility reaches full capacity over time (or nearly, at approximately 80–85 percent total usage and capacity), the primary facility operator may need to incorporate additional fees to control traffic and volume coming into the facility, such as:
    - ***Delivery/Dock Charges*** – a flat fee for all deliveries above a specific cap based on total delivery load size
    - ***Equipment or Odd Size Storage Charges*** – a flat fee for all equipment or odd-size loads that need to be stored and may take up floor square footage or have additional needs (such as electrical or temperature needs)
    - ***Cross Docking Charges*** – the facility has not been designed to support cross-docking, but if this service was in demand and space allowed to support its needs, a pricing structure for turnaround storage would need to be devised.
- ***Capacity Assumptions*** – The financial model builds storage capacity based on total available square footage space (i.e., total amount of pallets, shelves, and cages that can be accommodated across all spaces).
- ***Breakeven Capacity*** – The warehouse, at approximately 50–55 percent capacity, will break even and eventually (in years 3–5 of operation) generate a nominal profit. The storage spaces, *although vital to operations*, will not break even until at capacity (which is not assumed to be met in years 1–5), and thus an operational deficit of $30,000–$50,000 per year will need to be rolled into overall operational costs or offset by other components.
- ***Cost Assumptions*** – The warehouse and storage spaces have been allocated approximately 2 percent of the operational burden of the overall facility lease (based on their very limited revenue potential). This lease rate includes the space component's portion of utilities, labor needs associated with overall building

upkeep, and a portion of overall building SG&A. No additional labor or costs were allocated against these spaces.

In terms of logistics within the overall facility layout, the warehouse and storage spaces must be sited near the loading dock access point or, in terms of the multi-level transit site, near the commercial utility elevator that will service those areas.

Impacts on the proposed site locations involve floor load (holding volumes for equipment and product) and traffic considerations for the loading dock. The considerations are detailed in table 61.

Table 61: Warehouse/Storage Space Components Site Considerations

Site Considerations	Naden Site Implications	Transit Site Implications
For appropriate clearance around pallet shelving and fork-lift access to high shelves, a high-bay room height would need to be integrated into the design plan.	• Planned integration into design is standard for commercial builds	• Planned integration into design – may impact where this space can be sited depending on final layout (and uses of space on upper floors sited above)
The demand against electrical when compressors and fans in walk-in refrigerator and freezer units cycle on for cooling will have high-demand pulls during peak usage operational times.	• Additional service to site during build and development	• Additional service to site during build and development
Shelving, product, and equipment total tonnage may be higher than normal for both kitchen and production spaces depending on final equipment chosen.	• Planned integration into design is standard for commercial builds	• Equipment tonnage may require reinforced floor joists to offset load depending on final site layout and location of component spaces
The facility requires 2 full size loading docks (with levelers) to accommodate all truck types (up to 56' semi) and 1 ground-level loading dock for program vans and small vehicles sited at ground level. Space will need to be allocated to accommodate access to the docks, which means allowing for an appropriate turn radius for trucks to back up into the dock sites or for trucks to pull through this space post-load/unload.	• Appropriate space for turn-around or pull-through for all truck types • Short-term parking for small trucks and program vans (user or delivery access)	• Appropriate space for turn-around or pull-through for all truck types • Short-term parking for small trucks and program vans (user or delivery access) • Noise remediation for beeping, truck noise during off-hour deliveries (early morning) for impact on residential units on site • Pollution remediation for truck emissions for impact on residential units on site

Independent Production Spaces

Independent production spaces have been integrated into the design to allow small businesses and entrepreneurs to graduate from shared space facilities into their own small-scale production space. In connection with the

expressed goals of the facility, these component spaces will aim to bridge the gap for small businesses that have grown too large for shared space or are looking to establish their own operational space prior to building their own facility. The independent production spaces also offer established food businesses, organizations, and service-based businesses an opportunity to co-locate within a facility where innovation and production are key to day-to-day operations and give these businesses direct access to entrepreneurs.

The independent production spaces will provide food-safe, white box space in which users can outfit the space with their own equipment and production needs to manufacture, market, or package food products at scale. Users would still have full access to the rest of the building's spaces and support services.

Ten (10) private production spaces have been integrated into the design. Four (4) small at 250 square feet and six (6) large at 500 square feet. All spaces would be white box with connections for gas, electric, water, and ducting needed to support production, and all FF&E (furniture, fixtures, and equipment) would be the responsibility of the tenant. These spaces would be available for lease terms set by the primary operator but could be short term (pop-up) or annual or longer-term leases.

Survey respondents and interviewees expressed limited interest in the independent production spaces, so the final facility design could integrate the ability to re-purpose this square footage as additional retail, production, or event/office space as usage demands are understood. As discussed previously (*Hybrid Operating Model – Components Spaces Overview*), if the building is split to accommodate two facilities at a site/location, then this ability to re-purpose the space would only apply to adjacent functions (i.e., if sited with the industrial components it could offer additional production value, with the event space it could offer additional event space, etc.).

Programming related to business growth, scale, marketing, or other principal needs should be integrated into the overall facility plans to support businesses in these independent production spaces. Programming of this type is addressed in the event space section below.

The independent production spaces will need to be designed to accommodate an assortment of user types—manufacturers, marketers, producers, growers, packagers, service-based businesses, and so on.

Table 62: Independent Production Space Component Technical Specifications

Use Group	Use Description	Square Ft Allocation	Technical & Space Considerations
Independent Production Spaces	Ten (10) independent production spaces with white box finish (connections only) will offer users the opportunity outfit spaces to their own specifications and needs (FF&E, etc.) ● Four (4) x 250 sq. ft. spaces ● Six (6) x 500 sq. ft. spaces	5,000 sq. ft.	● Standard height ceilings (min. 12–15 ft.) ● Standard connection points for electrical, gas, ducting, and related production hook-ups ● All surfaces commercial grade for food handling and bacterial management (food-safe, smooth, cleanable surfaces) ● Floor drains, equipment drains, and hose-down floor slope incorporated into design (count TBD) ● 3-phase electrical build for equipment needs (high volume, high demand)
TOTALS		**5,000 sq. ft.**	

The independent production spaces will contribute revenue to the facility via short- or long-term lease structures. However, it is assumed that this facility and these spaces are being built and designed to support stakeholder programs' graduates and community members looking to build scale into their food businesses. With this consideration in mind, some leases should be kept at a very low or below-market rates to support access to these designated community members and may need to be structured without penalties regarding short-term length.

The financial model was built with market rates and subsidized rates built in.

- ***Lease Revenue (Market Rates)*** – Pricing rates for the individual production space components were set at $2.40 per square foot for market rate leases.
- ***Rental Rate Revenue (Subsidized Rates)*** – An assumption has been built into the financial model that a percentage of users would be able to support market rates, intermixed with users at subsidized or no-cost access rates based on commitments to the stakeholder groups and community groups involved in the project.
- ***Capacity Assumptions*** – The financial model assumes that the facility would aim to rent all ten spaces for annual full-year leases (100 percent capacity).
- ***Breakeven Capacity*** – The independent production spaces would need to be at least 75–80 percent leased for full-year leases to break even with the associated operational costs. Based on lower capacity assumptions of 45–65 percent in the first five years, this component is not expected to contribute revenue to the overall financial operations in that time and will burden the overall facility operational budget with a loss of $30,000–$50,000 per year in the first five years if the spaces are unleased or the space is not allocated for other uses.
- ***Cost Assumptions*** – The production spaces have been allocated approximately 6 percent of the operational burden of the overall facility lease (based on their revenue potential and overall percentage of space). This lease rate includes the space component's portion of utilities, labor needs associated with overall building upkeep, and a portion of overall building SG&A. No additional operational costs were placed against this component.

In terms of logistics within the overall facility layout, if the independent production spaces will be focused primarily on manufacturing and production use, then they should be sited near the storage, warehouse, and kitchen spaces if possible. All corridors connecting these production spaces and the support spaces will need to be food safe—meaning users will need to wear hair nets and appropriate attire—or else appropriate measures will need to be taken to package and secure food items before transiting to other spaces. However, this space could be sited near the public-facing retail or event spaces so that unleased spaces could be integrated to support those needs as well.

In terms of the proposed site locations, these space components do not have any new implications that have not been addressed in other space component sections. The considerations are detailed in table 63.

Table 63: Independent Production Space Component Site Considerations

Site Considerations	Naden Site Implications	Transit Site Implications
Floor drains, equipment drains, and hose-down floor slope are incorporated into design (including appropriate waste access and equipment drains for high-volume drainage and emergency use).	• Planned integration into design is standard for commercial builds	• Planned integration into design is standard for commercial builds

The demand against electrical and or gas may have high-demand pulls during peak usage operational times.	• Additional service to site during build and development	• Additional service to site during build and development • Gas company assessment for demand against commercial and residential users
Depending on each space user's individual needs, users focused on production will most likely need to park personal or program vehicles on-site during production time periods and will contribute to truck traffic as materials come into and go out of the facility.	• Integration into planning for loading dock/truck access, parking allocations, and associated building needs	• Integration into planning for loading dock/truck access, parking allocations, and associated building needs

Retail, Office, and Event Spaces

The building design includes the integration of public-facing retail spaces, office space (both private and shared), and event spaces to support the other functional uses of the overall facility.

- ***Public-Facing Retail Space:*** Three (3) small retail spaces of approximately 250 square feet each have been included in the facility design. These will be white box retail spaces located in a public-facing section of the facility to allow for foot traffic or related public revenue to support users' vending needs. The individual spaces will need to be outfitted by their tenant to serve their specific business, and users will have full access to the rest of the building's spaces to support their overall operation.
- ***Office Space:*** Multi-functional office space has been included in the facility design that can support private office and co-working/open plan or shared officing for facility users and stakeholder organizations.
- ***Event Space:*** Multi-functional event space has been included in the facility design for shared use among anchor tenant users, stakeholder organizations, and public users. Discussed uses have included a conference room, a classroom space, a configurable open event space, and individual meeting pods for small meetings.

All these spaces have been sized to accommodate a variety of facility users (anchor tenants, stakeholder organizations, public users, and community members), and basic outfitting (desks, chairs, tables, basic support equipment) has been figured into budgets for the overall build of the spaces.

There are multiple types of programming that these spaces can support:

- ***Adult Education, Technical Assistance, Job Training:*** Office space and event space may support this programming, which would complement on-site skill and job training opportunities. Stakeholder organizations have expressed interest in using these spaces (specifically event space) to hold job fairs, offer apprenticeship training opportunities, and offer classes that support continued adult education around food manufacturing and production skill sets.
- ***Business Development Programming:*** Stakeholder organizations and local community organizations like community colleges have expressed interest in supporting continued business development programming focused on accounting, legal, marketing, branding, pricing/financial, and sales. Depending on the format, these programs may use all the varied event spaces or open-plan office space and could integrate specific opportunities for retail space tenants.

- ***Community Program Extensions***: Multiple stakeholder organizations have also expressed interest in short-term access to office and event space for community or client gathering, placemaking space, or related functions.

With these programming plug-ins in mind, the spaces have been configured to have optimal flexibility in the final design to serve usage needs that may change over the first few years of operation.

Table 64: Retail, Office, and Event Space Component Technical Specifications

Use Group	Use Description	Square Ft Allocation	Technical & Space Considerations
Retail Spaces	Three (3) private retail spaces of 250 square feet each have been built into the design plans. Each space is a white box retail space with basic connections for retail set-up or vending. **As discussed earlier, unleased independent production spaces could also be integrated into this usage.*	750 sq. ft.	• Standard-height ceilings • Standard connection points for electrical and basic vending needs • Public-facing location within the facility to allow for public access into retail
Office Spaces	Convertible office space that can be sized to serve all users, includes: • 4 units x 100–120 sq. ft. each private office space • 12–15 desks of co-working or shared open-plan office space • Support space for copy machines, computer access, etc.	1,380 sq. ft.	• Standard-height ceilings • Standard connection points for electrical and technology needs • Accessible location to support facility users and/or community access needs
Event Spaces	Convertible, multi-functional event space that can be configured to serve multiple user needs, includes: • Shared conference room for up to 12 pp • Shared welfare (staff/user) space for 15–20 pp • Shared classroom space for 20–30 pp • Convertible event space (25–50 pp) • Small pod client meeting spaces (2–3 pp per pod)	2,350 sq. ft.	• Standard-height ceilings • Standard connection points for electrical and technology needs • Public-facing location within the facility to allow for public access into event spaces
TOTALS		**4,480 sq. ft.**	

Retail, office, and event space will each contribute revenue to the facility. As with other components, it is assumed that this facility and these spaces are being built and designed to support stakeholder programs' graduates and community members looking to build scale into their food businesses. With this consideration in mind, some lease and rental rates should be kept at a very low or below-market rates to support access to these designated community members and may need to be structured without penalties regarding short-term length.

The financial model built in market rates and subsidized rates.

- ***Lease Revenue (Market Rates)*** – An annual or multi-year lease for the anchor tenant's (Fare Start) use of their dedicated space within the office space component at market rates.
- ***Rental Rate Revenue (Market Rates)*** – Assume that a percentage of users would be able to support market rates across each of these space components. These were priced as follows:
    - ***Retail Spaces***: Short-term (pop-up) or annual leases for retail space based on total square footage at a market rate of $15–$17 per square foot.
    - ***Office Space***: Short term or annual lease rates for the private office spaces (with a portion committed to Fare Start as an anchor tenant), priced based on total square footage at a market rate of $8–$10 per square foot. Co-working or open plan office space could be leased or rented based on desk usage with a monthly lease per desk priced at $200 per month for unlimited usage and a drop-in or one-time usage priced at $20 per use per desk. These fees may include access to resources such as basic office supplies, copy machines, and related functions supported by the operator.
    - ***Event Space***: Rental rates based on short-term usage of spaces (such as the classroom or conference room) would be offered at a market rate of $50 per block of 3–4 hours.
- ***Rental Rate Revenue (Subsidized Rates)*** – Assume that a percentage of users would be able to support market rates, intermixed with users at subsidized or no-cost access rates based on commitments to the stakeholder groups and community groups involved in the project.
- ***Capacity Assumptions*** – Assume that the facility would aim to rent spaces much of the time, with 100 percent capacity defined as:
    - ***Retail Space:*** All three spaces rented for annual, year-long leases at market rate.
    - ***Office Space:*** All private offices rented for annual, year-long leases at market rate; all desks utilized across 12 hours of daily usage, 7 days per week, 52 weeks per year.
    - ***Event Space:*** All event spaces booked two times per day, 7 days per week, 52 weeks per year.
- ***Breakeven Capacity*** – All of these component spaces would need to be at least 75–80 percent leased or rented for these components to break even with associated operational costs. Based on lower capacity assumptions of 45–65 percent in the first five years, these components are not expected to contribute revenue to the overall financial operations in that time. It is assumed that the primary operator's lease will need to be structured to offset the unmet operational need to operate these spaces with low-cost access as a priority.
- ***Cost Assumptions*** – Each of these spaces have been allocated approximately 12 percent of the operational burden of the overall facility lease (based on their revenue potential and overall percentage of space) accounting for a total of 36 percent of the total lease burden collectively. This lease rate includes the space component's portion of utilities, labor needs associated with overall building upkeep, and a portion of overall building SG&A. In addition, it is assumed that a leasing or rental manager will need to be hired to ensure that these spaces are leased/rented and kept up. A salary of $65,000 (including benefits) was split equally among these three components to offset this labor cost.

In terms of logistics within the overall facility layout, the retail and event spaces should be public-facing or with direct access from a central reception area that allows for foot traffic and public entrance. All these spaces (as discussed in earlier sections) could be placed in a second facility or building near the primary industrial uses if the

site deemed this necessary. The office and event spaces could also be placed on a separate floor if needed to accommodate design or site needs.

In terms of the proposed site locations, these space components primarily require access to the public and have implications regarding traffic and parking volumes. The considerations are detailed in table 65.

Table 65: Retail, Office, and Event Space Component Site Considerations

Site Considerations	Naden Site Implications	Transit Site Implications
Public-facing space components need access to foot traffic or other audiences. The retail components are only valuable if the facility is sited in a location with foot traffic or other public exposure. The event space should also have easy access for clients/users to invite the public into offerings.	• Planned integration into overall design, with consideration given to placement in relation to public access points or integration of other facilities on-site that may act as a draw and create destination clientele[37]	• Planned integration into overall design, with consideration given to placement in relation to public spaces, floor, and building
These space components will offer retail opportunities, event opportunities, and meetings/client interaction for tenants/users of the facility and thus will contribute to car and program vehicle traffic into the facility.	• Integration into planning for parking allocations and associated building needs	• Integration into planning for parking allocations and associated building needs; will impact short-term user access needs

Support Spaces and Outdoor Space Needs

In addition to the above features, the proposed facility will have the following spaces to support operations:

- Janitorial closet
- Maintenance/electric/technology room(s)
- Storage space(s) for extra tables, chairs, and other small equipment
- Public and private toilet facilities
- Locker or changing rooms
- Corridors for transiting between spaces, elevator (commercial freight and public access), and stair corridors

[37] Because the Naden Street location is near major commercial areas and other uses are being considered for the site, those additional uses (such as a proposed brewery facility) could act as a destination draw for the overall site and thereby create some commercial traffic for the retail components of the space. Without this, the site may be deemed too industrial for normal foot traffic or casual users to support traffic needs to support on-site retail.

In addition, as discussed in prior sections, the facility will need space to support some external components:

- Three loading docks (two full size with levelers for all truck sizes, one street-level for standard vehicle sizes)
- Parking for approximately 60–80 personal vehicles during peak usage times (over a 24-hour operational cycle with highest usage needs during the 8 am–8 pm time frame).
- Limited parking for 6–10 on-site program/user production vehicles (vans, box trucks, small trucks)
- Garbage, recycling, compost, oil-deposit, grease-deposit, and compactor space
- Space for an external generator for back-up support of primary storage and equipment functions
- (TBD): Space to support clean energy functions (solar panels, bio-digester, etc.).

In terms of the proposed sites, especially the transit site, which will have restricted space available for parking needs, the primary design implication is for appropriate space (or satellite space partnerships) for parking, truck traffic, and spaces focused on the removal of waste and contaminants from the production happening on site.

According to extensive discussions with program partners, parking usage would be variable over a 24-hour period. A breakdown of peak usage considerations follows in table 66.

Table 66: Parking Uses and Considerations

Parking/Vehicle Type	Usage Type	Usage Peaks	Off-Site Possible?
Anchor Tenant (Fare Start): ***Staff & Client Cars***	• Variable (short & long term) • No overnight	• Peak times during program offerings and training • Mostly between 8 am and 8 pm, but flexible	Yes
Anchor Tenant (Fare Start): ***Program Vans or Vehicles***	• Long term • Overnight	• Variable (used for deliveries during peak times) • Parking needed overnight	Yes
Industrial Component Users: Kitchens & Production Spaces	• Variable (short & long term) • Minimal overnight	• Variable; during production cycles • Higher use in afternoon/evening hours • Limited demand for overnight parking	Yes
Retail Component Users & Guests	• Staff- long term • Guest - short term • No overnight	• During primary retail hours (TBD) • Guest traffic/parking very variable and limited time frame	Yes (staff)
Office Component Users & Guests	• Variable (short & long term) • No overnight	• Variable over 10–12-hour span related to other facility uses • Peak usage between 8 am and 8 pm, but flexible • Guest traffic/parking would be limited time frame	Yes (users)
Event Component Users & Guests	• Variable (short & long term) • No overnight	• Variable – based on event time bookings • Peak usage expected for afternoons and evenings • Guest traffic/parking would be limited time frame	Yes (all)

As demonstrated in table 66, it is assumed that a percentage of the total 60–80 vehicles associated with users, clients, and visitors could be parked at alternate sites during peak usage times to offset demand on the transit site location. A final evaluation (or parking/traffic study) that takes into consideration all viable uses of the transit site—including housing demand, other retail uses, and so on—will need to be completed to determine the total vehicle traffic and parking demand and what actual percentage could be offset at alternative parking locations.

Parking and truck traffic impacts on the Naden Street location will still be a factor in site selection and overall design planning, but because that is a larger industrial plot with all necessary parking space, it is less impactful to final decisions regarding that site.

Upkeep, Scheduling, and Oversight

Once the core study team facilitates the design, development, and construction of the facility, additional resources will be needed to operate and maintain it. Fare Start has initially been identified as this primary operator. The facility will rely on its primary operator to manage and maintain the spaces shown in table 67. The operator will maintain their allocated spaces and programming and be responsible for operational costs including (but perhaps not limited to) labor and staffing, general operational overhead (utilities, equipment, maintenance and facilities upkeep, general supplies), and related upgrades or additions to their spaces ongoing as needed.

Table 67: Upkeep, Scheduling, and Oversight Considerations

Component / Space	Operator
Overall Facility Upkeep & Operation	On site
Commercial Kitchen: Upkeep, Scheduling & Oversight	On site
Production Spaces (Shared and Independent): Upkeep, Scheduling & Oversight	On site
Multi-Purpose Event Space: Upkeep, Scheduling & Oversight	On site
Office Space: Upkeep, Scheduling & Oversight	On site
Retail Spaces: Upkeep, Scheduling & Oversight	On site

Proposed Site Analysis

The primary project partners would like to site the proposed facility in southern King County, specifically the City of Kent or the Kent Valley area, to serve the enunciated needs of stakeholder groups, community groups, and small businesses in the region. The two primary sites under consideration, both located in Kent, are viable locations that can support the overall facility functions and needs.

The **Naden Street location** is a public-private development on a 7.7-acre semi-industrial site with new industrial, commercial, retail and food service properties. The total property supports the overall size, functions, and traffic related to the proposed facility. The primary neighborhood impacts can be remediated with careful design.

The Sound Transit location, the **Kent / Des Moines Station,** is located within Kent just east of Highline Community College and south of the SR-516 and I-5 interchange. The site is somewhat challenging given that it is hemmed in by SR-99 and I-5. Kent and Des Moines worked together earlier in the planning process for a transit-oriented district known as “Midway”—a reference to the old landfill in the area—that will benefit from the light rail investment. The city has also adopted specific station site design requirements that Sound Transit must meet. The

proposed facility can fit onto the designated plots available for development at the site either in a single building or multiple (two) building configuration as discussed in the earlier bubble diagram section of this report. However, parking and truck access/traffic are the two most impactful factors on the overall choice of this location for the facility.

The proposed mix-use needs of the site—to allow for additional retail, outdoor public spaces, and housing access points—will place demands on both plots that may impact the functions of the facility (i.e., limit parking, require noise remediation, require corridors through spaces, etc.) that are not ideal. An important point in considering locating this facility on the transit site is that the recommended benefits of this facility—from a financial and operational perspective—come from co-locating these use spaces and creating synergies of adjacent spaces, uses, equipment, and so on. Breaking up the component spaces, creating breaks in the design, or limiting their size and function will impact the sustainable revenue potential and functions of the facility. The site will also limit the ability of the facility to grow, which will not be possible except for the nominal growth space built into the existing model. Positive and negative factors in the consideration of the proposed facility sites are detailed in table 68.

Table 68: Proposed Site Locations Analysis

	Positive Factors	Negative Factors	Site Models
Sound Transit Light Rail Extension Station: A development site aimed at multiple end users, offering retail, industrial, housing, and related needs in conjunction with a major transit hub stop	• Physically supports all primary facility functions (industrial, retail, public access) • Provides public exposure and traffic to support retail and public-facing components • Provides transit support for staff, guest, and user access • Supports community objectives by offering food access and job opportunities on the site • Access to nearby major roadways is beneficial to commercial distribution routes and access points	• Parking will be a priority for the combined uses • The needed first-floor footprint of the industrial components (to support adjacency and shared function needs) will restrict/limit parking on one of the two development plots • Delivery traffic into the facility will generate noise/emissions and require allocated space (turn radius or pull-through lanes) and need to be considered in final design • No growth space for primary functions/uses	***Version 1:*** All components sited in a single facility at ground level with truck access tucked under the upper floors of facility to limit the impact on housing of noise/ emissions. Parking adjacent to the single facility layout would be very limited. ***Version 2:*** All industrial components sited in one facility (@40,000+/- sq. ft.) at ground level, sharing the plot with truck access to the facility and nominal parking. All public-facing components (@10,000+/- sq. ft.) would be sited in a second facility in the adjacent plot and could be sited above ground level if needed (although access to foot traffic is ideal).[38]
Naden Avenue Industrial Site: An industrial development site along a city corridor offering co-location with complimentary	• Physically supports all primary facility functions (industrial, retail, public access) • Offers opportunities for site expansion of the facility's components	• Provides limited public exposure and traffic to support retail and public-facing components • Does not serve cross-functional development goals of the transit	• All components sited in a single facility at ground level with truck access and parking on site

[38] The second facility could be co-located with additional retail, office, or other space uses or additional parking needs.

uses (industrial, commercial, warehouse)	• Offers easy traffic pattern access for trucks, deliveries, and program vehicles onto commercial roadways • Supports community objectives by offering food business scale support and job opportunities on the site • Access to a nearby major Kent corridor may support commercial traffic into the site	central corridor (food access opportunities)	

Additional sites can and will be considered if compatible with the project goals and objectives as detailed above.

Sound Transit Proposed Light Rail Extension Station Report

On November 30, 2021, NVA provided the core study team with a report to technically and strategically assess whether the proposed facility can feasibly be sited at the proposed Sound Transit light rail station extension in Kent, Washington.

Transit Report Objectives

The objectives of that report were to detail the following three focus areas:

1) ***Market Support and Community Impacts:*** To provide a high-level overview of the feasibility study conducted by NVA with an emphasis on outreach with community stakeholders and individual community members to assess support for the facility, and how community inputs and potential community impacts will be considered in its design and development
2) ***Operational Model Overview:*** To provide a detailed overview of the proposed operating model created by NVA and informed by community and stakeholder inputs, with emphasis on considerations relevant to the proposed Sound Transit site location
3) ***Potential Tenant and Operator Inputs:*** To ensure that potential operational partners are detailed in the above sections and to provide a high-level overview of how community advisory structures could be implemented to satisfy community goals and objectives.

Transit Report Conclusions

At the conclusion of the feasibility study conducted by NVA, it can be determined that the proposed KVFEC facility would be recommended for integration into the Sound Transit light rail station extension development in Kent, Washington, and would be a compatible use with either of the two available development plots at the site.

As discussed in-depth in the report (and in the previous sections of this report), the primary consideration in terms of locating the proposed facility on the transit site is whether multiple use cases (i.e., industrial, retail, and housing) can co-exist on the site based on infrastructure, transit, parking, and logistical requirements .

NVA's analysis concluded that these use cases could co-exist at the proposed Sound Transit site. Two variations on the facility layout that address all site needs are proposed and discussed in the report that follows. However, the report (and previous sections of this report) stressed limitations on the growth and operations of the facility at that site.

The proposed facility represents an opportunity for the Sound Transit site to support stated community goals and supply needed infrastructure that will contribute to local economic development, job creation, and support for the growing food manufacturing industry in the region.

Site Connections and Additional Uses

In support of the facility's stated goals of supporting small business development and growth opportunities for entrepreneurs and small urban farmers, either of the proposed sites offers opportunities to integrate the facility's functions with other local community benefits.

- **Community Market or On-Site Farmer's Market Space:** Several stakeholder organizations expressed interest during the interview process in co-locating a public, outdoor market space into the overall design to support small urban farmers and makers in the community. A public market co-located in the space could take advantage of on-site storage support spaces and kitchen access for vendors and provide additional retail opportunities for users of the facility.
    - This is a publicized potential use of outdoor space at the Sound Transit site but will require consideration in the final design. The farmers will need access to cold storage, appropriate toilet facilities, parking, and unloading areas at the market. These considerations will impact where it can be sited to allow adjacency to related facility resources.
    - With the available land, this could be a potential use supported by the Naden Street location. There are no initial conflicts with the overall site, and its adjacency to a major public corridor would support the co-location of a farmer's market near facility resources.
- **Food Truck or Related Outdoor Vending Opportunities:** Both sites also offer the opportunity to support food trucks or mobile vendors that can use the commissary kitchen, scullery, and storage to support their overall operation. Access to seating/dining areas, toilet facilities, and electrical hookups would need to be incorporated into final design .
    - For the Sound Transit site, parking and proximity to the facility are the primary consideration for this co-location.
    - For the Naden Street site, this too would appear to be a supported co-location opportunity because space is less limited . Further, food trucks could use the commissary kitchen and create additional revenue for the facility (fees associated with this usage for access to scullery, storage, etc.).
- **Community Food Access Opportunities:** Several stakeholder organizations also expressed interest in food pick-up, CSA pick-up, or related programming that provides healthy and prepared food options to low-income community members. This co-location could be supported by the kitchen/production spaces (and the work of anchor tenant Fare Start), as well as storage uses. However, this will impact traffic patterns for either on-foot or in-car pick-ups and would need to be considered during final design of the site.
    - For public pick-up to occur at either site would require an evaluation of a safe access corridor for either short term parking and physical in-person pick-ups or in-car pick-ups. This is a heavy-traffic demand use on a facility and typically requires a large parking lot or parking corridor to support its integration into programming.

Operator and Stakeholder Considerations

Primary Facility Operator

Fare Start has been identified as a potential anchor tenant and expressed interest in being the primary operator who oversees all space and facility functions. As primary operator, Fare Start would act as the on-site landlord overseeing the rental, lease, and upkeep of all space components. Their lease, structured as an annual lease, would

need to offset the total operational budget of the facility (discussed in more detail in the following financial summary section). Based on final site and ownership of the facility, their lease would need to detail who is responsible for site/property maintenance and upkeep, and other considerations such as security. If the proposed transit station is chosen as the final site, parking and truck access will also need to be clearly defined to ensure that Fare Start can integrate its own operational needs and user needs on-site.

Stakeholder Considerations (Governance and Community Contracts)

As discussed in the opening sections outlining the facility's goals and mission, this facility design has been a process driven by community inputs and informed by project stakeholders and an advisory committee. During the facility market analysis, stakeholders expressed the need to design a model of governance or input that would allow community members and stakeholders to continue to have a voice in the design, development, and operation of the facility once it moves beyond these initial concept conversations.

NVA provided an overview of proposed methods and tools for integrating community input into the governance, design, and operation of a community facility of this type during the charrette process. These included:

- ***Development Inclusion***: Allows for the active participation in the development and design process to shape programs, space access, and other component functions. May include the development of an advisory council, steering committee, or related community board, as well as holding community meetings to engage a wider group of stakeholders during design, development, or build and implementation phases. All these tools have been explored or implemented by the primary project partners during this initial feasibility study and design phase.
- ***Governance Design:*** Allows for the continued involvement of stakeholders and community members and for their participation in steering growth and future development decisions that benefit their communities. May include designation on a board of directors, advisory board, or related functional role with oversight into:
    - Budget creation or monitoring
    - Supervision or review actions of the facility director or primary operator
    - Supervision or review actions regarding policy, tenant decisions, and shared space operations
    - Fundraising role for projects that could benefit community members and tenants
    - Conflict resolution role for active decisions around or within the facility
- ***Community Contract:*** An informal or formal agreement developed between facility landlord, primary or component operators, and stakeholder and community groups that guides community involvement in and access to the facility. This document may include:
    - Designated no-cost or low-cost access to programs, spaces, and amenities
    - Inclusion commitments for decision making, growth or development decisions, and steering bodies
    - Designated space allocation or program allocation (or budgets to support either)
    - Commitments to sustainability, labor/hiring commitments, or related goals that benefit the community
    - Integration of cultural or significant ethnic motifs and elements into the facility design, planning, or operational structure

Financial Model

Table 69: Summary P&L

Summary P&L by Component	Hybrid Scenario				
	Year 1	Year 2	Year 3	Year 4	Year 5
Utilization Rate	45%	50%	55%	60%	65%
Public Revenue					
Commercial / Demo Kitchen & Production	1,054,732	1,171,924	1,289,116	1,406,309	1,523,501
Warehouse (Food Hub) / Storage	29,916	33,240	36,564	39,888	43,212
Individual Production	51,840	57,600	63,360	69,120	74,880
Retail Space	72,900	81,000	89,100	97,200	105,300
Office Space	38,250	42,500	46,750	51,000	55,250
Event Space	73,913	82,125	90,338	98,550	106,763
Other Fees	-	-	-	-	-
Total Public Revenue	**$1,321,550**	**$1,468,389**	**$1,615,228**	**$1,762,067**	**$1,908,906**
% Growth (YoY)		***11.1%***	***10.0%***	***9.1%***	***8.3%***
Costs					
Rent / Lease Expense	1,930,838	1,952,086	2,052,527	2,075,021	2,098,167
Labor Costs	223,600	228,072	232,633	237,286	242,032
Total Costs	**$2,154,438**	**$2,180,158**	**$2,285,160**	**$2,312,307**	**$2,340,199**
Net Profit / (Loss)	**($832,888)**	**($711,769)**	**($669,932)**	**($550,240)**	**($431,293)**
Profit Margin	***-63.0%***	***-48.5%***	***-41.5%***	***-31.2%***	***-22.6%***

Revenue Inputs

The facility will generate revenues via rents (long-term tenants and short-term users), programming fees, facility usage fees (storage, meeting space), and fees for support programming and services offered by the core operators. Table 70 details the revenue rentals, usage rates, and fees associated with the revenue-generating components and programming in the facility.

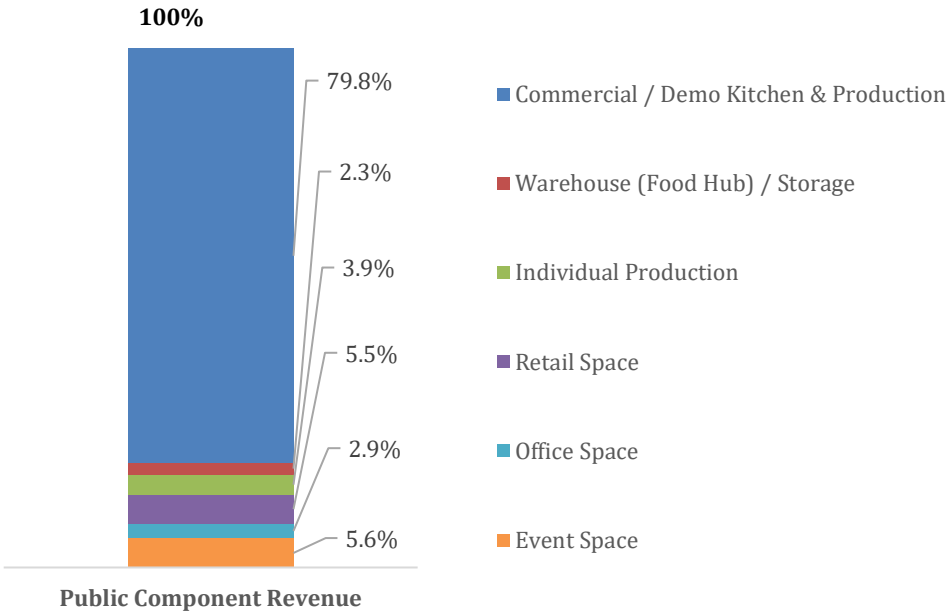
Table 70: Revenue-Generating Hub Activities

Component / Programming	Revenue Sources	Potential Users	Revenue Model
Operator/ Anchor Tenant (Overall Facility)	Annual Lease	Operator	$/Annual Lease
Commercial Kitchen	Short-Term Hourly Rentals	Users	$/Hour

Component / Programming	Revenue Sources	Potential Users	Revenue Model
Production Space (Shared)	Short-Term Rentals (per production cycle)	Users Operator	$/Cycle
Production Space (Independent)	Long-term Rentals or Leases	Tenants	$/Annual Lease
Co-Packing Services	Fee-Based Service	Users	$/Service (includes prototyping, product runs, and labor to support run)
Warehouse (Loading Access)	Fees for Use/Services	Users Local Farmers	$/Service (beyond a minimum)
Storage (Dry, Cold, Frozen)	Rental (Monthly)	Users	$/Month or $/Shelf/Cage
Multi-Purpose Event Space	Rent and/or Short-Term (Hourly) Rentals	Operator Other Users	$/sq foot $/Hour or Use
Office Spaces	Rent and/or Short-Term (Hourly) Rentals	Operator Other Users	$/sq foot $/Hour or Use
Retail Spaces	Rent	Users	$/sq foot
Business Incubation Services	Fee-Based Services / Programming	Users	$/Service (based on class or programming length)
Knowledge & Service Hub for Local Incubation Community (Technical Programs & Services)	Fee-Based Services/Programming	Users	$/Service (based on class or programming length)

Revenue

Figure 13: Public Component Revenue as a Percentage of Total

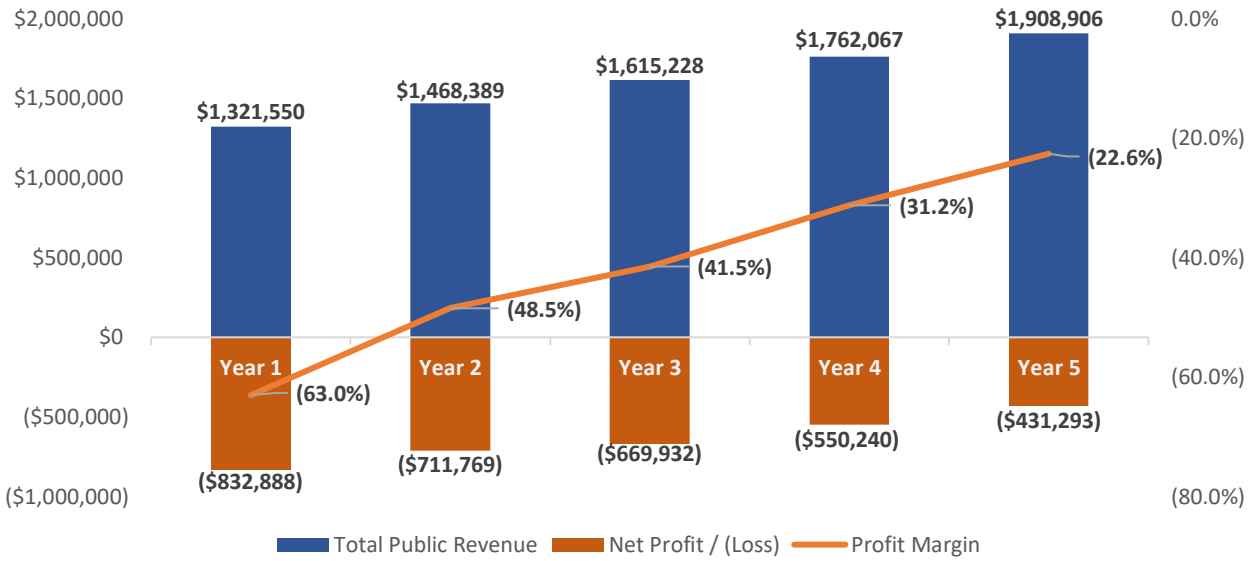


The public space of the KVFEC will generate revenue from several different components:

- **Commercial/Demo Kitchen and Production**: The commercial kitchen will generate revenue through volume production from hot line, cold line, and vegetable processing stations available to business and community members on an hourly basis. The demo kitchen will provide public access to a station with a hot line and classroom space (including A/V technology supports) available for three-to-four-hour reservation blocks. The production space will include three stations bookable for up to three runs per day, which includes the use of manufacturing space, approved equipment, and sanitation supplies. Prototype and labor assistance is based on a fee per product and per hour, respectively.
- **Warehouse (Food Hub)/Storage:** The warehouse will accommodate two dock bays with levelers servicing all truck types along with a street-level dock bay for vans and related transportation. The storage component will provide dry, cold, and frozen space, each having pallets, shelf units, and cages available for public use.
- **Individual Production:** Individual production will provide access to leasable private, white box space with two available unit size options for retail/production use or production only. FF&E to be provided by tenant with access to the rest of the facility spaces to support production as needed.
- **Retail Space:** The retail space will offer three public-facing pop-up, short-term, or long-term lease spaces available for customization/buildout by tenant.
- **Office Space:** Private office space will offer four private spaces units along with shared/communal workspaces priced per seat. Additional storage space will be available across both offerings.
- **Event Space:** The event space will provide shared access to convertible, multi-functional accommodations across a conference room, welfare/gathering space, classroom/event space, and user/client meeting spaces.

Key Financial Assumptions

Figure 14: Total Public Revenue, Net Profit, and Profit Margin



New Venture Advisors has built a robust, five-year public space financial projection to evaluate the economic implications of the KVFEC based on the final operating model above. **The forecast assumes a utilization rate for each public space component of 45 percent in year 1, increasing five percentage points each subsequent year peaking at 65 percent in year 5. Dedicated labor costs are included in each component forecast with facility manager/janitorial labor, utilities, property taxes and insurance, and SG&A allocated based on component square footage.** Market rates are determined by comparable equipment rental rates and price per square foot for similar spaces in the surrounding area. Key model assumptions are outlined below.

Construction and Development Costs

- Estimated cost of construction: $322 per square foot
- Total facility size: 52,730 square feet
- Total estimated cost of construction: $16,956,750
- Kitchen equipment and other (total FF&E for anchor tenant and public space): $5,866,740
- Soft construction costs (design development and working capital): $5,836,454
- Total cost of construction and development: $28,659,944

Commercial/Demo Kitchen and Production Assumptions

Table 71: Commercial/Demo Kitchen and Production P&L

Commercial/ Demo Kitchen & Production – Pro Forma P&L (Hybrid Scenario)						
		Year 1	Year 2	Year 3	Year 4	Year 5
Utilization Rate		45%	50%	55%	60%	65%
Revenue						
Commercial Kitchen (hourly rental)						
Hot Line Station (rent/hour)		157,248	174,720	192,192	209,664	227,136
Cold Line Station (rent/hour)		117,936	131,040	144,144	157,248	170,352
Veg Processing Station (rent/hour)		78,624	87,360	96,096	104,832	113,568
Demo Kitchen (rent by usage, 3–4 hour block)						
Market Rate		32,760	36,400	40,040	43,680	47,320
Production Space (fee for use)						
Prototype Station (rent/hour)		263,250	292,500	321,750	351,000	380,250
Manufacturing Station (rent/hour)		314,496	349,440	384,384	419,328	454,272
Labor Station (rent/hour)		90,418	100,464	110,510	120,557	130,603
Total Public Revenue		**$1,054,732**	**$1,171,924**	**$1,289,116**	**$1,406,309**	**$1,523,501**
Costs						
Rent/Lease Expense		1,081,269	1,093,168	1,149,415	1,162,012	1,174,973
Dedicated Labor Costs		158,600	161,772	165,007	168,308	171,674
Total Costs		**$1,239,869**	**$1,254,940**	**$1,314,422**	**$1,330,319**	**$1,346,647**
Net Profit / (Loss)		**($185,138)**	**($83,016)**	**($25,306)**	**$75,989**	**$176,854**

- **Commercial Kitchen:**
  - Available 24 hours per day, 7 days per week, 52 weeks per year
  - 2 hot line stations at $20 per hour
  - 2 cold line stations at $15 per hour
  - 2 vegetable processing stations at $10 per hour
  - Dedicated staff: 1 shared kitchen manager and 3 co-pack supports for public use of equipment
  - Staff wages: $65,000 annual salary (includes 30 percent fringe benefits), increasing 2 percent per year
- **Demo Kitchen:**
  - Available for 1 class (3- to 4-hour block), 2 times per day, 7 days per week, 52 weeks per year
  - $100 per class
- **Production Space:**
  - Prototype station available 5 hours per day, 5 days per week, 52 weeks per year
  - 3 prototype stations each at $150 per hour
  - Manufacturing station available 8 hours per day, 7 days per week, 52 weeks per year
  - 3 manufacturing stations each at $80 per hour
  - Labor station available 8 hours per day, 7 days per week, 52 weeks per year
  - 3 labor stations at each at $23 per hour
  - Dedicated staff: 3 production supports (co-pack supports for public use of equipment)
  - Staff wages: $20 per hour at 30 hours per week, increasing 2 percent per year

Warehouse (Food Hub) / Storage Assumptions

Table 72: Warehouse Storage P&L

Warehouse/ Storage Pro Forma P&L (Hybrid Scenario)						
		Year 1	Year 2	Year 3	Year 4	Year 5
Utilization Rate		45%	50%	55%	60%	65%
Revenue						
Dry or Warehouse Storage		10,314	11,460	12,606	13,752	14,898
Cold Storage		10,449	11,610	12,771	13,932	15,093
Frozen Storage		9,153	10,170	11,187	12,204	13,221
Total Public Revenue		**$29,916**	**$33,240**	**$36,564**	**$39,888**	**$43,212**
Costs						
Rent / Lease Expense		38,617	39,042	41,051	41,500	41,963
Dedicated Labor Costs		-	-	-	-	-
Total Costs		**$38,617**	**$39,042**	**$41,051**	**$41,500**	**$41,963**
Net Profit / (Loss)		**($8,701)**	**($5,802)**	**($4,487)**	**($1,612)**	**$1,249**

- **Dry or Warehouse Storage:**
  - 18 pallets each at $45 per month, 12 months per year
  - 20 shelfs each at $25 per month, 12 months per year
  - 10 cages each at $60 per month, 12 months per year
- **Cold Storage:**
  - 9 pallets each at $55 per month, 12 months per year
  - 24 shelfs each at $30 per month, 12 months per year
  - 12 cages each at $60 per month, 12 months per year
- **Frozen Storage:**
  - 9 pallets each at $55 per month, 12 months per year
  - 20 shelfs each at $30 per month, 12 months per year
  - 10 cages each at $60 per month, 12 months per year

Individual Production Assumptions

Table 73: Individual Production P&L

Individual Production Space Pro Forma P&L (Hybrid Scenario)					
	Year 1	Year 2	Year 3	Year 4	Year 5
Utilization Rate	45%	50%	55%	60%	65%
Revenue					
Private, White Box Production Space					
Small Unit (unit count & SF/unit)	12,960	14,400	15,840	17,280	18,720
Large Unit (unit count & SF/unit)	38,880	43,200	47,520	51,840	56,160
Total Public Revenue	**$51,840**	**$57,600**	**$63,360**	**$69,120**	**$74,880**

	Year 1	Year 2	Year 3	Year 4	Year 5
Costs					
Rent / Lease Expense	115,850	117,125	123,152	124,501	125,890
Dedicated Labor Costs	-	-	-	-	-
Total Costs	**$115,850**	**$117,125**	**$123,152**	**$124,501**	**$125,890**
Net Profit / (Loss)	**($64,010)**	**($59,525)**	**($59,792)**	**($55,381)**	**($51,010)**

- Private, white box production spaces for lease on an annual basis
- 4 small units at 250 square feet each
- 6 large units at 500 square feet each
- Rate of $2.40 per square foot per month for both unit types

Retail Space Assumptions

Table 74: Retail Space P&L

Retail Space Pro Forma P&L (Hybrid Scenario)					
	Year 1	Year 2	Year 3	Year 4	Year 5
Utilization Rate	45%	50%	55%	60%	65%
Revenue					
Private, White Box Retail Space					
Single Unit (unit count)	72,900	81,000	89,100	97,200	105,300
Total Public Revenue	**$72,900**	**$81,000**	**$89,100**	**$97,200**	**$105,300**
Costs					
Rent / Lease Expense	231,701	234,250	246,303	249,003	251,780
Dedicated Labor Costs	21,667	22,100	22,542	22,993	23,453
Total Costs	**$253,367**	**$256,350**	**$268,845**	**$271,995**	**$275,233**
Net Profit / (Loss)	**($180,467)**	**($175,350)**	**($179,745)**	**($174,795)**	**($169,933)**

- 3 single unit types available for lease on a short-term (pop-up) or long-term basis
- Each unit provides 250 square feet of white box retail space
- Rate of $18.00 per square foot per month for each unit
- Dedicated staff: 1 rental/booking manager allocated evenly across retail, office, and events components
- Staff wages: $65,000 annual salary (includes 30 percent taxes and benefits), increasing 2 percent per year

Office Space Assumptions

Table 75: Office Space P&L

Office Space Pro Forma P&L (Hybrid Scenario)[39]					
	Year 1	Year 2	Year 3	Year 4	Year 5
Utilization Rate	45%	50%	55%	60%	65%
Revenue					
Monthly Rate	5,400	6,000	6,600	7,200	7,800
Drop-In	32,850	36,500	40,150	43,800	47,450
Total Public Revenue	**$38,250**	**$42,500**	**$46,750**	**$51,000**	**$55,250**
Costs					
Rent / Lease Expense	231,701	234,250	246,303	249,003	251,780
Dedicated Labor Costs	21,667	22,100	22,542	22,993	23,453
Total Costs	**$253,367**	**$256,350**	**$268,845**	**$271,995**	**$275,233**
Net Profit / (Loss)	**($215,117)**	**($213,850)**	**($222,095)**	**($220,995)**	**($219,983)**

- Co-working and shared working spaces available 12 hours per day, 7 days per week, 365 days per year
- **Monthly Rate Spaces:**
  - 5 unlimited use spaces priced at $200 per seat per month
- **Drop-In Rate Spaces:**
  - 10 single-day use spaces priced at $10 per seat per day
- Dedicated staff: 1 rental/booking manager allocated evenly across retail, office, and events components
- Staff wages: $65,000 annual salary (includes 30 percent fringe benefits), increasing 2 percent per year

Event Space Assumptions

Table 76: Event Space P&L

Event Space/ Multi-Purpose Space Pro Forma P&L (Hybrid Scenario)					
	Year 1	Year 2	Year 3	Year 4	Year 5
Utilization Rate	45%	50%	55%	60%	65%
Revenue					
Conference Room	8,213	9,125	10,038	10,950	11,863
Classroom	32,850	36,500	40,150	43,800	47,450
Meeting Pods	32,850	36,500	40,150	43,800	47,450
Total Public Revenue	**$73,913**	**$82,125**	**$90,338**	**$98,550**	**$106,763**
Costs					
Rent / Lease Expense	231,701	234,250	246,303	249,003	251,780
Dedicated Labor Costs	21,667	22,100	22,542	22,993	23,453
Total Costs	**$253,367**	**$256,350**	**$268,845**	**$271,995**	**$275,233**
Net Profit / (Loss)	**($179,455)**	**($174,225)**	**($178,508)**	**($173,445)**	**($168,470)**

[39] Table addresses revenues for the public portion of the office space which is the shared work-spaces and co-working spaces only. If the anchor tenant, Fare Start, does not occupy all private office space these spaces could also be leased for additional revenue at market rates.

- Multi-functional event spaces available on a per-use basis (3-4 hours) 7 days per week, 365 days per year
- **Conference Room:**
    - Available at 1 use per day (12-seat capacity) priced at $50 per use
- **Classroom:**
    - 4 classrooms (30-seat capacity) each available for 2 uses per day priced at $50 per use
- **Meeting Pods:**
    - 4 meeting pods (2- to 3-person capacity) each available for 20 uses per day priced at $50 per use
- Dedicated staff: 1 rental/booking manager allocated evenly across retail, office, and events components
- Staff wages: $65,000 annual salary (includes 30 percent fringe benefits), increasing 2 percent per year

Operational Costs

- **Staffing:** $197,600 (includes 30 percent taxes and benefits) increasing to $268,320 for additional hourly janitorial labor in year 3. Staff by year 5 includes 1 facility operator (manager), 2 janitorial, 1 facility (maintenance)
- **Utilities (electric, water, sewer, waste, etc.):** Assumed at $10 per square foot across total site square footage, totaling $527,300 in year 1 and increasing 3 percent per annum to $593,481 in year 5
- **Property Taxes and Insurance:** Projected at $2 per square foot across total site square footage, starting at $105,460 in year 1 and growing 1 percent per annum to $109,742 in year 5
- **SG&A:** Estimated at $75,000 in year 1 to cover marketing, office, and any additional general overhead expenditures; grown at 3 percent per annum to $84,413

Financing

- Based on current market conditions as well as data gathered by NVA, the total construction and development cost of the site is assumed to be funded through a mix of 30 percent debt and 70 percent grant proceeds
- Total debt of $8,597,983 assumed in the form of a commercial construction bank loan facility
- Interest rate of ~5 percent, 15-year, fully amortizable term, monthly principal and interest

Project Budget

Table 77 summarizes the total build budget for the hybrid model as detailed in the component space sections in the report. The total construction budget for the facility is estimated at $16,956,750 for all public and private spaces including some external build needs (as detailed earlier these include outside support space for garbage, recycling, generators, etc.).

Note: Estimates for outside support spaces were included in the construction budget total square footage. These estimates do not include future space allocations for required parking and truck access lanes, which will be dependent on final site selection. Parking fees, revenue from fees related to loading dock access, and associated outside component usage will be determined by operator and were not included in revenue forecasts for conservative purposes.

Table 77: Hybrid Model Project Budget

Space Component	Square Feet	% of Total	Cost / SF	Total Cost
Commercial Kitchen Space	10,025	19%	$550	$5,513,750
Production Space	8,300	16%	$250	$2,075,000
Hub (Warehouse Space)	5,775	11%	$200	$1,155,000
Storage Spaces	12,600	24%	$289	$3,641,500
Individual Production Spaces	5,000	9%	$250	$1,250,000
Retail Space	750	1%	$350	$262,500
Event Space	2,350	4%	$350	$822,500
Office Space	1,380	3%	$350	$483,000
Shared / Support Facility Components	4,050	8%	$310	$1,253,500
Outside Components / Support Areas	2,500	5%	$200	$500,000
Total Cost of Construction	52,730	100%	$322	$16,956,750

Table 78 illustrates the total project cost—including all construction costs, FF&E to support both private and public spaces, and soft constructions costs—which is estimated at $28,659,944.

Table 78: Hybrid Model Total Project Costs

Project Costs	Hybrid Model
Land Costs / Land Lease	-
Construction Costs	$16,956,750
FF&E (public and shared space)	$3,836,740
FF&E (Fare Start)	$2,500,000
Soft Construction Costs	$5,336,454
Design Development & Advisory Services	$1,271,756
Working Capital (20% of PP&E)	$4,564,698
Total Cost of Project	$28,659,944

Potential Sources of Capital

Based on total construction and development costs as well as the viability of the forecasted facility functions, the proposed facility would have a number of options to source capital through a combination of grant and debt proceeds. The size of the commercial construction loan will be subject to key operating metric multiples ultimately set as covenants and monitored on a regularly tested basis (e.g., debt/operating leverage multiple, debt as a percentage of total capital, cash flow coverage of principal and interest, etc.). Additionally, the 7(a) Loan Program offered by the SBA provides up to $5 million in loans to new and growing businesses to purchase FF&E and for working capital.

Grant proceeds primarily depend on the project's commercial use, community access, economic development, influence on social wellbeing, regional impact, access to locally produced products, and new market opportunities,

among other factors. NVA has compiled a listing of government and private grants as potential funding sources based on the proposed facility's community impact and benefit to the regional economy. (Note: This is not an exhaustive list.)

Table 79: Government and Private Grant Opportunities

Federal Grants	Description	Application Notes
USDA NIFA-Community Food Projects (CFPCGP)	• Funds projects that are designed to increase food security in communities by bringing the whole food system together to assess strengths, establish linkages, and create systems that improve the self-reliance of community members over their food needs	*Proposals due in May; grants from $100,000 to $400,000; 100% match required*
Economic Development Administration	• The Economic Development Administration (EDA) has programs to support construction or upgrade of public facilities, planning, technical assistance for economic development, workforce development, and more	*Rolling application*
USDA ERS-Local Food Promotional Program (Implementation Grants)	• Implementation grants are used to establish a new local and regional food business enterprise or to improve or expand an existing local or regional food business enterprise. *Note: Will not fund any type of construction*.	*Proposals due in May; grants from $100,000 to $750,000 over two years; 25% match required*

Table 80: Nonprofit and Foundation Grant Opportunities

Nonprofit & Foundation Grants	Description	Application Notes
Bullitt Foundation (Pacific Northwest)	• The foundation supports projects aimed at regional ecosystem health, energy, climate, green building, and projects aimed at building resilient cities and healthy communities	*Two application deadlines: March 15, September 15*
Clarence E. Heller Foundation	• The mission of the Clarence E. Heller Charitable Foundation is to promote the long-term good health and viability of communities and regions. Focus areas include protecting the environment, regional planning, and sustainability in agriculture and food systems	*Applications due in August*
Key Bank	• Focus on efforts designed to create safe, healthy, affordable, inclusive communities with thriving family homes and small businesses	*Rolling application*
Wells Fargo	• Wells Fargo supports organizations that work to strengthen communities through projects that keep communities strong, diverse, and vibrant. Priority is given to programs and organizations whose chief purpose is to benefit low- and moderate-income individuals and families	*Rolling application, giving priorities vary by state*

Murdoch Trust	• Capacity-building awards for mission-focused projects and infrastructure investment	*Rolling application; awards range from $300 to $750k*

Operating Budget

Table 81 illustrates the allocation of total operational costs (or lease costs) to each space. These allocations, as detailed in the space component sections earlier, are based on the priority and expected contribution to overall facility revenue for each space.

Table 81: Hybrid Model Total Operational Budget (Annual Costs)

Financing Costs		Year 1	Year 2	Year 3	Year 4	Year 5
Debt (Principal & Interest Payments)		$573,199	$573,199	$573,199	$573,199	$573,199
Equity (Interest accruals)		-	-	-	-	-
Operational Costs	**Increase**	**Year 1**	**Year 2**	**Year 3**	**Year 4**	**Year 5**
Payroll costs		$197,600	$197,600	$268,320	$268,320	$268,320
Utilities - $10/sf	3.0%	$527,300	$543,119	$559,413	$576,195	$593,481
Property taxes & insurance - $2/sf	1.0%	$105,460	$106,515	$107,580	$108,656	$109,742
SG&A	3.0%	$75,000	$77,250	$79,568	$81,955	$84,413
Total Costs		$1,478,559	$1,497,682	$1,588,079	$1,608,324	$1,629,155
Profit Margin – 10%		$164,284	$166,409	$176,453	$178,703	$181,017
Revenue Required		$1,642,843	$1,664,092	$1,764,532	$1,787,027	$1,810,172
Annual Lease Required by Component	**Allocation**	**Year 1**	**Year 2**	**Year 3**	**Year 4**	**Year 5**
Commercial / Demo Kitchen	28.0%	$459,996	$465,946	$494,069	$500,367	$506,848
Production Space	28.0%	$459,996	$465,946	$494,069	$500,367	$506,848
Warehouse / Storage Space	2.0%	$32,857	$33,282	$35,291	$35,741	$36,203
Individual Production Space	6.0%	$98,571	$99,845	$105,872	$107,222	$108,610
Retail Space	12.0%	$197,141	$199,691	$211,744	$214,443	$217,221
Office Space	12.0%	$197,141	$199,691	$211,744	$214,443	$217,221
Event Space	12.0%	$197,141	$199,691	$211,744	$214,443	$217,221
Other Space	0.0%	$0	$0	$0	$0	$0

Summary P&L (Operating Model)

Table 82 summarizes the projected financial performance of the proposed facility based on the assumptions outlined in the space component sections earlier. The public space components demonstrate the ability to generate approximately $1.3–$1.9 million over the course of the first five years of operation. This leaves a deficit in year 1 of $544,893 for total operational costs for the facility to break even (decreasing over the first five years to $143,298 in year 5).

This deficit is the total operational burden that a lease structured for the anchor tenant and primary operator (Fare Start) would need to cover and takes into consideration a percentage of debt interest and principal repayment carried over from the total build budget.

Table 82: Hybrid Model (Summary P&L by Component)

Public Revenue	Year 1	Year 2	Year 3	Year 4	Year 5
Utilization Rate	45%	50%	55%	60%	65%
Kitchen & Production Spaces	$1,054,732	$1,171,924	$1,289,116	$1,406,309	$1,523,501
Warehouse/Storage Spaces	$ 29,916	$33,240	$36,564	$39,888	$43,212
Individual Production	$51,840	$57,600	$63,360	$69,120	$74,880
Retail Space	$72,900	$81,000	$89,100	$97,200	$105,300
Office Space	$38,250	$42,500	$46,750	$51,000	$55,250
Event Space	$73,913	$82,125	$90,338	$98,550	$106,763
Other Fees	-	-	-	-	-
Total Public Revenue	**$1,321,550**	**$1,468,389**	**$1,615,228**	**$1,762,067**	**$1,908,906**
% Growth (YoY)		***11.1%***	***10.0%***	***9.1%***	***8.3%***
Costs					
Rent / Lease Expense[40]	$1,642,843	$1,664,092	$1,764,532	$1,787,027	$1,810,172
Labor Costs	$223,600	$228,072	$232,633	$237,286	$242,032
Total Costs	**$1,866,443**	**$1,892,164**	**$1,997,165**	**$2,024,313**	**$2,052,204**
Net Profit / (Loss)	**($544,893)**	**($423,775)**	**($381,937)**	**($262,246)**	**($143,298)**
Margin	***-41.2%***	***-28.9%***	***-23.6%***	***-14.9%***	***-7.5%***

Sensitivity Analysis

Table 83: Net Profit Sensitivity Analysis by Utilization

	Operating Performance (Net Profit)				
Utilization Rate	Year 1	Year 2	Year 3	Year 4	Year 5
65%	**($245,532)**	**($271,253)**	**($376,254)**	**($403,402)**	**($431,293)**
70%	**($98,693)**	**($124,414)**	**($229,415)**	**($256,563)**	**($284,454)**
75%	**$48,146**	**$22,425**	**($82,576)**	**($109,724)**	**($137,615)**
80%	**$194,985**	**$169,264**	**$64,262**	**$37,115**	**$9,224**
85%	**$341,823**	**$316,103**	**$211,101**	**$183,954**	**$156,063**

Table 83 illustrates a pro forma sensitivity analysis of net profit from year 1 through year 5 based on utilization rates from 65 percent to 85 percent. For conservative purposes, total operating expenditures remain consistent and

[40] Rent/lease expense consists of operational costs plus financing costs as detailed in the Key Financial Assumptions section above and is considered the total cost burden of developing and operating the facility. Labor costs consist of the additional direct labor necessary for operating the individual components (commercial/demo kitchen production, retail, office, event spaces).

continue to be burdened with the total expenditures budgeted to operate both the anchor tenant and public spaces. Total public revenue was increased only by the growth in utilization to highlight what range would be needed to achieve breakeven/positive net profit in the public spaces.

Year 1 and year 2 public space profitability is achieved at 75 percent utilization, with 80+ percent utilization reaching profitability across all five years of the forecast. The proposed layout of the facility provides the anchor tenant with 47.5 percent of the total operational component square footage. As the public space components lease-up and reach stabilized utilization, contribution from the anchor tenant from the onset of operations further mitigates downside risk in public space operating performance.

Risk Analysis and Report Conclusions

SWOT Analysis

The following SWOT (strengths, weaknesses, opportunities, threats) analysis summarizes considerations related to the proposed facility from a landscape overview of King County based on comprehensive primary and secondary market research of the region.

Strengths

- King County–specifically the City of Kent and the southern cities in the county–represents a culturally diverse area with a growing interest in food-based businesses and small business entrepreneurship indicated by rising small business license applications, food safety handler certifications, and applications to incubation programming.
- Southern King County supports a dynamic network of incubation, business development, and technical assistance organizations focused on supporting the diverse refugee and immigrant populations in their communities and bolstering small businesses related to food and food service.
- Southern King County, specifically the City of Kent, has a stated interest in committing property toward development in one of several revitalization corridors or projects that could benefit the community by creating industry, jobs, and access to food options.
- The ecosystem of existing incubation, business development, and training programs in the area confirm that there is a funnel of potential users looking for next stage growth opportunities for their small food businesses—including access to infrastructure, retail opportunities, and expanded sales channels.
- Fare Start has confirmed interest in being an anchor tenant in the facility and undertaking the role of primary operator to oversee the day-to-day operational needs of the full facility.
- The proximity of the Seattle Tacoma International Airport and related industrial buyers to the proposed facility sites presents an opportunity for small, culturally diverse food businesses to have access to significant industrial buying power among customers looking for representational products and manufacturers.

Weaknesses

- Southern King County represents a very low-income area with a larger number of residents below the poverty line, ALICE households, or receiving some form of state aid. This means that the overall consumer buying power is limited for the immediate communities in which the facility would operate.
- Due to the impact of COVID-19 on the labor marketplace, the food industry and industrial food manufacturing have been significantly impacted by labor shortages that have threatened these businesses' ability to continue to deliver needed volumes or scale/grow.
- Black, Latinx, and minority founders lag behind their White counterparts in terms of access to capital for start-up expenses, scale, and growth development (especially in relation to food ventures) and received just 2.6 percent of overall reported venture capital in 2020.[41]
- COVID-19 has created significant shortages and price hikes in the value chain of supplies, raw materials, and related goods that manufacturers need to produce at scale and volumes.

[41] Courtney Connley, "Black and Latinx founders have received just 2.6% of VC funding so far in 2020, according to new report," CNBC, October 2020, www.cnbc.com/2020/10/07/black-and-latinx-founders-have-received-just-2point6percent-of-vc-funding-in-2020-so-far.html.

- Co-manufacturing access points are very limited due to the low margins and volatility of the business for co-packers electing to work with smaller or mid-size scale businesses, which represent smaller run margins and overall profitability for the co-packer. Small businesses may face reconciling their volume needs against issues at co-packing facilities such as misrepresentation of expertise or technology, aging infrastructure or machinery, failures to adhere to compliance or FSMA regulations, limited access or run time, failure to adhere to quality agreements of product specifications, or high overhead costs.[42]

Opportunities

- Growing consumer interest in organic, local, and quality food products in addition to prepared/healthy convenient foods and food delivery is a strong and consistent trend, which indicates opportunity to increase the supply and existence of delivered local foods and prepared foods made with local and organic ingredients.
- Culturally relevant food products and RTE food options are growing consumer segments and are also increasingly demanded by wholesale and commercial clients looking to integrate culturally significant foods into their menus and offerings (such as airlines, business cafeterias, school systems, etc.), creating demand among small businesses and entrepreneurs with expertise in these culinary areas.
- A lack of value-added processing infrastructure indicates an opportunity to provide this type of certified facility within the region to serve the growing community of small, urban, refugee, and minority farmers.
- The COVID-19 pandemic created new avenues for collaboration and secondary manufacturing to support the food access needs of organizations, communities, state, and federal programs, which represents an opportunity to grow food manufacturing in this sector, as well as job training and workforce development related to its operations.
- The City of Kent and nearby cities of southern King County sit at a nexus of international transit hubs (roadways, air freight and passenger freight, rail lines, etc.) that represent access and opportunity for integration into local distribution networks for appropriately scaled businesses.
- The developing ecosystem of organizations and services aimed at providing food-business focused incubation, training support, and technical services provides an opportunity to create a centralized locale that "connects dots" between existing services in region and the needs of smaller producers and manufacturers, especially in terms of scale and growth beyond start-up or early-stage classification and size.

Threats

- Unemployment is on the rise due to COVID-19. Loss of income may impact consumer and buyer ability to pay premiums for locally produced foods, patronize restaurants, and buy directly from farmers.
- The restaurant industry and institutional food service are still struggling due to COVID-19 impacts. Hundreds of restaurants have permanently closed throughout the Pacific Northwest since the onset of the pandemic, and institutional food services that exist in commercial and institutional systems (such as colleges, universities, hospitals, and related commercial buyers like airport hubs) have remained closed or are serving greatly reduced volumes. This represents a significant decrease in potential buyers of locally produced food at scale.
- There is a limited supply of wholesale-ready small food businesses, which will impact the proposed facility's ability to cash flow in the initial years.
- Small businesses, manufacturers, and small farm producers may not want to share infrastructure or share risk with each other in order to benefit from a collaborative network model of production and distribution within the proposed facility and/or a hub model of shared product distribution.

[42] Heather Fairman, "Co-Packers: '5 golden rules' to stay competitive and profitable," Natural Products Insider, March 2018, www.naturalproductsinsider.com/contract-manufacturing/co-packers-5-golden-rules-stay-competitive-and-profitable.

- Stand-alone co-manufacturing facilities are few in number because the combination of skills and volume required to operate the manufacturing lines at break-even is difficult, and most often must be offset by additional funding or oversight to achieve operational balance and cash flow.

Risks and Mitigation Strategies

There are key risks to consider that may have a material impact on the successful development, launch, and viability of the proposed KVFEC. However, the risks can be mitigated with the right upfront strategies.

Co-Manufacturing Challenges (Skills deficit and low profit margins for small runs)

- ***Mitigation Strategy:*** The integration of Fare Start's stated uses for the facility to serve as a workforce training opportunity around co-packing, logistics, and related manufacturing skills is a huge benefit to its overall operational opportunity. Their ability to provide co-packing or co-manufacturing services to would address the knowledge gap among users in operating the equipment lines on their own. Further, the integration of workforce training into the overall model creates a secondary focus (and potential financial offset) that may create a better financial picture for the overall operation.

Cash Flow Challenges (Limited supply of wholesale-ready small businesses)

- ***Mitigation Strategy:*** Work closely with the pipeline of existing companies graduating from or completing training at existing incubation and development centers—curating small business supports, capital supports, and access to appropriate technical assistance to ensure greater success rates during initial years of facility operations. This will include fostering relationships with local organizations that can:
    - Provide funding assistance or direct capital investment to support scale and volume needs on aggressive or accelerated timelines.
    - Provide continued business development services, technical assistance, and skills training to meet new manufacturing needs.
    - Provide relationship building with local buyer and distribution networks (especially wholesale and commercial buyers) to facilitate revenue opportunities and potentially lower initial minimums or volume requirements for first orders or runs in the new facility.

Operating Capital Challenges

- ***Mitigation Strategy:*** Fare Start, as the primary facility operator, will need to build in and identify a contingency plan to proactively account for potential unplanned expenses or other pitfalls if the public revenue streams are not able to offset initial operational costs in the opening years as projected. This may include having the ability to adjust with minimal disruption to business operations, to monitor business liquidity closely, and to develop sound ongoing mechanisms to track revenue and expenses and enhance forecasting capabilities. The other partner organizations invested in the facility—such as King County, the City of Kent, the Port of Seattle, and others—will also need to be prepared to invest time in cultivating strong relationships with lenders and potential investors and ensure sufficient access to capital for both Fare Start and the smaller tenants operating in the facility.

Labor and Employment Challenges

- ***Mitigation Strategy:*** The impacts of COVID-19 on the talent pool needed to support scaling operations across the food industry cannot be ignored. However, the facility is well situated to create an internal stream of potential, trained, ready talent through Fare Start's workforce programming on-site. This should help to offset the needs of businesses operating in the facility (or in nearby communities) to identify and hire trained workers.

The facility will also offer community members seeking employment or training opportunities for advancing or diversifying skills within the food industry and thus should help to cultivate continuing relationships with partners who can offer employment opportunities, apprenticeship opportunities, or other placement options for graduates and users of the facility and local community.

Racism and Cultural Challenges

- ***Mitigation Strategy:*** As addressed in the SWOT analysis, the priority community that this facility is being designed to serve—namely, culturally, and racially diverse communities with high numbers of refugee and immigrant members—are statistically poorly represented in terms of access to capital for small business growth or launch and will face language, cultural, and racism barriers in their daily interactions related to employment and small business development and operation. Awareness of these challenges and continuing development of the facility as a "clearing-house" for resources such as training, language supports, capital and funding assistance, and job placement by partner organizations skilled in and experienced in working with these communities will be essential for their continued success within the proposed facility. Further, these developing partnerships will serve to grow and diversify the programming and uses of the facility in a responsive way that supports anti-racism and community growth goals within the greater King County area.

Strategic Recommendations and Next Steps

The feasibility study presents the business case for the development of a Kent Valley Food Entrepreneurship Center in southern King County. It is the mechanism for the public sector to build and develop relationships with both public and private sector partners, encourage public and private sector investment, and build trust and awareness within the community it aims to serve.

A critical next step will be finalizing the ownership-operator structure for the facility and confirming Fare Start's role as anchor tenant and primary operator so that both parties (owner/operator) are engaged during the development phase (outlined below) ensuring that the site plan, facility design, operating model, and business plan reflect their strategic vision and risk profile.

Phase 1: Next Steps

NVA recommends the following steps for the core study team to continue to support the success of the project:

1. **Conduct additional stakeholder outreach to identify anchor tenants, users, and program partnerships**. Understand the level of interest and enthusiasm of all attendees of the October 2021 stakeholder meetings. Follow up individually with stakeholders who expressed interest in learning more and becoming users or tenants of the space. Develop a cadence of communications to foster current stakeholder engagement and reach and identify new interest groups. These communications (including offering a web presence for the project) and outreach should be ongoing through the formal build process for the proposed facility.
2. **Continue to develop a system of understanding of partners, opportunities, and services.** A prime role for this facility is as a "clearing house" or central hub for information, services, training opportunities, and resource access for the ecosystem of small businesses, entrepreneurs, and community organizations looking for or offering them. The core study team will need to define and develop these resources and how they can be accessible to facility users, and what role those organizations/individuals will want to play in relation to the proposed facility. As businesses and new relationships develop across the local food system, these stakeholders and other intermediaries serving the same market should be open to opportunities that could build efficiencies and strengthen markets.

3. **Confirm site selection.** The core study team will need to refine the site criteria based on the results of this feasibility study and asses, with the input of their stakeholders and advisory committee, the best site for locating the facility in order to drive continued design and development.

Phase 2: Development

The following steps outline recommended actions for the next phase of the project—these may be performed by the core study team or the operator/owner partnership and may include the input of a community board, advisory board, or related designated group to continue to keep stakeholder and community viewpoints considered in the process:

1. **Confirm operator and anchor tenant relationships.** Leveraging site selection criteria and the needs of the identified operator and anchor tenant, operational models can be refined to clearly delineate the roles and responsibilities of anchor tenants, primary operator, landlord/owner, public entity input, and stakeholder/community oversight. Memoranda of understanding (MOU) are often drafted at this stage for selected site, owner/operator, and potential tenants.
2. **Refine facility design and business planning.** Update the operating model and building program based on the chosen site, operator, and anchor tenant requirements. Generate initial drawings of the site plan, floor plans, and elevations. Develop a refined final equipment list for both the primary operator and the public spaces. Refine initial estimates of rough costs for construction, furniture, fixtures, and equipment and tenant improvements.
3. **Develop community contract and/or alternative governance model.** If desired, draft a formal community contract to elucidate the continued role of stakeholder, community partners, and organizational partners in the development and operations of the facility. This may take many structures as a community contract, oversight governance model, or related tool to ensure that these voices are represented in the major decision milestones for the proposed facility.
4. **Refine the business plan.** Complete a comprehensive business plan that reflects the strategic vison of the selected owner/operator and their operating model. This will include their role as facility manger and any co-located enterprises the operator oversees directly. If necessary, the market analysis will be updated to validate the owner/operator's value proposition. The business plan will include the following:
    a. Strategic plans for phased facility development, operations, staffing, financing, brand/marketing
    b. Financial projections and capital requirements through breakeven and sources and use of funds
    c. Governance structure and operating agreements with the core study team and other strategic partners
    d. Implementation roadmap with milestones for securing letters of intent with anchor tenants, improving the site, facility design development, construction, and creating a private placement memorandum for fundraising.
5. **Commence fundraising.** The project leaders (owner, operator, advisory team) should create a fundraising plan to explore and secure diverse streams of capital from both public and private investors.

The two most important contributing success factors in the next phase of development are the finalization of the site and the confirmation of an operator. The recommendations above assume that a final site discussion with potential developers and negotiations with a potential operator are successful. If a site is not secured, some development and design work can continue but cannot be finalized until this is resolved. If an operator is not secured, a (part-time) project manager with development experience will be a key role/hire for the short term. This project manager, with the core study team and relevant partners, would then need to issue an RFI to support an

operator search for the facility. Additionally, there are strategies the public sector can pursue to build momentum and cultivate relationships through the planning phases that can be awarded to the identified operator.

Conclusion

The southern King County region is culturally rich and intentionally fostering growth and development in and among the communities that make up its growing constituencies. Food system infrastructure that is dedicated to small food businesses, small manufacturers, and small producers and their unique challenges is essential in bringing sustainable food system change to any community. The City of Kent and the surrounding cities of southern King County are no exception. It has all pieces needed for a vibrant local food economy and the opportunity to unite them under one vision to support these growers and consumers.

APPENDICES

APPENDIX 1: MARKET ANALYSIS AND RESEARCH – RESEARCH PLAN

TOOL	INPUT SOURCES	OVERVIEW/GOALS	RESEARCH QUESTIONS	NEXT STEPS	TIMELINE
INTERVIEWS	Goal (Max): 20-25 ● Advisory Committee Members (potential users/ partners) ● Stakeholders (Regional Food System) ● Farmers/ Producers (Related Organizations) ● Other ● Buyers - Anchors, Institutional, Wholesale (who can assess demand via)	● Collect input in 30 min -1 hr. virtual/phone conversations ● Open conversation - script with questions and goals. ● Used to validate components and direct facility operational design/location. ● Used to better understand "local" product buying on medium/large (institutional) scales for the area. ● Cross-validate with survey information.	What are the features/services different user groups are interested in? (ALL) ● Components (Use? Rank? Specifics? Pricing Threshold?) ● Location Inputs ● Equipment Needs ● Frequency of use ● Services/Program Needs ● Price points HUB/Warehouse use (from farmers & small producers)? ● Processing needs (Specifics) ● Storage needs ● Aggregation/Distribution ● Location Inputs ● Pricing of local product Commercial kitchen use (ALL) ● What types of businesses want a certified commercial kitchen? ● Different user types - where is demand? ● Services/Program Needs Retail use (ALL) ● Types of need, interest, budgets ● Temporary/Pop-Up vs. Short term (Lease/Rentals) Small Manufacturing Uses Workforce Programming Demand - buyers in the area/region (Port of Seattle, local grocery/retail)	● ***Project Leads:*** Review and finalize communications grid ● ***Project Leads -*** review/feedback on interview guides ● ***Project Leads -*** introductions for interviews	***Intros:*** 9/10-9/17 ***Interviews:*** 9/17-10/1

SECONDARY RESEARCH	(Multiple) Demographics - King County Ag inputs - Snohomish, King, Pierce, Skagit (Food shed)	Research to understand the local food landscape - regional vs. state of Washington.	Topics to understand: ● Supply/Demand - Institutional and Wholesale ● Demand for local products ● Current Infrastructure in region (transportation/access points) ● Competition and existing food system infrastructure ● Regional Workforce ● Regional demographics ● Population/Trends ● Ethnic Breakdowns/Trends ● Household income & impacts ● Food businesses (potential users) ● Farmers/Ag landscape (potential users in food shed) ● Food access needs/organizations	● Includes review/update of prior food system studies and other market/agricultural sources ● ***Project Leads:*** Study area defined	***Runs concurrently with primary*** 9/10-10/1
SURVEY	Goal: ● Food Businesses / Kitchen Users (Including Farmers/Producers)	Validate information that was shared in interviews.	Topics to Understand: ● interest in the facility ● potential facility uses ● supply/demand (what is produced in the region vs. what there is capacity to produce) ● Current production / capacity vs future or desired production/capacity ● Challenges farmers/businesses face ● pricing information ● location inputs ● facility oversight and ownership ● Transit needs/access (impacts on location) ● Demand for local goods/price point ● Current sales channels and desired sales channels	● Project Leads: Creates survey outreach list (list servs, contact sources, etc...) ● NVA drafts and 'owns' 3 surveys in survey monkey ● NVA & Project Leads help organize a beta test ● NVA sends reminders to all outreach leads ● NVA analyzes data	***Draft surveys:*** 9/24 ***Review/Inputs:*** 10/1 ***Beta Test (1 week):*** 10/1-10/8 ***Survey out (3 weeks minimum):*** 10/8-10/29 ***Analyze (1 week):*** 11/5

CHARRETTE ***CHARETTE OUTLINE DOC**	• Potential Operating Partners • Program Partners • Primary users (farmers, food entrepreneurs, businesses, community partners) • Buyers (local products)	• Present out operating model and primary component design for facility • Refine and gather inputs from stakeholders to fine tune and direct financial analysis • Finalize tenant/user/ operator inputs • Get additional inputs into local buyer needs/landscape • Make sure "all voices are heard" - partner/ stakeholder engagement **Format(s):** ***Virtual Convening*** segmented into 2 focus groups to share out model and get feedback - #1: Potential Operating Partners/Program Partners - #2: Primary Users (all groups) - segment smaller if needed/large response ***Small Focus Group in Person*** to share out model and get feedback - Primary/Lead Anchor tenants and partners	Topics to Refine: • Interest in and support for the facility • Potential uses • Primary operators, tenants, anchor tenants, users, user groups • Pricing information (financial sustainability) • Facility design/ layout • Components defined (specifically) • Primary tenant/ user/ partner needs • Buyer landscape for local products (demand)	***ASAP:*** • Determine if live or virtual • Set Date • Define format • Define focus groups, attendees • Define goals ***Next:*** • Invites/Save the Dates • Set Agenda • Set Focus Groups • Finalize Document needs	Possible Dates: Week of 10/18 or 10/24

APPENDIX 2: PRIMARY RESEARCH ANALYSIS – INTERVIEW GUIDES

Introduction/Introductory Email Template

King County, the City of Kent and the Port of Seattle are exploring the development of a multi-functional, shared-use food center in the Kent Valley. The purpose of this facility is to help small businesses grow and connect with target markets, and to help organizations expand their capacity and impact. A facility that strategically co-locates and builds the capacity of the growing hunger relief system with support for entrepreneurs could include the following functions and programming:

- Commercial Kitchens
- Storage Spaces
- Food Hub (Aggregation, Warehouse, Distribution space)
- Manufacturing and Processing Equipment
- Hunger Relief (food processing for food banks)
- Individual Production Spaces
- Direct Job Creation & Entry-level Job Training Services
- Food Manufacturing Apprenticeships
- Retail Space
- Event and Office Spaces

To support this development, New Venture Advisors, a leading national consulting firm specializing in local food system planning and food enterprise strategy and development, was hired to help determine the ideal components, programs and location for the facility, and eventually to develop a facility site plan and a business plan for the entire enterprise.

Over the next few months, NVA, in partnership with the project leads, will analyze the feasibility for this multi-purpose shared use facility in Kent that addresses the needs of community organizations, nonprofit sector and small food businesses in order to strengthen the local food system, empower residents to start new businesses, and thereby increase access to healthy, affordable food for underserved communities.

As a first step in that process, we will be conducting a series of interviews to gain an understanding of the needs of key stakeholders within the local community, such as yourself. We appreciate your inputs and contributions.

**Please note, we are recording interviews simply for note-taking purposes.* Your interview will be confidential, but the context of your input will be shared with the stakeholder group in some form.

Interview Template:

BASIC INFO (ASKED OF ALL INTERVIEWS):

1. Can you give us a high-level overview of your organization's work and your role within that organization?

2. What are the biggest challenges you see for small food businesses / value-added food businesses in your region?

3. Are you familiar with or have you been involved with any of the ongoing work and discussions around the proposed facility in Kent?
   (**If not, re-share the overview above emphasizing the key components proposed by the project.*)

4. How do you see your organization participating in this space?
   - Operating or running the facility
   - Operating or running one of the primary spaces (components)
   - Offering or partnering on a program or service for users of the space

- As a User of one of the primary spaces (components)
- Members of my community or organization would be interested in using services/components
- Event use
- Funding support
- Local government, public agency, or related support
- Logistical support
- Technical expertise or resource support
- Other

ORGANIZATION, FARMER, OR ENTREPRENEUR SPECIFIC QUESTIONS:
(SEE BELOW) - insert questions for the appropriate use group

FOOD ENTERPRISE CENTER COMPONENTS:
*****Asked of anyone who indicated operator, user, or partner interest***

1. The facility, as proposed, is a combination of component spaces that could benefit different organizations in advancing their work in a collaborative environment. I'd like to walk through the primary components in the space and discuss how your organization might use them:

Component	Component - Use?	Service - Use?
Food Hub	***Warehouse/Aggregation Space:*** used to aggregate local products, as well as sort, pick, pack products to prepare them for distribution or sale. - Would you be interested in using space for Aggregation Services (Sorting, Picking, Packing)?	- Would you be interested in selling product(s) to the food hub for distribution to local institutional and wholesale customers? - If yes, which type of products? - If yes, is there a specific client you are interested in working with? - If yes, could you offer wholesale pricing? Do you offer any programs or services that could benefit other users of this space?
	Storage: ● Cold ● Frozen ● Dry - How much storage would you need (square feet, shelves, units, lockable, pallet)?	
Commercial Kitchen	***Kitchen Spaces:*** hot & cold equipment and/or cold prep areas The proposed kitchen will have 4 primary use functions: ● **Commissary Kitchen:** for large-	Would you be interested in access to any ***Incubation Support Services:*** ● Business development ● Starting a business ● Growing a business ● Marketing ● Product Development

	scale production related to food access or hunger services ● **<u>Incubation Kitchen:</u>** for incubation of small business or entrepreneurial services/products ● **<u>Processing Space:</u>** for the cleaning, processing of fresh produce for value-add production ● **<u>Scullery Access:</u>** dishwashing, basic access - Would you/ your organization be interested in using any of these spaces? (Which function?) - To produce what? - How frequently would you use the space? - Is there specific equipment you need to produce your product? - Packaging space? - Dedicated environments (cold space, HACCP spaces, etc...)? - Employees or workers in your group (#)?	● Culinary Skills ● Business Growth Strategy ● Other Do you offer any programs or services that could benefit other users of this space?
Processing Space (Small Manufacturing)	***Processing Space:*** space with dedicated small manufacturing equipment for use in canning, bottling, small production, etc... - Would you / your organization need small production space? - If yes, to produce what? - If yes, what type of equipment would you need access to? - How frequently would you use the space? - Would you need private space or could you use a shared/ communal space?	Would you need training or assistance related to this space? Would you need co-packing services or be interested in more information on them? Do you offer any programs or services that could benefit other users of this space?
Retail Space	***Retail Spaces:*** dedicated spaces for short-term lease or rental; or pop-up retail spaces to test ideas or products - Would you / your organization need retail space? Would you be interested in? ● Short term lease(s) ● Longer term lease(s) ● Pop-Up Space	Would you be interested in any programs or services to support small retail? ● Business development ● Retail Strategy ● Marketing ● Business Growth Strategy ● Other Do you offer any programs or services that could benefit other users of this space?

Office / Other Spaces	Do you have any additional support or space needs? ● Office Space ● Co-Working Space (for employees or users) ● Conference Room ● Classroom or Event Space ● Demo or Presentation Space ● Parking - how much? ● Truck Access (loading docks) - what type of trucks? ● Food Truck or related access ● Transit Access (Bus, Rail) ● Other	Do you have any additional service or program needs? Do you offer any programs or services that could benefit other users of this facility?

2. The facility would need to charge affordable rates to sustain its operations. Do you have any inputs in terms of budgets, rates, or related fees that you think are or are not affordable for the facility?

Component/Service	Threshold for Rates/Fees	Notes
Warehouse/Storage Spaces	Term (lease, other)	
HUB Aggregation/Distribution Space or Services		
Kitchen - Rental Rates	Term (Hourly, lease, other)	
Other fees related to kitchen (equipment rental, support services)?		
Kitchen Services		
Processing/Small Manufacturing Space		
Other fees related to small manufacturing space (equipment rental, support services)?		
Small Manufacturing Services		
Retail Space	Term (Short Term, Longer Term, Pop-Up)?	
Other spaces or support services (parking, loading, office, conference, etc..)?		
Workforce Training Programs		

GENERAL PROJECT QUESTIONS (ASKED OF ALL INTERVIEWEES):

1. Are there any other ways your business could partner or benefit from this project?

3. Are there sites or locations you think would be most advantageous for this project?

4. Are there other individuals or organizations that you think we should be talking to in relation to this project?

Thank you again for your time today - if you have any questions or additional thoughts in relation to this conversation, please feel free to reach out to me (contact information).

SPECIFIC QUESTIONS FOR USER GROUPS -

FOR ORGANIZATIONS WORKING WITH TRAINING/SPECIAL COMMUNITIES:

1. If your organization would be supporting the space by encouraging your members or constituents to use the space, how do we best incorporate (or consider) their needs into the space design?

2. Are there specialty needs, program supports, or accessibility considerations that your members/constituents have?

3. Would your organization be interested in operating a space? Offering programming to users?

4. [If applicable] Would you be interested in training programs to support job development in any of the following sectors?
    a. Hospitality/Culinary
    b. Small Food Manufacturing
    c. Co-Packing/Processing

5. [If applicable] Do you offer any programs or services that could benefit other users of the facility?

SMALL BUSINESS/ENTREPRENEURS:

1. What products do you currently produce?
    a. Are there products/offerings that you would like to add to what you currently produce?
    b. What are the barriers to doing so (space, market need, etc...)?

2. Where are you currently processing / preparing your product for sale?
    a. How did you choose this location or site?
    b. What challenges, if any, have you found with production, storage, and distribution?

3. [If applicable] Do you currently work with local farmers or producers for raw materials for your products?
    a. If yes, which products do you purchase locally and from where?
    b. If no, is there a reason why not?

4. [If applicable] Do you think there is strong demand for local products in your regional marketplace?
    a. What is the most demand for (specific products)?
    b. What is the least demand for (specific products)?

5. What are your current sales channels (Mark all channels you sell via):

	Farmers Market or On-site Market
	Direct to Consumer via Farm, website, subscription service (?), or other in-person farm stand sales
	Food Hub
	Grocery or Co-Op
	Wholesale Customers (restaurants, smaller businesses, markets, specialty)
	Wholesale Customers (institutional - schools, hospitals, etc..)
	Wholesale Customers via a Distributor (if yes, who?)

6. If offered, would you be interested in selling products to the "food hub" for distribution to institutional or regional retail clients?
    a. If yes, what products?
    b. If not, is there a reason why not?

7. In your opinion, does the local demand support a reasonable price for your products?
    a. If you are comfortable sharing, are your prices lower, same as, or higher than local grocery outlets for similar products?
    b. If you are comfortable sharing, what is the difference between your prices and prices for similar products at local grocery outlets?

8. What do you think influences local customers to purchase local products over other options (mark all that apply) and why?
    a. Price
    b. Value
    c. Packaging
    d. Marketing
    e. "local" support
    f. Convenience (locational)

FARMERS/FARM ORGANIZATIONS:

1. What is your current production (crops and value add) or what do the farmers in your organization specialize in?

2. What are your current sales channels? (For Crops, For Value-Add)
    a. Which are most successful?
    b. Are you currently selling products to any food hubs? (If yes, which?)

c. Do you sell wholesale - are you interested in selling to institutional buyers?
d. (Based on above) Do you have a need/interest in selling to a new food hub (produce or value add)?

3. [if relevant] Are there products/offerings that you would like to add to what you currently produce?
    a. What are the barriers to doing so (growth space, processing space, market need, etc...)?

4. [If relevant] How are you processing / preparing your product for sale?
    a. What challenges, if any, have you found with production, storage, and distribution?

5. What other programs and/or services would you like to see the Center offer for farmers like yourself (both for produce and for value-add products)?

BUYERS/PROCUREMENT:

1. As a food buyer, which option below best describes your operation?
    - Grocery – independent or specialty
    - Grocery – chain
    - Distributor – broad line
    - Distributor – produce or specialty
    - Institution – college or university
    - Institution – K-12 school, childcare center, YMCA, daycare
    - Institution – hospital, retirement community, nursing home
    - Restaurant / café
    - Brewery or Distillery
    - Processor – proteins, value added produce, specialty goods
    - Other (Please specify)

2. What is your *approximate* annual spend (in dollars) in each of the following categories? Ballpark estimates are fine.
    a. Whole, fresh produce (includes vegetables, fruit, berries, etc.)
    b. Processed produce (fresh cut, washed, frozen)
    c. Meat, poultry
    d. Dairy, eggs
    e. Grains
    f. Specialty Products (honey, syrup, beverages, jams, etc.)

3. What do you require of suppliers in terms of food safety? Choose all that apply.
    - No requirements
    - Must offer traceability
    - Must pass our on-farm audit
    - Must have on-farm food safety plan
    - Must be GAP and/or GHP certified (for whole produce)
    - Must be HACCP certified (for processed produce)
    - Must be slaughtered in a USDA facility (for land-based proteins)
    - Must be processed in an FDA inspected facility (for seafood)
    - We depend on our distributors' requirements
    - Other (please specify)

4. What do you require of new suppliers in terms of specifications and certifications (like packaging, labeling, palletizing, volume, bulk vs. portioned…allergen free, peanut free, Halal, kosher, organic, non GMO)

5. How does your organization define "local" when referring to locally grown or produced food products?

- Grown within a radius of 50 miles
- Grown within a radius of 150 miles
- Grown within a radius of 200 miles
- Grown in King County
- Grown in Washington State
- Grown in the Pacific Northwest Region
- We do not specifically define local
- Other (please specify)

6. Who are your primary suppliers of local farm and locally produced CPG products?
   - Farmers
   - Small Producers/Small Businesses
   - Broadline distributor (i.e., Sysco, US Foods, Gordon Food Service, etc.)
   - Specialty or local distributor (i.e., EX)
   - Regional Food Hub
   - Agricultural cooperative
   - Small business support organization
   - Retailers (i.e., other grocery stores)
   - Local business development or regional public authority
   - Not applicable
   - Other (please specify)

7. Approximately what percentage of your annual spending (in dollars) in each category below is for locally produced items? <5% 5-10% 10-20% 20-30% 30-40% >40% Prefer not to answer
   a. Whole, fresh produce (includes vegetables, fruit, berries, etc.)
   b. Processed produce (fresh cut, washed, frozen)
   c. Meat, poultry
   d. Dairy, eggs
   e. Grains
   f. Jar/Can - shelf stable goods
   g. Snack Items
   h. Prepared Meals
   i. Frozen products
   j. Refrigerated products
   k. Beverages

8. What are some challenges you face when purchasing local products? (Examples include:)

   - Pricing- product is too expensive
   - Volume- unable to fill the quantity needed
   - Quality- product does not meet grading standards or is inconsistent
   - Availability- not able to consistently provide product
   - Timing- seasonality of produce does not align with consumer demand
   - Diversity of product- not enough selection
   - Professional skills of suppliers- unprofessional or poor communication
   - Effort- too much effort required on my part to find and source local
   - Traceability – suppliers can't meet traceability requirements
   - Packaging/Specifications – suppliers can't meet spec requirements for packaging, labeling etc.
   - Other (please specify)

9. If it met your requirements (e.g., with respect to price, services, product set, certifications, etc.), how likely is your organization to buy from **a food hub that sources and sells locally made products i**n our region? Note that a regional food

hub is an entity that helps wholesale buyers (restaurants, grocery stores, institutions, distributors, etc.) connect with and purchase from local producers. Food hubs can take many forms - packing houses, processing facilities, online marketplaces, etc.

[Extremely likely; Very likely; Somewhat likely; Not very likely; Not at all likely]

10. (If not very or not at all likely...) What are your main hesitations around buying from a food hub?

11. (If extremely, very, or somewhat.) What are your main reasons for buying from a new food hub?

12. Which of the following describes your preferred pricing strategy with respect to local products? (Select all that apply)
    - Local product pricing should match the market pricing for standard / nonlocal products
    - We are willing to pay a premium above standard pricing for most or all local product
    - We are willing to pay a premium above standard pricing for well branded, farm identified local product
    - Other (please specify)

13. If your pricing and other requirements were met, what volume of the following local products ***would you buy*** from a food hub annually? Please enter a dollar amount.
    a. Vegetables
    b. Fruit
    c. Eggs
    d. Dairy
    e. Protein/Meat
    f. Grains
    g. Legumes
    h. Value added products
    i. Prepared foods
    j. Processed fruits and vegetables (frozen, chopped, etc.)
    k. Meat, poultry
    l. Dairy, eggs
    m. Grains
    n. Jar/Can - shelf stable goods
    o. Snack Items
    p. Prepared Meals
    q. Frozen products
    r. Refrigerated products
    s. Beverages
    t. Not applicable
    u. Other (please specify)

14. What are the top products you would be most interested in getting from local sources through a food hub? Please be specific, e.g., heirloom tomatoes, rainbow carrots, fresh cut salad greens, bulk honey, 1% milk in pints, packaged snack chips, 8 oz beverages, etc.
    a. Product 1
    b. Product 2
    c. Product 3
    d. Product 4
    e. Product 5

APPENDIX 3: PRIMARY RESEARCH ANALYSIS – SURVEY RESULTS

The following survey table results were not included in the survey findings section above but are referenced and included in the analysis. They are being provided here to ensure there is a full record of all survey results.

Q2. Operation	Count	%
Operate a food business, not licensed	1	3%
Operate a licensed food business	28	76%
Plan to start a food business in the future	5	14%
Ready to launch a food business	3	8%
Total Respondents	**37**	

Q3: Food Business Launch Date	Count
Within the next 6-12 months	5
Within the next 13-24 months	3
Total Respondents	**8**

Q16: Excited About for the new Facility	Count
Opportunity (to scale, increase access, new products, more space)	8
Equipment (bottling, canning, hot fill, freezer space, packaging), safe & sanitary conditions	6
Services (loading dock, technical assistance, production aids)	4
Networking with others	3
Profits/Lower production costs	3
Location	2
Total Respondents	**28**

Q17: No Commercial Kitchen/Processing Space Interest
I want to stay on the grower side. But the opportunity I see is for this incubator to train more butchers/ meat cutters.
I have my own rented location
We do occasionally buy things produced at commercial kitchens (frozen meals to go into food boxes etc), but producing anything ourselves there is not in our business plan.
my partner and I own TOJO Commissary where our hummus company, ZIVA, currently produces. We have a long term lease on the building. I've spoken with so many small food businesses about why they aren't a good fit for our space that I believe I can offer great insight into your project

Q19: Specific Requirements
1500-3000 sq ft.
60-100 gallon cook kettles
Herb and spice grinding and sanitary bottling/labeling equipment
Hot fill bottling equipment
Meet most wholesaler/distributer requirements
Packaging equipment (chilling equipment, freezer space, palletizing facility, walk in fridge, hot fill)

Q30: Retail Interested In	Count
Pop-up (temporary) retail space to sell and test products	7
Long-term lease/rental of retail space to sell my products	5
Short-term lease/rental of retail space to sell my products	3
Total Respondents	**10**

Q32: Travel to Kent Valley	Count
Car	18
Bus	1
Sound Transit	1
Total Respondents	**20**

Q33: Distance Willing to Travel	Count
0-10 miles	5
11-20 miles	9
21-30 miles	3
Over 30 miles	3
Total Respondents	**20**

Q34: Additional Commercial Kitchen Concerns
USDA or Gluten-free certification would be great
Would like a South King location
Provide technical assistance for production
Increase community and networking
Emphasize food safety
Don't try to do too much
Offer co-packing
Let experienced people make decisions (not gov. thinking)

King County, the City of Kent, and the Port of Seattle are exploring the development of a multi-functional, shared-use food center in the Kent Valley. The purpose of this facility is to help small businesses grow and connect with target markets, and to help organizations expand their capacity and impact. This facility may include the following services:

- **Commercial Kitchens**
- **Storage Spaces**
- **Food Hub (Aggregation, Warehouse, Distribution space)**
- **Manufacturing and Processing Equipment**
- **Hunger Relief (food processing for food banks)**
- **Individual Production Spaces**
- **Direct Job Creation & Entry-level Job Training Services**
- **Food Manufacturing Apprenticeships**
- **Retail Space**
- **Event and Office Spaces**

We need your input!

This survey is for food businesses, food entrepreneurs, farmers who do value added processing, and any aspiring combination of the former - who may be interested in utilizing a new commercial facility offering shared use kitchens and food manufacturing spaces in the Kent Valley of Washington State.

The survey will take approximately 15 minutes to complete and will ask a range of questions regarding your food business and how this food entrepreneurship center can best support your needs. Your input is crucial to building a facility that reflects the needs of our community, thank you in advance for your time and participation.

* 1. Where is your business located? Please enter your zip code.

* 2. Which phrase below best describes you? Select one

- ○ Operate a licensed food business
- ○ Operate a food business, not licensed
- ○ Ready to launch a food business
- ○ Plan to start a food business in the future
- ○ Other (please specify)

* 3. When do you anticipate launching your food business?

- Within the next 6-12 months
- Within the next 1-2 years
- Within 3-5 years
- Not sure

* 4. Select the option below that best describes your food business.

- Specialty packaged product (i.e., jams, pickles, pasta, sausage, granola, etc.)
- Beverage (including beer/wine/spirits)
- Baked goods
- Prepared meals/meal kits
- Food truck
- Caterer
- Restaurant
- Farmer processing crops for value-added products (i.e., pickles, jams, canned goods, grains, etc..)
- Food reclamation
- Other (please specify)

* 5. Please describe your operation. What products do you produce/want to produce? If you are a farmer, please indicate the crops you are/want to begin processing.

* 6. As a farmer, are you also interested in selling your raw crops directly to a food hub that stores, aggregates and sells local products for you?

- Yes
- No
- Maybe, if I had more information

7. What would you be interested in selling to a food hub? Please list the products or crops and the estimated volume (ie - cases, bottles, pallets, etc..)

Product 1	
Product 2	
Product 3	
Product 4	
Product 5	
Other (please write in)	

* 8. Where do you currently produce your goods?

- ○ At home
- ○ A contract food manufacturing facility
- ○ A shared kitchen / incubator kitchen
- ○ A commercial kitchen
- ○ I am not currently producing
- ○ Food truck or mobile kitchen
- ○ I use a co-packer
- ○ I am not current producing

* 9. You indicated you use a shared kitchen/incubator kitchen or a commercial kitchen. Which specific facility(s) do you use? Please write name and location here:

10. You indicated you use a co-packer. Which specific facility/facilities do you use? Please write name and location here:

* 11. How long have you been generating revenue?

- ○ Have not yet launched
- ○ <1 year
- ○ 1-3 years
- ○ 3-5 years
- ○ 5-10 years
- ○ 10+ years

* 12. Where do you / will you sell your products? (Select all that apply)

- ☐ Farmers market, farm stand or CSA
- ☐ My own store, e-commerce store, restaurant, or food truck
- ☐ Retailers, grocery stores, cooperatives
- ☐ Restaurants and cafes
- ☐ Wholesale or Institutions (schools, hospitals, etc.)
- ☐ via Distributors
- ☐ via Co-packer
- ☐ Food hubs
- ☐ Other (please specify)

* 13. Are you interested in selling to new wholesale buyers (either directly or through a food hub or related program partner)?

A food hub is an organization that aggregates, buys and sells local products to wholesale and institutional buyers.

- ○ Yes
- ○ No
- ○ Maybe, if I had more information

* 14. Who are your primary **suppliers of local** farm products?

- ○ Farmers
- ○ Traditional Wholesalers (i.e. Sysco, US Foods, etc.)
- ○ Food Hub
- ○ Other (please specify)
- ○ Agricultural Cooperative
- ○ Retailers (i.e. other grocery stores)
- ○ I do not source local farm products for my food business

A shared-use kitchen is a certified commercial kitchen in which individuals or businesses can prepare value-added food products or meals, often paying an hourly or daily rate to lease a space shared by others. These spaces are most often used by culinary or packaged food entrepreneurs. These spaces may also include food processing space that provide access to small-scale manufacturing equipment that allows producers to scale or grow their operations.

The following questions will be used to inform what services and features a potential commercial kitchen and/or processing space could provide to users like yourself in King County.

* 15. Assuming it met your requirements with respect to availability / timeline, pricing and facility features, how interested would you be in producing your goods out of a new commercial kitchen or processing space?

- ○ Extremely interested
- ○ Very interested
- ○ Undecided
- ○ Not very interested
- ○ Not at all interested

16. What makes you most excited about operating in a new commercial kitchen and/or processing space in the region?

17. Why is operating in a new commercial kitchen and/or processing space of no interest to you at this time?

* 18. What are **your top 3 requirements** with respect to the following? (Select up to 3 only)

- ☐ Special access hours (i.e. 24-hour access, night access, daytime only, weekend access)
- ☐ Specialized equipment – kitchen production or food manufacturing
- ☐ Storage square footage or pallet space (cold, frozen, or dry)
- ☐ Access to a loading dock
- ☐ Other (please describe)
- ☐ Proximity to public transportation
- ☐ Allergen free area
- ☐ Private production space that only I can access
- ☐ Access to co-packing service that processes my products according to my specifications

19. Do you have specific requirements for specialized equipment, space needs (square footage) or any other requirements? Please list here.

* 20. Which of the following processing techniques do you employ? (Select all that apply)

- [ ] Assembly of dry ingredients
- [ ] Bottling
- [ ] Canning or preserving in jars
- [ ] Cutting, slicing, shredding of fresh produce
- [ ] Drying, dehydration
- [ ] Fermenting
- [ ] Freezing - blast chiller
- [ ] Juicing
- [ ] Milling or grinding
- [ ] Grinding
- [ ] Specialty cooking (e.g. large scale braising, roasting, steaming)
- [ ] Baking
- [ ] Smoking
- [ ] N/A
- [ ] Other (please specify)

* 21. Is your business or product seasonal? If so, please check the months of the year during which you are in production.

- [ ] January
- [ ] February
- [ ] March
- [ ] April
- [ ] May
- [ ] June
- [ ] July
- [ ] August
- [ ] September
- [ ] October
- [ ] November
- [ ] December
- [ ] Not seasonal / Year round

* 22. On average, during the months you are active, how many hours per week are you in production?

- 1-5
- 10
- 15
- 20
- 25
- 30
- 35
- 40
- Over 40

* 23. On average, when you are in production, how many people do you have in the kitchen (including yourself)?

- Just me
- 2
- 3
- 4
- 5
- 6
- 7
- Over 8

* 24. What pricing structure(s) would you be open to? Select all that apply.

	would not consider	would consider	would prefer
Hourly fee for kitchen use and monthly fee for storage unit			
Monthly fee for a set number of hours and storage			
Annual fee for unlimited hours and set storage			

Other (please specify)

* 25. If the commercial kitchen charged for each hour you utilized the kitchen, at what hourly rate (in dollars) would you consider it a bargain, a good value, too expensive or too inexpensive?

	so **inexpensive** you doubt the quality	a bargain	a good value	too **expensive** to consider
<$10				
$10				
$15				
$20				
$25				
$30				
$35				
$40				
$45				
>$45				

* 26. What is your current annual production volume? Answer in whatever units you typically use to assess your production (i.e., cases, pounds, units, pallets, etc).

* 27. We are considering providing commercial kitchen clients or members of the Food Center with technical assistance and training services to help them successfully grow their business. What would be the **top 5 most valuable** training or support services for your business?

- [ ] General business strategy support / business plan development
- [ ] Accounting and bookkeeping
- [ ] Business growth strategy
- [ ] How to scale or produce at volume
- [ ] Marketing, branding, sales support
- [ ] Navigating food safety requirements
- [ ] Hiring, human resources and/or access to shared labor
- [ ] Other (please specify)
- [ ] Fundraising and valuation
- [ ] Distribution
- [ ] Local sourcing
- [ ] Collective purchasing
- [ ] Recipe testing and support
- [ ] Being part of a food business community

28. What are the greatest barriers to your ability to grow/scale your business or produce at volume? Select all that apply.

- [ ] Access to equipment
- [ ] Access to space
- [ ] Access to capital
- [ ] Other (please specify)
- [ ] Access to sales channels / buyers
- [ ] Knowledge/experience
- [ ] Not applicable

* 29. Below are potential **shared-use spaces** that could exist within the Food Center. For each one, please indicate your level of interest in using or having access to these spaces

	Not interested	Moderately interested	Very interested	N/A
Large gathering/event space used for public events, fairs, lectures, conferences	○	○	○	○
Shared office space	○	○	○	○
Private office space	○	○	○	○
Classroom for food-related activities, seminars, trainings, demonstrations	○	○	○	○
Retail space	○	○	○	○
Event space for private functions (reunions, parties, etc.)	○	○	○	○
Demo space for meeting with clients or tastings	○	○	○	○

Other (please share your additional space ideas)

30. If you were interested in 'retail space' in the previous question, what type of retail space would you be interested in? Select all that apply

- [ ] Short-term lease/rental of retail space to sell my products
- [ ] Long-term lease/rental of retail space to sell my products
- [ ] Pop-up (temporary) retail space to sell and test products
- [ ] Other (please specify)

* 31. Where is the ideal location of the Commercial Kitchen or Food Processing facility and why? (Describe location/city, specific site, or an existing facility/building etc.)

32. If the facility was located in central Kent Valley, how would you travel to this location?

- ○ Car
- ○ Bus
- ○ Sound Transit
- ○ Rideshare
- ○ Other (please specify)

* 33. How far would you be **willing to travel each way** to a commercial kitchen or food processing facility? Please provide your answer in miles or time spent on public transportation.

34. Please share any additional thoughts or questions you have about the development of a commercial kitchen in your region.

* 35. How would you describe the **market in King County for locally grown and produced products?** Please rate the following statements from agree to disagree.

	Disagree	Undecided/Unsure	Agree
Shoppers and diners seek out locally-produced products			
Shoppers and diners are willing to pay more for locally-produced products			
Shoppers and diners need education on the value of buying locally produced food			
Institutional buyers seek out locally-produced products			
Institutional buyers are willing to pay more for locally produced products			
Farmers have the opportunity to sell large quantities of locally produced **products**			
Farmers have the opportunity to grow and sell a diverse set of products			
Farmers have a diverse choice in customers to sell to			
The **demand for local** product exceeds supply			

Your answers to the following questions will allow us to determine how the mix of survey respondents compares to the population of King County as a whole. These results will remain private and will not be shared.

36. What is your age? (only one answer)

- 19 or under
- 20-29
- 30-39
- 40-49
- 50-59
- 60-69
- 70-79
- 80 and over
- Prefer not to answer

37. What gender do you identify with?

- Female
- Male
- Transgender
- Non-binary
- Prefer not to answer

38. What is the highest level of education you have completed?

- Less than a high school degree
- High school degree or equivalent
- Some college (1-4 years, no degree)
- Associate's degree (including occupational or academic degrees)
- Bachelor's degree (BA, BSc, AB, etc)
- Master's, Professional, or Doctorate degree
- Prefer not to answer

39. What is your total household income in the last 12 months?

- Under $20,000
- $20,001 – $40,000
- $40,001 – $60,000
- $60,001 – $80,000
- $80,001 – $100,000
- $100,001 or over
- Prefer not to answer

40. Please specify your ethnicity.

- ○ White
- ○ Hispanic, Latino or Spanish origin
- ○ Black or African American
- ○ American Indian or Alaska Native
- ○ Native Hawaiian or Pacific Islander
- ○ Asian
- ○ Prefer not to answer
- ○ Other (please specify)

41. King County, the City of Kent, and the Port of Seattle will be hosting an event in October to discuss the results of this survey, potential plans for the Kent Valley Food Center and to gain additional feedback. Please select the following as it applies to you:

- ○ I am interested in attending, regardless of timing
- ○ I am interested in attending if the meeting is during the work day
- ○ I am interested in attending if the meeting is in the evening
- ○ I am not interested in attending this event

42. If you selected yes to the above or if you would like to be added to a contact list for this project, please provide your contact information below.

Name	
Company	
Email Address	
Phone Number	

Thank you for taking the time to complete this survey! Select DONE below to submit your answers.

Please share this survey link with any interested small businesses, farmers, producers, entrepreneurs, or related individuals (small companies) who could provide inputs.

If you have any questions, please contact Michael Lufkin, Local Food Economy Manager, King County at michael.lufkin@kingcounty.gov.

Thank you!

APPENDIX 5: BUSINESS ANALYSIS AND FACILITY DESIGN – OPERATING WORKBOOK EXCERPTS (BUSINESS MATRIX)

#	Component	Client's Name/ Language	Phase	Case Study/ Analog	Key Activities	Mission/ Goal Focus	Audience	Business Structure	Revenue/ Financial Streams	Cost Structure	Operator	Possible Partners/ Role	Unique Space Needs	Access Space Needs	Staff Needs (MIN)	Intersects with
1	**Commercial Kitchen Space**	-	1	*TBD*	- Incubation Kitchen	- Entrepreneurship access point for local community (small business support and development)	Entrepreneurs	*TBD*	Rental Usage Fees (Hourly or Set Time Frame)	Overhead (Space)	*TBD*	*TBD*	Kitchen (Hot/Prep)	Storage (Frozen, Cold, Dry)	Kitchen Manager	Storage
					- Value-Add Processing Space for Farmers	- Support additional revenue for local producers (value-add, training/certifications needed, etc..)	Small Businesses			Overhead (equipment)			Office	Warehouse (holding)	Janitorial (shared)	Loading/ Receiving
					- Demo Kitchen (A/V-Technology)	- Outfitted space (A/V + Technology) to allow for demonstrations, cooking classes, and related educational/community events.	Farmers/ Producers			Labor				Loading/ Receiving		Event Space
																Processing Space
2	**Production Space (Small Manufacturing)**	-	1	*TBD*	- Scaleable production space for light manufacturing (processing lines)	-Space for small businesses to access small manufacturing lines or processing/ packaging equipment (intended to increase sale and production).	Entrepreneurs	*TBD*	Rental Usage Fees (Hourly or Set Time Frame)	Overhead (Space)	*TBD*	*TBD*	Processing Space (Food Safe)	Storage (Frozen, Cold, Dry)	Production Manager	Storage
						- Potential connection point for co-packer or related offerings	Small Businesses			Overhead (equipment)			Packaging Space (Food Safe)	Warehouse (holding)	Janitorial (shared)	Loading/ Receiving
							Farmers/ Producers			Labor			Office	Loading/ Receiving		Event Space
																Kitchen Space
3	**Hub/Warehouse Space**	-	1	*TBD*	- Holding warehouse	- Warehouse holding space for in/out of finished product items	Entrepreneurs	*TBD*	Fees	Overhead (Space)	*TBD*	*TBD*	Warehouse (Dry)	Storage (Frozen, Cold, Dry)	Hub Manager	Storage
					- Aggregation Space for distribution/ packaging	- Production space to allow for the pick/ pack of CPG and/or producer products (crops) for funnel to distribution	Small Businesses		Sales %	Overhead (equipment)			Loading/ Receiving		Logistics (Warehouse) Staff	Kitchen Space
						- Pallet storage structure	Farmers/ Producers			Labor			Office		Janitorial (shared)	Processing Space
4	**Storage Space(s)**	-	1	*TBD*	- Cold, Frozen, and Dry Storage	- Support storage for other components (kitchen, processing, warehouse, event spaces)	Entrepreneurs	*TBD*	Fees **or built into other rental fee structures*	Overhead (Space)	*TBD*	*TBD*	Storage (Frozen, Cold, Dry)	Warehouse (Dry)	N/A (Covered in other functional spaces)	Hub/Warehouse
						- Pallet, shelf, and lockable storage structure	Small Businesses			Overhead (equipment)				Loading/ Receiving		Kitchen Space
							Farmers/ Producers									Processing Space
																Loading/ Receiving
5	**Individual Production Spaces**	-	1	*TBD*	- Rent or Lease based individual spaces	- Provide access point for entrepreneurs/ small businesses to lease or rent (timelines TBD) private space for use for food-safe production or related functions	Entrepreneurs	*TBD*	Lease or rental fees (short or long-term)	Overhead (Space)	*TBD*	*TBD*	Private Production Space	Storage (Frozen, Cold, Dry)	N/A (Covered in other functional spaces)	Hub/Warehouse
							Small Businesses			Overhead (equipment)				Warehouse (holding)		Kitchen Space
														Loading/ Receiving		Processing Space
																Storage
																Loading/ Receiving
6	**Retail Spaces**	-	1	*TBD*	- Entry point retail spaces for small businesses	- Provide entrepreneurs and small businesses with a retail space at lower cost entry (below market rate) to sell food products or provide food-service concepts	Entrepreneurs	*TBD*	Lease or rental fees (short or long-term)	Overhead (Space)	*TBD*	*TBD*	Retail pods or spaces (public facing)	Storage (Frozen, Cold, Dry)	Rental/ Oversight Manager	Storage
					- Pop-Up or Flex space for incubation continuation	- Provide entrepreneurs and small businesses with a retail space at lower cost entry (below market rate) to sell food products or provide food-service concepts (Temporary or Pop-Up would be short term)	Small Businesses		*Possible set fee for pop-up use	Overhead (equipment)				Loading/ Receiving	janitorial (Shared)	Loading/ Receiving
7	**Event/Multi-Use Space**	-	1	*TBD*	- Indoor, year-round event space that is convertible for multiple uses/functions	- Provide event space for multiple uses for community partners and facility users: - Classroom space - Conference room space - Large event space (>100 attendees) - Small event space (<100 attendees)	Community Members	*TBD*	Rental Usage Fees (Hourly or Set Time Frame)	Overhead (Space)	*TBD*	*TBD*	Configurable Space	Storage (Frozen, Cold, Dry)	Rental/ Oversight Manager	Storage
							Entrepreneurs			Labor				Loading/ Receiving	janitorial (Shared)	Loading/ Receiving
							Small Businesses							Kitchen Space		Kitchen Space
8	**Office Space**	-	1	*TBD*	- Office space for partner and community organizations	- Provide office space for community organizations, partners, and facility users	Community Members	*TBD*	Lease or rental fees (short or long-term)	Overhead (Space)	*TBD*	*TBD*	Individual Office Spaces	-	Rental/ Oversight Manager	-
					- Open concept/ community access shared office or shared desk space		Entrepreneurs		Usage Fees (Variable time) - for co-working desks				Open concept co-work space		janitorial (Shared)	
							Small Businesses									

APPENDIX 5: BUSINESS ANALYSIS AND FACILITY DESIGN – OPERATING WORKBOOK EXCERPTS (BUILDING PROGRAM)

	Main Facility (Designated) Spaces		Shared Spaces/ Components		Public Area					
	Dedicated Hot Spaces		Support Spaces		Refrigerated or Cooled Storage or Work Space	COLD				

COMPONENTS	AREAS	HYBRID MODEL SIZE	CONSTRUCTION PER SQ FT (ESTIMATES)	GENERATES REVENUE (Y/N)	IDEAL ADJACENCIES	HIGH BAY or STANDARD HEIGHT	MUST BE AT GRADE?	PUBLIC or PRIVATE?	COMMENTS
Commercial Kitchen Space	Commissary Kitchen Space (includes veg processing space + scullery)	9,625.00	550	Y	Receiving/ Holding/ Storage	Standard	N	Private	
	Demo Kitchen (Public Access) - Hot Line + Classroom Space	400.00	550	Y	Reception/ Public Spaces	Standard	N	Public	
	TOTAL COMPONENT SQ FOOTAGE	10,025.00							
Production Space	Food Safe Manufacturing Space (Mechanized Lines)	8,300.00	250	Y	Receiving/ Holding/ Storage	High Bay	Y	Private	
	TOTAL COMPONENT SQ FOOTAGE	8,300.00							
HUB (Warehouse Space)	Warehouse/ Aggregation Space	5,000.00	200	Y	Storage	High Bay	Y	Private	
	Loading/Receiving	775.00	200	N	Storage	High Bay	Y	Private	
	TOTAL COMPONENT SQ FOOTAGE	5,775.00							
Storage Spaces	Storage: Dry	3,200.00	200	Y	Receiving	High Bay	Y	Private	
	Storage: Cold/Refrigerated	3,700.00	435	Y	Receiving	High Bay	Y	Private	
	Storage: Frozen	3,200.00	435	Y	Receiving	High Bay	Y	Private	
	TOTAL COMPONENT SQ FOOTAGE	12,600.00							
Individual Production Spaces:	Food Safe Manufacturing/Production Space 10 spaces + Growth Room	5,000.00	250	Y	Storage/ Kitchen	High Bay	Y	Private	
	TOTAL COMPONENT SQ FOOTAGE	5,000.00							
Retail Space	Retail Spaces (Total)	750.00	350	Y	Main Access	Standard	Y	Public	
	TOTAL COMPONENT SQ FOOTAGE	750.00							
Event Space	Multi-Purpose (Convertible Space)	2,350.00	350	Y	Main Access	Standard	Y	Public	
	TOTAL COMPONENT SQ FOOTAGE	2,350.00							
Office Space	Office Spaces (Private, Shared, Co-Work)	1,380.00	350	Y	Main Access	Standard	Y	Private	
	TOTAL COMPONENT SQ FOOTAGE	1,380.00							
Shared/ Support Facility Components	Toilet Rooms (User + Staff)	800.00	400	N	Main Production Spaces	Standard	N	Private	
	Toilet Rooms (Public Access)	800.00	500	N	Main Access	Standard	N	Public	
	Mechanical/ Electrical Room	200.00	200	N	-	Standard	N	Private	
	Technology Room	200.00	200	N	-	Standard	N	Private	
	Janitorial Space	100.00	200	N	-	Standard	N	Private	
	Corridors/ Circulation	1,200.00	220	N	-	-	-	Public	
	Elevator/Stair Access	600.00	220	N	-	-	-	Public	
	Public/Reception Area	150.00	250	N	Main Access	Standard	Y	Public	
	TOTAL COMPONENT SQ FOOTAGE	4,050.00							
	PRIMARY SPACE TOTALS	50,230.00							*all primary building spaces; does not include parking lot & dumpster (outdoor area)
Outside Components/Support Areas	Parking Lot	TBD		N	Main Entrance	Shared	Y	Public	*Need to size for Kent (Joel)
	Truck Turn Areas	TBD		N	Main Entrance	Shared	Y	Public	*Need to size for Kent (Joel)
	Outside Support Area: Trash, Recylcing, Compost (7-8 dumpsters) Compactors x 2 Generator x 1	2,500.00	200	N	Loading/ Receiving	Shared	Y	Private	*Will be determined by local regulations and practical use (Kent)
	OUTDOOR FOOTPRINT TOTALS								*full footprint (with outside required spaces)

APPENDIX 5: BUSINESS ANALYSIS AND FACILITY DESIGN – OPERATING WORKBOOK EXCERPTS (MODEL S, M, L)

Component	Baseline (Small)	@ SQ FT (MINIMUM)	Medium	@ SQ FT (MINIMUM)	Large	@ SQ FT (MINIMUM)
Commercial Kitchen	Basic access kitchen for incubation and production needs. Set-up as a commissary style space with basic hotline, scullery, and cold prep spaces. Small scale (@200 sq ft per station) Hot line stations: 2 Cold Prep stations: 2 (NO Demo Kitchen Space)	800.00	Medium scale (@300 sq ft per station) Hot line stations: 2 Cold Prep stations: 2 Small Demo Kitchen Space (Public Facing) with A/V technology supports. @400 sq ft	1,600.00	(SAME)	1,600.00
Production Space (Small Manufacturing)	Food safe production space with mechanized lines (dehydration, freeze, cold-pack, bottling, packaging, canning, etc..) with equipment supports. Max 2 production lines in space = @500 sq ft per line *bottling, dehydration, freeze pack (most requested) Dry packaging area = @500 sq ft space (NO separate Veg Processing Space)	1,500.00	Max 3 production lines in space = @500 sq ft per line *bottling, dehydration, freeze pack (most requested) Dry packaging area = @500 sq ft space Small separate Veg Processing Space - wet sinks, drying racks, pick/pack set-up = @300 sq ft of space	2,300.00	Max 4 production lines in space = @500 sq ft per line *bottling, dehydration, freeze pack (most requested) Dry packaging area = @500 sq ft space Small separate Veg Processing Space - wet sinks, drying racks, pick/pack set-up = @300 sq ft of space	2,800.00
Hub/Warehouse Space	Loading/Unloading hub space (including): - 2 loading dock bays with levelers to accomodate all truck types = 600 sq ft - Warehouse Storage Space (pallet based racking) - 2 x (10ft x 10 ft) double height pallet racks (400 sq ft minimum for rack + turn area) = 800 sq ft - Storage for equipment = 200 sq ft	1,600.00	- 3 loading dock bays with levelers to accomodate all truck types = 900 sq ft - Warehouse Storage Space (pallet based racking) - 4 x (10ft x 10 ft) double height pallet racks (400 sq ft minimum for rack + turn area) = 1,600 sq ft - Storage for equipment = 200 sq ft	2,700.00	- 4 loading dock bays with levelers to accomodate all truck types = 1,200 sq ft - Warehouse Storage Space (pallet based racking) - 6 x (10ft x 10 ft) double height pallet racks (400 sq ft minimum for rack + turn are) = 2400 sq ft - Storage for equipment = 200 sq ft	3,800.00
Storage Space(s)	Dry, Cold and Frozen Storage Space (pallet, shelf, and cage based racking) - Dry 500 sq ft min - Cold 800 sq ft min - Frozen 800 sq ft min	2,100.00	- Dry 1,000 sq ft min - Cold 1,800 sq ft min - Frozen 1,800 sq ft min	4,600.00	- Dry 2,000 sq ft min - Cold 2,500 sq ft min - Frozen 2,500 sq ft min	7,000.00
Individual Production Space (Fare Start)	Private Space @30,000 square feet to support ind. needs: - Production Space (MFG) - Kitchen Space - Dock, Warehouse & Storage (Dry, Cold, Frozen) - Office - Conference/Classroom Space - Welfare, Toilet + Support Spaces (Mech/Techn)	30,000.00	Private Space @30,000 square feet to support ind. needs: - Production Space (MFG) - Kitchen Space - Dock, Warehouse & Storage (Dry, Cold, Frozen) - Office - Conference/Classroom Space - Welfare, Toilet + Support Spaces (Mech/Techn)	30,000.00	Private Space @30,000 square feet to support ind. needs: - Production Space (MFG) - Kitchen Space - Dock, Warehouse & Storage (Dry, Cold, Frozen) - Office - Conference/Classroom Space - Welfare, Toilet + Support Spaces (Mech/Techn)	30,000.00
Individual Production Spaces	Leasable white box production spaces which can be made either public-facing (for retail/production use) or production only. FF&E by tenant. Have access to rest of facility spaces to support production. # spaces: 0	0.00	# spaces: 4 (300 sq ft ea)	1,200.00	# spaces: 6 (300 sq ft ea)	1,800.00
Retail Spaces	Public facing pop-up, short-term, or long-term lease spaces to be built out by tenant. # spaces/stalls: 3 x (250 sq ft ea)	750.00	(SAME)	750.00	# spaces/stalls: 6 x (250 sq ft ea)	1,500.00
Event/Mulit-Use Space	Convertible, multi-functional event space for all uses: - Conference Room - Classroom - Welfare/Gathering Space - Event Space - User/Client Meeting Spaces (Small Pod)	500.00	(double space value)	1,000.00	(triple space value)	1,500.00
Office Space	Private Office Spaces # of spaces: 0	0.00	# of spaces: 4 (300 sq ft ea)	1,200.00	# of spaces: 6 (300 sq ft ea)	1,800.00
TOTALS		37,250.00		45,350.00		51,800.00

Example (S, M, L) models are built upon the combination of all components of similiar sizing - however, a hybrid model reflective of multi-sized components can be built.

APPENDIX 5: BUSINESS ANALYSIS AND FACILITY DESIGN – OPERATING WORKBOOK EXCERPTS (HYBRID MODEL)

Component	Fare Start Resources	Public Resources	FS ELEMENTS SQ FT (MIN)	PUBLIC ELEMENTS SQ FT (MIN)	TOTAL
Commercial Kitchen	Production Kitchen for food access volume production and co-packing Per Matt (estimates) Prepared Meals Production: @2 million ready to eat meals per year (48 hour holding) @ 1 million frozen meals per year (2 weeks of inventory holding) Processed Food (2 sizes on a packing line): @2 million pounds of food per year (1 week of inventory holding) Space sizing assumptions: = @200,000 #of processed food per month (transitting the space with 1 week of overlappting inventory holding); 38-40,000 # of production per week; 8,000 # of production per day = 200,000 RTE meals/month; @40,000 RTE meals/week; @8-10,000 RTE meals/day (5 days production) = 80,000 FR meals/month; @20,000 FR meals/week; @4-5,000 FR meals/day (5 days production) = @200 pallets transitting the space (incoming product + outgoing product, with 1-2 weeks of high volume inventory holding across productions) = DAILY production capacity: 8,000 # of PRO Food/ 10,000 RTE meals / 5,000 FR meals (based on 5 days of production) Production Assumptions: = 40 pp minimum to meet meal needs in production daily = 10 pp minimum to meet processed food needs in production daily = assuming 10 sq ft space minimum needs per person (5,000 sq ft for min spacing for people) Equipment Assumptions: - High volume processing (processed food) - High batch volume with integrated pumps for distribution/filling/cooling - Large batch roll-in heat lines - Assuming 30-40 feet of hood line (ansel and/or steam based hood lines)	Hot line stations: 2 set-ups/"pods": @10-12 foot of hood line per station 25 x 25 support area) = 625 sq ft Cold Prep stations: 2 set ups/"pods": 350 sq ft Value Add Veg Processing: = 100 sq ft Small Demo Kitchen Space (Public Facing) with A/V technology supports: = 400 sq ft Shared Scullery (2 staff people, shared with FS) + Equip/Small Ware Storage: = (15x15) 225 sq ft Growth Space (add additional hot line equipment equal to @1 pod + scullery space): = 15x15 min = 225 sq ft + 100 sq ft = 325	8,000.00	2,025.00	10,025.00

Production Space (Small Manufacturing)	Production space to support volume supports - IQF (20-30 ft length max) - Packaging line(s) (15-20 ft length max) - All finihsing of product in this space Staff assumptions: - out of above data, assuming 10-12 production staff focusing on finishing and packaging for meals - out of above data, assuming 3-4 production staff focused on shock/cool/package for processed food	Food safe production space with access to mechanized lines (shared): Some combination of 2-3 lines below (not HPP in initialization): - Separate Dry packaging area with Rollbar packing line: 500 sq ft - Blancher/Dunker, Liquid Fill from Kettle: 300 sq ft - Bottling Line (Single Run): 500 sq ft - Canning Retort or Pasteurizer: 250 sq ft - Dehydrator (large closet): 250 sq ft - Basic wet fill line: 500 sq ft - Basic Bar or Powder fill/shape line: 500 sq ft - HPP: 10,000 sq ft (+ floor reinforcement) Growth space (add additional lines or support space): 1,000 sq ft	5,000.00	3,300.00	8,300.00
Hub/Warehouse Space	Loading Docks: - 2 dock bays with levelers to accomodate all truck types: (12' center for dock/leveler x 2) 25 x 25 ft depth min space = 625 sq ft - street level dock bay for vans and related (no leveler) = 150 sq ft Warehouse Storage space with pallet based racking: - @200 pallets transiting into/holding or out of space/month = @13 sq ft per pallet (40x48 average size) - assuming some pallets will transition into storage spaces (@100 pallets per month) - warehouse has to be able to support holding of @100 pallets/month = 1300 sq ft minimum - running pallet racking in 10' lengths (1 deep, 3 pallets wide, max 2 pallets high) = 17-20 sections holding minimum = each unit @50 sq ft = 1,000 - buffer for turning and transit = 1500 sq ft - storage space for equipment = 500 sq ft	Additional Designated Warehouse Storage Space: - 2 span of pallet racking (18 pallets holding) = 1000 sq ft Growth space (2 spans) = 1000 sq ft	3,775.00	2,000.00	5,775.00
Storage Space(s)	Dry, Cold & Frozen Storage Space (Pallet/Shelf) to support operational needs: - Assuming @100 pallets of material holding at any one time across all spaces - 80 Dry - 80 Cold - 70 Frozen Dry = 1000 sq ft min + racking and turn space = 2200 Cold = same Frozen = same	Additional designated space (in process or finished product): - Shelving + Private Cages for individual company use - LImited pallet holding (1 rack each space) - Dry: 1,000 - Cold: 1,500 - Frozen 1,000 Growth space: 2500 additional sq ft	6,600.00	6,000.00	12,600.00
Individual Production Spaces	N/A (all amongst shared facility spaces)	Wel	0.00	5,000.00	5,000.00
Retail Spaces	N/A	Public facing pop-up, short-term, or long-term lease spaces to be built out by tenant. # spaces/stalls: 3 x (250 sq ft ea) *NO growth space built into this component.	0.00	750.00	750.00
Event/Mulit-Use Space	Shared Access to multi-function event space with: - 1 x shared conference room (12 pp, 150 sq ft) - 1 x shared welfare/gathering space (20 pp, 400 sq ft)	Convertible, multi-functional event space for all uses: - Conference Room (at left) - Welfare/Gathering Space (at left) - Classroom/Event Space (500 sq ft - 1,200 sq ft) - User/Client Meeting Spaces (Small Pods x 2 = 300 sq ft)	0.00	2,350.00	2,350.00

Office Space	Private Office Space x 4 units (120 sq ft ea) + shared co-use space	Shared Co-Use Space (40 sq feet per person = 12-15 desks, 500 sq ft) Support Spaces (copy, etc..) (400 sq ft)	480.00	900.00	1,380.00
Support Spaces	N/A (all amongst shared facility spaces)	Toilets (# of stalls dictated by code) = minimum 800 sq ft per set (2 sets min) Technolgy/Electric Room Janitorial Space Mechanical Room Elevator/Stairs/Transit Corridors	0.00	4,050.00	4,050.00
TOTALS			**23,855.00**	**26,375.00**	**50,230.00**
Outdoor Support Spaces	Parking = (# cars TBD) = staff./students = if 50 pp required for production daily = 75% assumed driving = 38 min cars + support staff = @40 cars = program vans. (TBD) Truck Assumptions: - 200 pallets/month transiting the space - each truck (53' truck) = holds @26 pallets per delivery = 7 minimum delivery (full freight) = likely assumption (half or partial delivery) = @20-25 trucks/month (@1-3 trucks per day, 5 days of production) Truck pull-through (off hour unloading) - TBD Truck turnaround (dock access) - full size turn radius (all trucks) Garbage, Recycling, External Compactors (garbage, cardboard) Composter (outside) External Generator (Support storage) Other (TBD): biodigester, green energy sources	Parking Assumptions: - if all building spaces being used at capacity = @120-125 people in the building at the same time; = 80% assumed driving = 100 cars (over a 12+ hour production cycle) = min 50-60 cars on property at any one point Truck Assumptions: - if all production spaces + kitchen spaces being used = @18 spaces (companies using space at same time) = assumes each gets 1-2 pallets of product incoming/outgoing or supporting goods = 35+ pallets transiting space at any given work shift (day) = 2 trucks per day minimum	square footage (TBD)	square footage (TBD)	square footage (TBD)

APPENDIX 6: BUSINESS ANALYSIS AND FACILITY DESIGN - CASE STUDIES (SYNOPSIS)

The following comparable industry models were studied as a part of the feasibility analysis and provided to the advisory committee and stakeholders during various presentations between October and November 2021.

Table 84: Feasibility Study Case Study Overview

Case Study	Location	Project Relevance (Summary)
Cred Made/ Chicago CRED	Chicago, IL	● 30,000 square foot production/manufacturing facility with similar workforce and business scale mission goals.
West Michigan F.A.R.M.	Muskegon, MI	● 8,000 square foot co-pack and agricultural processing center designed in partnership with local community college to support economic development and business growth.
La Cocina Marketplace & Incubator	San Francisco, CA	● Approximately 10,000 square foot (combined) two facility development supporting volume kitchen space and retail/event space; shared diverse community focus and goals.
The REDD Portland (East & West)	Portland, OR	● Approximately 76,000 square foot (combined) two facility development supporting a local product food hub, independent production spaces, kitchen space, and event/public gathering space.

Each case study is illustrated in the following pages.

CASE STUDY: CREDMADE

CREDMADE

At A Glance

Location: Chicago

Size: 30,000 square feet

Website: credmade.com

Areas of focus:

- Co-Packer
- Job training
- Economic development
- Violence Prevention

CASE STUDY: CREDMADE

CREDMADE

Year Built	2019 (Chicago CRED was founded in 2016)
Structure	CREDMADE is a public benefit corporation (supports parent company Chicago CRED, a nonprofit)
Build Budget	--
Components	Co-Packer • Two loading docks and drive-in bay • High-Speed packaging • Manual packing and kitting • Customer service area
Services	Job training • Job placement/Workforce partnerships • Individual coaching & counseling
Notables	Focus on men who live in Chicago neighborhoods that have suffered from disinvestment • Employees are provided with wrap-around services and full benefits

CASE STUDY: "FARM" (FOOD, AGRICULTURE, RESEARCH, MANUFACTURING)

At A Glance

Location: Muskegon, MI

Size: 8,000 square feet

Website: westmichfoodprocessingassn.com/farm

Areas of focus: Accelerator and business development center; Economic development

CASE STUDY: THE "FARM"

Year Built	Started in 2020 and completed in 2021
Structure	An entity of West Michigan Shoreline Food Processing Association (currently looking for an operator)
Build Budget	$2 million
Components	Flexible manufacturing space • loading docks • refrigeration/freezers • energy efficient • waste and water handling • MSU mobile processing unit hook up
Services	(intended) Training and research in partnership with Michigan State University's (MSU) and Muskegon Community College • Career pipeline for college students • Test manufacturing of new products
Notables	Located on the Muskegon Community College campus • Affiliated with MSU food processing certificate and degree programs

LA COCINA + MARKETPLACE

At A Glance

Location: San Francisco

Size: Shared Kitchen (2,200 sq feet)
Marketplace (7,000 sq feet)

Website: www.lacocinasf.org

Areas of focus:

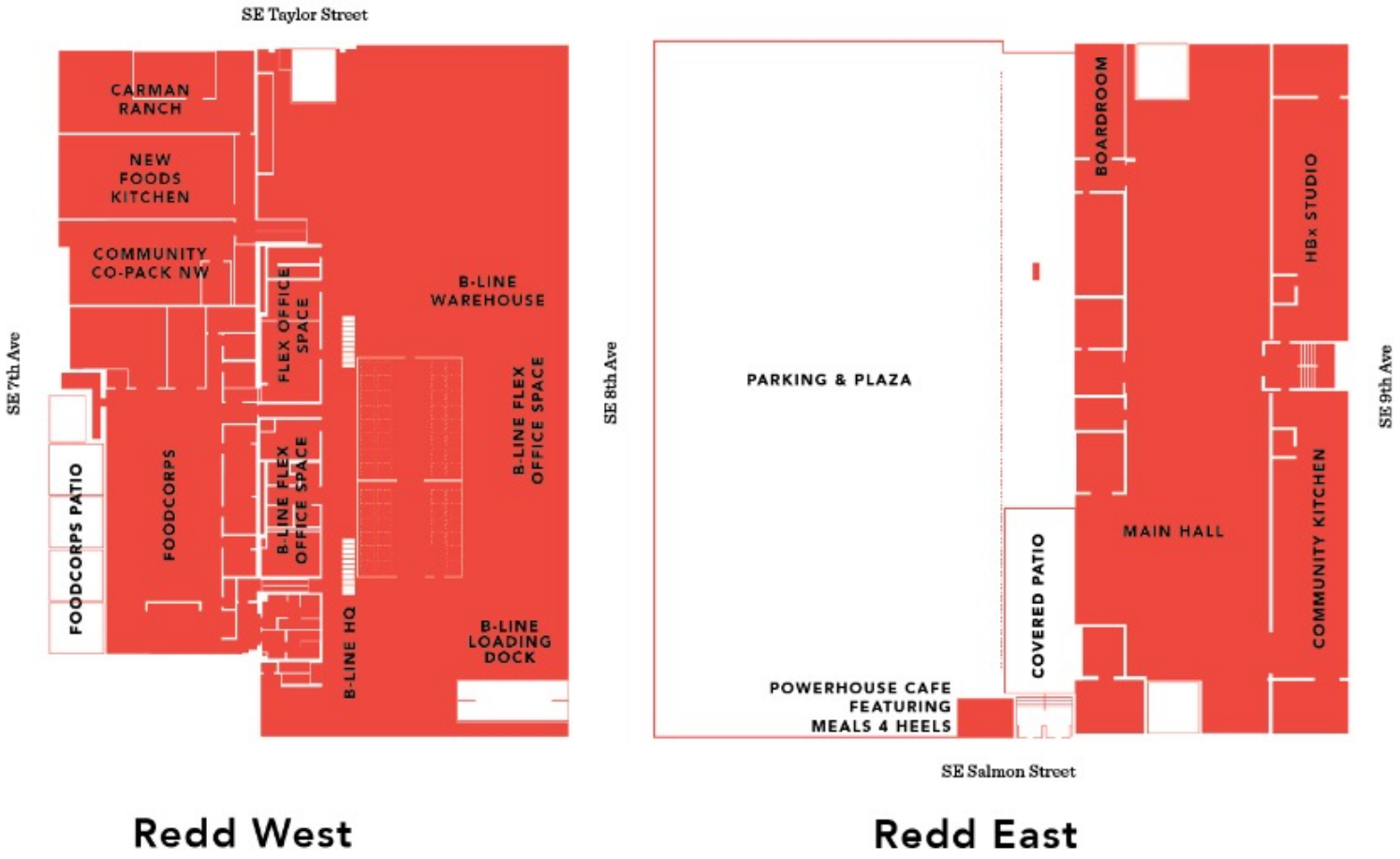
- Entrepreneurship and culinary incubation
- Restaurant incubation
- Women employment

LA COCINA + MARKETPLACE

Year Built	Marketplace opened in April 2021 (five year process)
Structure	Nonprofit
Build Budget	$6.8 Million
Components	Food Hall • Commercial Kitchen • Cold, Frozen, Dry Storage
Services	Incubator Program • Commercial kitchen rentals for licensed businesses/nonprofits • Food hall for restaurant concepts and public eating area
Notables	Focus on minority women

THE REDD

THE REDD



Redd West

Redd East

At A Glance

Location: Portland, OR

Size: 76,000 square feet (2 buildings)

Website: www.reddonsalmon.com

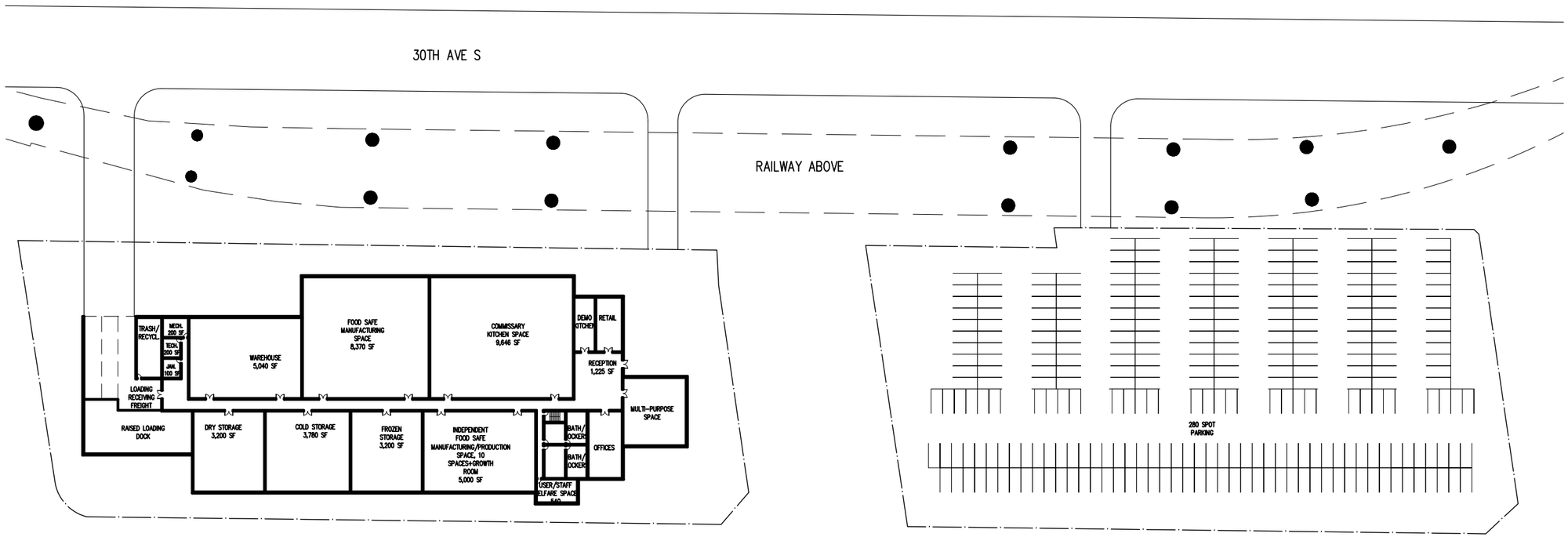
Areas of focus:

- Economic development
- Farm to table
- Food infrastructure
- Regional food systems

THE REDD

THE REDD

Year Built	Initiated in 2015; opened in 2019
Structure	Nonprofit, project of EcoTrust, a Portland-based non-profit organization
Build Budget	$25 million
Components	**Redd West-** Working Hub that provides warehousing, storage, distribution, logistics, processing, and business development support. Core community members include a plant-based commercial kitchen, a purveyor of pasture-based and wild meat and seafood, partners in growing the next generation of food system leaders, and bike-based distribution, warehousing, and cold-storage services. **Redd East-** Venue/event space including a board room, commercial kitchen, main hall, and outdoor plaza. Space is used for private rentals and community events (including farmer's markets).
Notables	Back-of-house support for socially conscious food businesses, and a world-class event center focused on spreading the ideas of the good food movement.



LEVEL 00

NEW CONSTRUCTION

BNMO
Architecture | Interior Design
3028 N. Hoyne Ave| Chicago IL 60618
(414) 736-1131 www.bnmodesign.com

KENT TRANSIT STATION

1	ISSUED FOR CLIENT REVIEW	11/18/2021

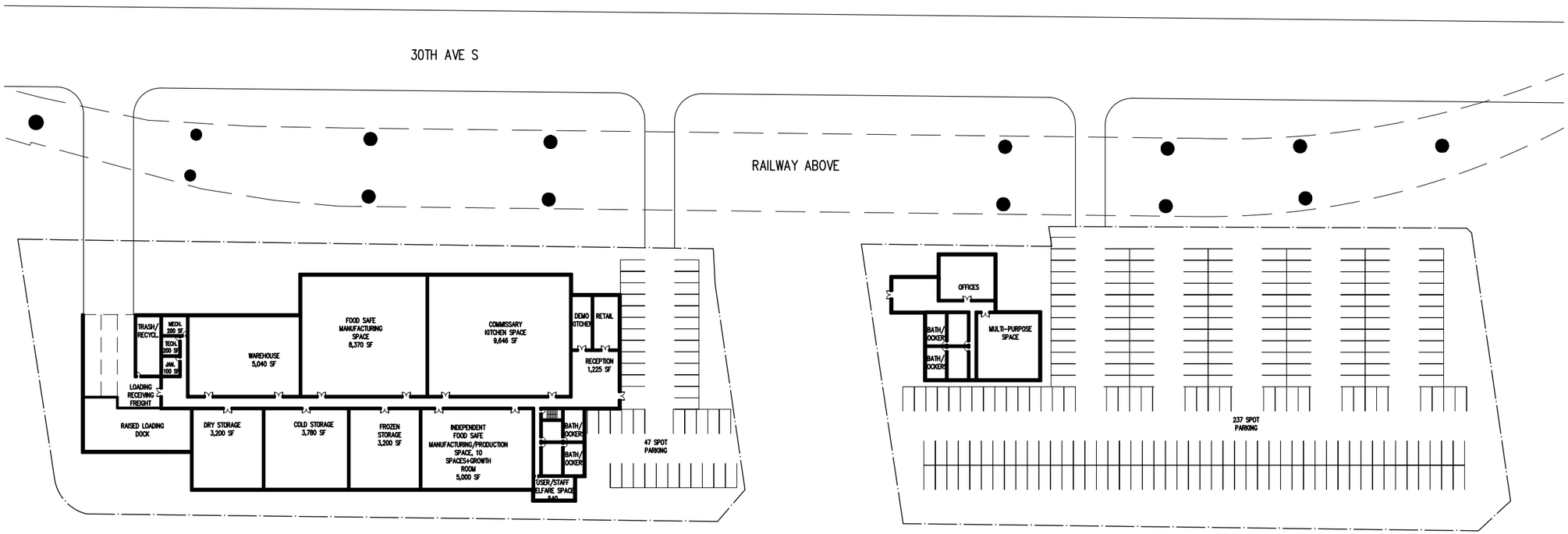
PROJECT NUMBER	KING.001	
DATE	11/18/2021	
DRAWN	NM	
APPROVED	NM	

N

A0.1

OPTION 1

ARCHITECTURAL PLANS, NTS



LEVEL 00

NEW CONSTRUCTION

BNMO

Architecture | Interior Design
3028 N. Hoyne Ave| Chicago IL 60618
(414) 736-1131 www.bnmodesign.com

KENT TRANSIT STATION

1	ISSUED FOR CLIENT REVIEW	11/18/2021

PROJECT NUMBER	KING.001	
DATE	11/18/2021	
DRAWN	NM	
APPROVED	NM	

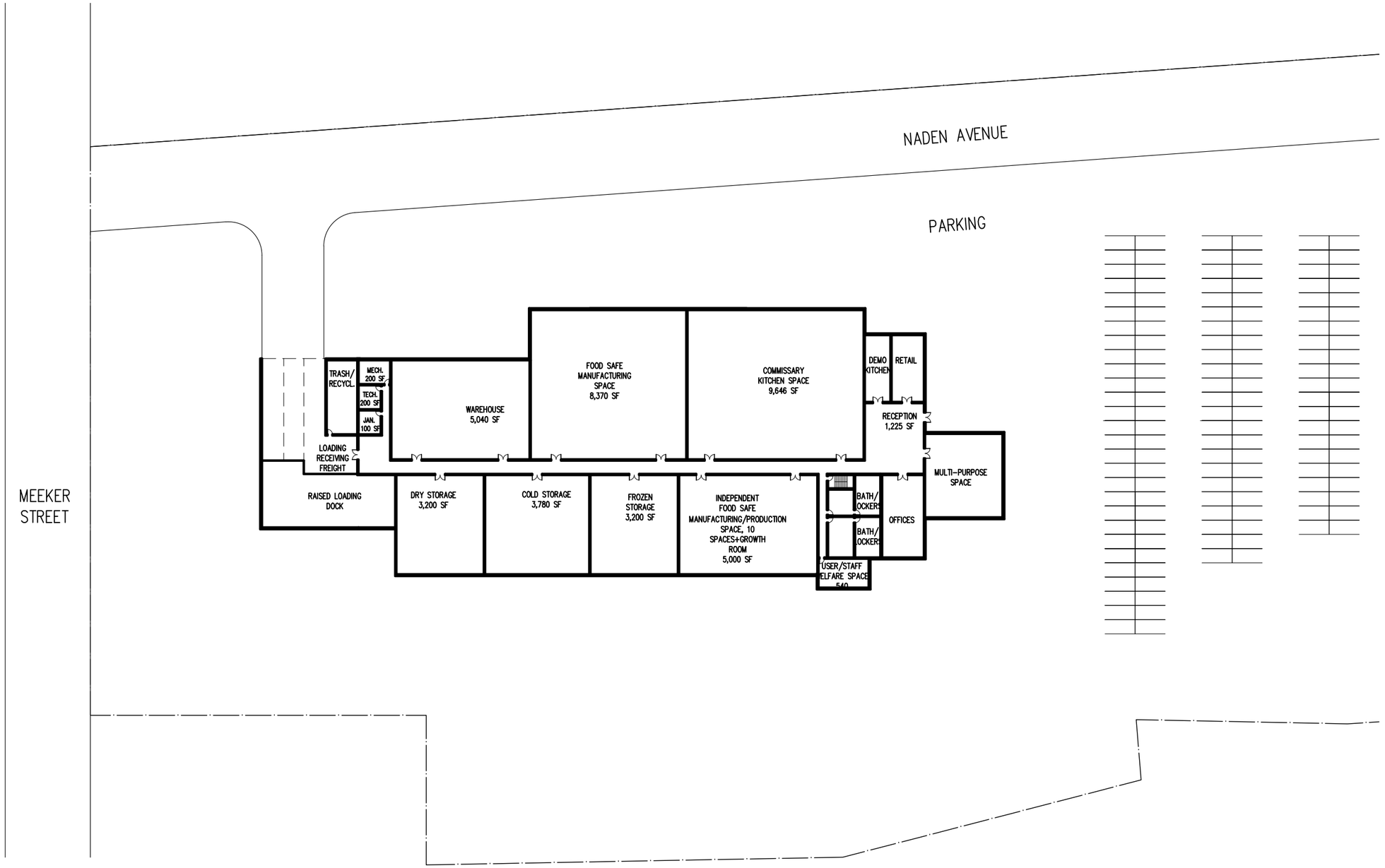
N

A0.1

OPTION 2

ARCHITECTURAL PLANS, NTS

APPENDIX 7: BUSINESS ANALYSIS AND FACILITY DESIGN - FACILITY DIAGRAMS (Version 3 - Naden Avenue Site)



NEW CONSTRUCTION

BNMO

Architecture | Interior Design
3028 N. Hoyne Ave| Chicago IL 60618
(414) 736-1131 www.bnmodesign.com

NADEN SITE

1	ISSUED FOR CLIENT REVIEW	11/18/2021

PROJECT NUMBER	KING.001	
DATE	11/18/2021	
DRAWN	NM	
APPROVED	NM	

N

A0.1

1 STORIES OPTION

ARCHITECTURAL PLANS, SCALE 1/64"=1'

APPENDIX 8: WORKS CITED

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APPENDIX 9: TEAM BIOS

Kathy Nyquist

FOUNDER AND PRINCIPAL *NEW VENTURE ADVISORS*

In 2009, Kathy founded NVA to bring entrepreneurial momentum to the emerging sustainable food industry. Her work has led to numerous assessments, business launches, speaking engagements and publications focused on the rebuilding of local food systems.

Kathy has served as a board member and advisor to numerous organizations including the Good Food Accelerator which offers training and mentorship to emerging food entrepreneurs; Garfield Produce, a hydroponic farm producing microgreens and herbs for Chicago-area chefs and providing jobs for those affected by poverty in the East Garfield Park neighborhood; and the Food Hub Management Program, a certificate program offered by the University of Vermont.

Kathy has over 20 years of marketing and strategic leadership experience with Fortune 100 companies. She served on the leadership team for a $5 billion product portfolio at Kraft Foods. She previously managed accounts at Leo Burnett and Young & Rubicam, then the nation's largest advertising agencies, developing national campaigns for clients such as Coca-Cola, Keebler, Frito-Lay and Miller Brewing.

A graduate from the University of Chicago Booth School of Business, Kathy earned an MBA with honors and the Dean's Award for Strategy for achieving the highest academic record in Strategic Management. She also holds a BS in economics from Bradley University.

Andrea Carbine

SR. PROJECT MANAGER *NEW VENTURE ADVISORS*

Andrea is a restauranteur, entrepreneur, and decorated chef with a background in sustainable practices. For her work in the kitchen and in her own ventures, she has been recognized with two James Beard nominations, a Local Hero award, and a Women of Excellence Award for Entrepreneurship. During her culinary career, she has launched, operated, scaled, and sold her own entrepreneurial ventures.

She served as General Manager at Pilotworks, a culinary co-working space that gives food makers commercial kitchen space, mentorship, and the tools needed to build, scale, and develop their businesses. There she held the operational lead role for the launch of a 40,000 square foot facility after a $1.4+ million buildout including construction project management and budget restructure, P&L development for an aggressive 6-month ramp to utilization, and kitchen model standardization for all national units with a re-structured pricing model that was more responsive to local markets. Andrea also co-founded the Front Burner Foundation to address systemic issues in the food and hospitality industries, tackling culinary education reform, job training and development, financial literacy, and larger food system change.

These experiences make Andrea an exceptional strategist and consultant to young food businesses and creative entrepreneurs as they scale and develop. Today she consults with New Venture Advisors in developing food resources in communities, helping to design operating models and programs that are tailored to the vision and unique needs of our clients.

Caroline Myran

PROJECT MANAGER *NEW VENTURE ADVISORS*

Caroline is a food system professional, a farmer, and a specialist in local food procurement. Before joining New Venture Advisors, she spent eight years in nonprofit communications, media relations, and fundraising for mission driven organizations and international NGOs. She has worked in rural Montana to develop farm to school programs that address food insecurity and food access.

Caroline has a master's degree in Sustainability Science with a concentration in Sustainable Agriculture and Food Systems from the University of Massachusetts Amherst where her graduate work focused on connecting local producers to wholesale markets in traditionally underserved communities. She has worked on farms from Vermont to Montana and most recently work for ripe.io, an ag-tech start-up company building the blockchain of food. Caroline has a B.A. in Environmental Policy from Barnard College.

Robert Clemens

FINANCIAL SPECIALIST *NEW VENTURE ADVISORS*

For 15 years Robert has provided M&A advisory, investment banking and restructuring services to a diversified range of firms across manufacturing and service industries. Today Robert specializes in operational and financial improvement initiatives working directly with private equity firms, portfolio companies, and independent businesses to provide financial planning and analysis consulting, assess operational and internal efficiencies, and institute business lifecycle navigation planning.

He brings this experience to New Venture Advisors as Financial Specialist, developing financial forecasts and analytical models that provide in-depth and thoughtful decision-making solutions. Delivering these findings to our clients is a role he greatly enjoys. Robert has an MBA from The University of Chicago Booth School of Business and a B.S. in Finance from Indiana University Kelley School of Business.

Sheree Goertzen

RESEARCH ANALYST *NEW VENTURE ADVISORS*

In addition to conducting research and writing for New Venture Advisors, Sheree is a grant writing and development strategy specialist for nonprofits. She spent over 12 years providing public social services to youth and families and coordinating community development projects. She built partnerships between government, nonprofit and private sectors to bring investment to an under- resourced neighborhood. She has a M.S. in Urban Studies from the University of Nebraska-Omaha School of Public Administration.

Julia Larouche

RESEARCH ANALYST *NEW VENTURE ADVISORS*

Julia is trained as an environmental scientist, specializing in water resources. Prior to joining New Venture Advisors, she spent nearly a decade in academia studying how climate change impacts water quality and carbon dynamics in arctic streams in Alaska. She also taught Environmental Systems and Societies as part of the International Baccalaureate program at The Montessori High School in northeast Ohio.

Julia has a strong interest in sustainable food systems from various perspectives ranging from climate change to social justice to community development. Julia is a Massachusetts native and holds a Ph.D. and M.S. in Natural Resources from the University of Vermont and a B.A. in Chemistry from Assumption College.

Negin Moayer, RA

DESIGN SPECIALIST *NEW VENTURE ADVISORS*

Negin Moayer is a licensed architect, design director and founder of BNMO Design + Development where she focuses on neighborhood revitalization projects, communal public installations, and architectural alterations to existing city housing to maintain the affordability and integrity of neighborhoods and avoid gentrification. BNMO projects range from a small porch renovation for a senior citizen who had difficulty navigating the City of Chicago permitting process, to a large community center in the Woodlawn neighborhood of Chicago offering safe haven and guidance for purposeful lives.

Negin's diverse education and work experience in the Middle East and North America allows her to acknowledge the importance of the adaptation of the built environment to its contextual culture. She has practiced this ideology throughout her work as a designer and planner at urban planning firms in Tehran, large design firms in the United States, and as a practice owner in Chicago where she has lived and worked since 2006.

As an immigrant herself, Negin works with refugee settlement organizations in Chicago offering mentorship and resettlement assistance. Her perspectives on the impact of war, immigration and foreign policy on the built environment have been published on several editorial pages. She holds a Master of Architecture and Urban Planning from UW-Milwaukee and the University of Tehran.

Deb Wilkinson

OPERATIONS MANAGER *NEW VENTURE ADVISORS*

In addition to her role managing internal operations with New Venture Advisors, Deb serves as a recruiter for the nation's leading consulting firms. Currently at Accenture, she focuses on behavioral interviews for experienced candidates globally. She previously oversaw operations and processes for the U.S. recruiting team at Mercer and worked with all international locations to ensure global consistency in recruiting processes and systems. Prior to that, Deb was back at Accenture/Andersen Consulting in recruiting and consulting roles.

Deb graduated from Purdue University with a BS in Management. She later earned an Associate Degree from Le Cordon Bleu College of Culinary Arts in Chicago, IL. This experience drove her to start a personal chef delivery business in Chicago focusing on healthy foods for busy families.

Emmy Nyquist

RESEARCH ASSISTANT *NEW VENTURE ADVISORS*

Emmy is a sophomore at Grinnell College with a focus in psychology, economics, and mathematics. After graduating, she plans to pursue an MBA or attend law school. As a Research Assistant at NVA, Emmy compiles data for analysis, is mastering new software and technology platforms, and enjoys learning about food systems and business consulting. In her free time Emmy likes to play sports, especially basketball and volleyball, in which she lettered four years and continues to play in college.