

FEASIBILITY STUDY FOR A SHARED COLD-CHAIN HEADQUARTERS

—
**FOR FOOD-FOCUSED NONPROFIT
ORGANIZATIONS IN WASHINGTON, DC**

CONTENTS

PROJECT OVERVIEW	1
INTERNAL PERSPECTIVE	8
STAKEHOLDER CONSIDERATIONS	14
STAKEHOLDER ADDENDUM	30
REAL ESTATE LANDSCAPE	36
HEALTH & SAFETY	46
FINANCIAL MODEL	53
FUTURE RECOMMENDATIONS	60
PROJECT MANAGER DESCRIPTION	66
APPENDIX	69

Introduction

The consultancy assignment on the feasibility of building and operating a shared cold storage facility in the greater Washington, D.C. area has been completed. This assignment informs stakeholders of key findings of the Study and next steps to be taken by concerned parties.

Background

The Study was commissioned by Arcadia Center for Sustainable Food Agriculture on behalf of a grant awarded by The Morningstar Foundation in Q4 2023. The scope of the study covers the following:

- Market demand
- Operational feasibility
- Financial viability
- Real estate availability
- Food systems impact

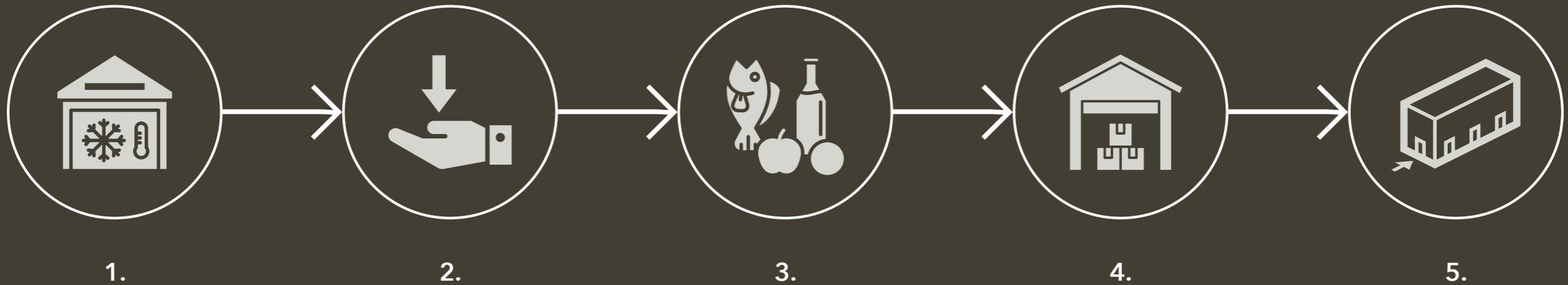
As part of the Study, the consultant has conducted thorough market research to assess the operational and financial feasibility and the locale-drive implications of the proposed shared cold storage facility to include:

- Engagement with cold storage facility stakeholders
- Commercial kitchen feasibility
- Real estate assessment
- Financial projections

Summary of Key Findings

- A keystone cold storage facility is very much needed and feasible. We believe feasibility will be driven by strong partnerships and a coalition who bring this to bear. It is a tremendous lift for a single, smaller non-profit. We believe it requires significant leg work to research specific sites partnerships, programs, legal structures, long-term funding options, etc.
- There is demand for cold storage but exact pricing and comps are difficult to find in the market. Establishing MOUs or subscriptions prior to launch can mitigate risk. It's not clear how much of a disincentive inconvenience, inflexibility, or price may be to potential users.
- The details of the building and buildout matter. The efficient development of space is the difference between success and failure.
- The DC market is tough and support for food ecosystems work is difficult to secure. If it is secured, it will still require other funding sources.
- Mission creep is a threat and all planning needs to consider this carefully.

KEY INITIATIVE: COLD STORAGE



1. WHAT IS COLD STORAGE?

A storage facility, typically a large warehouse, that can be temperature-controlled to prolong the shelf life of perishable goods.

2. WHO IS IN NEED FOR COLD STORAGE?

This study focuses on the small food distribution businesses buying direct-from-farmer, non-profit organizations distributing meals and ingredients, and farmers and producers delivering to urban markets.

3. WHY DO THEY NEED COLD STORAGE?

Cold Storage helps ensure that perishable goods like dairy, proteins, frozen foods, and fresh produce, can be stored in a manner to extend their shelf life.

4. HOW WILL THEY BENEFIT FROM A FACILITY DEDICATED TO COLD STORAGE?

With the ability to properly receive and store perishable goods, organizations are able to maintain maximum inventory of products for distribution to underserved communities. For the farmers, access to urban cold storage facilities allows them the opportunity to store and distribute products in markets outside of their rural areas.

5. WHERE DO THEY NEED A FACILITY DEDICATED TO COLD STORAGE?

This study focuses on organizations within the greater Washington D.C. The ideal location would be located inside the beltway, with access to distribution corridors (such as NY Ave / Route 50), and with accessibility for large trucks/vehicles, ideally with nearby parking, and a secure position within the neighborhood, perhaps including fencing.

KEY CONTRIBUTORS

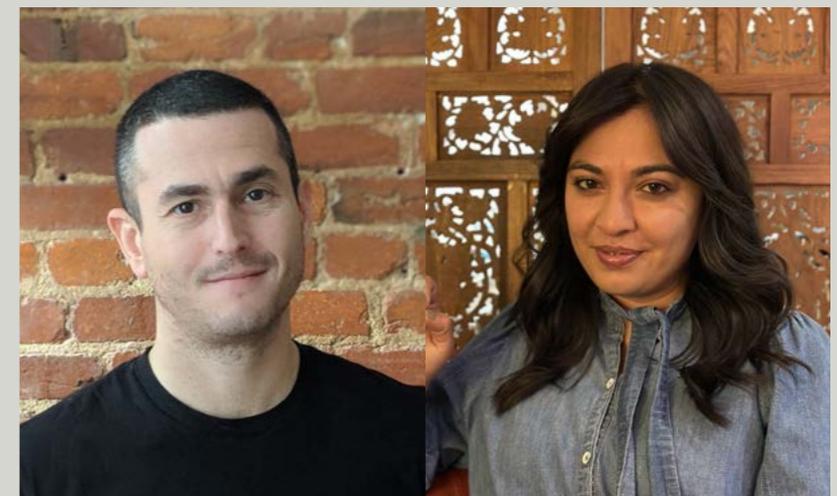
The Study was conducted in partnership with three principal contributors that offered diverse inputs that led to the ultimate delivery of the findings and future recommendations.



FUNDING PARTNER
The Morningstar Foundation



PRIMARY FACILITATOR
Arcadia Center for Sustainable Food & Agriculture



CONSULTANT PARTNER
Jonas Singer & Gauri Sarin

ABOUT THE MORNINGSTAR FOUNDATION

["As we learned about the significant and systemic challenges related to food access through the region, we saw an opportunity to invite on-the-ground leaders to propose interventions that will increase access to healthy food for populations that need it most. We are so pleased to support these innovative organizations and food entrepreneurs."](#)

The Morningstar Foundation Food Gap Project is designed to address the lack of access to healthy, nourishing foods to underserved neighborhoods and communities in the DC region. After a large scoping exercise to identify areas where resources are most needed, cold storage emerged as a critical gap and something that could help support the transport and storage of fruits, vegetables and other healthy perishables across the region. Over the past two years, the Foundation has expanded their investments to include significant cold storage infrastructure, not only in DC but also in nearby Maryland and Virginia counties. The Morningstar Foundation has supported individual organizations on equipment needs as well as many small food businesses and NGOs via its Keeping it Cool grant initiative. However, the need remains and in particular there is a desire for collaborative, shared space that several organizations can use throughout the year.

INTRODUCING ARCADIA



Arcadia Farm for Sustainable Agriculture is a nonprofit organization dedicated to creating a more equitable and sustainable local food system in the D.C., Maryland, and Virginia area.

Arcadia manages four distinct program areas that address a specific need in the community, including operating Arcadia Farm, maintaining an active veteran farmer training program, facilitating farm and nutrition education through schools and public programming, and operating a mobile market to improve food access to underserved communities within The District.

As the active facilitators for this feasibility study, Arcadia provides practical perspective for potential users of the proposed facility.

—
 Providing a robust set of programs that facilitate both education and access to a healthier food system.



—
Jonas Singer,
Founder, ExPat Hospitality Group



—
Gauri Sarin
Independent Hospitality Consultant

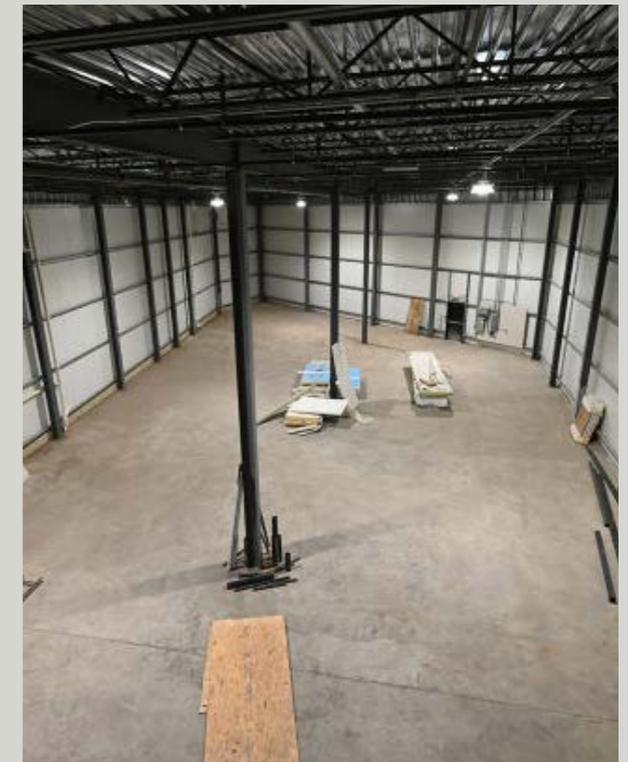
Former business partners, Gauri Sarin and Jonas Singer started their professional journey together in a tenant landlord relationship at Union Kitchen. As a founder of the country's first commissary kitchen, Jonas welcomed Gauri, a food truck owner at the time, as a one of the founding businesses to operate out of the space.

They eventually joined forces, partnering with local agencies, organizations, and businesses of all genres to create avenues for food-based businesses to flourish. Their work here encompassed development of a second shared kitchen facility and developing opportunities for revenue for kitchen users through collective distribution, catering, and retail opportunities.

Beyond working together at the kitchen facility, Gauri and Jonas continue to engage in projects ranging from small business consultation to real estate strategy.

Their collective experience in the DMV food system lends a strategic perspective in development and on-going operational guidance of the proposed facility.

The foundation for the future recommendations provided in the Study take into account qualitative assessments from key stakeholders, spanning from potential and model users to organizations with opportunities for resource facilitation including funding. The Study also assesses physical implications of developing and operating the proposed facility, both from a real estate perspective, as well as the more operational functions required for ongoing health and safety.



Internal Stakeholders

Considering a singular non-profit organization's perspective for the proposed facility

DMV-Based Stakeholders

Engaging various entities across the larger area food system from policy makers to practical users organization's perspective for the proposed facility

Health & Safety

Absorbing practical experience from key contributors to inform a location specific approach organization's perspective for the proposed facility

Real estate

Surveying market availability and current cost structure to deliver realistic recommendations for the proposed facility

**INTERNAL
PERSPECTIVE**

ARCADIA MOBILE MARKET



As part of their practical efforts to contribute improvements to food access within the local communities, Arcadia operates a mobile food market.

The Mobile Market program operates weekly stops in low-food access neighborhoods and accepts and doubles the face value of food stamps (SNAP, WIC, and Senior FMNP). The neighborhoods served typically have high SNAP usage, low car ownership, and are at least a mile from a grocery store that can support a healthy diet.

With its roving market of locally, sustainably grown foods including fruits and vegetables, herbs, pastured eggs, grass-fed and pastured beef, pork, organic milk, cheese, handmade bread, and honey, Arcadia also contributes to the local farmer community.

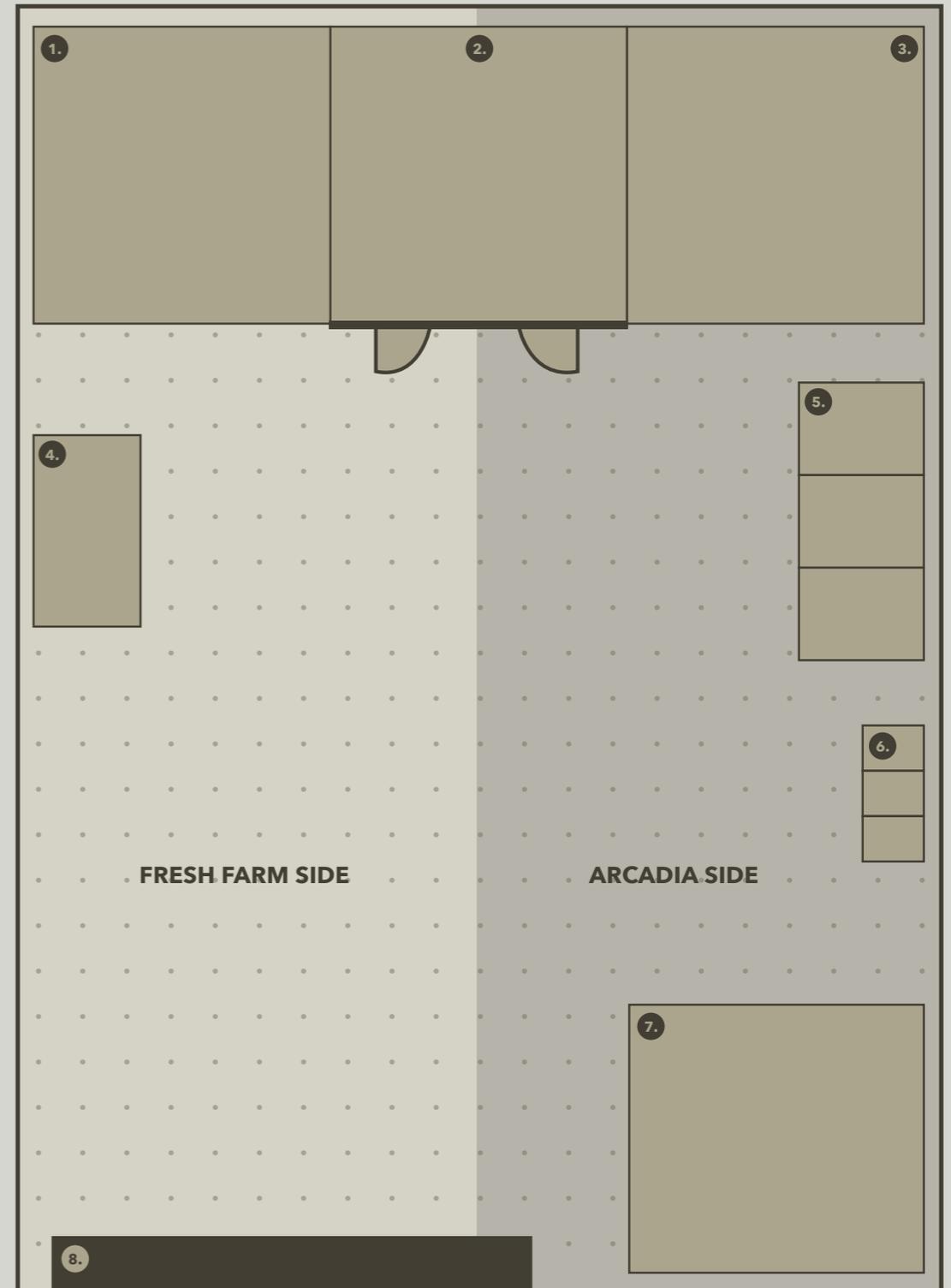
CURRENT FACILITY

A core component to the Mobile Market operation is the cold storage facility which is currently located in Hyattsville, MD. The key functions of the space include:

- Receiving of mobile market goods from vendors including local farmers, as well as donated products
- Cold and dry storage of mobile market goods, including products for sale, as well as equipment storage
- Parking for mobile market vehicles
- Picking and packing of goods

The facility is operated in a shared usage capacity with fellow 501c2 organizations: Fresh Farm Markets, The People’s Market, and Common Grain Alliance, all of which contributed to the practical stakeholder research portion of this study.

- | | |
|-----------------------|--------------------|
| 1. Fresh Farms fridge | 5. Lorem Ipsum |
| 2. Chillers | 6. Lorem Ipsum |
| 3. Arcadia fridge | 7. Office / Mess ? |
| 4. CGA fridge | 8. Garage Door |



CORE CHALLENGES

The Study shows that While Arcadia and their shared facility partners have developed best practices for compromise to support their respective organizational efforts, Arcadia identifies the following challenges:



Parking for staff, mobile market vehicles, and product delivery vehicles



Cold storage capacity and overall shared organization



Dry storage capacity and overall shared organization



Dedicated independent work and group meeting space



Location Access



Neighborhood Safety



Utilities Control

TEAM TESTIMONIALS



—
Samantha Pounder
Food Access Director,
Arcadia Mobile Markets

About

Serving as the Director for Food Access, Samantha's key responsibilities include: managing the mobile market operations including warehouse facilities management, reporting program impact, and representing the organization with healthcare and community partners.

In her past experience, Samantha served as the District Manager for Union Kitchen Grocery, where she utilized the organizations shared incubator facility, Union Kitchen, for cold and dry storage of inventory. Also serving as the distribution partner for many of the grocery's local retail items, Samantha gained valuable insight into shared food system facilities that operate out of existing facilities, versus those with the benefit of building shared facilities built with its core user needs in mind.

"The reality of what it comes down to in terms of operating expenses at a monthly basis it's basically about subsidizing our rent. I see it as a one time infusion to get us set up to do with we do. Then we don't have to worry about paying market rent on some warehouse somewhere, enabling us to focus on the mission."

- Identifies capital expenditures and ongoing operating budget support through subsidized rent as the key funding needs for the project
- Proposes that an ideal facility of this nature should be built with model users in mind, citing the example of Union Kitchen's first and second locations
- Expresses keen interest in Arcadia exploring opportunities to serve as a core user of this proposed facility, however not as the operating manager for the facility itself
- Suggests that for the operation to be truly successful, facilities management should be outsourced to a third party

Based on analysis from the internal perspective, the Study finds:

- Capital investment and ongoing monetary support as the primary barriers to entry for developing the proposed facility
- Location, including route access, parking, and loading dock facilities are primary drivers for a successful operation
- A shared cold storage facility requires overall facilities management
- Arcadia's primary requirements for a cold storage facility are essentially what they use in their current facility; building a new facility designed for shared usage will encompass the same infrastructure with an alternative, more sustainable approach to placement and ongoing usage

Necessary components

- 3,000 ft² Cold storage
- Loading dock with additional space for multiple vehicles
- Dedicated, secure parking for staff
- Pallet storage
- Market equipment storack
- Freezer space (does not have to be walk-in)

Value Adds

- Office space
- Pick-up facility
- Event space

Additional Considerations

- Demo / show kitchen
- Market /grocery

STAKEHOLDER CONSIDERATIONS

INCLUSIVE INPUTS - UPDATED IMPLEMENTATION

The Study absorbed the inputs of contributors of the larger area food system. At the beginning of this study the approach considered stakeholder participation from the following:

Theoretical

Individuals and organizations serving as thought leaders in food systems, equitable access, and resilience providing intellectual guidance and insights, with opportunities for future alliances.

Connective

Organizations with an institutional foothold in the local and national food policy system, providing infrastructural, financial, and strategic contributions.

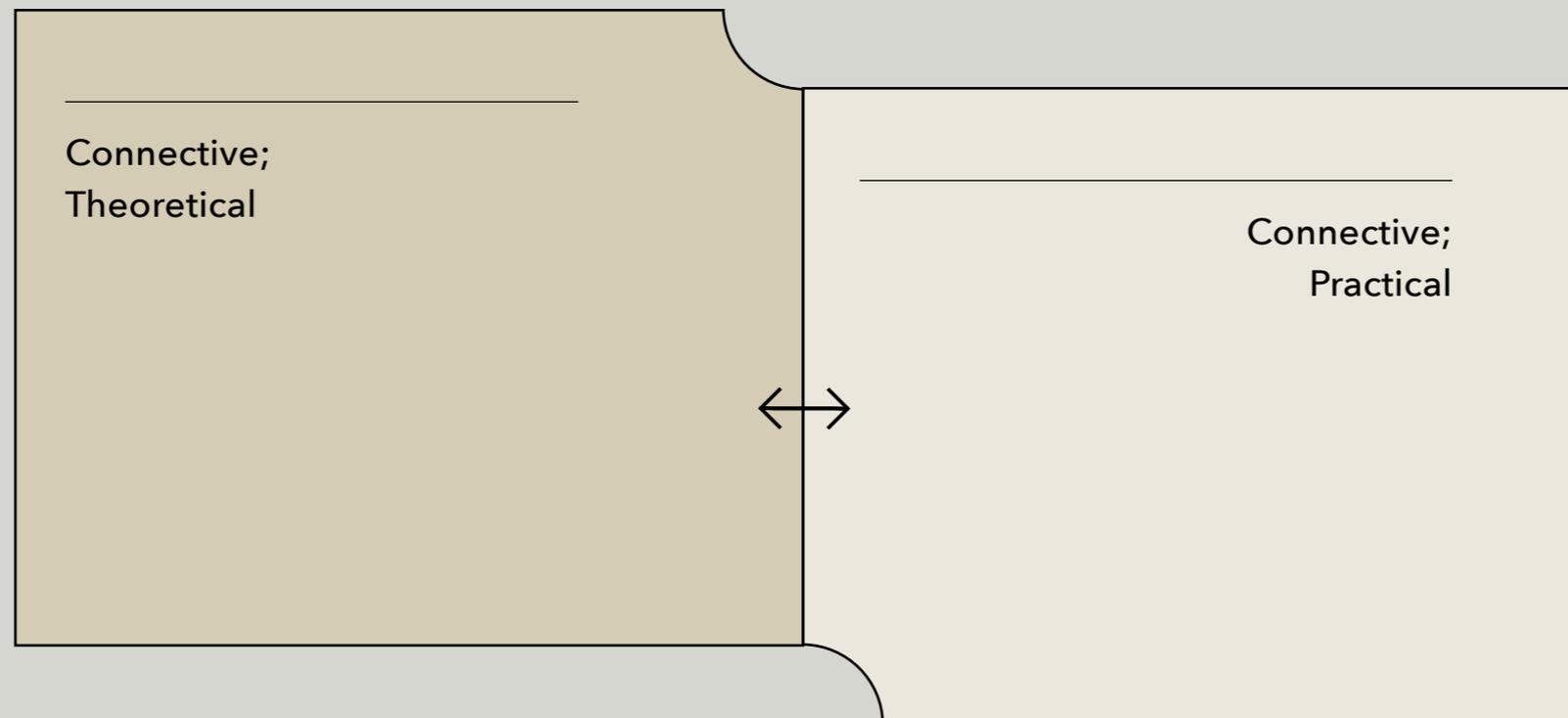
Practical

Nonprofit and for-profit entities with active presence in the food system, providing operational intelligence with the potential for future partnerships and patronage.

INCLUSIVE INPUTS - ORIGINAL APPROACH

Through conversations with the intended list of stakeholder participants, the Study revealed that while some participants could be categorized as theoretical, the ultimate reality is even thought leader inputs revealed hands on efforts within the system, to varying degrees.

The updated approach combines the three categories into a set of two.



CONNECTIVE; THEORETICAL



Alexandra Lewin-Zwerdling

Fruitful, LLC, Owner

About

Operating as a consultant for The Morningstar Foundation and the key representative on their behalf for this feasibility study, Alex's primary role is maintaining an altruistic approach to development of the future facility, where not only one, singular organization's needs are drivers for development. Rather, the proposed facility should have a larger, more inclusive impact on solutions for cold storage, area-wide.

"This whole idea of cold storage emerged when The Morningstar Foundation wanted to move past emergency food providers with two long term goals in mind: to improve overall access to healthy foods in underserved communities and provide economic security that enables a business to thrive in areas like wards 7 and 8."

Key areas of interest

- A must have is good management and oversight of how it's used - the perimeters are especially critical if it's shared
- Ample space, well kept, interior layout that fits the needs of all users
- Centrally located

Key areas of concern

- Funding - not having a dedicated development person at many organizations, necessary evil
- Right size staffing - capacity

Core recommendations

- Encourages consideration of a hybrid model to include shared space between NGOs and small businesses positioning for growth within the brick and mortar space

CONNECTIVE; THEORETICAL



—
Kim Bryden

Cureate, CEO & Founder

About

Cureate is a woman-owned and operated food-tech company and business development consulting firm, with a focus on building the local/regional food & beverage supply systems.

Key areas of interest

- Facilitating access to this facility and its resources to organizations with less visibility than regular players (mentioned DC Central Kitchen, Arcadia, Fresh Farms, etc)

Key areas of concern

- Major concerns over shared space, primarily around custody of food, food safety, and general safety protocols. Also some concerns that you're always attracting businesses who cannot financially support the business model of a cold storage facility.
- Unsure that cold storage is an acute business and thinks small businesses and non profits tend to rally to the hot cry of the moment that might bring them funds and the more specific issue is a lot of businesses just struggle holistically with operations and efficiency, and general competencies.

Core recommendations

- Thinks for a project like this to work it requires a single, major funding source that sees the bigger picture. But most single, major funders will also have their own interests and angles. So can you find funding that still allows the freedom to explore what can and can't work?

CONNECTIVE; THEORETICAL



Caroline Howe

DC Office of Planning, Food Policy Director

About

Embedded in the administration of policy change within The District food system, Caroline believes the proposed facility is compelling as RFSI funding looks to create opportunities for lots of organizations; the fact that it's collaborative makes it much more appealing.

Key areas of interest

- Believes cold storage is such a key part of what we're looking at - what are the middle pieces in the food supply chain that can be larger sum of their parts ?
- Feels the facility aligns with DMPED's priorities - serving a multitude of organizations, who in turn, serve a diverse set of the population
- Confirms that funding for a project of this scope would not be solely possible through a single or multiple government support avenues; would require multiple contributors

Key areas of concern

- Budgetary concerns for backup power support in emergency storm situations
- How to ensure long-term stability of this project in the ebbs and flows and changes to nonprofit management

Core recommendations

- With USDA RFSI funding, DMPED will award \$1.4 million grants with \$100,000 to 1 million requests in accepted proposal, however the largest awards will likely cap out at \$500,000
 - That said, does suggest that multiple entities can apply for the different grants towards the same project

CONNECTIVE; THEORETICAL



Philip Sambol

Institute for Integrative and Innovative Research at
the University of Arkansas Project Manager

About

Former founder and operator of Good Food Markets, Philip ultimately left the operational side of the food system as he found, “the operations to be unsustainable and the food the economies of scale to be challenging.” Now, he works with University of Oklahoma integrative health research institute, focusing on regional food systems technology.

Key areas of interest

- Believes in standing up one organization’s individual growth trajectory through support that enables them to also serve as managers of the shared facility
- Personally interested and engaged in building tech that supports the overall food system operations

Key areas of concern

- Overgeneralizing needs of “model users” for a shared facility; rather believes that individual organizational needs are too specific
- Health, safety, and overall shared user accountability
- Red tape and regulatory issues surrounding infrastructure

Core recommendations

- Encourages scrutiny of the receiving and processing operations to provide appropriate space and systems for success
- Consider the public sector perspective - what are the incentives in building this facility?

CONNECTIVE; PRACTICAL



Hugo Mogollon

Fresh Farm Markets, Executive Director

CURRENT USER OF INTERNAL STAKEHOLDER SHARED FACILITY

Current Monthly Rent:

Current Square Footage:

Current Operational Usage of Facility:

About

Fresh Farm Markets is a non-profit organization dedicated to improving food access through their farmers market program, pop up food hub distribution efforts, job training, and other educational programs. Fresh Farm Markets has been sharing a facility with Arcadia since XXX.

Key areas of interest

- Partnering on a shared space that provides walled off privacy between organizational footprints
- Cold storage along with temperature controlled storage to monitor humidity
- Power supply for refrigerated vehicles

Key areas of concern

- Funding
- Food safety
- Facilities management
- Parking for both organization vehicles and staff
- Trash management - "we are lucky if our trash gets taken out once a week"
- Inside about the space
 - How to maintain the cold chain environment for as long as possible? Virtually no temp control inside the warehouse.
 - Storage
 - Utilities management in a shared space
 - Access of space/time for processing

CONNECTIVE; PRACTICAL



—
Madelyn Smith

Common Grain Alliance , Executive Director

**CURRENT USER OF INTERNAL
STAKEHOLDER SHARED FACILITY**

Current Monthly Rent:
Current Square Footage:
Current Operational Usage of Facility:



—
Brandon Starkes

The People's Market, Founder & CEO

**CURRENT USER OF INTERNAL
STAKEHOLDER SHARED FACILITY**

Current Monthly Rent:
Current Square Footage:
Current Operational Usage of Facility:

About

Common Grain Alliance works with farmers, millers, bakers, and grain artisans to build a vibrant, integrated, equitable and regenerative Mid-Atlantic grain economy. They currently operate out of the shared facility with Arcadia, as a subsidiary under the Fresh Farm Market organizational umbrella.

Key areas of interest

- Temperature and humidity controlled storage
- Storage location access to DC
- Kitchen space for community engagement

Key areas of concern

- Cost of distribution
- Misperception of cost of grain being cheap
- Parking for both organization vehicles and staff

About

People's Market is a subscription based fresh food company that services the DC area through an automated, app-based module. The People's Market has been sharing a facility with Arcadia since March 2023.

Key areas of interest

- Operating with urgency, Brandon's business has outgrown the space and needs to find a location solution
- Space for non-food related operations of the business

Key areas of concern

- Access to affordable space
- Anticipates misuse of space (example given is storage of crates in areas where processing could occur)
- Parking and lack of loading space to accommodate current users

CONNECTIVE: THEORETICAL



Tariq Sheriff, MPH

DC Government, Business Development Manager

About

A former location manager for DC Central Kitchen, Tariq now serves as a member of the DC Food Policy Council and is an active contributor to the area's Cold Storage Working Group. He is passionate in fixing the issue not just in DC but the larger regional space.

Key areas of interest

- Analyzing the larger issues surrounding cold storage and understanding that this is not a one facility solution: it's probably a multi-facility operation throughout the city to alleviate issues of space, access (some are just cold and dry, some are just aggregation, some that are processing)

Key areas of concern

- Funding, which he believes would have to be a private and public partnership, and the physical space to support the facility
 - Both challenges are acutely apparent in the District, pushing people towards PG County and others where the challenge becomes competing for land usage with data centers, etc

Core recommendations

- Encourages identifying the deficit that exists in the cold and dry storage in the district
- Connect with Kate Urbank, Director of DC Food Rescue to benchmark for how much food is trying to be donated and how much is being wasted
- Believes FEMA could be an avenue to explore for funding and institutional support

CONNECTIVE; PRACTICAL



Benjamin Lin

B.Lin Catering , Founder

About

Founder of B.Lin Catering, a for-profit business owned and operated out of D.C., Benjamin began his catering company in a shared kitchen facility. As his business grew, he moved into an already functioning kitchen as a solo user of the space and eventually designed and built his own facility. Predominantly servicing his business, Benjamin also rents parts of his space to other small businesses working to scale their operations.

Key areas of interest

- While not a potential user for this proposed facility, Benjamin shares, "Definitely more pros than cons - lowers the barriers for cost to entry. If I didn't have the time and space I wouldn't be able to do what I do now. You meet a bunch of other people who are doing the same thing, collaborate, some of them I still keep in touch many people as business friends. However, at a certain point you grow out of the space."

Key areas of concern

- Funding, the District is not friendly to small business (Unincorporated franchise tax which makes it difficult to operate, food cost, operating against a low barrier to entry, regulations and lack of government support from organizations)

Core recommendations

- External plugs is smart, if they want to market it then they should think about it
- Encourage a new facility build-out is an opportunity to contribute to a better carbon footprint

CONNECTIVE; PRACTICAL



—
Bill Threlkeld

Community Building and Neighborhood
Resources at Cornerstones, Vice President

About

Cornerstones is a 53 year-old, multi-service facility that supports underserved communities with vital resources that solve their needs for housing, childcare, food or financial assistance. A marquee program of the organization includes the FREE From Hunger Center which serves as a bridge between food donors and food service programs to efficiently connect surplus pantry staples and fresh produce with families in need.

Key areas of interest

- While not a potential user for this proposed facility, Bill has expressed keen interest in the success of a shared cold storage facility within the area, as Cornerstones has seen the positive impact from building a similar facility to support their FREE From Hunger initiative. He agrees that funding and affordable real estate are barriers to entry, suggesting that organizations need to work towards solutions that do not allow bureaucracy to limit equitable distribution of fresh, healthy food

Key areas of concern

- Funding - "This has been a financial challenge for us. It is a financial challenge for us. Arcadia would really have to look at how they are funding this - are they going to fundraise on your own? Fund share model? Implement other forms of generating revenue?"

Core recommendations

- Facilities management should be outsourced to a third party or at the least be a dedicated role by a majority user organization within the shared facility
- Avoid mission creep - your facility is a cold storage facility
- Absorbed many learnings throughout their own build out process; willing to be a resource to Arcadia, including a conversation with Ted from the team to discuss construction

CONNECTIVE; PRACTICAL



Alex Moore

DC Central Kitchen , Chief Development Officer

About

DC Central Kitchen is a nationally recognized “community kitchen” that recycles food from around Washington, D.C., and uses it as a tool to train unemployed adults to develop work skills while providing thousands of meals for local service agencies in the process. With nearly a decade with the organization, Alex’s main responsibilities include fundraising, marketing, public relations, and new project development. Alex also serves as an active member on the area’s cold storage working group.

Key areas of interest

- In the financial and operational sustainability of DCCCK, which is primarily focused on creating jobs in the food industry and providing access to healthy meals and healthy food to folks in need across the District

Key areas of concern

- Money, infrastructure, and programming opportunities. Specifically, they are already expanding their cold storage because as soon as they have more, they fill it up

Core recommendations

- Really brand and identify Arcadia within the larger community and to identify potential partners who can facilitate Arcadia achieving the mission

CONNECTIVE; PRACTICAL



Elizabeth Scott

Mid-Atlantic Food Resilience
Access Coalition, Operations Manager

About

Born out of a response to COVID-19, MAFRAC or the Mid-Atlantic Food Resilience and Access Coalition works to connect working farmers with food distribution businesses. Comprised of agricultural, food access and social services organizations MAFRAC works towards creating a robust, equitable local food network. As operations manager for this somewhat bootstrap organization, Elizabeth is responsible for the organization's overall logistics and managing intra-member communications.

Key areas of interest

- Properly managed drop-off facilities for farmers and other product donors
- Multiple levels of cold storage to include flash freezing; interested in additional production based footprints like a canning facility

Key areas of concern

- Cost and management of a facilities team to maintain complex operations of a shared facility
- Funding restrictions of location specific donors

Core recommendations

- Facilitated the MAFRAC survey respondents portion of this Study
- Recommends further conversation with MAFRAC's farmer community (dependant on farm pick-up/drop-off facilities)

CONNECTIVE; PRACTICAL



Kirk Franklin

Tastemakers, Founder
Captain Cookie, Founder

About

Kirk is the owner and operator of Tastemakers in Washington, DC. Originally built as a commissary space to support his own food business, Captain Cookie, Kirk saw a need for shared kitchen space for his own business, along with other small businesses in the area. In addition to the commissary kitchen space, Tastemakers operates as a food hall.

Key areas of interest

- Operating his businesses, including Captain Cookie, a user of his shared space. He is a small business owner and saw an opportunity to provide a product (shared kitchen and market space) to other businesses

Key areas of concern

- Space management and maintaining a thriving ecosystem of small businesses who can be his customers

Core recommendations

- As much preparation as possible while also understanding it is impossible to have nearly the level of detail or specificity you'd want when dealing with shared space. He also recommended having dedicated, agnostic staff to manage the space.

Funding

- The priority barrier to entry; a project of this scale would require multiple funders, which would require a dedicated project fundraising entity.
 - ◊ Alternatively, there is an option for a large, single funding entity which could propose challenges on mission alignment between the original intention of this proposed facility and funder intent.
- The District of Columbia would consider awarding multiple allotments of the same grant programs to a single project with multiple organization applications.

Facilities Management

- A larger, shared footprint with private, dedicated space for specific users is preferred.
- A dedicated facilities management team, separate from the specific users is preferred.

Health & Safety

- Largely dependant on specific users, as well as the governing municipality of the future location.
- A primary concern in shared food systems facilities; a catalyst for separate and dedicated facilities management.
- Location, parking, and transportation proximity is a high priority for staff retention.

Location

- Location is a fulcrum: where it is located determines the cost psf; whether municipal, county or state funds can be tapped; determines accessibility by the employees; impacts delivery ease and times; the availability of adequate parking.

**STAKEHOLDER
ADDENDUM**

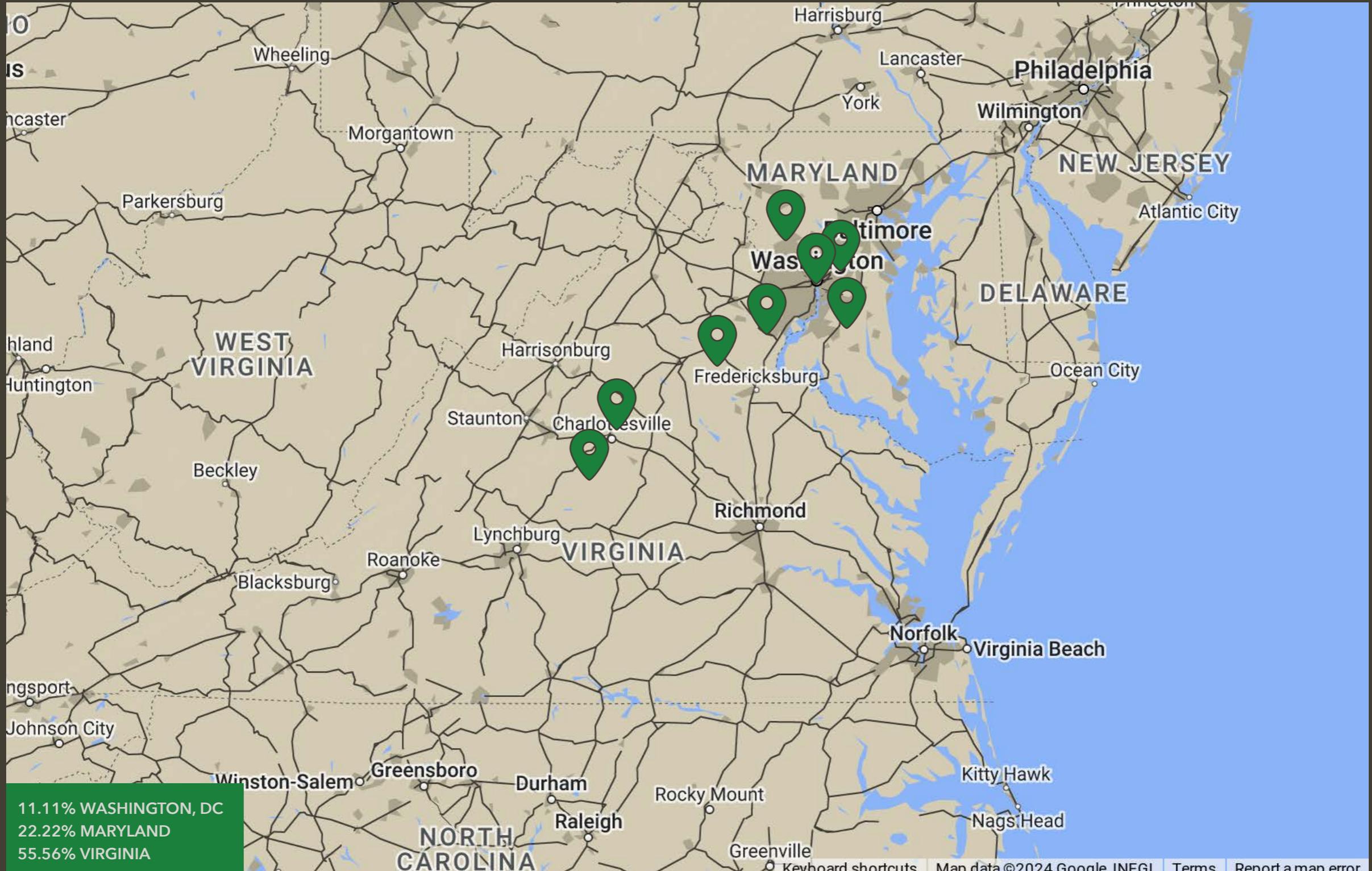
SUPPLEMENTARY SURVEY



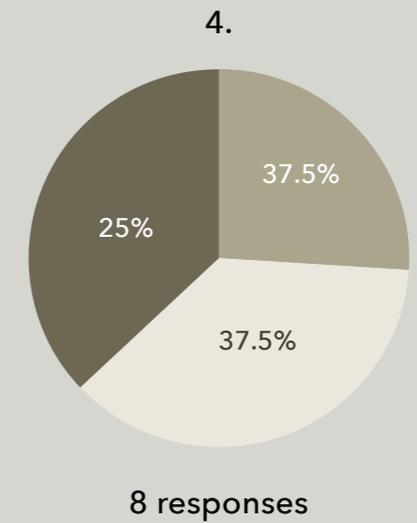
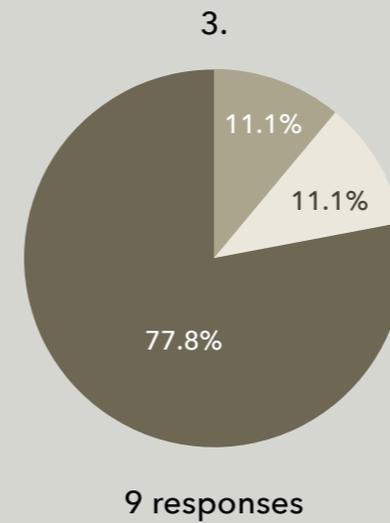
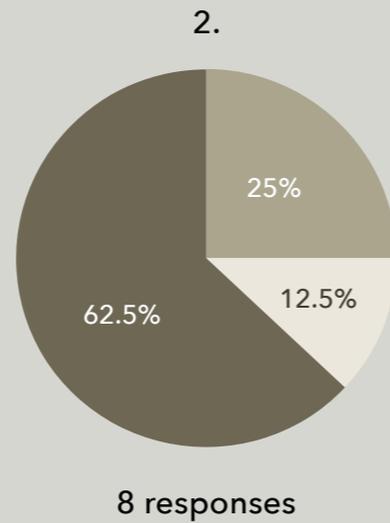
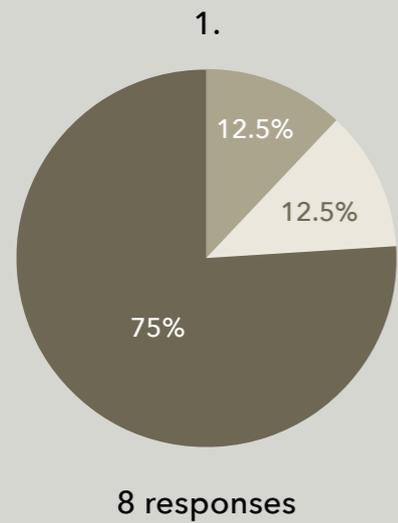
A supplementary survey was conducted as a part of this Study, engaging with practical respondents from the Mid-Atlantic Food Resilience and Access Coalition. The 9 respondents include:

- Bread For the City, Director of Food and Clothing Programs
- Bailey's Mutual Aid, Community Member
- The Culpeper Food Closet, Director
- Northern Virginia Food Rescue, Partner Relations Coordinator
- The African Methodist Episcopal Church, President of Auxiliary Program
- PowerHouse Church Emergency Food Bank, Brandywine Maryland, Community Outreach and Food Bank Coordinator
- By God's Grace Mission Center, Co-Founder
- Wayland Blueridge Baptist Association, Board Chairman
- Food Sharing is Caring, Team Member

RESPONDENT LOCATION



FACILITY USAGE - SURVEY RESULTS



1. How often would you be interested in using a managed, secure communal refrigerated facility with a loading dock exclusively for non-profits on either a regular or drop in basis ?

- Daily
- Once a week
- Thrice a week
- Once a month

3. How far would you travel to access the facility?

- Less than 5 miles
- Between 5-20 miles
- Between 21-100 miles

2. How much cold storage space do you require ?

- 1-3 shelves on a standard walk-in shelf
- 4-8 shelves on a standard walk-in shelf
- Minimal pallet storage
- Significant pallet storage

4. If the facility also had workspace with wifi, desks, conference tables and offices, would you use those resources ?

- Yes
- No
- Unsure

UNINFORMED BUDGETARY PERIMETERS

The respondent pool provided original answers to budget capacity, with an overall consensus of lack of market rates.

IT DEPENDS. WE HAVE **MINIMAL REQUIREMENTS** MOST OF THE YEAR, BUT DURING **THANKSGIVING**, WE HAVE A HUGE NEED FOR **TURNKEY STORAGE**

0

UNSURE; WE USE GRANT DOLLARS TO SUPPORT OUR EFFORTS

0\$

HAVE NO IDEA WHAT THE NORMAL PRICE IS

75-100 MONTHLY

DONT KNOW THE

UNSURE AT THIS TIME

GOING RATE

I'M NOT SURE YET

Based on your spatial and frequency needs, how much are you able to pay to use the cold storage facility ?

(9 responses)

Based on analysis from the Stakeholder Addendum, the Study finds:

- The limited sample size of this survey requires further exploration should this proposed facility wish to engage with smaller organizations in need of cold storage access
- Survey respondents suggests a need for cold storage solutions for smaller food access organizations
- Lack of knowledge of market rates suggest scarcity of competitors for this type of facility

**REAL ESTATE
LANDSCAPE**

REAL ESTATE REQUIREMENTS



As expected, suitable conventional real estate for warehousing/cold storage is available but still scarce in DC. The Study identified a number of criterion for a facility that respondents felt strongly about.

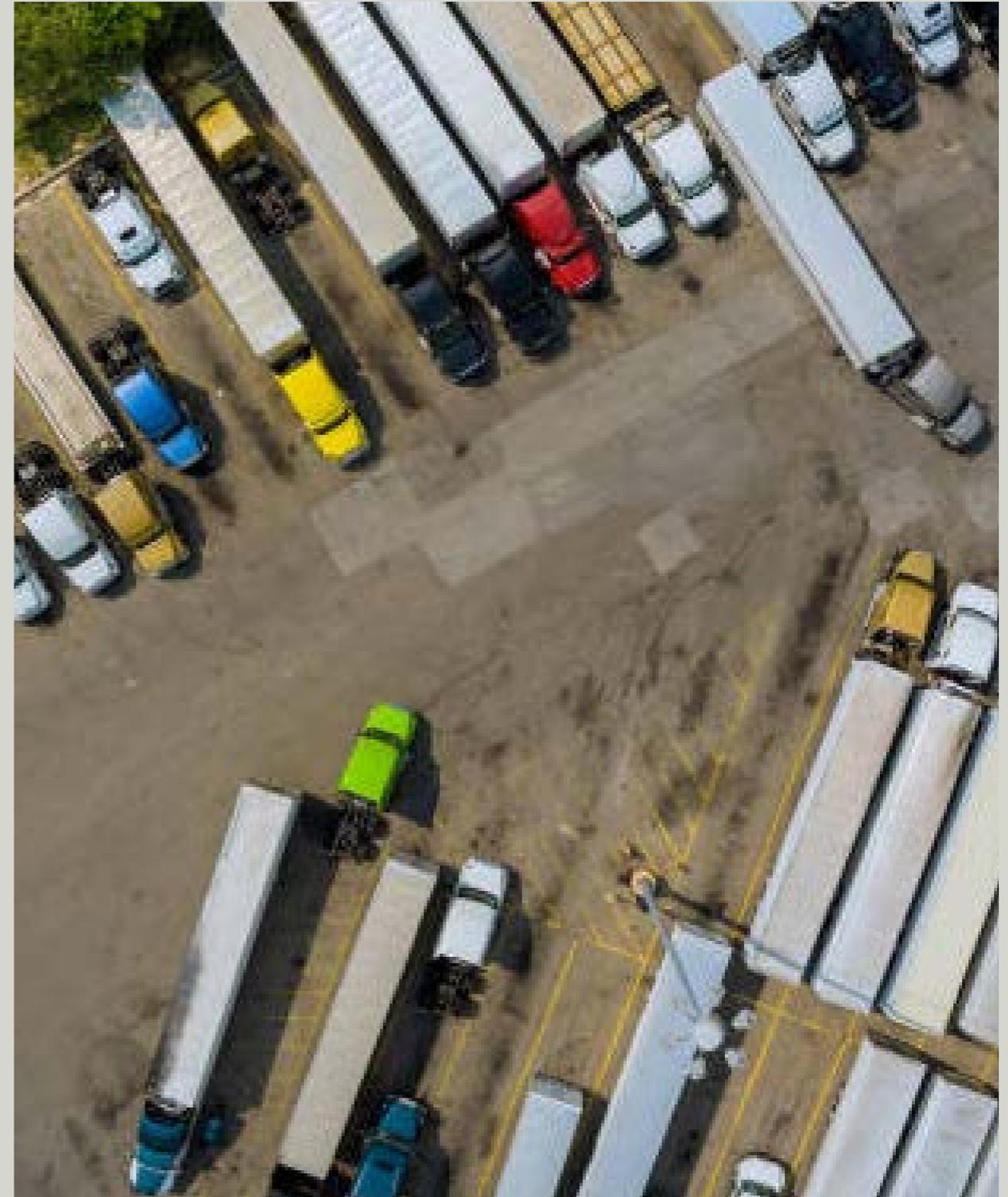
- 1 Planning for Parking
- 2 Convenient Accessibility
- 3 Staff Safety
- 4 Physical Implications

REAL ESTATE REQUIREMENTS

1

Planning for Parking

The Study finds the availability of parking as the primary attribute, which is always a challenge and requires some creativity, especially for a shared use space. Available properties do have limited parking, but many of them do not have space for dozens of vehicles, meaning a few primary users and their teams will be able to maintain small fleets and have limited daily use. However, generally, parking will require finding nearby alternatives in the form of leasing another parking lot, making arrangements with neighbors, or, hopefully, having accessible street parking for staff and other non-commercial vehicles.



REAL ESTATE REQUIREMENTS



2

Convenient Accessibility

In a similar vein, the Study finds accessibility and convenience are the primary drivers of demand. If a cold storage facility is inconvenient or inaccessible to larger vehicles, it will restrict the usability and, thus, demand for a space. This bucket entails the geographic location - ideally along New York Avenue or other primary corridors that allow for the easiest access into, out of, and around the city. However, it also entails the physical characteristics of the building and neighborhood. Ideally, the building is accessible to container trucks and has loading docks to streamline loading/unloading (and also to avoid any liftgate fees or other restrictions from commerce).

REAL ESTATE REQUIREMENTS

3

Staff Safety

As per the location, the Study also found that security is a primary concern for users who need to maintain a desirable workplace for their staff. This ideally means well lit surroundings, fencing, and obvious-but-limited access points (for instance, being in a network of alleys presents security difficulties).



REAL ESTATE REQUIREMENTS



4

Physical Implications

Lastly, the physical characteristics of the building itself are important. Some can be modified - elements like electrical service, plumbing, lighting, sprinkler systems, etc can be modified for construction but add significant costs. Importantly, tenant improvement allowances are not common and, if provided pale in comparison to TI offered in retail or commercial real estate. This means that any building modifications made will likely be at the cost of the lessee even though the long-term benefit is conferred on an asset owned by the landlord. Other elements - crucially, ceiling height, loading docks, freight elevators, garage doors, and access ways allowing forklifts and pallets - are more difficult, if not impossible, to add to existing buildings. These elements again impact the function of the space and, importantly, the "business model." For instance, being able to provide 3 levels of vertical pallet storage (ceilings of 22 feet or greater) increases the sellable product of the facility by 50% over a facility that only allows 2 pallets vertically. This difference really changes the financials and, crucially, the price charged to users.

REAL ESTATE GENERAL THEMES

There are available spaces throughout the city in various locations and conditions. The physical quality and capacity of industrial space is notoriously difficult to know without intensive due diligence on a site-by-site basis, but there are some general economic and physical themes we can identify.

- Pricing perimeters
- Suitable space availability
- User-friendly outfit



PRICING PERIMETERS

\$17.50/sf

Starting Price for Industrial Space before triple nets (taxes, insurance, common area maintenance, and any other fees negotiated).

\$12-20/sf

Within Washington, DC

\$20-\$25/sf

Immediately Outside DC

\$8-15/sf

Further into VA, Outside the Beltway

Note

—

These spaces are typically oriented for users occupying a lot of square footage. If the facility ends up being smaller - say less than 8,000 sq ft - the price of rent may be higher and some landlords may prefer to hold out for tenants taking up more of their square footage.

SUITABLE SPACE AVAILABILITY



The Study finds that there is no available space is going to be perfectly built to suit. It is possible to find an old distribution operation or an old food manufacturer whose facility is available, but there is nothing like that immediately available. Any facility - even those with a cold storage history - will almost certainly not be turnkey. It will require modifications to electrical systems, likely plumbing and HVAC systems, reinforced flooring for freezers, and other alterations to make the facility functional.

USER-FRIENDLY OUTFITTING



The Study recommends that considering this is a shared space, there is a need to make the facility welcoming as well as to leverage technology to keep it secure and to account for the comings and goings of users. This means making "superficial," and not cost effective, improvements to lighting, paint, and exteriors. It also means installing security systems, keyboard entry systems, exterior spotlights, and other mechanisms to provide a safe working environment for all users and their staff.

HEALTH & SAFETY

Maintaining appropriate health and safety standards is a primary and basic concern for a cold storage facility both to remain compliant but also for the purposes of operating a professional, desirable environment for multiple, disparate, rent-paying users.

COMPLIANCE WITHIN A SHARED ENVIRONMENT

Shared spaces are prone to gaps in responsibility and oversight. Throughout the Study, respondents stated the challenges - if not their outright concerns - about maintaining cleanliness, hygiene, and order a shared space. This is true and it presents an opportunity as providing an excellent working environment can be a true differentiator for a keystone facility.

Combatting the challenge of maintaining health and safety standards necessitates having a single responsible party in the form of both a responsible entity and, even moreso, an individual for whom it is a core part of their job.

The details of specific health and safety requirements will be subject to details of the building (location, use, layout, etc) but some clear lessons emerged in the study.

- 1 Cold Storage Solidarity
- 2 Variable Inputs
- 3 Culture + Communication = Compliance
- 4 Dedicated Facilities Management

COLD STORAGE SOLIDARITY



The Study recommends keeping the focus and use of the cold storage facility limited to cold storage and rudimentary food processing - breaking down produce, repacking, potentially creating mixes, but no cooking or other processing. Limiting the facility will greatly lower upfront costs, but it will also limit long term costs and complications. Fewer moving parts exponentially reduces the health and safety burdens from a use and a building perspective. It allows for greater focus on fewer protocols, which can then be strongly established and maintained across multiple organizations.

VARIABLE INPUTS

Design with specific users in mind

The Study recommends first and foremost, understanding the specific use of the facility and the specific needs of users prior to buildout and launch.

- Different levels of cold storage, including flash freezing and humidity control settings for specific products, require varying temperature regulations, as well as standards to maintain during operations.
- Product type can also affect the systems standards with operations with solely produce offerings operating with less oversight than operations that include a mix of produce and meat and dairy.
- Different users collection and distribution operations can affect processes needed to maintain health and safety standards. Operations that receive and deliver bulk produce will vary significantly from operations that repackage items into variety bundles. Similarly, production involving processing raw materials, as simple as cutting produce, will alter the systems control.

Understanding location specific health & safety standards

While certifications like SafeServe are in compliance with meeting the requirements for food safety managers in Washington, DC, Maryland, and Virginia, the three jurisdictions will have different ways of:

- Overseeing and enforcing zoning and use
- The building itself and what is grandfathered in vs. not (like sprinklers)
- What is required for licensing, and then how health and safety is enforced once operational

The Study gleaned that many users in either single use or shared facilities are not always in locations that meet code for their jurisdiction; which will not be permissible in a newer, more marquee built facility.

Designing the facility with specific uses and users in mind can streamline compliance while also keeping the costs down significantly.

CULTURE + COMMUNICATION = COMPLIANCE

The Study recommends establishing and maintaining a standard will be as critical to the job of the facilities manager as more obvious compliance duties.



Building a Culture of Excellence

Leveraging technology, space design, and other simple but effective tools to manage users (and the employees of users!) will go a long way to having a healthy and desirable operation.

Clear Communication

Maintaining open dialogue with users, including written notices of communication and signage to ensure they are following policies and are made aware of maintenance and repair issues to ensure transparency and resolution throughout.

DEDICATED FACILITIES MANAGEMENT



The Study suggests the staffing of the facility is very much a function of the number of users. With just one or two users, it is feasible the facility could fall within a larger job role.

As the facility grows to 5 users and beyond, the facilities manager likely becomes a dedicated position.

Potentially it could be a lower paid or part time role with fewer users. As the user base grows, so too will the complexity (and presumably the size of the facility will be suitably larger) and the facilities manager will be a full-time dedicated position.

FROM FINDINGS TO FUNCTIONALITY



The basis for the Study encompassed practical user and theoretical stakeholder inputs, healthy & safety considerations, and an understanding of the current real estate market

During the next phase of the Study, findings were used as assumptions to inform the following:

- Recommendations for a foundation for facilities management of the future cold storage facility
- Potential scenarios for a cold storage facility financial models

FINANCIAL MODEL

RENT PROFORMA

As a model financial pro forma, the Study begins with the overall building square footage and then how much of that can be leveraged into cold and frozen storage. In the default setting of the model, a 4,000 square foot building can accommodate 75% of the floor plan for cold and frozen storage.

As a benchmark for comparison, DC Central Kitchen, operating as a single user facility, has a little less than 2,000 square feet to support their operation, which produces over 10,000 meals per day.

The model does allow the overall square footage and the percentage of space used to be changed.

Key Assumptions

—

- Assume expenses don't change with facility size, including utilities
- Only rent increases with square footage
- 1000 sq ft increase in cold storage means 1500 overall extra square feet rented
- Assume can store 2 pallets high
- Assume aisle width of 12 feet.
- Assumes maximum pallets in one long row with single aisle and pallets on either side. Realistic space won't be as efficient
- Stacking 3 pallets high requires at least 22 foot ceilings, likely higher

RENT PROFORMA

The real estate market in this space is hard to pin down - the economics really are building by building with different owners having different interests.

Based on these variances, the Study recommends a partnership approach with the land owner (or to be the land owner, in a sense) but even still the operation itself will have a rent for which it is responsible.

The market ranges from the high teens per square foot to the mid-30s and also has a range of facilities on offer, nearly all of which will need retrofitting, but some more than others. The level of owner contribution to improving a facility - parking lots, fencing, electrical power ups, etc - are all major hidden variables that typically are not established until negotiations are underway.

The Study assumes a rent of \$27 per square foot per year.

Total square feet	4000	
Refrigerated square feet	3000	75%
Rent per square foot	\$27/year	
Total monthly rent	\$108,000	
Monthly rent	\$9000	

FINANCING CONSTRUCTION

The real estate market in this space is hard to pin down - the economics really are building by building with different owners having different interests.

Based on these variances, the Study recommends a partnership approach with the land owner (or to be the land owner, in a sense) but even still the operation itself will have a rent for which it is responsible.

The market ranges from the high teens per square foot to the mid-30s and also has a range of facilities on offer, nearly all of which will need retrofitting, but some more than others. The level of owner contribution to improving a facility - parking lots, fencing, electrical power ups, etc - are all major hidden variables that typically are not established until negotiations are underway.

The Study assumes a construction cost of \$250 per square foot.

Cost of construction	\$250/sf
Total cost	\$1,000
Interest	7.50%
Loan term	120 months
Total interest	\$424,421
Monthly cost	\$11,870

BUILD OUT COST CONTROL

This parameter can be adjusted in the model. In speaking with other operations, construction costs have exceeded \$300/sf but included other elements that may not drive cost in the facility. Still, assuming a construction cost of \$300-350/sf would be realistic and conservative, though The Study suggests a goal of \$250/sf for construction and trying to eliminate excess drivers of cost is feasible. This cost includes the equipment fit out.

Cost saving recommendations

- Eliminating additional usage - rather finding simple branded elements to make the space possible for staff facing engagements
- Use the example of Cornerstones

Cost of construction	\$250/sf
Total cost	\$1,000,000
Interest	7.50%
Loan term	120 months
Total interest	\$424,421
Monthly cost	\$11,870

MONTHLY EXPENSE MODEL

The study assumes these expenses will stay consistent regardless of facility size. While not strictly true, this will hold largely accurate and allow for the development of this simply-yet-useful financial tool.

The main driver of monthly cost (other than rent and financing) is, of course, people. The Study assumes \$5,500/month in management fees, which is envisioned as a dedicated operations manager who is responsible for the use of the space, cleanliness, food safety, and managing all logistics.

The study also assumes \$1,500/month in cleaning, which could be done in a number of ways, but is likely a 1X per week deep cleaning, with ongoing standards being held by facility management and maintained among the users.

As the expenses show, this is a straightforward operation without a lot of moving parts. The concept is that food comes in, is stored, and goes out, potentially with some breakdown and packaging executed onsite.

The Study does not anticipate uses beyond this other than potentially a staff meeting for a user and does not include food production, other types of businesses, any vending, or any events.

The Study assumes \$14,217 monthly in additional expenses.

Expenses		
Utilities	\$1,600 Utilities \$/sf	\$0.40
Pest control	\$179	
Repair and Maintenance	\$1,500	
Insurance	\$350	
Wifi	\$189	
Secutiry	\$199	
Parking	\$1,500	
Waste	\$575	
Composting	\$375	
Management	\$5,000	
Cleaning	\$1,500	
Licenses etc.	\$250	
Office expenses	\$250	
Facility Supplies	\$250	
Total other expenses	\$14,217	
Net total expenses	\$23,217	
Required \$/sf/month refrigerated space	\$7.74 / month	
	\$92.87 / year	

MONTHLY EXPENSE MODEL

Finally, the financial model can help envision how to commoditize and monetize the space.

The Study uses a pallet as the base unit that can be rented for storage. We develop a rough sketch of what the cold storage availability might look like by conceptualized the space in a fridge/freezer and plugging in the dimensions of shelving, aisle space, and then providing an estimate for the number of pallets that can be stored.

Please note that being able to store 3 pallets high is critically more valuable than being able to store 2 pallets, and this should inform the real estate search. If it is possible to find a building with high enough ceilings (assumption is that 3 pallet high storage requires 22 foot ceilings).

From the available pallet space, the Study backs into a product price by spreading all expenses across the pallet space and establishing a 10% markup. This factors in vacancy rate of rental, which is an adjustable parameter.

The Study assumes \$731 in monthly revenue from a single pallet of overnight storage in a 4000 sq ft facility.

Refrigerated square space	3000	4000	6000
Multiplier of cold sf to total sf	1.50		
Rented sq footage	4,000	5,333	8,000
Maximum number of pallets	69	92	138
Actual number of pallets	60	80	121
Loss from maximum to actual pallets	12.50%		
Pallet size width	44	44	44
Aisle size	144	144	144
Width	19	19	19
Length	155	207	310
Pallet size length	54	54	54
# of pallets high	2		
Vacancy Rate	13%	16.67%	25.00%
Breakeven \$/pallet/month	\$664.51	\$523.30	\$387.63
Breakeven daily	\$22.15	\$17.44	\$12.92
Breakeven total expense	\$35,087	\$38,087	\$44,087
Pricing mark up	10%		
Monthly price	\$731	\$576	\$426
Daily price	\$24	\$19	\$14

FUTURE RECOMMENDATIONS



The primary recommendation of the study is that Arcadia solicit \$125,000 from The Morningstar Foundation in order to hire a Project Manager who can assemble a real estate development project in which the cold storage facility is one component in a larger effort.

The Study has provided a 'Project Manager' job description as an addendum to this overall report.

ELASTIC DEMAND



The Study finds there is a real demand and need for cold and frozen storage.

However, users saying they need cold storage does not necessarily mean they will travel far, pay a lot, or deal with other inconveniences (like no loading dock).

The demand is elastic.

AN UNDEFINED MARKET

There is no real market right now. People figure out solutions, but there is no commoditized sense of pricing so the main competitor for this effort is the gray market, margin economy which keeps people going now.

So whatever the cost of the facility to a user, it will certainly be more expensive than their current solution. It may still be the best decision for a user, but it will require getting them beyond cost to see that.

Because of the above reasons and others, there is no solution for cold storage imminent. This presents Arcadia and The Morningstar Foundation an opportunity to provide that solution.

GOVERNMENT ENGAGEMENT

The Study finds that these sort of market/ environmental conditions beg for government participation or leadership, as is often the case with critical infrastructure. There is a real need, that need is also driving inequity in access to food health.

Furthermore, the lack of cold storage is a critical issue for general supply chain and community resilience. However the gap between a private effort and the price that could be paid by potential users seems to wide - government funding of a facility would be the right solution to bridging that gap.

The Study does, however, highlight pessimism within the stakeholder inputs about the DC government actively engaging on this, let alone providing significant funding.

Similarly, interviewees reported that funding for food systems work was becoming more difficult to secure.

CLOSING CONSENSUS

The Study concludes **there is demand for a cold storage facility and constructing and operating a cold storage facility is feasible** but *should not be hurried into*.

The Study finds that **taking a real estate development approach** would allow Arcadia and The Morningstar Foundation to secure a facility, identify financing options, and cobble together a coalition of partners who could bring the project to bear. *This is very feasible, but it is also going to be time consuming and someone's full time job.*

The Study recommends a **pilot investment in a one year position to move the project forward as the immediate solution** towards successfully funding, constructing, and operating a keystone, shared cold storage facility for food focused non-profits in the DMV.

PROJECT MANAGER DESCRIPTION

In an effort to rally enthusiasm for qualified candidates for the role of Project Manager, The Study created a '**Mission 40 or Below**' project description, insinuating the importance of the undertaking as it relates to the inherent need of cold storage. As reference, 40° fahrenheit is the appropriate cooler temperature, as mandated by national health and safety standards.

JOB DESCRIPTION

Mission: 40 or Below is an effort spearheaded by Arcadia Farms to establish a keystone cold storage facility in the District of Columbia. The goal is to rent pallets of cold and frozen storage in a professional, clean, safe, and compliant environment. Though seemingly simple, cold storage is a critical element in the food system logistics chain for which there is an underserved market.

It is the job of the Project Manager to bring to fruition a vision of meeting the need for cold storage by providing a facility accessible to any organization, but especially those community organizations and small businesses that find themselves large enough to need significant commercial storage space but not quite large enough to boast the economies of scale to build their own.

ROLES & RESPONSIBILITIES

The role of Project Manager for Mission 40 or Below is a big, dynamic, challenging job. The Project Manager will work directly with the Executive Director, Board, and other leadership to:

- Articulate a vision for the cold storage facility as part of a larger real estate development.
- Engage real estate brokers
- Search for real estate and present options to decision makers. This includes financial pro forma and operational feasibility of each location.
- Serve as POC in any associated negotiations/engagements for a building/property.
- Review and formalize pro forma
- Engage all associated District agencies and partnerships including DMPED, DSLBD, DOH, Washington DC Economic Partnership, Federal City Council, etc.
- Identify and develop relationships with potential developer partners. Including specifying what a real estate development looks like with different developer partners.
- Serve as POC in negotiations between Arcadia/coalition and real estate developer, as well as other partners.
- Engage banks, CDFI's, other potential funders of a real estate development who may have an interest in food systems/justice.
- Engage Industrial Revenue Bonds program.
- Identify Opportunity Zone properties.
- Engage SBA
- Explore how to apply new market tax credits
- Establish MOUs with potential users
- Establish MOUs with community supporters
- Engage architects, construction contractors and engineers for provisional budgets.

APPENDIX

ON-GOING INQUIRIES

At the conclusion of The Study, the consultants continue to provide guidance in response to queries made by key stakeholders, post delivery of The Study.

1) As we proceed, do we try to get all of the storage rented out up front or do we sort of “Build it and they will come?”

Our recommendation is a hybrid - find core, “anchor tenants” early in the process. This is Arcadia, Fresh Farms, Peoples Market, Dreaming Out Loud, DC Greens, Common Grain Alliance, etc. Larger organizations or organizations representing a broader constituency and execute Memorandums of Understanding with them. These MOUs will both serve as express support of the effort to bring a cold storage facility (and the government’s involvement/ support of it) as well as establish a transactional relationship for when the facility is live. The MOU can include loose numbers as far as space allotment and cost. But the MOUs are not legally binding so they don’t serve as a contract, but rather a demonstrable symbol of support, partnership, and actual commerce happening. We recommend these MOUs being executed as early in the process as possible with a calendar target of Fall 2024. We also recommend getting MOUs from other community organizations who may not be direct users, but who’s support and alliance can lend weight to the effort.

The shared facility will likely support somewhere in the range of 4 - 30 organizations. So beyond a few with which there are MOUs (not all of whom may actually be users) there will be other organizations who will be users once the operation is launched. In our experience, the way

to approach this is to create an inquiry list as early as is feasible - which really would be once you can get a nice intake webpage and some agreed upon language to put out in the world. This inquiry list is a powerful show of the market demand and is useful in building momentum to bring the project to fruition. Once a building is under control and the project is underway, the Facility can begin to engage this broader pool of potential users. At this juncture, the conversations over pricing, space, operations, and other details are a two-way street. The Facility is telling potential users what the vision is, but at the same time potential users are providing feedback. This feedback should be incorporated and used to modify details as the project proceeds.

At some point as the building is getting closer to actual usability, these conversations with potential users should shift into closing actual deals with the potential users knowing price, space, and etc. details and signing an actual agreement.

ON-GOING INQUIRIES CONTINUED

2) What about temporary options for cold storage, like the shipping containers retrofitted with cold storage?

We have used these in the past and they are a good solution. We did not include these extensively in our study for a few reasons. That said, we do think temporary containers could be a viable back up option. And, if the possibility of nodes of cold storage is revisited, these containers could be a great solution for that approach.

1) While they are great for single users, cold storage containers present challenges for multiple users. The space inside is very tight and difficult to organize. Issues of cleanliness, food safety, and security - which we heard great concerns about in our interviews - are amplified in the container solution. They also are confined in terms of total cubic footage, so there is no way to get more efficient by stacking pallets. The name of the game in the cold storage facility will be maximizing the cubic footage while paying a fixed cost for square footage. Containers do not allow this.

2) We heard from key stakeholders that the physical space is a critical element of the project. On the most basic level, a safe, secure, sanitary facility is of the utmost importance and so the notion of focusing on the temporary cold storage but not bolstering the facilities around it would not provide the physical environment in which many people want themselves or their staff to be working. Beyond this though, we heard

a great deal of feedback that just having basic community space would be helpful for users and to build community amongst the users, as well as to provide space to host other partners and build broader support. It is certainly possible that a space for that could be created and support temporary cold storage, but we think if the expense is to be incurred to support this sort of facility, it will be most cost effective (and revenue driving) to have ample cold/frozen storage that can maximize cubic footage inside of a safe secure, sanitary, welcoming facility.

3) From the perspective of building support and momentum from the world beyond food systems organizations, the temporary containers do not spark the same sort of interest. A real estate development project is exciting, rejuvenating, and offers ample surface area (literally and figuratively) for organizations to get involved and to receive credit and ROI for that involvement. This alone, of course, is not a reason to eschew a temporary cold storage solution. But we do not want cannibalize or muddle the effort and we also believe that funders want to invest in the sort of facility that highlights their forward-looking excellence, not necessarily that simply gets the job done for the time being.

LEASE - CURRENT AVAILABILITY

There are suitable properties but nothing turnkey. There are no available properties that are clearly built out for food use so right from the start, the conversation of zoning and Certificate of Occupancy become issues.

It is all doable - it just requires time, resources, diligence to do it.

Further, this is all keeping the cost to the end user front of mind - any dollar or minute spent developing the building eventually needs to be paid for.

Without an obvious funding source, that means the end user is paying. We are assuming these end users are extremely price sensitive.



2000 Kendall Street, NE

"To lease, this would be interesting -- so much parking! -- but would require a lot of work to make it suitable for food operations. No SF price but in our experience it would likely be upwards of \$250k and then Triple Net on top of it."

-
Pamela Hess, Arcadia

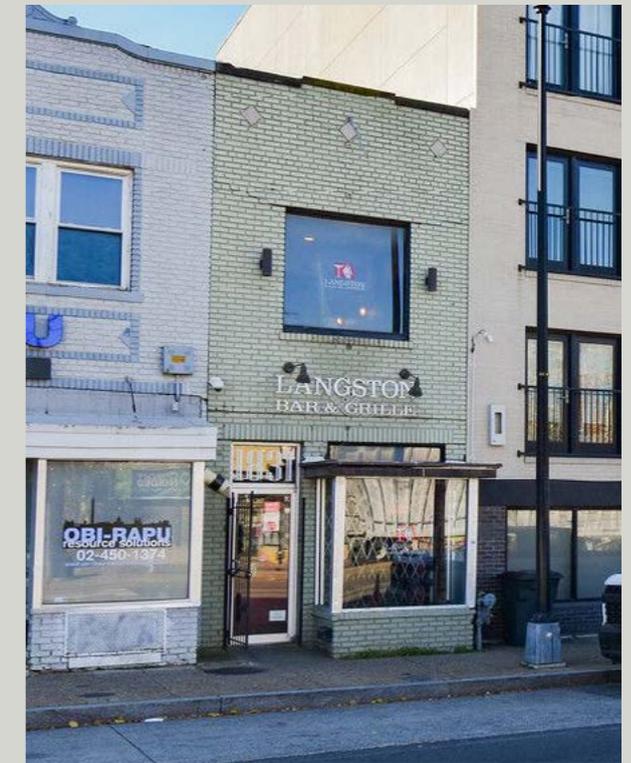
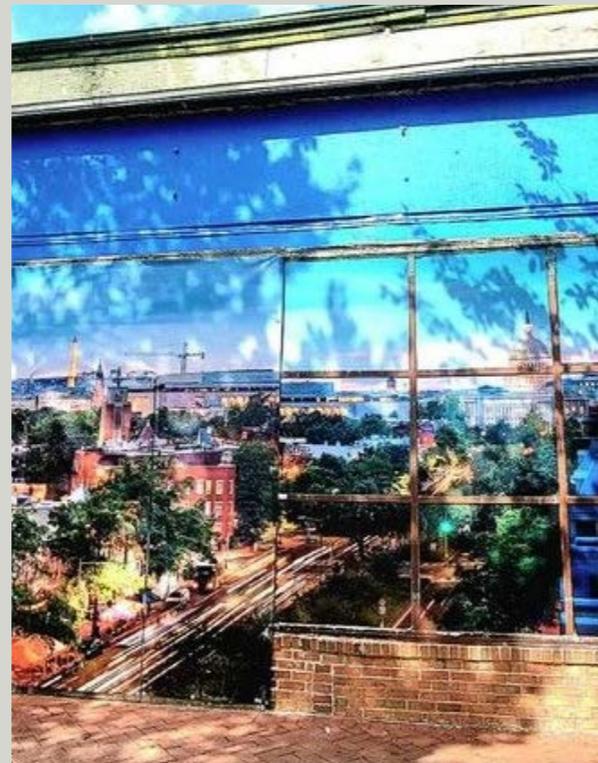


1909 Martin Luther King Jr. Ave SE

"Has potential, however it is a retail space. Could propose an issue for larger trucks, the landlord may not want the use, and it likely will not have industrial features like loading dock, high ceilings, extra floor support for freezer. The price could be relatively expensive."

-
Jonas Singer, Consultant

PURCHASE - CURRENT AVAILABILITY



509 Morse St NE

\$1.4M range not including build out, ball park \$200k

419 8th St SE

\$2.5M No parking, retail location.

1604-1608 Rhode Island Ave NE

4000 sf so likely in the \$3-\$5M range. May have parking

1831 Benning Rd NE

\$850,000 -- affordable but small and in Ward 7, which is a plus. Limited parking available

THANK YOU