

**Proposal Summary**  
**Meeting Date: 3/1/2017**

**Chicago Horticultural Society**  
**Request # 115356**

<b>Project Title:</b>	Farm on Ogden
<b>Duration:</b>	21 months
<b>Request Date:</b>	1/13/2017
<b>Request Amount:</b>	\$500,000
<b>Recommended Amount:</b>	\$300,000
<b>Program Area:</b>	Education\Continuing Education\Adult\Entrepreneurship
<b>Population Served:</b>	Poor / Economically Disadvantaged; General Public
<b>Type of Support:</b>	Capital Support
<b>Grantee Location:</b>	Glenview, IL
<b>Primary Contact:</b>	Ms. Angela Mason

**Project Abstract**

The Farm on Ogden, a partnership between the Chicago Botanic Garden’s urban agriculture initiative and Lawndale Christian Health Center, will create a community-based entrepreneurship ecosystem to support new business development and growth in the region.

**Organizational Background**

When the city of Chicago incorporated in 1837, its leaders selected *Urbs in Horto* (“city in a garden”) as its motto. The Chicago Horticultural Society (“the Society”) was founded in 1890 and through the years helped Chicago beautify for the 1893 Columbian Exposition, improve the lakeshore, develop an extensive park system, and install hundreds of victory gardens during World War II. The Society operates the Chicago Botanic Garden on land owned by the Forest Preserve District of Cook County.

Windy City Harvest (WCH), the Society’s urban agriculture initiative uses urban agriculture to promote entrepreneurship and employment among economically disadvantaged Chicagoans, simultaneously addressing problems of recidivism, health, food access, and gaps in the local food supply chain. WCH offers new farmers a continuum of urban agriculture training opportunities and operates one of only three farm incubator initiatives locally, helping urban agriculture entrepreneurs overcome barriers to creating their own small businesses.

**Annual Revenue Sources**

Grants	18%	Government	27%	Earned Income	25%
Fees	5%	Private Support	20%	Other	5%

**Finances (dollars in 000s)**

	<b>Budget</b>	<b>Estimate (Nov.)</b>	<b>Actual</b>
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	12/31/2017	12/31/2016	12/31/2015
<b>Revenues</b>	\$37,087	\$46,483	\$47,381
<b>Expenses</b>	37,087	42,294	46,046
<b>Surplus (Deficit)</b>	--	4,189	1,335
<b>Net Assets</b>	--	\$184,537	\$180,348

**Program Description**

WCH operates workforce development and small business incubation programs in Chicago that build local food systems, promote wellness, and generate economic growth. WCH has grown in 14 years from one small farm to 12 locations throughout the Chicago region which train more than 220 participants annually (70% low-income) in the expanding industry of sustainable urban agriculture. Its transitional jobs program engages a total of 30 or more ex-offenders in two cohorts, meeting for fourteen-weeks, eight hours a day, five days a week. The program combines on-the-job workforce training with an environmental literacy and workforce readiness curriculum. WCH also offers a nine-month apprenticeship program to approximately 25 students annually. Headquartered at Arturo Velasquez Institute/Richard J. Daley College, this certificate in sustainable urban agriculture is accredited by the Illinois Community College Board.

Aspiring and practicing farm entrepreneurs trained by WCH face an uphill battle in growing their own farming businesses within a city environment. They are challenged with the initial investment required, the difficulty in obtaining a license to sell produce independently, and the dearth of resources available to comply with increasingly complex food safety regulations. Many farmers, especially small operations, lack the capacity to access retail, institutional, and commercial foodservice markets on their own and consequently miss the fastest growing segment of the local food market.

Opening in the fall of 2017 with full production beginning in 2018, the Farm on Ogden food hub will serve as a visible center of urban farm entrepreneurship and job training opportunities. The facility will support every facet of WCH’s training continuum, an entrepreneurial pathway producing a new generation of agriculture-related business owners and workers, including those from socially disadvantaged populations. It will increase economic activity, employment, food security, and wellness on Chicago’s West Side while contributing to the region’s needs for local food production, packaging, and distribution.

The new facility will consume an entire block with a 29,500–square-foot food aggregation and training complex and an adjacent quarter-acre Youth Farm at 3555 W. Ogden Avenue. The facility is part of the \$15 million Lawndale Medical Corridor initiative, and would be owned by Lawndale Christian Health Center (LCHC), a federally qualified health center with six satellite clinics across Chicago’s West Side. LCHC and the Society are entering into a twenty-year lease to enable WCH to operate its program. It will be a highly visible addition to Chicago’s West Side, just two blocks from the LCHC’s main clinic and near a busy transportation hub. In contrast to the many boarded-up buildings and hidden activities, the transparency of the Farm on Ogden will draw the community in, raise awareness of WCH’s entrepreneurship pathway, and create access to fresh produce for residents challenged with food insecurity and diet-related disease.

The Farm will feature aquaponics/hydroponics systems with six interior grow beds, six aquatic tanks, and a 6,000-square-foot greenhouse to support fish (tilapia) and leafy greens production; its scale will

allow training for commercial businesses. Training program participants will use the micro-processing center to learn and practice preparation of vegetables for ready-to-eat packages and how to create value-added products. Farm entrepreneurs will use a commercial kitchen to develop food products for sale at the Farm's healthy corner store and across Chicago. Cold storage in two walk-in coolers will help manage the aggregation, processing, and distribution of products. An enclosed produce-packing station will help WCH meet Good Agricultural Practice (GAP) standards and further professionalize food safety and post-harvest produce handling. The Farm will centralize WCH offices and streamline operations. A large multi-purpose community space will provide room for classes and produce-box pickup, part of a food-as-medicine partnership with LCHC to address food insecurity and disproportionately high rates of diet-related disease among their patients and community residents. The adjacent quarter-acre Youth Farm will use the facilities year-round for youth development programming.

### Expected Outcome

By the end of 2018, the Farm on Ogden will enable WCH to accomplish the following.

- Professionalize and streamline training, production, and administration including a point-of-sale system to monitor WCH and incubator farmer sales and improve traceability of produce sold.
- Establish and implement shipping and receiving protocols in partnership with vendors to better train individuals and farm businesses working in the aggregation.
- Develop aquaponics/hydroponics training programs for commercial markets in partnership with the needs of employment partners.
- Increase WCH product sales by 30% in first full year of operation (2018).
- 10-15 potential urban farm entrepreneurs engage in experiential, hands-on learning at the Farm on Ogden in the Business and Entrepreneurship for Local Foods certificate program beginning in October 2017 and another 10-15 in 2018.
- 10-15 WCH current and graduated incubator farmers (50% socially disadvantaged) gain access to food aggregation, processing, and distribution space and equipment, strengthening the quality of their produce and developing new market opportunities.
- 20-30 self-employed farmers and others obtain a Value-Added Products certificate (10-15 per class in 2017 and 2018), and 200 youth and adults learn aquaponics/hydroponics operations, raising awareness about this emerging urban agriculture business and workforce opportunity.
- As a group, incubator farmers increase overall sales by at least 25% in 2018 over 2017.

### Program Budget

CFI's award would support partial costs of construction of the facility (\$175,000 or 58% of award) and partial cost of aquaponics, hydroponics, office and kitchen equipment (\$125,000 or 42% of award).

### Prior Grants

<b>Last Grant Date:</b>	6/7/1982	<b>Number of Prior Grants:</b>	1
<b>Last Grant Amount:</b>	\$10,000.00	<b>Total Amount Granted:</b>	\$10,000

## Recommendation

This proposal aligns with CFI's Entrepreneurship Impact Plan strategies to fund community based experiential and support networks (accelerators, incubators, makerspaces) and potential links to academic programs and to fund efforts to increase local practitioner engagement – coaching, mentoring, residencies. The Farm on Ogden would build on the WCH program which has an established track record of success by providing needed supply chain supports for entrepreneurs in the program which would help them grow their businesses while serving as a training ground for them.

Staff has done an unusually high degree of due diligence on this project due to its complexity and association with LCHC which is leading the total project development. We have met with LCHC executives and are confident they can deliver on the project. This initiative is not LCHC's first project of this type and its experience with major development initiatives and New Markets financing provides us with confidence.

CHC and LCHC are in the last stages of negotiating a long-term lease for the space in which Farm on Ogden programs would be delivered. LCHC has made clear their intentions that the program be a longstanding part of their ongoing transformation of the Ogden corridor. As an example of the potential synergies in this partnership, plans are underway to launch a program where boxes of healthy foods would be "prescribed" by LCHC's medical center and fulfilled through Farm on Ogden. This could establish an ongoing market for entrepreneurs graduating from WCH programs.

As an aspect of its partnership with LCHC, CHC has committed to fundraise an amount to support the project. Leadership from CHC's board has generated private support for the project and CHC has had additional success raising funds for the programs which would take place in the new facility, including resources to acquire dedicated equipment which would be used there (and be owned by CHC). This request is for resources for both facilities construction and equipment acquisition.

We present the budget for the entire New Markets Tax Credit deal, not just that part relating to the Farm on Ogden. As is the case with the Accion project, philanthropy commitments must be made prior to those from many other funding partners. From all indications, the project appears to be on track for a closing in the mid-summer. A significant advantage of this project in comparison to the Accion transaction is that LCHC is investing significant reserves into the project as opposed to borrowing those resources from a bank. Through this, the project avoids over \$400,000 in extra interest expense that it otherwise has to pay.

Despite the complexity of the partnerships and funding sources necessary to launch it, the Farm on Ogden presents strong opportunities to support emerging and operating food growers and help them be successful starting and running their own businesses. We strongly support CFI participating in this initiative and recommend the proposal be approved.

