



STAFF REPORT

MEETING DATE:	February 23, 2016
SUBJECT:	Authorize Technical Services Agreement for Far-Northern California Goods & Freight Hub Study
AGENDA ITEM:	18
STAFF CONTACT:	Daniel Wayne, Senior Transportation Planner

SUMMARY:

SRTA circulated a request for proposals (RFP) to complete the grant-funded *Far-Northern California Goods & Freight Hub Study*. Three proposals were received and evaluated. Results are provided for consideration by the board of directors.

STAFF RECOMMENDATION:

It is recommended that the board of directors authorize the executive director to enter into a standard technical services agreement (TSA) with New Venture Advisors to carry out the *Far-Northern California Consolidated Goods & Freight Hub Study*, for a term ending June 30, 2019, not to exceed \$110,000.

DISCUSSION:

SRTA was awarded \$125,000 through the Caltrans Sustainable Transportation Planning Grant Program to study the feasibility and potential benefits of an intermodal goods and freight hub located in Shasta County. In addition to enhancing freight efficiency and economic development, the hub is identified in the 2015 Regional Transportation Plan as a key strategy for reducing congestion and meeting future regional greenhouse gas emission reduction targets pursuant to Senate Bill 375.

At the December meeting, the board of directors authorized an RFP for consultant services to complete the study. Three proposals were received and evaluated by a panel of staff and external stakeholders who will be participating in the project. Results of the evaluation are provided by Attachment A and summarized below:

Lead Consultant	Budget	Average Score (out of 100)
New Venture Advisors (Chicago, IL)	\$110,000	78.75
Applied Development Economics (Walnut Creek, CA)	\$110,000	73
Matson Consulting (Aiken, SC)	\$109,980	62.5

New Venture Advisors' proposal was ranked highest. Deciding factors included: 1) a finer understanding of the nuances of operating a successful food hub in the real world, beyond the technical analysis of data; 2) a unique approach to identifying the most suitable food hub operator-broker; and 3) Disadvantaged Business Enterprise status. A copy of the proposal is provided by Attachment B and will be incorporated into the TSA. .

ALTERNATIVES:

The board of directors may select another proposer or direct staff to recirculate the RFP.

OTHER AGENCY INVOLVEMENT:

Representatives from the California Energy Commission and the California Air Resources Board visited the region in November to learn more about the project, at which time the city of Anderson provided a site tour of a potential food hub site located just south of the Deschutes Road roundabout.

The *Far-Northern California Goods & Freight Hub* was shortlisted by the California Air Resources Board as a possible 'sustainable freight pilot project' pursuant to Governor's Executive Order B-32-15. Approximately 80 pilot project proposals were submitted statewide, of which five were selected for further evaluation. Should the *Far-Northern California Goods & Freight Hub* make the final cut, it will be featured in the California Sustainable Freight Action Plan and be the focus of coordinated financial and technical support from the California State Transportation Agency, the California Environmental Protection Agency, and the Natural Resources Agency.

FINANCING:

Consultant costs (up to \$110,000) and SRTA costs required for project management and grant administration (up to \$15,000) will be funded through a \$125,000 Caltrans Strategic Partnerships grant. Local matching funds of \$31,250 will be provided in the form of in-kind support from project partners, including Superior California Economic Development, Growing Local, and the Center for Economic Development at California State University, Chico.

Dr. K. S.

Daniel S. Little, AICP, Executive Director

Attachments: A: Summary of Proposal Evaluations
B: New Venture Advisors Proposal

Attachment A: Summary of Proposal Evaluations

EVALUATION CRITERIA

- 1) Understanding of the project and objectives.
- 2) Relevant qualifications and experience of the project team, with an emphasis on business development, food hub operations, and the brokering of agricultural commodities.
- 3) Cost and value of services to be provided.

TECHNICAL EVALUATION CRITERIA RESULTS:

Evaluator	New Venture Advisors	Matson Consulting	Applied Development Economics
1	71	56	60
2	55	50	75
3	63	52	61
4	74	60	64
Average Score/Rank:			
	65.75 (1st)	54.5 (3rd)	65 (2nd)

SECONDARY EVALUATION CRITERIA RESULTS:

Plus reference check	8	8	8
Plus Disadvantaged Business Enterprise (DBE)	5	0	0
TOTAL SCORE/RANK:			
	78.75 (1st)	62.5 (3rd)	73 (2nd)

ATTACHMENT B: NEW VENTURE ADVISORS PROPOSAL



SHASTA REGIONAL TRANSPORTATION AGENCY

Far-Northern California Food Hub

Business Plan & Demonstration Project

February 16, 2016

This Project Plan has been modified from New Venture Advisors' revised proposal submitted on February 8 to remove confidential information from the Scope of Work and Cost Detail. References and Elements of a Business Plan have also been removed. Additional information requested by SRTA on the role of the public sector and factors influencing site selection has been added on page 17.

Contents

INTRODUCTION.....	2	ABOUT DAN CARMODY.....	12
ABOUT NEW VENTURE ADVISORS	3	TEAM MEMBER ROLES.....	13
OUR APPROACH	4	PROPOSED SCOPE OF WORK.....	13
FOOD SYSTEMS PLANNING EXPERIENCE.....	5	COST DETAIL.....	16
NOTABLE CASE HISTORIES	8	ADDITIONAL INFORMATION	17
PUBLICATIONS	9		
KEY PROJECT PERSONNEL	9		

New Venture Advisors is a woman-owned small business based in Chicago. NVA is an Illinois limited liability company founded in 2009. NVA has a staff of 11 with consultants in the Bay Area, Denver, Chicago, Philadelphia and Chapel Hill.

Kathy Nyquist
Founder and Principal
New Venture Advisors LLC
630 Wrightwood Ave. #5W
Chicago, IL 60614

(773) 245-3570 phone
(773) 857-5636 fax
knyquist@newventureadvisors.net
<http://newventureadvisors.net/>

INTRODUCTION

New Venture Advisors LLC has been invited to assist Shasta Regional Transportation Agency and its project partners Superior California Economic Development and Growing Local in the development of a business plan and implementation of an interregional demonstration project for a food hub serving the eight northernmost California counties. This food hub will serve the small- and medium-sized producers whose productivity is limited by access to transportation and advanced technologies to increase efficiencies, scale and competitiveness in higher-value markets. Through the coordination and consolidation of aggregation, wholesaling and distribution activities, and potentially processing and related services, the chief aims of this food hub are to reduce greenhouse emissions, expand economic opportunity throughout the region and more effectively utilize California's freight corridors.

New Venture Advisors (NVA) follows a comprehensive and collaborative process for market research, business case validation, site assessment, and economic analysis. Our unique qualifications, understanding of the local landscape, and deep experience in food hub development and operations make us an ideal team for this study.

- NVA is one of the leading advisory groups and thought leaders in local food systems development. We have completed more than **50 food systems planning projects** across the country, of which more than 30 have been focused on the assessment and/or launch of a regional food hub.
- **NVA assessed the Northern California food system from 2012-2014** while leading a feasibility study and business plan for a food hub in the Bay Area. Our primary research included interviews, surveys and focus groups with over 60 producers in the north Central Valley and more than 40 wholesale buyers including Veritable Vegetable, Bay Cities Produce, Fresh Point's institutional customers and others throughout the region. This in-depth market analysis gives us strong foundational knowledge of the nearby supply and demand base.
- For this project we led our client through **NVA's proprietary operator search protocol** which identified the region's largest organic produce distribution company to collaboratively operate the new food hub under a common set of goals and operating values. NVA has used this protocol to help select operators and successfully launch the Wisconsin Food Hub Cooperative in Madison, Wisconsin in 2012 and the Western New York Food Hub outside Buffalo, New York in 2015. This approach will be used to identify a broker-operator to participate in the business planning process and lead the demonstration project.
- **NVA has direct operating experience** incubating and launching FairAcre Traders LLC, a local food marketing firm that brokers sales between small farms, food hubs and broadline distributors. A successful pilot project in New England with Performance Food Group is entering its second season. It is operated by a separate management team in partnership with Red Tomato, one of the nation's first and most innovative food hubs.
- The NVA team is composed of business strategy consultants from diverse fields including urban planning, food manufacturing, management consulting and pharmaceuticals; from industry-leading firms **Kraft Foods, Accenture, Oliver Wyman** and **AbbVie**; and from the nation's top business schools **Northwestern University's Kellogg School of Management** and **University of Chicago's Booth School of**

Business. Our engagement leader graduated Magna Cum Laude from **Princeton University** with a major in operations research and experience in route planning and optimization.

- We will be joined by urban planner and food systems expert **Dan Carmody who operates Detroit Eastern Market**, the nation's largest permanent farmers market and integrated food district. NVA collaborates with Dan on projects involving **urban planning and food district development**. Given the imminent potential for this project to receive ARB support to accelerate development and accomplish a broader scope of work, there may be an opportunity to more immediately evaluate the role of a **permanent farmers market in Shasta County** as a satellite to the food hub, catalyzing the food shed into an integrated food cluster. For this, Dan will lend his planning experience and proven strategies that rebuilt southeast Michigan's local food system and transformed the historic core of Detroit into a thriving food district. Through his consulting arm Carmody Consulting, Dan takes on a few consulting projects each year with clients seeking to revitalize their communities and economies through regional food system strategies.

ABOUT NEW VENTURE ADVISORS

Since 2009 New Venture Advisors has worked with clients in the public, private and social sectors to assess food systems and design, launch and build up businesses in the local food and sustainable agriculture arena. In this short time, numerous food ventures have launched across the nation with many more preparing to open their doors. These ventures are poised for success in achieving their core mission of increasing the supply of regionally grown fresh produce and better connecting this with local demand.

We have led more than 50 food systems projects across North America. We work with municipal planning groups, local coalitions and entrepreneurial teams through the entire process, guiding the strategic work and offering recommendations to achieve their goals. Clients range from organizations in the social sector seeking to generate earned income through promising social enterprises to public agencies seeking to promote agricultural and economic development.

NVA has deep industry knowledge encompassing local food systems, entrepreneurial finance and food hub operations. We have studied the local food systems space from macro trends to the market factors that make specific regions ripe for development. We develop business cases using the modeling techniques of venture capital, providing robust yet easy-to-understand analyses and recommendations to help our clients make informed decisions. The team has a track record of success in engaging a diverse set of cross-sector and multi-disciplinary stakeholders to assess the local food landscape, develop optimal food venture business models, and effectively launch these ventures with strong regional support.

OUR APPROACH

New Venture Advisors follows a multi-stage planning process. The early stages examine the food system to uncover gaps and opportunities for development. Where enterprise ideas are indicated, we develop and refine the business case in a phased approach that tests its viability before advancing. The specific scope of NVA projects varies based on the needs of our client teams. For some, NVA focuses on a single step in this process; for others, NVA works from idea to venture launch to ongoing business support.



Community Organization

Great change can begin with a few individuals at work in their communities to plan and galvanize support for food systems development. We assist at this earliest stage by helping individuals and small groups form effective coalitions, conduct outreach to the broader community, build strategies and action plans for economic development and approach granting agencies for funding.

Opportunity Identification & Feasibility Study

We begin forming the business case through an initial environmental assessment, which includes meetings with all stakeholders and potential project partners to shape the focus of the feasibility study and determine potential strategies for consideration. If this initial assessment is positive, we conduct an extensive feasibility study to further shape the business concept and test its viability. This includes focus groups and surveying of all relevant players across the local food supply chain, assessment of local infrastructure for storage and distribution, and an evaluation of potential operator models and ownership structures.

In a for-profit context, the viability of the feasibility study is based on financial models that analyze the potential for the business to earn a satisfactory profit for owners and investors. In a nonprofit context, the viability is defined by the client team, and might include

the potential of the venture to: increase local produce supply in the market, convert commodity crop acreage to specialty crop acreage, improve health indicators as a result of increased access to fresh produce, have positive rural and urban economic impact, and be financially self-sustaining in the long-term. The specific assumptions behind these factors are derived from primary and secondary research, and available data from analogous operations.

Business Planning & Fundraising

Once the business case has been validated through feasibility analysis, we help teams develop a formal business plan and prepare for fundraising. The business plan adds further rigor to the feasibility assessment assumptions and business model, including complete operations, marketing and financial plans. It identifies the funding needed from investors and lenders and projects the level and timing of investor returns. If an operator for the enterprise has not yet been identified, we assist our clients in conducting an operator search and selection process before this phase of work begins.

Launch & Growth Strategy

We help startups stabilize and later-stage companies grow through sales and marketing strategy, financial management and operations assessment. We are joined by experienced operators who have successfully grown small-scale food businesses in competitive markets.

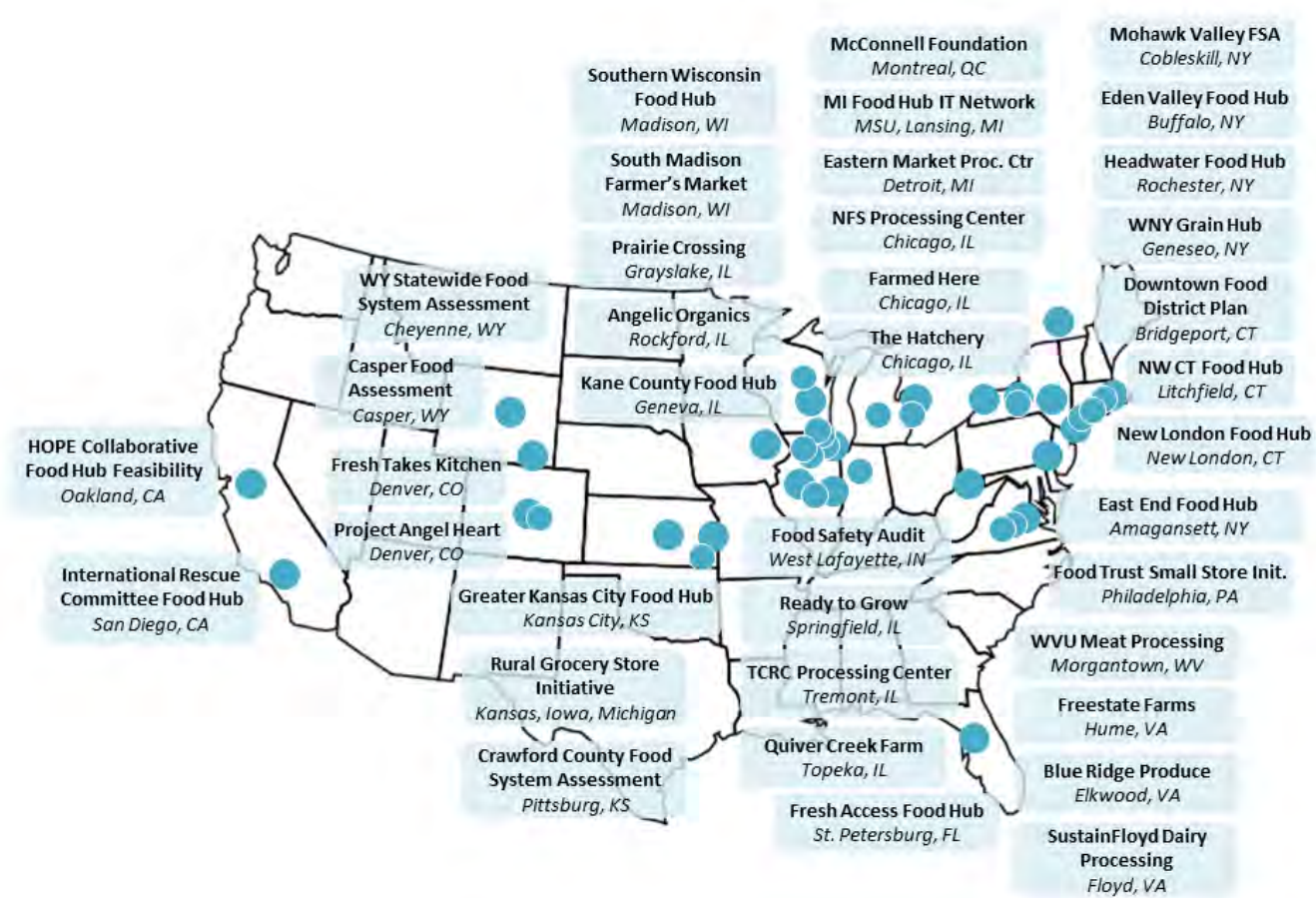
FOOD SYSTEMS PLANNING EXPERIENCE

Food Enterprise Work

Projects span the value chain and across commodity types, operating models, location and scale, from a 400 square foot processing kitchen in rural Illinois to a 33-acre aggregation center in northern Virginia. Each has been custom designed to suit the local landscape, and while their business models vary considerably, they are similar in their focus on shortening supply chains and strengthening local food systems.

Stage in Value Chain	Commodity Category	Operating Model	Entity Type	Location
Farming & Production	Fresh Fruit & Veg	Brick & Mortar	Nonprofit	Rural
Aggregation & Distribution	Processed Fruit & Veg	Virtual	For-profit	Urban
Processing	Meat	Mobile	Cooperative	
Retailing	Dairy	CSA	Public/private	
Foodservice	Grains			

Map of Selected Projects



Selected Project List

New Venture Advisors has led dozens of food system projects touching every aspect of the value chain from farms to produce, grain, meat and dairy aggregation and processing centers, artisanal food manufacturers, food business incubators, retail markets and a foodservice company.

Project	Location	Date	Description
Cobleskill Regional Food and Agriculture Enterprise Center	Cobleskill, NY	2016	Feasibility study for the redevelopment of a former mill into a multi-use food & ag center
Mohawk Valley Regional Food System Assessment	Cobleskill, NY	2016	Regional study and protocol for a statewide food system assessment for New York State
The Hatchery	Chicago, IL	2016	Feasibility study for a 100,000sf food business incubator and community development project
Eastern Market Frozen Processing Facility	Detroit, MI	2016	Business plan for a processing facility that flash freezes local produce for institutional markets
Kane County Food Hub	Geneva, IL	2016	Feasibility study for a food hub focused on improving food access and health equity
Northwest Connecticut Food Hub Feasibility Study	Litchfield, CT	2016	Feasibility study and joint venture strategy for food hub and hydroponic farm collaboration
Wyoming Food System Assessment	Cheyenne, WY	2016	Statewide study for a food hub network across Wyoming and the Rocky Mountain region
Rural Grocery Store Initiative	Kansas, Iowa, Michigan	2016	Feasibility analysis for adapting rural grocery stores into food hubs
Livingston County Small Grains Hub	Geneseo, NY	2016	Feasibility study for a small grains hub serving brewers, distillers and bakers in western NY
Food Safety Audit Enterprise	West Lafayette, IN	2016	Feasibility study for Purdue University for a new business providing auditing services for farms
Project Angel Heart Food Enterprise	Denver, CO	2016	Business plan for a private venture of a nonprofit that offers medically-modified meals
The Food Trust Small Store Initiative	Philadelphia, PA	2016	Supply chain strategies to bring healthy food to small stores in rural and urban areas
FairAcre Traders	New England	2016	Incubated business which drives sales for family farms and food hubs through large distributors
Bridgeport Community Food Assessment	Bridgeport, CT	2015	Strategic plan to revitalize the downtown district through food enterprise development
Headwater Food Hub	Rochester, NY	2015	Feasibility study for the expansion of a food hub into a fresh cut and frozen processing services
Landmarks Illinois Chicago Public School Redevelopment	Chicago, IL	2015	Assessment of food-related reuse cases for 18 historically-significant closed CPS schools
Amagansett Food Institute Food Hub	Southampton, NY	2015	Market study for an aggregation business serving farmers in East End of Long Island
Western New York Food Hub (Field & Fork/Eden Valley)	Buffalo, NY	2015	Feasibility study and business plan for a food hub incubated within a farmer cooperative
Angelic Organics Learning Center Roots & Wings Food Hub	Rockford, IL	2015	Food hub and farm serving low income residents in urban housing developments
New London Food Hub Feasibility Study	New London, CT	2015	Feasibility study for a food hub serving the mission of the United Way of Southeastern CT

Project	Location	Date	Description
Casper Community Food Assessment	Casper, WY	2015	Market study for a food system serving season extension and livestock farmers
Crawford County Community Food Assessment	Pittsburg, KS	2015	Community food assessment in partnership with KSU for one of the state's poorest counties
Michigan Food Hub Technology Platform	Lansing, MI	2015	Assessment and plan for an IT system that facilitates trade for a network of MI food hubs
Chesapeake Harvest Food Hub	Easton, MD	2015	Business plan for integrated farm and food hub aggregating from hoop house producers
International Rescue Committee New Roots Food Hub	San Diego, CA	2015	Business plan for expansion of a food hub serving refugee farmers
Fresh Access Food Hub	St. Petersburg, FL	2015	Market study for the expansion of a community farmers market into a food hub
Freestate Farms Greenhouse	Hume, VA	2015	Business plan for an integrated anaerobic digester/ commercial greenhouse operation
Greater Kansas City Food Hub	Kansas City, KS	2014	Opportunity identification and feasibility study for a network model food hub
HOPE Collaborative Food Hub	Oakland, CA	2014	Feasibility study and business plan for food hub incubated within existing distributor
South Madison Farmer's Market Food Enterprise	Madison, WI	2014	Business plan for a retail grocery and café extension of an outdoor farmers market
SustainFloyd Dairy and Value-Added Processing Center	Floyd, VA	2013	Business plan for an artisanal dairy and value-added food processing center
McConnell Foundation Value Chain Network Training Program	Montreal, QC	2013	Business planning and operations training for food enterprise grant recipients
Fresh Takes Kitchen	Denver, CO	2013	Incubated a healthy meal delivery service accessible to lower-income consumers
West Virginia University Meat Processing Enterprise Planning	Morgantown, WV	2012	Opportunity assessment of meat processing capacity and action plan for development
FarmedHere Salad Dressing	Chicago, IL	2012	Business case for an indoor vertical farm to expand its salad dressing line
Southern Wisconsin Food Hub	Madison, WI	2011	Feasibility study which led to the launch of Wisconsin Food Hub Cooperative
Neumann Family Services Processing Kitchen	Chicago, IL	2011	Feasibility study for food processing center serving adults with disabilities
Tazewell Country Resource Center Processing Kitchen	Tremont, IL	2011	Feasibility study for small-batch processing center serving adults with disabilities
Prairie Crossing Farm Business Development Center Planning	Grayslake, IL	2011	Capacity modeling for on-farm aggregation and processing center
Blue Ridge Produce	Elkwood, VA	2011	Business plan for food hub on a 33-acre site of a former tropical plant facility
Food Systems Assessment for Northern Virginia	Washington, DC	2010	Regional food systems analysis that led to the launch of Blue Ridge Produce
Ready to Grow: A Plan for Increasing Fruit & Vegetable Production in Illinois	Springfield, IL	2010	Barrier assessment and action plan which led to launch of two farm-based food hubs
Wellspring Growers Vertical Farm	Chicago, IL	2009	Business plan for indoor hydroponic farm

NOTABLE CASE HISTORIES

Blue Ridge Produce

A team of entrepreneurs had an interest in preserving the agricultural landscape of Culpeper County in northern Virginia, and believed it could be done by giving farmers an economic reason to stay in farming. In late summer 2010, NVA completed a food system study which identified a multi-million dollar opportunity to deliver Virginia-grown produce to Washington, DC customers. The project took a significant step forward when the team identified a former tropical plant facility, vacant for a number of years, where farm products could be produced, aggregated, manufactured and distributed. The 33-acre property had two acres of greenhouses and 70,000ft² of warehouse and office space to house a food hub and business incubator. Blue Ridge Produce was born.



Blue Ridge then commissioned NVA to develop a comprehensive business plan and financial forecast. We developed an 80-page financial model to test and validate the business case and compiled the findings in a 38-page business plan. On the strength of this plan and accompanying investor materials, the entrepreneurs successfully raised over \$4 million in social venture capital and debt to secure the property. The business was launched in May 2011 and Kathy Nyquist sits on the Advisory Board.

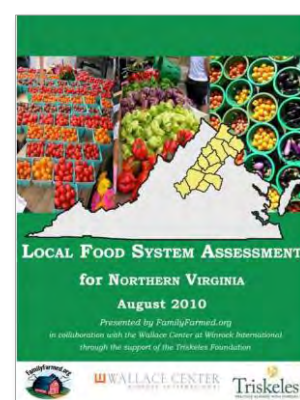
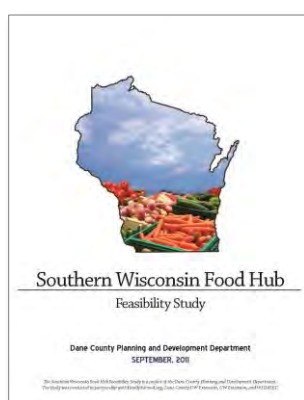
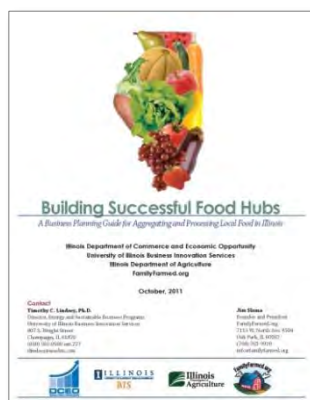
Wisconsin Food Hub Cooperative (WFHC)

New Venture Advisors has extensive experience working with county and state coalitions to research and develop regional food hubs that improve local food supply and economic development. In 2010, NVA was commissioned by Dane County, WI to lead a food hub feasibility study. NVA worked closely with the County, Extension and FamilyFarmed.org on all phases of the study: stakeholder interviews, producer and buyer focus groups, producer and buyer surveys, infrastructure assessment, owner / operator selection and financial analysis. The feasibility study identified three core functions for the launch of a successful Dane County food hub: packing, marketing and distribution of Wisconsin grown products in Wisconsin and surrounding states. With startup funding from the Wisconsin Farmers Union and a 2013 award of a USDA Value-Added Producer grant, the WFHC officially made its first sale in July 2013. The farmer- and grower-led cooperative is owned by farmers, the local community, and the Wisconsin Farmers Union. The WFHC anticipates annual revenue of \$20M at full capacity. At capacity the facility is expected to directly and indirectly create over 400 jobs and inject an additional \$60 million into the local economy.



PUBLICATIONS

The USDA AMS and Wallace Center promote our published works including *Building Successful Food Hubs* as a key business planning guide, and *Southern Wisconsin Food Hub Feasibility Study* as an exemplar of feasibility analysis. NVA is project leader, principal investigator and author of this work. Click on these images to **download** a copy of the report.



KEY PROJECT PERSONNEL

We are a network of business leaders and passionate social business architects. Our team and collaborators hail from the private and social sectors, combining top tier industry experience and social motivations to create sustainable businesses with impact. We draw from our experience in Fortune 100 food companies and training from the world's leading business schools to design, build and grow businesses for a new food economy.



Kathy Nyquist, Founder and Principal

In 2009, Kathy founded NVA to bring advanced business strategy, thought leadership and 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 is chief strategist for the Good Food Business Accelerator, a national fellows program with

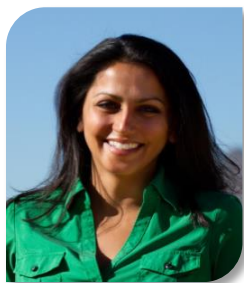
mentoring and financing assistance for early stage food businesses. She serves on Advisory Boards for Blue Ridge Produce, an emerging private sector food hub model in Virginia, the Good Food Financing and Innovation Conference held annually in Chicago, and the Food Hub Management Program, an academic certificate offered by the University of Vermont for which she is also a lecturer.

Kathy has over 20 years of marketing and strategic leadership experience with Fortune 100 companies. She served on the integrated marketing leadership team for a \$5 billion product portfolio at Kraft Foods. Kathy previously managed accounts at Leo

Burnett and Young & Rubicam, then the nation's largest advertising agencies, developing national campaigns for Coca-Cola, Keebler, Frito-Lay and Miller Brewing.

A graduate with honors from the University of Chicago Booth School of Business, Kathy earned an MBA and the Dean's Award for Strategy for achieving the highest academic record in Strategic Management. She has also completed the financial modeling and valuation training required by Wall Street firms.

Kathy will oversee all project deliverables. Kathy is based in Chicago.



**Saloni Doshi,
Engagement Manager**

Saloni has in-depth experience with innovative food distribution programs. She was most recently the co-founder and co-CEO of Fresh Takes Kitchen, a for-

profit social venture making healthy eating accessible to lower-income individual and family customers through a meal delivery service marketed and distributed through partnering community organizations such as schools, churches and recreation centers.

Saloni previously worked as a Strategy and Operations Consultant for Oliver Wyman where she drove product optimization, procurement and staffing strategies for Fortune 100 companies. Then, as Managing Director for Teach for America, Saloni developed cross-sector partnership-building strategies addressing the unique needs of under-resourced urban and rural communities.

Saloni graduated Magna Cum Laude from Princeton University with a BS in Operations Research and Financial Engineering and holds an MBA from Northwestern University's Kellogg School of Management. Since 2011, Saloni has combined her

keen interest in sustainable agriculture, local food systems and food access as a leader of and an important contributor to NVA's studies and business plans.

Saloni will lead the project and act as the primary point of contact. Saloni is based in Denver.



**Chelsea Katz, Senior
Associate**

Chelsea is a Senior Associate with New Venture Advisors. She is passionate about building businesses at the cross section of good food and health. Chelsea's unique cross-

sector background and skill set that spans entrepreneurial leadership, sales and growth strategy, operational excellence, and stakeholder engagement allows her to deliver high value to her clients as part of the New Venture Advisors team.

In partnership with Saloni Doshi, also currently part of the NVA team, Chelsea launched a for-profit social venture called Fresh Takes Kitchen that sold healthy prepared meals to low-income families through innovative community distribution networks.

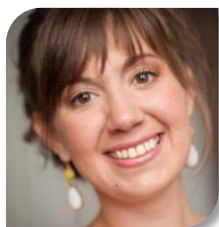
Chelsea moved on to sales leadership and strategic operations roles at two high-growth health and wellness start-ups. At Retrofit, she led sales strategy and managed a team to successfully build the digital weight management coaching company's business-to-business model. At Welltok, she managed \$30M of revenue for the healthcare consumer engagement platform company, including the company's largest health system, health plan, and government clients.

Chelsea began her career as a consultant in Accenture's Talent & Organization Performance practice, where she led change management, organization design, and communication strategy efforts at Fortune 500 companies across consumer

products, financial services, and technology industries.

She holds a BS from the University of Connecticut and earned her MBA from the Kellogg School of Management at Northwestern University with a focus on Entrepreneurship, Strategy and Social Enterprise.

Chelsea will serve as project manager and secondary point of contact. She is based in Chicago.



Megan Bucknum, Food Systems Specialist

Megan is an environmental and food systems planner. With NVA since 2010, she was contributing author to the

planning guide *Building Successful Food Hubs*. She also provided on-the-ground support for the study *Food System Assessment for Northern Virginia* and Blue Ridge Produce business plan.

Megan has held staff positions at some of the most innovative organizations supporting the Good Food Movement: Philly CowShare, The Food Trust, Fair Food Philadelphia and the Wallace Center at Winrock International. Megan was a contributing author of the book *Reclaiming Our Food: How the Grassroots Food Movement is Changing the Way We Eat*. She holds a Master of Urban and Environmental Planning degree from the University of Virginia and teaches urban planning and food systems planning as an adjunct professor at Rowan University.

Megan will lead primary research. She is based in Philadelphia.



Patti Wu-Manchester, Finance Specialist

In addition to her work with NVA since 2011, Patti has ten years of corporate finance experience at AbbVie, formerly Abbot Laboratories, holding management positions

in diverse finance functions including cost accounting, financial planning and analysis, reporting, treasury and licensing & acquisitions. She specializes in developing financial models for new businesses, valuation, and financial forecasting. Patti holds an MBA from Northwestern University's Kellogg School of Management where she completed six majors including Entrepreneurship and Finance. When she isn't working in corporate finance and building financial models for NVA, Patti applies her love of good food as founder and owner of custom cake and dessert caterer [Carbivore LLC](#).

Patti has built numerous financial models for NVA business assessments and plans, and will assist with financial due diligence for the project. Patti is based in Chicago.



Erin Lenhardt, Associate

Erin is the co-founder of Norm's Farms, a superfruit startup dedicated to commercializing the American elderberry. She led the organization

through Chicago Booth's 2014 Polsky Summer Accelerator program, during which she designed and executed digital marketing and sales strategies that resulted in 2x revenue growth in three months. She most recently worked as an Associate with the Sustainable Local Food Investment Group, a Chicago-based angel investment firm, where she evaluated business and financial models for food and agriculture-focused startups. Erin previously served as the Director of Business Development and

Marketing at Calibrate, Inc., a biotechnology services company based in Research Triangle Park, NC.

Erin graduated from Reed College with a BA in Religion. She holds an MBA from the University of Chicago Booth School of Business with concentrations in Entrepreneurship and Strategic Management. She was a 2014 Kirchner Food Fellow and 2015 Chicago Council Global Food Security Symposium Next Generation Delegate and has served as a judge, mentor, panelist, and speaker at food-focused conferences and start-up competitions around the world.

Erin combines her passions for food, sustainable agriculture, and business in the primary and secondary research she contributes to NVA's studies and business plans. She is based in Chapel Hill, NC and currently resides in Mountain View, CA with a food startup in the Y Combinator business accelerator.



Chelsea Mitchell, Project Coordinator

Chelsea graduated from Haverford College with a BA in Political Science and a minor in Environmental Studies. She wrote her undergraduate thesis on

the politics of the United States Farm Bill and its impacts on environmental and public health. Chelsea is interested in the local food movement and its intersections with American agriculture policy. She began working with NVA in 2012 after meeting Kathy during an internship with the HOPE Collaborative Food Hub Project in her hometown of Oakland, CA. After college and a short internship with the Center for Food Safety in San Francisco, Chelsea returned to NVA to lead secondary research for internal and client projects.

ABOUT DAN CARMODY



Schooled as a city planner in the Midwest and the North of England, Dan Carmody is a devoted urbanist with special interest in regenerating depressed local economies. Educated as a tavern keeper,

Dan understands the needs of independent business owners and the importance of conviviality in successful place making.

From 1988 until 2005, Dan led Renaissance Rock Island (IL), a community-based non-profit that helped revive a community which lost 40% of its tax base during the 1980s Rust Belt meltdown. Starting with a staff of 1.5 and \$70,000, the organization grew to 14 staffers and an annual budget exceeding \$3 million. During his tenure, Renaissance Rock Island undertook a wide variety of mixed-use and mixed-income projects that helped transform downtown Rock Island.

Dan served as the President of the Downtown Improvement District in Fort Wayne, IN from 2005 to 2007 where he continued to improve places based upon the E*I*E*I*O principles – effective, incremental, entrepreneurial, inclusive and organic.

In November 2007, Dan began work as the President of Detroit's Eastern Market Corporation (EMC) where he leads the non-profit tasked with operating one of the nation's premier public markets, renovating the market campus, and revitalizing the adjacent business district. EMC also is a partner organization in rebuilding southeast Michigan's local food system and regenerating the historic core of Detroit.

Since the mid-1990s Dan has also served as a consultant to more than 40 community development programs throughout North America, served on the board of directors of the International Downtown Association, and

frequently presents at food, economic development, and place-making conferences.

TEAM MEMBER ROLES

- Kathy Nyquist – Oversees all project deliverables
- Dan Carmody – Consults on food system strategy, operating model and operator selection
- Saloni Doshi – Engagement lead, principal investigator/strategist, primary point of contact
- Chelsea Katz – Project manager and secondary point of contact
- Megan Bucknum – Primary research lead
- Chelsea Mitchell – Secondary research lead
- Patti Wu-Manchester – Builds analytical models and pro forma
- Erin Lenhardt, Deb Wilkinson and Peggy Burns support research efforts, develop and design reports, and perform general administrative function

PROPOSED SCOPE OF WORK

Process and Working Groups

New Venture Advisors is based in Chicago, IL. The large majority of activities such as project management, secondary research and writing will be done remotely. The proposed work plan assumes at least two site visits and additional visits for Operator selection and SRTA board presentations.

The following table outlines the various subgroups that may have a role in the study.

Steering Committee – Representatives of the partner organizations, local and state agencies, and other valued regional partners (to be determined during the kickoff phase of work).
Project Leader – Local project leader, close collaborator with NVA and member of Project Team. This will be a designee of Shasta Regional Transportation Agency.
NVA – New Venture Advisors – overall project manager
Core Team – Core group responsible for completing the work plan including Project Leader, NVA and any other Stakeholders that will execute against specific tasks in the work plan.
Stakeholders – Four main groups: 1. Production – Farmers in the eight counties of far-north California and the surrounding area that produce fruits, vegetables, meat, dairy and grain 2. Demand – wholesale buyers including grocers, restaurants, institutions (hospitals, higher education, K-12 schools, etc.), distributors and small to mid-sized food production businesses 3. Site-related – Current owners, neighbors, potential investors and operators of the selected site 4. Others identified by the Core Team that have a strong understanding of the local food system. This may include private and public businesses, local governments, higher education institutions including Chico State, partnering nonprofit organizations, etc.

Preliminary Work Plan (condensed version)

This preliminary draft is designed to accomplish the proposed work plan put forth in the RFP, and builds in additional critical, strategic research steps to ensure the food hub enterprise is effectively meeting the needs of the local food supply chain and is designed in a way that maximizes long-term financial viability. **The timeline is assumed to follow the same sequence outlined in the RFP.** The work plan and timeline will be revisited at the outset of the project based on input from the Steering Team.

Task	Steps	Roles
1. Project Initiation		
1.1 Organize and administer project steering committee	- Phone-based kickoff meeting(s) with the Core Team, Steering Team (optional), and other key Stakeholders (optional). - Adjust work plan as needed and disseminate as appropriate	- NVA to lead process - Project Leader to finalize Steering Team, identify other Stakeholders and schedule / organize these meetings
2. Data Collection & Analyses		
2.1 Transportation data collection	Receive and incorporate transportation system data into analyses for final report	Project Leader to provide data
2.2 Travel and emissions modeling	Receive and incorporate regional/interregional travel demand and emissions model outputs into analyses for final report	Project Leader to provide data
2.3 Agriculture industry data Collection	- Review previously published research, analysis and planning reports covering the northern California food shed - Conduct secondary research to assess the overall landscape and needs with respect to a food hub - Create preliminary asset map of the food system and identify potential clusters for development and integration - Technical memo summarizing results of data gathering, including metadata and data gaps	- NVA to develop research plan, identify sources, conduct secondary research and develop maps and technical memo - Core Team to review, provide feedback and direction
2.4 Augment agriculture industry data with direct contact	- Preliminary interviews with producers, buyers and other stakeholders to strengthen understanding of unique characteristics of local food supply chain - Insights from interviews will be used to develop agenda for site visits and inform the development of surveys - Conduct preliminary site visit to assess general access and suitability factors for various types of food hub operations - Lead a meeting of community stakeholders to generate excitement and gather input - Develop and implement buyer and grower surveys - Conduct follow up interviews with key participants	- Core Team (and potentially the Steering Team) to finalize list of interviewees and make connections - NVA to conduct interviews - Project Leader to schedule site visit and organize meeting - NVA, Project Leader and other Stakeholders attend visit and meeting - NVA to conduct follow up interviews
2.5 Prepare technical memo documenting results and analyses	- Detailed analysis, synthesis and implications of research findings - Identification of potential functions of the food hub and role that a permanent farmers market in Shasta County could play in an integrated food system	- NVA to conduct analysis and develop interim report - Steering Team to review, provide feedback and direction and make ultimate “go” decision

Task	Steps	Roles
	- Food hub operating model is recommended, chosen and a business case is developed with analytical models and simulations - Conduct Operator search based on optimal enterprise model	NVA assists with operator search; Steering Team selection committee leads
3. Business Plan Development		
3.1 Develop draft and final draft business plan	- Upon a “go” decision and with an Operator in place, a business plan will be completed - The business plan takes the assumptions from the prior phases to the next level of precision, and includes complete operating, marketing and financing plans - NVA’s standard business plan outline will be harmonized with the elements requested by SRTA and project partners - Conduct detailed site assessment with Operator	- Operator casts vision for the business and co-leads development of plan - NVA works closely with the Operator
4. Consolidated Freight Demonstration Project		
4.1 Plan demonstration project	Design demonstration project concept, communication protocols, transportation logistics, partner responsibilities, and operational procedures/guidelines	- NVA and Operator develop protocol - Steering Team to review, provide feedback and direction
4.2 Perform demonstration project	Lead a consolidated freight demonstration project, including one round trip (two-way exchange) serving a minimum of three collection/distribution points within the Far-Northern California region (e.g. Eureka, Redding, Chico) and a minimum of one collection/distribution point to/from an external market (e.g. Sacramento, Bay Area)	NVA and Operator lead demonstration project
4.3 Document demonstration project	Assess and document all aspects of the demonstration project, including data, photos, transcripts from post-project interviews, and lessons learned	- NVA conducts post-project interviews - NVA and Operator review results and collaborate on assessment
5. Final Report		
5.1 Draft report	Draft a report synthesizing all market research and business case validation, including financial forecasts, and results from demonstration project.	NVA to complete the business case validation with Operator
5.2 Final report	- Finalize report and prepare 50 hardcopies - Develop and deliver presentation to SRTA board of directors	NVA completes report and presents findings
Project Management		
<i>Stakeholder and Project Management, Travel</i>	- Weekly or bi-weekly calls with Core Team - Periodic calls with and communication to Steering Team - Travel: at least two site visits, Operator interviews and presentation of results to SRTA board	- NVA to oversee all client calls - NVA, Core Team and Operator to participate in site visits as appropriate

COST DETAIL

The following fees and expenses are for NVA time and travel, and stipends for local partners that may be engaged in primary research. Operator costs for the demonstration project may be additional and will be estimated upon completion of the demo project plan. The larger deliverable is assumed to be the business plan, which will be included in its entirety in the final report, along with findings and implications from the demonstration project.

Project Initiation

1.1 Organize and administer project steering committee	\$2,900
--	---------

Data Collection & Analyses

2.1 Transportation data collection	included
2.2 Travel and emissions modeling.....	included
2.3 Agriculture industry data collection.....	\$7,100
2.4 Augment agriculture industry data with direct contact.....	\$10,000
2.5 Prepare technical memo documenting results and analyses.....	\$8,100
Operator search and selection	\$6,600

Business Plan Development

3.1 Develop draft and final draft business plan	\$17,000
---	----------

Consolidated Freight Demonstration Project

4.1 Plan demonstration project	\$6,900
4.2 Perform demonstration project.....	\$4,900
Operator expenses for demonstration project	TBD, additional
4.3 Document demonstration project	\$5,900

Final Report

5.1 Draft report	\$3,000
5.2 Final report and presentation	\$3,300

Project Management, Travel & Expenses

Project management (18-24 month project)	\$19,300
Travel (4-5 trips, 1-2 staff per trip)	\$10,000
Expenses for report development	\$5,000

TOTAL	\$110,000
--------------------	------------------

ADDITIONAL INFORMATION

Role of the Public Sector in Private Enterprise Development

The Wisconsin Food Hub Cooperative case study on page 8 is an example of a project that was initially led by the public sector and gradually turned over to a private enterprise to own and operate the business. Most of NVA’s planning projects are initiated and funded by public sources such as governmental agencies, nonprofit organizations and academic institutions. These public entities lead the first few phases of work to validate the business case, establishing the strategic rationale for the private sector to enter.

Before embarking on the business planning phase, we assist our clients in identifying private operators, so that the business plan reflects the operator’s vision for the business, risk appetite and capacity for raising capital. While the operator takes the lead in business development, the public entity may take a supporting role helping to secure funds, leveraging its networks and relationships and using its influence to remove barriers and position the operator for success. The public entity may remain involved after launch if the business is structured as a public/private partnership, or if there is a strategic ongoing role for the public entity to provide technical assistance or programmatic support.



Factors Influencing Site Selection

The location of a food hub is determined by a number of factors related to geography and the facility itself. Geographic location is primarily determined by the operating model of the food hub, the location of the key stakeholders it serves, and existing infrastructure that can be put to use in facilitating the storage and movement of goods. It may also be influenced by cost and availability of key inputs such as water, energy and labor, and municipal regulations such as fire codes that may impact facility design.

Geographic considerations for a specific facility include access to major transportation routes, connecting surface roads, and potential impact on the surrounding community. The suitability of a specific site or facility is driven by the operating model and the projected capacity needed based on throughput modeling, and other factors such as floorplan, utility specifications, docking and truck access. We also look for ways to minimize occupancy costs by exploring strategic co-location, sublet or subdivide opportunities that reduce overhead and allow the facility to expand in place as the business grows.