

**FARMERS' MARKET AND LOCAL FOOD PROMOTION PROGRAM
(FMLFPP)
Final Performance Report**

The final performance report summarizes the outcome and activities of your FMLFPP award objectives. Failure to submit acceptable closeout reports for an existing grant within 90 calendar days following the grant end date may result in exclusion from future AMS grant opportunities.

This final report will be made available to the public once it is approved by FMLFPP staff. Write the report in a way that promotes your project's accomplishments, as this document will serve as not only a learning tool, but a promotional tool to support local and regional food programs. Particularly, recipients are expected to provide both qualitative and quantitative results to convey the activities and accomplishments of the work.

The report is due within 90 days of the project's performance period end date (as noted in box 15 of your grant agreement (AMS-33), or sooner if the project is complete. The report must be typed single-spaced in 11-point font, not to exceed fifteen (15) 8.5 x 11 pages (excluding existing Final Performance Report form content). For example, if the Final Performance Report form is six (6) pages before you begin entering your project information into the form, your report may be up to 21 pages (6 pages + 15 pages).

Provide answers to **each question** and all applicable outcome and indicators as it applies to your project. If you are unable to provide a response explain why. It is preferred that you email your completed performance report to your assigned FMLFPP Grants Management Specialist to avoid delays. In case of any extraordinary reason a faxed report can be accepted; please notify your assigned Grants Management Specialist to inform about your submission.

Report Date Range: <i>(e.g. October 1, 2016 -September 30, 2017)</i>	October 1, 2016-March 30, 2018
Date Report Submitted	April 19, 2018
Grant Agreement Number: <i>(e.g. 14-LFPPX-XX-XXXX)</i>	16LFPPCA0053
Recipient Organization Name:	Alchemist CDC
Project Title as Stated on Grant Agreement:	Alchemy Kitchen- Food Business Incubator
Authorized Representative Name:	Tiffany Rosso
Authorized Representative Phone:	916-778-9440
Authorized Representative Email:	tiffany@alchemistcdc.org
Year Grant was Awarded:	2016
Amount of Award:	\$71,293

FMLFPP staff may contact you to follow up for long-term success stories. Who may we contact?
XX Same Authorized Representative listed above (check if applicable).

Different individual: Name: _____; Email: _____; Phone: _____

1. Executive Summary—In 200 words or less, describe the project's need, purpose, goals, and quantifiable outcomes:

Alchemist CDC, with the help of our partners at UC Davis and Capsity, Inc., explored the possibility of creating a food business incubator to benefit low-income food entrepreneurs in Sacramento. UC Davis conducted a feasibility study and determined conditions are ripe for this

project. Prospective food business owners have barriers and hurdles, which make obtaining success more difficult. Alchemist CDC can create a food business incubator, which offers commercial kitchen space and wrap-around business support services that will address these barriers and position food entrepreneurs for success. We have developed a business plan to create such an incubator. We have also discussed our project with small and mid-sized local farmers and are uniquely positioned to facilitate connections between these local food sources and food businesses. The LFPP planning grant has allowed us to assess and assemble partners, and establish a pathway to project implementation. With the help of the preparatory work done with the LFPP grant, we have received a significant grant which will fund Phase 1 start-up development.

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0581- 0287. The time required to complete this information collection is estimated to average 4 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, and where applicable sex, marital status, or familial status, parental status religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or part of an individual’s income is derived from any public assistance program (not all prohibited bases apply to all programs). Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotope, etc.) should contact USDA’s TARGET Center at (202) 720-2600 (voice and TDD). To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, 1400 Independence Avenue, SW, Washington, DC 20250-9410 or call (800) 795-3272 (voice) or (202) 720-6382 (TDD). USDA is an equal opportunity provider and employer.

2. Please provide the approved project’s objectives:

Objectives		Completed	
		Yes	No*
1	Identify key attributes of shared kitchens/food incubator models that support their success and ability to increase consumption of locally and regionally grown food.	Yes	
2	Determine the need for, and who would benefit from, Alchemy Kitchen—Food Business Incubator kitchen	Yes	
3	Identify sources of locally grown food for local food production, to include food that might otherwise go to waste	Yes	
4	Identify any barriers to developing Alchemy Kitchen or issues that may impact its success	Yes	
4	Identify new market opportunities for locally produced food products that provide potential to increase revenue for small food businesses, farms/ranches, and individuals seeking to start a food business	Yes	
5	Formulate a business plan to support financial sustainability of Alchemy Kitchen and profitability of food businesses that utilize this kitchen	Yes	
6	Develop a marketing plan to support the success of Alchemy Kitchen	Yes	
7	Develop an evaluation strategy to determine impact and/or need to change strategy to support the continued success of Alchemy Kitchen	Yes	
8	Develop an outreach strategy to promote Alchemy Kitchen as a resource to support small food businesses and provide access to related training and resources to support the development of food businesses	Yes	

**If no is selected for any of the listed objectives, you must expand upon this in the challenges section.*

3. List your accomplishments for the project’s performance period and indicate how these

accomplishments assisted in the fulfillment of your project’s objectives. Please include additional objectives approved by FMLFPP during the grant performance period, and highlight the impact that activities had on the project’s beneficiaries.

Accomplishments	Relevance to Objective, Outcome, and/or Indicator
	Example: Activities developed are related with our 3 rd Objective, Outcome 1, and indicator 2b.
Our feasibility study evaluated several successful Kitchen Incubator models located in CA and throughout the country. We toured two facilities located in CA: La Cocina in San Francisco and El Pájaro in Watsonville, and have acquired cost comparisons, equipment lists, and business training models from these existing successful commercial kitchen business incubators. We have also had informational conversations with a consultant to discuss the optimal key attributes of shared kitchens/food incubators that support their success. Additionally, our team attended La Cocina’s Food Entrepreneur Conference educating us on creating a successful and sustainable kitchen incubator. Finally, we toured a facility located in Portland, OR we are using as a model and spoke to their leadership about the creation of their project	Related to Objective 1 as we identified key attributes of shared kitchens/food incubator models that support their success and their ability to increase consumption of locally and regionally grown food.
We have completed a Feasibility Study, which reviewed successful Food Incubator business models and researched related literature and resources. We conducted data collection through engaging community members who are currently conducting small food business and determined potential demand and distribution channels. We conducted surveys, interviews and community meetings. As determined in our feasibility study, there is a significant opportunity for Alchemy Kitchen as a resource for both entrepreneurs and for farms to both use the facilities for their businesses and to sell raw products to businesses using the kitchen. Without publicizing our work, we had several entrepreneurs contact us showing interest in using the kitchen	Feasibility study and supporting documentation was submitted with Final Performance Report.
In our interviews and surveys with farmers, we have identified sources of locally grown food for local food production, including food that might otherwise go to waste. Farmers’ have shown a strong interest in supplying their products to the food businesses that are using the kitchen, including cosmetically challenged products (seconds) or products unsold after farmers’ markets. Multiple farmers expressed interest in donating unsold products at the end of the market day.	Related to Objective 3, Outcome 1, Indicator 1a and 1b
Securing start-up funding through a mixture of public and private grants will be key to developing Alchemy	Related to Objective 4 (Identify any barriers to developing Alchemy Kitchen or issues that may

<p>Kitchen. Once fully operational, the built in revenue streams will likely not completely cover costs, therefore, ability to raise funds through other fundraising channels will dictate the sustainability of the project. We have already secured a significant grant for start-up work on this project.</p>	<p>impact its success.)</p>
<p>Our feasibility study has determined that there is high demand for locally grown and produced products, and that consumers are willing to pay a price premium for these products. Branding to highlight the local nature of foods appears to be an area of untapped potential that could lead to increased revenue for various food businesses.</p>	<p>Related to Objective 4 (Identify new market opportunities for locally produced food products that provide potential to increase revenue for small food businesses, farms/ranches, and individuals seeking to start a food business.) as our feasibility study determined that branding to highlight locally sourced products could be a new market opportunity for locally produced food.</p>
<p>We have developed a funding strategy for Alchemy Kitchen, as outlined in the business plan, to position the project for long-term sustainability. Utilizing information received from our models, we believe a mix of grant funding, income from space rental, and event fundraisers will be the best way to sustainably fund the project. We have further received a significant grant to help carry us to implementation. The grant is comprised of contributions from 10 different financial institutions that are excited about this project and have expressed potential for continuing relationships around this project. We believe strong community partnerships, like these, will lead to success of our incubator and the businesses within it.</p>	<p>Related to Objective 5 as we formulated a business plan to support financial sustainability of Alchemy Kitchen and profitability of food businesses that utilize this kitchen.</p>
<p>We have outlined a marketing plan, in the business plan, to market the project to a diverse array of audiences including program participants, community and business customers, and potential funders. We also have identified barriers to reaching potential users, finding that Tuesdays are the best days to speak to food truck entrepreneurs who often work unusual hours; and confirming that we will need to work with social service agencies that already provide other services to these populations in order to have a successful outreach approach. We have already established relationships with numerous social service agencies that serve target populations for our future kitchen incubator users.</p>	<p>Related to Objective 6, Outcome A, Indicators A1 and A2, and Outcome B, Indicators B1 and B2.</p>
<p>Our business plan has identified the following metrics we will track to evaluate our progress: jobs and businesses created, hours of technical assistance given, kitchen hours rented, mentor hours volunteered, capital dollars facilitated, CalFresh sales of products made at Alchemy Kitchen and sold at our partner farmers' markets, demographics of participants and number of local farms whose products are used by Alchemy Kitchen businesses. Additionally, we are in discussions with UC Davis to</p>	<p>Related to Objective 7 by developing an evaluation strategy to determine impact and/or need to change strategy to support the continued success of Alchemy Kitchen.</p>

develop systems that allow for evaluation that can contribute not only to providing comprehensive measurement tools for our project, but also to provide measurement data that can benefit the region as a whole.	
We have developed an outreach strategy to gain participants for our incubator program. As a nonprofit with over a decade of experience working with underserved populations, we have developed a partner network of similar social service organizations, which help low-income populations in various different ways. We will utilize this network to advertise the opportunities available at Alchemy Kitchen and recruit participants for the business-training program and the incubator. We will also further develop relationships with local labor workforce programs such as Sacramento Works, Sacramento County Department of Human Assistance Business Improvement Center, SCORE Sacramento, California Employment Development Department and others to garner referrals and ask that they advertise our program.	Related to Objective 8 as we developed an outreach strategy to promote Alchemy Kitchen as a resource to support small food businesses and provide access to related training and resources to support the development of food business.
We successfully held an open house presentation to potential Advisory Board members. The presentation was given to 18 community members from a wide cross section of industries. We personally invited these professional, believing they would be able to provide valuable insight for project development. The attendees represented restaurateurs, food marketers, food photographers, financial institutions, and health foundations. 11 of the 18 attendees filled out a form expressing interest and desire to be a part of the Advisory Board. The attendees that did not submit forms verbally stated they were interest in helping the project in other ways.	Related to Outcome C, Indicators C1 and C2
Along with this report we are submitting the finalized feasibility study and business plan, which we will use to facilitate the implementation of Alchemy Kitchen	Related to Outcome D

4. Please list any challenges experienced during the project’s period of performance. Provide the corrective actions taken to address these issues.

Challenges (Issues)	Corrective Actions and/or Project Changes (s)
Alchemist CDC planned to hire a new Executive Director and change the previous Executive Director’s role to a Program and Operations Director. The process to hire a new Executive Director took longer than expected and we needed to find a project leader until the new Executive Director was on-boarded.	We corrected this by rearranging the leadership structure of the project. Jacob Sacks was named Project Manager and partners were informed that he was the central point of contact for grant related activities. Jacob reported to the Executive Director, first Davida Douglas then Tiffany Rosso as she became on-boarded. This clear designation resolved previous issues. As Tiffany became more familiar

	with the project, duties were split between Jacob and her, and Davida's involvement slowly tapered off. Since instituting these changes, communication has been much more smooth and responsibilities have been completed more efficiently.
Gaps in project knowledge with Board of Directors due to Board membership and project leadership transitions.	This has been corrected through extensive Board of Director meetings/planning session workshops focused around the mission, vision, and goals of the Kitchen Incubator Project. Capsity, Inc., our business planning partners, facilitated the workshops and aided the conversations to get all of the Board Members up to speed on the project. This has created an increased level of support and momentum to move the project forward.
Identifying Alchemy Kitchen partners and site location.	By refining our project mission and vision, we have been able to recruit strategic partners to support the success of the kitchen incubator. Through collaboration, we are combining our community resources and assets to identify potential site locations. With these new partners on board, we believe the Franklin Blvd. Mercado will be the first physical location of the Alchemy Kitchen site. However, we plan to begin Phase 1 of building our business-training program first and utilizing existing kitchens throughout Sacramento while we await the completion of the Franklin Blvd. Mercado. Finally, we eventually envision a satellite model with multiple kitchens serving different areas of Sacramento. Pursuant to this, we remain connected to the possibilities in other locations.
The realities of the project have changed the timeline of various expectations.	In our initial LFPP application, we expected we would be in a position to sign up participants and suppliers for the kitchen by the end of the grant term. We realized that even with all the progress we have made, there is still more work to do to put this project in the best position to succeed before taking such advanced steps. We have adjusted our expectations and timelines and have developed a realistic timeline and plan for implementation.
With some aspects of the project, it was difficult to know where to begin because of chicken/egg conundrums. For example, we felt the location and space upon which we eventually settled would have significant roles in dictating who we would serve and how. However, who we would serve and how would change our needs for what type of space we needed to seek. Similarly, when evaluating implementation funding a prerequisite of some was to have site control, but we needed the implementation funds to have the money to gain site control.	Keeping our options open allowed us to evaluate a range of possibilities and remain flexible to whatever option most realistically presented itself first (chicken or egg). When we found ideal partnerships and settled on the Franklin Blvd. Mercado location, it allowed us to plug in options we had considered into the model of what the partnership/space would best allow.
We encountered challenges forming and maintaining a unique brand identity for our project in the public sphere. Another food business incubator-type project	Rather than view this project as a competitor, we have actively been finding ways to collaborate. However, we have felt it was important to develop

is being discussed in Sacramento and was the first to publicize their plan. Despite different motivations and ultimately different types of projects, we found there was confusion regarding our project and whether we were affiliated with this other project.	our separate identity since our project comes from a different values- and a purpose-driven motivation, but we believe both projects can coexist and benefit from each other. We feel our partnership with the Franklin Blvd. Mercado is the right fit for our project and once that develops and becomes publicized we feel the two projects will be confused less.
--	--

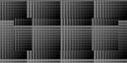
5. Quantify the overall progress on the outcomes and indicators of your project. Include further explanation if necessary.

Outcome 1: To Increase Consumption of and Access to Locally and Regionally Produced Agricultural Products.

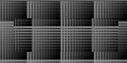
Indicator	Description	Number
1.	Total number of consumers, farm and ranch operations, or wholesale buyers reached	88
1.a.	The number that gained knowledge on how to buy or sell local/regional food OR aggregate, store, produce, and/or distribute local/regional food	88 were contacted, given information about our project and asked to fill out a survey, and thus gained knowledge through this contact
1.b.	The number that reported an intention to buy or sell local/regional food OR aggregate, store, produce, and/or distribute local/regional food	10 of 15 full survey respondents indicated an interest in using our kitchen, over 90% of all farmers verbally contacted reported interest in selling products to kitchen businesses
1.c.	The number that reported buying, selling, consuming more or supporting the consumption of local/regional food that they aggregate, store, produce, and/or distribute	Not applicable
2.	Total number of individuals (culinary professionals, institutional kitchens, entrepreneurs such as kitchen incubators/shared-use kitchens, etc.) reached	Not Applicable

2.a.	The number that gained knowledge on how to access, produce, prepare, and/or preserve locally and regionally produced	Not Applicable
2.b.	The number that reported an intention to access, produce, prepare, and/or preserve locally and regionally produced agricultural	Not Applicable
2.c.	The number that reported supplementing their diets with locally and regionally produced agricultural products that they produced, prepared, preserved, and/or obtained	Not Applicable

Outcome 2: Increase Customers and sales of local and regional agricultural products.

Indicator	Description	Number
1.	Sales increased as a result of marketing and/or promotion activities during the project performance period.	
	Original Sales Amount (in dollars) Not Applicable	
	Resulted Sales Amount (in dollars) Not Applicable	
	Percent Change $((n_{\text{final}} - n_{\text{initial}}) / n_{\text{initial}}) * 100 = \% \text{ change}$ Not Applicable	
2.	Customer counts increased during the project performance period.	
	Original Customer Count Not Applicable	
	Resulted Customer Count Not Applicable	
	Percent Change $((n_{\text{final}} - n_{\text{initial}}) / n_{\text{initial}}) * 100 = \% \text{ change}$ Not Applicable	

Outcome 3: Develop new market opportunities for farm and ranch operations serving local markets.

Indicator	Description	Number
1.	Number of new and/or existing delivery systems/access points of those reached that expanded and/or improved offerings of	
1.a.	Farmers markets	Not Applicable
1.b.	Roadside stands	Not Applicable
1.c.	Community supported agriculture programs	Not Applicable
1.d.	Agritourism activities	Not Applicable
1.e.	Other direct producer-to-consumer market opportunities	Not Applicable
1.f.	Local and regional Food Business Enterprises that process, aggregate, distribute, or store locally and regionally produced agricultural products	Not Applicable

Indicator	Description	Number
2.	Number of local and regional farmers and ranchers, processors, aggregators, and/or distributors that reported	
2.a.	An increase in revenue expressed in dollars	Not Applicable
2.b.	A gained knowledge about new market opportunities through	Not Applicable
3.	Number of	
3.a.	New rural/urban careers created (Difference between "jobs" and "careers": jobs are net gain of paid employment; new businesses created or adopted can indicate new careers)	Not Applicable
3.b.	Jobs maintained/created	Not Applicable
3.c.	New beginning farmers who went into local/regional food production	Not Applicable
3.d.	Socially disadvantaged famers who went into local/regional food production	Not Applicable
3.e.	Business plans developed	Not Applicable

Outcome 4: Improve the food safety of locally and regionally produced agricultural products.

Only applicable to projects focused on food safety!

Indicator	Description	Number
1.	Number of individuals who learned about prevention, detection, control, and intervention food safety practices	Not Applicable
2.	Number of those individuals who reported increasing their food safety skills and knowledge	Not Applicable
3.	Number of growers or producers who obtained on-farm food safety certifications (such as Good Agricultural Practices or Good Handling Practices)	Not Applicable

Outcome 5: Quantify the overall progress on this outcome indicator based on relevant project activities not covered above.

This indicator must reflect the project narrative's required additional outcome indicator.

Outcome A: Assess the desire and need for Alchemy Kitchen and its services as a community resource to low-income communities.

Indicator	Description	Number
1.	Number of individuals who express interest in having a resource such as Alchemy Kitchen for themselves and commit to future participation at some level	38- number of respondents to our surveys who indicated interest as well as businesses who independently contacted us
2.	Number of individuals who express interest in having a resource such as Alchemy Kitchen for someone they know	Over 15- this number has been hard to track but we have received multiple referrals and connections from people and businesses who found out about the project through someone they knew

Outcome B: Develop a network of local farm and ranch operations for food businesses at Alchemy Kitchen to source local food products from

Indicator	Description	Number
1.	Number of local farm and ranch operations who learn about the opportunities available by being a provider to Alchemy Kitchen	88
2.	Number of local farm and ranch operations who agree to be providers of local food products to Alchemy Kitchen	We ultimately concluded it would not be beneficial to secure official commitments when our project is over a year from being able to utilize farm products. We feel this might give the false sense of immediate opportunity when the reality will be more delayed. We will secure commitments when this aspect of our project is closer. However, in our conversations with farmers, many have expressed interest

Outcome C: Recruit professional partners to advise new businesses at Alchemy Kitchen on how to successfully begin a new food business.

Indicator	Description	Number
1.	Number of professionals asked to be adviser for new businesses	18 professionals attended an open house presentation and were asked to submit an application of interest to be a part of the Advisory Board
2.	Number of professionals who sign contract agreeing to be adviser	11 professionals submitted an application of interest to be on the Advisory Board. 5 of these also indicated interest in serving as mentors to businesses.

Outcome D: Completion of feasibility study and business plan

Indicator	Description	Number
1.	Submission of a finalized report	Complete

6. Discuss your community partnerships (include applicant staff and external partners).
 - i. Who were your community partners?
 - ii. How did they contribute to the overall results of the FMLFPP project?

- iii. How will they continue to contribute to your project's future activities, beyond the performance period of this FMLFPP grant?
- iv. What feedback have the partners provided (specific comments) about the results of the project?

For the LFPP planning grant, we partnered with UC Davis to conduct a feasibility study. The feasibility study, has found ripe conditions for this project. Alchemist collaborated with UC Davis on the creation of the feasibility study. Jacob Sacks, Project Manager, was a contributing author to parts of the feasibility study regarding potential partners and models. Alchemist staff, including Tiffany Rosso and Davida Douglas, and select Board members also provided feedback on various drafts of the feasibility study. Dr. Kristin Kiesel in the Agricultural Economics Department and one of Alchemist's graduate student interns, Ashley Spalding, were the main authors of the feasibility study. The other graduate and undergraduate student interns collected data and contributed to early drafts. However, to maintain impartiality, Dr. Kiesel was given control of the feasibility study's development and the ultimate conclusions and recommendations come from her. The conclusions and recommendations of the feasibility study shaped the development of our business plan.

Under the guidance of Dr. Kiesel, Alchemist's graduate and undergraduate student interns conducted surveys and focus groups from three primary groups expected to utilize the Incubator: food entrepreneurs from Sacramento's cottage food industry, food truck operators, and local small- and mid-sized farmers. These surveys and interviews indicated interest and need for this type of project in the Sacramento region. The feedback directly shaped our plans for the Incubator.

UC Davis has expressed interest in continuing to interact in some capacity with this project and the feasibility study states

“[It] will further be beneficial to collaborate with community partners, governmental organizations, and research and educational institutions . . . Further collaborations with UC Davis should be explored in this context. They can include reaching out to departments and faculty to address specific challenges such as addressing food production and food safety concerns, developing effective branding and marketing strategies, and working with existing centers and extension specialists to address networking and supply chain management challenges.”

We have set up a meeting after the conclusion of the LFPP grant period with relevant departments at UC Davis to discuss a mutually beneficial partnership for this project.

For the LFPP planning grant we also partnered with Capsity, Inc. (a California Benefits Corporation, which runs a successful co-working space and business incubator) to collaborate and guide us in creating a business plan for our Incubator. Throughout the grant term, Capsity helped Alchemist develop our project with regular meetings and led us through a series of workshops to fully think through each portion of the business plan. Capsity also led several sessions for Alchemist's Board to become more engaged and help make decisions for the project. Jacob Sacks was the main author of the business plan and met many times with Capsity for guidance on the process.

Capsity has also assisted with evaluating potential site locations. Capsity purchased a former bank building in the Oak Park neighborhood is also exploring possibilities for connections between that building and Alchemy Kitchen, such as a café on site run by incubator graduates. Capsity is also exploring a partnership with the Sacramento County Library in the Del Paso neighborhood and has kept the Alchemy Kitchen project connected to that development.

However, beyond these two LFPP-contributing partners, the planning grant has allowed us to assess and assemble partners, and establishes a pathway to project implementation.

To bring Alchemy Kitchen to reality, we have partnered with the Franklin Neighborhood Development Corporation (FNDC) and California Capital Financial Development Corporation. California Capital is a nonprofit founded in 1982. For over thirty years, California Capital has provided capacity-building programs through business training, education, resources, one-on-one counseling, and access to capital for entrepreneurs. Each of California Capital's programs are carefully designed to meet the needs of the communities they serve and are consistent with their mission to offer a wide range of flexible financial products and services to increase economic opportunities for underserved communities.

Through community collaboration and creativity, California Capital delivers effective solutions in a changing economic environment. Alchemist will develop and implement the business training aspect of Alchemy Kitchen together with California Capital.

Franklin Neighborhood Development Corporation is the community development wing of the Franklin Boulevard Business Association (FBBA). FBBA was founded in 1985 and has prioritized revitalizing the Franklin Blvd. business corridor, working with the 600 businesses and 160 property owners they represent, including hundreds of Latino enterprises. FNDC is pursuing the revitalization of the Franklin business corridor and neighborhoods by increasing the district's vitality and the economic prosperity of its members via community economic development. The historically underserved Franklin district is predominantly a Hispanic/Latino community, with approximately 48% of the residents being Latino, 21% of whom speak little to no English. 70% of the district's residents are low to moderate-income. FNDC is in the midst of creating a project, within which Alchemy Kitchen will exist. FNDC is creating a multi-tenant public Mercado. Modeled on a similar project in Portland, the Mercado will be an open plan market with multiple food and other businesses under one roof. The Mercado will also house a shared commercial kitchen space run by Alchemist as part of our Incubator. The front of the Mercado will also create a plaza which will house food carts, whose tenants will come from our program, and create public gathering space for eating, socializing and events—a type of space that the district is currently lacking. FNDC commissioned a feasibility study for their Mercado, which indicated project viability. We are working with FNDC to create the Mercado and Alchemy Kitchen within it.

The Mercado project will be located in the south area of Sacramento. However, we are also looking to the future with the goal of replicating the Alchemy Kitchen project in a location that will better serve other parts of the Sacramento Promise Zone. To that end, we have partnered with another organization, California Urban Partnership (CUP). CUP develops technology, joint venture, and policy solutions to build economic security in communities of color. CUP has identified the creation of a food business incubator as a priority project. We are working with CUP to determine which parts of the project are scalable and replicable, working toward the ultimate goal of bringing a similar project to the north area of the Sacramento Promise Zone.

As we work on developing our project, we have been working with the leadership of various successful non-profit food business incubators including La Cocina, El Pájaro, and Portland Mercado. We have had regular communication with these organizations and they have been tremendously helpful providing us examples from their projects and answering any questions we have. Moving forward, we will continue to utilize these relationships to develop our project, borrowing the most successful policies, procedures and strategies from each of these to create a project designed to succeed in Sacramento. Throughout this project, we have been met with tremendous enthusiasm when introducing people to Alchemy Kitchen. There seems to be strong consensus that a project such as this is needed in the Sacramento region. This feedback comes a wide range of sources from potential participants to the Sacramento County Health Department. Additionally, the incubators we are using as models have expressed praise for our diligence in designing an incubator that will work and utilizing the lessons learned from others.

7. How do you plan to publicize the results?

- i. To whom (i.e. people, entities) do you plan to publicize the project results?
- ii. When do you plan to publicize the results?

*If you have publicized the results, please send any publicity information (brochures, announcements, newsletters, etc.) electronically along with this report. Non-electronic promotional items should be digitally photographed and emailed with this report (do not send the actual item).

We have promoted this project utilizing our website, Facebook and Instagram pages. We will continue to promote the project in this way, including publicizing the results of our LFPP grant. We also had regular blurbs and updates about the projects in our email newsletters, and will continue this practice as well. We have posted the feasibility study done under this grant to our website so that other organizations considering creating a food business incubator can build off the work we have done. Dr.

Kiesel is additionally having the feasibility study published electronically through UC Davis.

We had many copies of the feasibility study professionally printed and will utilize these to in meetings with key partners and to secure implementation funding. We will also use the business plan in such meetings.

As our project and the Franklin Blvd. Mercado develop further, we will begin to publicize our partnership and the impending creation of the Mercado. In detailed publications, we will reference the role the LFPP grant played in helping Alchemist CDC create Alchemy Kitchen.

8. Have you collected any feedback from your community and additional stakeholders about your work?
 - i. If so, how did you collect the information?
 - ii. What feedback was relayed (specific comments)?

Under the guidance of Dr. Kristin Kiesel in the Agricultural Economics Department, we conducted surveys and focus groups from three primary groups expected to utilize the Incubator: food entrepreneurs from Sacramento’s cottage food industry, food truck operators, and local small- and mid-sized farmers. The surveys were administered by email and were taken online. Additional surveys were given to farmers in-person at farmers’ markets. The site visits to a Sacramento-area farmers’ market not only solicited the majority of the responses from farmers, it also allowed us to speak with farmers directly about their need for, and thoughts about, an incubator kitchen. To add depth to the survey responses, we conducted additional in-person and phone interviews with cottage food and food truck operators to discuss the survey questions. The interviews gave a more qualitative assessment of stakeholders’ interests and needs with respect to an incubator and kitchen facility. These surveys and interviews indicated interest and need for this type of project in the Sacramento region. A common response that came from individuals in all three groups was “Sacramento *needs* something just like this!” The results are discussed in more detail in the feasibility study and the feedback collected directly shaped our plans for the Incubator.

Additionally, we held an open house presentation for area professionals, from a wide range of relevant industries, to introduce them to the project and have them fill out applications of interest to sit on an Advisory Board or help the project as a guest instructor or business mentor. At the presentation there were many verbal comments about how exciting the project is and how much potential it has. All attendees also expressed interest and willingness to help the project in some capacity. The applications included a space for comments and a few representative examples included “Sounds like a great project” and “Love this idea! Would like to see a project like this.”

9. Budget Summary:
 - i. As part of the LFPP closeout procedures, you are required to submit the SF-425 (Final Federal Financial Report). Check here if you have completed the SF-425 and are submitting it with this report: Yes
 - ii. Did the project generate any income? Yes No
 - a. If yes, \$_____generated and how was it used to further the objectives of this project?
 - iii. In the table below include the total amount of **federal funds spent** during the grant performance period (**Do not** include matching or in-kind contributions):

Categories	Amount Approved in Budget	Actual Federal Expenditures (Federal Funds ONLY)
Personnel:	\$50,358	\$49,800.11
Fringe:	\$10,361	\$10,281.14
Contractual:		
Equipment:		

Travel:	\$1,989	\$1,986.43
Supplies:	\$400	\$168.54
Other:	\$1,704	\$1,925.48
Indirect Costs:	\$6,481	\$6,416.17
TOTAL:	\$71,293	\$70,577.87

- iv. **ONLY for LFPP recipients:** Provide the amount of matching funds/in-kind contributions used during the grant performance period.

Categories	Match Approved in Budget	Actual Match Expenditures
Personnel:		
Fringe:		
Contractual:	\$30,592	\$38,079.62
Equipment:		
Travel:		
Supplies:		
Other:		
Indirect Costs:		
TOTAL:	\$30,592	\$38,079.62

10. Lessons Learned:

- i. Summarize any lessons learned. They should draw on positive experiences (e.g. good ideas that improved project efficiency or saved money) and negative experiences (e.g. what did not go well and what needs to be changed).
- ii. If goals or outcome measures were not achieved, identify and share the lessons learned to help others expedite problem-solving:
- iii. Describe any lessons learned in the administration of the project that might be helpful for others who would want to implement a similar project:
- iv. Discuss if and how the result of this project can be adapted to other regions, communities, and/or agricultural systems.

The LFPP grant has been a major help to our organization and it has allowed us to learn many valuable lessons and prepare us for creating Alchemy Kitchen—a food business incubator. We did in depth research on other successful nonprofit food business incubators, noting similarities and differences and learning successful methods for running an incubator. When examining start-up funding strategies, we noticed that many of our models used a Community Economic Development grant to help fund construction, purchase and beginning operations. With this knowledge, we researched other recipients of Community Economic Development grants who created incubators and found several. We sent messages to these organizations and heard back from a few who were extremely generous and helpful. A similar process unfolded when looking at a different potential implementation grant and we connected with an organization extremely similar to Alchemist CDC who has been very helpful and given us lots of guiding information. We discovered and developed a deep network of models that have been extremely helpful in helping inform our creation of Alchemy Kitchen.

Another key takeaway was the importance of our partnership with UC Davis. Not only did they provide expertise that we did not have in house to run a feasibility study, but they also had a wealth of connections and provided the project with a credibility that allowed us to advance successfully. We anticipate continuing to partner with UC Davis. Alchemy Kitchen can provide a canvass upon which UC Davis can test evaluation tools, which can provide extremely helpful data points for our region, informing neighborhoods seeking economic development or helping to support and expand local food consumption.

Our experience with UC Davis is representative of another lesson learned in this process: partnerships are key. A successful incubator provides such a wide breadth of services; therefore, it is impossible for one organization to have the expertise necessary to lead all aspects. Thus, it is important

for organizations to find strong partners who not only have the desired expertise, but also have similar motivations for doing this work. At the beginning of this project, we did not have partner MOUs with clear designations of responsibilities and expectations, which hampered early progress. Once desired partners are found, we highly recommend creating MOUs to benefit all parties and clearly define roles, responsibilities and expectations.

When evaluating start-up funding, we found that this project fits well with the requirements implemented by the Community Reinvestment Act. We have found many bank partners who are eager to partner on this project and have provided us with assistance on the pathway to implementation.

Constructing the business plan for this project provided some challenges, since it is not a traditional business. We did not receive business plans from any of our models and did not find any comparable business plans for similar projects in our research. Partnering with an organization that was well versed in business plan writing was helpful, but there were still struggles that required extra time to iron out. For example, we are not selling a typical product or service like most businesses. By focusing our services on low-income entrepreneurs, we needed to do more than market to customers, but develop strategies for marketing our actions in the greater sphere, to allow outside contributions to help sustain our work.

Coming into our work on the LFPP grant, we thought we would be in a position to recruit both participants and suppliers for our kitchen by the end of the grant term. This proved to be an unrealistic expectation. Searching for an ideal location and ideal partners to help implement the project takes significant time and, once a location is found, construction timelines move slowly and need to be worked into expectations. Furthermore, participants and suppliers are focused primarily on activities of the near-term and, while future possibilities are potentially helpful to have on their radar, most are not in a position to make future commitments outside of the near-term. Nonetheless, the feedback these groups provided was critical and helped us commit to this project moving forward. We will be challenged to maintain the enthusiasm we have received while giving realistic expectations of timelines so that people's interest does not peak too early.

This project is extremely replicable for other areas. There are already multitudes of other food business incubators that exist. No two are exactly the same and we believe it is important to draw the aspects from each that will work best in a given environment. We are excited about the future development of our project because we feel that Sacramento provides an interesting test case of an area with both rural and urban qualities. We believe we will be able to utilize these qualities to find great success, and we think our future success will be instructive for places that are both rural and urban.

11. Future Work:

- i. How will you continue the work of this project beyond this grant? In other words, how will you implement the results of your project's work to benefit future community goals and initiatives? Include information about community impact and outreach, anticipated increases in markets and/or sales, estimated number of jobs retained/created, and any other information you'd like to share about the future of your project.
- ii. Do you have any recommendations for future activities and, if applicable, an outline of next steps or additional research that might advance the project goals?

The LFPP grant has allowed our organization to critically assess the feasibility of this project and determine that it has great potential and is viable. It also allowed us to search for and develop strong partnerships, which we believe will contribute to the success of the project. Because we were able to develop these relationships and conclusions, we have fully committed to the creation of Alchemy Kitchen and have mapped out a strategy to implementation. We will build off the lessons learned during the LFPP grant to create a program designed for success.

Since Alchemist's food business incubator has yet to begin operation, the successes of our primary models provide instructive results we can expect as we move forward. La Cocina began in 2005. In 2012, they served 39 businesses, which created 110 jobs. They provided over 7,548 hours of kitchen rental time, created 270 access to market opportunities for businesses in their program and connected businesses with over \$1 million in capital. These numbers have only grown as they have

continued their business development success.

El Pájaro began in 2013 and has nurtured over 30 start-up food businesses. In addition to their commercial kitchen space, El Pájaro offers a 13-week technical assistance program to applicants, where clients work with consultants to put together a business plan, figure out which federal entities will oversee their production, and help businesses obtain the correct permits. El Pájaro also has several area farmers use their kitchen for processing and are developing a co-packing facility to further help local farms. Like El Pájaro, we believe Alchemy Kitchen will be closely connected to farmers.

The Portland Mercado houses a food business incubator, itself inspired by La Cocina. In their first year, the Portland Mercado created 19 full time businesses and 114 new jobs. Their commercial kitchen had 44 tenants and was rented for 9,204 total hours in their first year.

In order to achieve the inspiring results of our models, we have outlined a plan moving forward toward implementation. Alchemy Kitchen will be rolled out in phases. Phase 1 will see the development and strengthening of our network of relationships needed to support the project. We will also create and test the business-training component of our project. Phase 2 will include the opening of our commercial kitchen and the full implementation of all components of Alchemy Kitchen.

In Phase 1, Alchemist CDC will develop Alchemist's Microenterprise Academy (AMA)—a three-month food business-training program, with an emphasis on low-income participants. We will utilize the curricula of other successful food business incubators after which we are modeling our project (mentioned above), and tailor them to fit Sacramento and our participants. We will find professional volunteer partners to assist the AMA program as guest lecturers for various lessons outside of our areas of expertise. Our Advisory Board will assist with the selection of these guest lecturers and we will work with these partners to develop lessons that fit with the AMA program. We will also develop a team of mentors to connect to businesses in our program.

We will also continue to build off the existing relationships we have with over 100 local small- and mid-sized farmers to develop and maintain a directory of local farmers from whom our participating food businesses can source raw ingredients. We will also develop relationships with existing commercial kitchen spaces to use on temporary rotating basis until our own kitchen is built.

After the AMA curriculum is fully developed, we will recruit and train our first cohort of community-based entrepreneurs. We will recruit participants through our network of similar partner organizations that work with low-income populations. We will also further develop relationships with local labor workforce programs to garner referrals to our program. We will begin the AMA program with a pilot cohort and utilize existing kitchens for program participants to use.

This timeline allows us to develop the "soft" infrastructure of our program and test the AMA business-training component of the project first, creating the framework for one of the most important parts of the Alchemy Kitchen program. By piloting AMA in Phase 1 with a small cohort, we will receive valuable feedback for adjusting and improving the program to ensure relevance and effectiveness to a much larger rollout. During Phase 1, we will work with the Franklin Blvd. Mercado to finalize the necessary plans, solidify implementation funding and begin build out.

Phase 2 will begin after the full build out of the commercial kitchen. Once build out is complete, we will be able to accommodate an increased number of participants in Alchemist's Microenterprise Academy and the overall Alchemy Kitchen program. We believe the Mercado will be built out by mid-2020. We intend to spend the rest of the year developing AMA and the outlined relationships, with the goal of implementing it with our pilot cohort next year. During this time, we will also be actively applying for implementation funding, including an LFPP implementation grant to fund our start-up process.