City of Burlington / 2014 CDBG Application Form

Project Name: KITCHEN COLLECTIVE

Project Location / Address: 400 PINE ST. BURLINGTON VT 05401

Applicant Organization / Agency: SPEAK EASY ARTS D/B/A 'ARTSRIOT'

Mailing Address: 400 PINE ST. BURLINGTON VT 05401

Physical Address: 400 PINE ST. BURLINGTON VT 05401

Contact: FELIX WAI Title: CO-OWNER Phone #: 901-496-6918

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EIN #: 45-4354520 DUNS #: 078890946

CDBG Funding Request: $47,371.59

Check ONE: **__X___ 1 year** (Equal Access, Health) **_____ 2 years** (Housing, Homeless, Hunger)

1. Type of Organization

____ Local Government
__X_ For-Profit Organization
____ Faith-Based Organization
____ Non-Profit Organization (please provide copy of your IRS 501(c)(3) tax exemption letter)
____ Institution of Higher Education

2. Conflict of Interest: ____ Please complete and sign attached form.

3. List of Board of Directors:

Certification

To the best of my knowledge and belief, data in this proposal are true and correct.

I have been duly authorized to apply for this funding on behalf of this agency.

I understand that this grant funding is conditioned upon compliance with federal CDBG regulations.

I further certify that no contracts have been awarded, funds committed or construction begun on the proposed program, and that none will be prior to issuance of a Release of Funds by the Program Administrator. In addition, this project is ready to proceed as of July 1, 2014.

_____ _____
Signature of Authorized Official Name of Authorized Official

_____ _____
Title Date

(Refer to NOFA for required information for each question.)

I. Demonstrated Need

1. What is the need/opportunity being addressed by this program/project and how does that contribute to CDBG's national objectives?

- The Kitchen Collective provides affordable infrastructure and access to commercial kitchen equipment in the Burlington area.
- This program lessens the barriers to entry to the food industry.
- The program leverages group buying power, shares the burden of overhead and gives opportunity to food entrepreneurs in an central urban location.

II. Program/Project Design

1. Describe the program/project activities. [UWCC]

The Kitchen Collective is an incubator for food entrepreneurs. The collective operates as a commercial kitchen for rent seven days a week and a full restaurant for rent providing dinner service 6 nights a week. For dinner service there is a different chef each night of the week. Each chef has a one-night-a-week residency. The program provides lead generation and sales assistance as well as free marketing, free accounting and free financial business planning assistance. Meanwhile, the program showcases its downtown dining room for collective members through the planning and management of public and private events. Not only does this generate more business to the Kitchen Collective itself, it also creates year-round opportunities for collective members to sell their products, grow their businesses and create connections in our Burlington community and beyond.

2. Why is the program/project designed the way it is? Explain why the program activities are the right strategies to use to achieve the intended outcomes. [UWCC]

This program is designed as a collective to spread the burden of overhead and operating expenses, create relationships within the industry, and most of all to provide an accessible platform of resources to aspiring food entrepreneurs. Not having a commercial kitchen and dining room is one of the highest barriers to working in the food industry. The kitchen is the heart of the home. Using this mentality we program events around the congregative power of the arts, especially the art of food preparation and culinary mastery. By keeping an organization in charge of curating the space and managing the general operations there is a certain level of consistency maintained with all services and products offered. Pooling collective resources of all participating members allows for greater buying power, greater access, and greater learning and collaboration. Operating as a collective, we leverage each of the member's network, abilities and experience to reach a larger group of people and attain a certain charisma.

3. How will this program/project contribute to the City's anti-poverty strategy?

- Through accessible resources and infrastructure, the Kitchen Collective allows greater opportunity for its members to obtain financial sustainability, maintain jobs, and advance careers.
- By continually creating points of connection, constantly developing greater channels of community engagement, fostering personal and professional relationships and building a cluster of likeminded entities the program inherently decreases social isolation.
- Operating as a collective out of a community space directly increases social capital, and not as a resource held by individuals but rather on a broader scale as an attribute of the community.

4. How do you use community and/or participant input in planning the program design and activities? [UWCC]

Creative marketing and programming positions the collective to constantly see input from its members and the greater community. Each member develops their own products, creates their own menus and serves their own food with their own staff. Once a month collective members meet to discuss kitchen best practices, procedures, operations and mishaps. Greater community engagement is seen through nightly dining, suggestions and input, and through our expansion of the members' offerings with creative food

programming such as: Guest chef nights (both amateur and professional), cooking contests, community dinners & potlucks, neighborhood block parties, food pairings, and themed cultural food nights.

III. Proposed Outcomes

1. What are the intended outcomes for this project/program? How are people meant to be better off as a result of participating? [UWCC]

- To build small food micro-enterprises in a sustainable manner primarily assisting in scaling up production and building a larger following.
- To be an incubator and stepping stone for aspiring food entrepreneurs.
- Members gain business experience through operating and through advice and support received from our organization.
- To provide an accessible space for the community to gather and enjoy food on a nightly basis.
- Each member leaves the collective with a record of their sales, financial documentation of their efforts during their time at the incubator and marketing assets.
- Each member leaves and enters into a better career situation than they had before they entered the collective.

2. List your goals/objectives, activities to implement and expected outcomes (# of units, # of individuals, etc.)

Goal: Support 21 chefs a year & 12 food processors a year.
Implementation:
- Advertise events & programs bringing people to the space and increasing exposure to the kitchen.
- Build a network in the industry; raise awareness of our services and the resources we offer.
- Carefully manage members kitchen time and kitchen cleanliness.
- Maintain all kitchen equipment and machinery.
- Continue evolving best practices & procedures to increase efficiency & streamline kitchen ops.
- Continue creative food programming in order to develop channels of distribution for food processors.

Expected Outcomes: We expect to increase our hours of operation in 2014 to include a seventh night of dinner service. This would allow for three four-month residencies in our kitchen for dinner service. We have the availability to rent our commercial kitchen to 3 businesses at a time and foresee this turning over 2-4 times a year.

Goal: Support 30 micro-enterprises in the food industry through event programming.
Implementation:
- Seek event sponsors to grow our annual event series.
- Continue collaborations with other community individuals, businesses and organizations to create momentum around each event.
- Hire a production manager to streamline event operations and develop tighter systems for onsite event setup and breakdown.

Expected Outcomes: With our calendar already 2/3 full for January and February and dates already filling up throughout the spring and summer and the addition of a private event manager we hope to create business opportunities for collective members 10 days a month outside of dinner service (this would be 120 opportunities per year).

IV. Impact / Evaluation

1. How do you assess whether/how program participants are better off? Describe how you assess project/program outcomes; your description should include: what type of data, the method/tool for collecting the data, from whom you collect data, and when it is collected. [UWCC]

Program participants run all their sales through one POS system allowing us to track levels of business and attain in-depth reports for each collective member. This data includes specific item sales, discounts and

costing. This data is saved on a daily basis and reports are sent to members once a week showing them the following information: Each menu item and corresponding item sales, Gross Sales, Food Comps, Tips, Taxes, Kitchen Collective Fee, and Net Revenue. Further information such as number of tickets can be obtained anytime by collective members through our POS system's reporting software. We also have all members complete an intake form and we conduct an exit interview. Essentially, rigorous for-profit business accounting keep an extremely detailed record of performance.

2. How successful has the project/program been during the most recent reporting year for your CDBG project? Report the number of beneficiaries you intended to serve with which activities (as noted in your last Attachment A) and your final outcomes (as noted on your Attachment C) from June 2013. For non-CDBG participants – just report on your achievements from the previous year.

In 2013 (started in June) the Kitchen Collective program supported 27 micro-enterprises. Eight of these were through dinner service. Four through commercial kitchen rental and sixteen through event programming. Here is a list:

Until Next Time Catering	Starbird Fish Co.	SOYO Frozen Yogurt
Cauldron	Tomgirl Juice Co.	Mae's Dumplings
The Hawker Stall	Samosa Man	Todd's Epazote
Phantom Dinner Club	South End Sliders	La Lumiere Farm
Southern Smoke	Taco Muchacho	Mocean Mate
The Hindquarter	The Burger Barn	Cool Runnings
Handmade Food	Niko's	VT Foodie Cart
Improv	Tin Pot Ice Cream	Off The Carts Catering
Firefly Catering	Soup Dudes	Dolce VT

The Kitchen Collective also received ongoing media attention including articles and interviews in: Seven Days, Burlington Free Press, Destination Vermont Magazine, and WCAX.

3. How does this data reflect beneficial outcomes of this project/program? Has this impacted your program planning at all? [UWCC]

Due to an overwhelming response from the community and a high level of interest from people looking to become members (we currently have a wait list) we have changed our personnel structure multiple times. We've hired a Kitchen Manager and a Kitchen Collective Marketing & Outreach Manager. Throughout the first three months of this program we've had dozens of people cooking in our kitchen. This has required us to make constant improvements to the kitchen layout and to the equipment and infrastructure.

V. Experience / Organizational Capacity

1. What is your agency's mission, and how do the proposed activities fit with your mission?

We destroy apathy. We seek to become a culture maker in our community and use that position our community along with our art galleries, event space, and kitchen to achieve our mission. The Kitchen Collective supports art in the form of amazing culinary art. This innovative model supports the expression of this art from new start-up talented culinary artists and entrepreneurs. Destroying apathy of the 'business as usual'is a very important part of our lives and business. Giving people with passion a chance is what we are all about. And, focusing the public on what we literally consume and who provides our food is a key component of this program.

2. **Please describe any indications of program quality, such as staff qualifications and/or training, adherence to best practices or standards, feedback from other programs or organizations you partner with, etc.**

Tommy Winrock is our Kitchen Manager. Formerly of The Spot and Tommy's City Grill, Tommy has over 20 years of experience in the Burlington food scene. Tara Pffiefer-Norrell is our Private Events and Sales Manger. Formerly of Bluebird Restaurant Group, Tara has over 15 years of experience selling and managing events.

3. **What steps has your organization/board taken in the past year to become more culturally competent?**

It is innate in our company culture since we aim to destroy apathy and support community building. Our staff meetings are open discussions on our role, impact, voice, stance in our community. All staff and interns have a say in how well we are accomplishing our goals of community organizing- ethically and otherwise. How well are we accomplishing our mission.

4. **Have you received Federal or State grant funds in the past three years? ___Yes __X_No**

5. **Were the activities funded by these sources successfully completed? ___Yes ___No _X__N/A**
   If No, please explain:

VI. Proposed Low & Moderate Income Beneficiaries / Commitment to Diversity

1. **Will the program target a specific (solely) group of people? If so, check <u>ONE</u> below:**
   No.

____ Abused Children ____ Elderly (62 years +) ____ People with AIDS
____ Battered Spouses ____ Homeless Persons ____ Illiterate Adults
____ People with Severe Disabilities

2. **For your proposed project, please estimate how the <u>Burlington residents</u> will break out into the following income categories during the total grant period. Use the Income Table at http://www.burlingtonvt.gov/CEDO/CDBG/2013-HUD-Income-Limits/.**

Service / Activity. Unduplicated Total # of Burlington HH / Persons to be Served. # Extremely Low-Income. # Low-Income. #Moderate-Income. # Above Moderate-Income

- 60% low income, 30% moderate income, 10% above moderate income

3. **a. Who is the project/program designed to benefit? Describe the project/program's target population, citing (if relevant) specific age, gender, income, community/location or other characteristic of the people this program is intended to serve. [UWCC]**

The Kitchen Collective was created for food service employees who have the basic skill set to prepare food and create dishes but do not have the finances and/or resources to attain a financially sustainable position or advance their career.

   b. How do you select and reach your target population?

We have an intake process that includes an initial application, personal interview, and kitchen trial. Participants are chosen on skill and resource need equally.

4. **Describe the steps you take to make the project/program accessible, inclusive and culturally appropriate for the target population. [UWCC]**

With our applicant pool and current cohort, we strive to make an equal opportunity program. We focus on age, gender, and income diversity. We have found interest from the refugee and immigrant community and from the Food Shelf.

VII. Budget / Financial Feasibility

1. Budget Narrative: Provide a clear description of what you will do with CDBG's investment in the program. How will you spend the money? Give specific details. [UWCC]

Payroll expenses. CDBG funds will be used to support first year payroll expenses. This will allow us to make proper personnel decisions. Specifically and importantly, CDBG funds will support the pay for the Private Events/Sales Manager and Kitchen Manager, who both will be working extra to help establish a strong foundation for the Kitchen Collective.

The Private Events and Sales Manager will be working 25% more to help establish the Kitchen Collective program. CDBG funds will be used to cover this extra work and pay. The Kitchen Manager will be working 25% more to help establish the Kitchen Collective program. CDBG funds will be used to cover this extra work and pay. A Janitor will be used to keep the dining room and kitchen clean for the first year. ArtsRiot will completely cover the bartenders, event security, and taxes.

Overhead. CDBG funds will be used to alleviate first year expenditures. Like any new program, the first year of operation poses the most costs to operate and CDBG funds will be used to ease those costs and further advance the Kitchen Collective program to a sustainable position. For example, for this first complete year of operation, marketing costs will be double what we will spend in subsequent years in order to get the Kitchen Collective announced and into the community consciousness.

- 25% of rent will be covered by CDBG funds to alleviate overhead while the program establishes.
- 25% of utilities will be covered by CDBG funds to alleviate overhead while the program establishes.
- 25% of licensing and permitting fees will be covered by CDBG funds to alleviate overhead while the program establishes.
- 50% of obligatory dues and subscriptions to relevant networks that will increase the marketing exposure and support for Kitchen Collective (i.e.- Vermont Businesses for Social Responsibility membership) will be covered by CDBG funds to alleviate overhead while the program establishes.
- 50% of first year marketing. will be covered by CDBG funds to alleviate overhead while the program establishes. Being a fairly new venture, we will double our marketing efforts in order to get the word out about this innovative new program. The increase marketing load will be covered by CDBG funds.

2. If you plan to pay for staff with CDBG funding, describe what they do in relation to the specific service(s) / activity(ies) in your Project/Program Design.

Specific Service / Activity. Position/Title. Work Related to CDBG-Funded Activity. # of Hours per Week spent on this Specific Service / Activity. % of Hours per Week spent on this Specific Service / Activity to be paid with CDBG

TITLE: Kitchen Manager
CDBG funded activity: This whole position is critical to the running of the Kitchen Collective which CDBG is funding. One of the most challenging aspects of Kitchen Collective is coordinating 6 different chefs and crews and maintaining proper safety and health conditions in the kitchen.
HOURS: 15hrs/week **% of HOURS SPENT ON CDBG ACTIVITY:** 100%

TITLE: Private Events and Sales Manager
CDBG funded activity: This person is in charge of all marketing and sales efforts for Kitchen Collective. This includes traditional media, alternative media, networking, and partnerships.
HOURS: 40hrs/ week **% of HOURS SPENT ON CDBG ACTIVITY:** 60%

3. Program/Project Budget

PAYROLL EXPENSES	MONTHLY	ANNUAL	BREAKDOWN
Private Events & Sales MGI	$3,300.00	$39,600.00	75% AR, 25% CDBG
Kitchen MGR	$1,200.00	$14,400.00	75% AR, 25% CDBG
Bartender	$819.00	$9,828.00	100% AR
Event Security (L/M)	$2,556.00	$30,672.00	100% AR
Janitor/Maintenance (L/M)	$650.00	$7,800.00	100% CDBG
Taxes	$937.00	$11,244.00	100% AR
SUBTOTAL	**$9,462.00**	**$113,544.00**	
OVERHEAD			
Rent	$4,083.75	$49,005.00	75% AR, 25% CDBG
Utilities	$1,156.34	$13,876.08	75% AR, 25% CDBG
Disposable Products	$438.66	$5,263.92	100% AR
Insurance	$833.00	$9,996.00	100% AR
Licenses/Permits	$155.42	$1,865.04	75% AR, 25% CDBG
Repairs/Maintenance	$125.00	$1,500.00	100% AR
Dues and Subscriptions	$287.00	$3,444.00	50% AR, 50% CDBG
Professional Fees	$200.00	$2,400.00	100% AR
Marketing/Advertising	$1,360.51	$16,326.12	50% AR, 50% CDBG
Debt Service	$1,920.38	$23,044.56	100% AR
Office Supplies	$125.00	$1,500.00	100% AR
SUBTOTAL	**$10,685.06**	**$128,220.72**	
TOTAL	**$20,147.06**	**$241,764.72**	
CDBG Contribution	**$3,947.63**	**$47,371.59**	**19.59%**
ArtsRiot Contribution	**$16,199.43**	**$194,393.13**	**80.41%**

4. Funding Sources

Being a for-profit venture, this project has been completely self-funded so far.

5. Of the total project cost, what percentage will be financed with CDBG?

$47,37.59	÷	**$241,764.72**	=	**19.59%**
CDBG Funding		Total Project Cost		Percentage

6. Of the total project cost, what would be the total cost per person?

$241,764.72	÷	**123**	=	**$1965.57**
Total Project Cost		# Proposed Beneficiaries		Cost Per Person

7. Why should CDBG resources, as opposed to other sources of funding, be used for this project?

This program is self-funded. CDBG resources are being sought for a small percentage because we believe this program directly aligns with CDBG efforts to support micro-enterprise, protect members net worth and assets while they try to grow their business, decreases social isolation by creating connection and increases social capital on a community scale. This project will also directly benefit the south end neighborhood's vitality. We are seeking financial sustainability for this project, so the CDBG funds are perfectly suited to help with first year expenditures to get the program to a sustainable point.

8. **Describe your use of community resources, including volunteers. Include any resources not listed in your budget. Will CDBG be used to leverage other resources?**

Our company model continually tries to increase the channels of engagement. To this point we have a dedicated staff who all help promote the Kitchen Collective, we have interns, a street team, and volunteers who also help take care of the building, market our events and assist in many onsite operations.

9. **If your organization has experienced any significant changes in funding levels during the past year, please explain.**

Our organization experienced an increase in funding levels in 2013 due to taking out a loan from a commercial lender to assist with leasehold improvements, working capital and asset accumulation.

10. **What cost-cutting measures has your organization implemented?**

In October 2013 our organization cut its operating costs and our labor costs both by 60%. We streamlined our internal lines of communication, re-established role responsibilities, laid off luxury positions, and changed our inventory model and shifted our kitchen programming.

VIII. Collaboration/Efficiency

1. **Please describe other organizations/programs you work with to achieve outcomes for your program participants. How does your program collaborate with other programs, organizations, or services to address the needs of the people you serve? [UWCC]**

Our program collaborates on almost every event and endeavor we pursue. Whether this is through a strategic business relationship, sponsorship, fundraising/benefit effort, or simply a shared passion we thrive off the results of collective work. By co-marketing events, hosting other organizations and bringing in multiple stakeholders to each of our programs we create a bigger buzz, instigate more conversations and ultimately produce more effective results in terms of raising awareness. In 2013 we worked with the following organizations/programs:

Signal Kitchen	Yestermorrow	VT Maker's	Prime Lending
Jenke Arts	Isole Dinner Club	City Market	AO Glass
Dave Sellers	United Way's 2-1-1 Program	Comedy for a Cause	Citizen Cider
CEDO	VCAM	Local Motion	RU12
Renegade Writers Collective	AO Glass	Maher	Church Street Marketplace
Dark Room Gallery	Switchback	SEABA	NOFA
New City Gallerie	Farrell Distributing	VT HiTech	Zero Gravity
Trevien Stanger	Fiddlehead	VBSR	VT Snowsculpture Team
Dealer.com	Jan Reynolds	Greater Lawrence Technical School	Chittenden County Food Shelf
Amalgamated Culture Works	WNRCD - Connecting the Drops	Champlain Elementary School	Vermont Refugee Resettlement Program
Old Spokes Home	Vermont International Film Festiva	Unknown Arts	Burlington City Arts

2. **Describe your agency's efforts at becoming more efficient in achieving your outcomes or managing your project/program.**

In the second month of operation, we cut inventory and payroll costs by 60%. In the fourth month of operation, we began capitalizing on the collective buying and work of the Kitchen Collective to reduce common resource costs by 45% and their personnel hours by 25%.

3. What other agencies provide similar services or programs? [UWCC]

Chittenden Emergency Food Shelf has a food service training program. We have had first talks with them about tying their training program into our Kitchen Collective incubator as a feeder program for support staff. The Intervale Center is an incubator for farm professionals. We look to their model for farmers for lessons and advice for our incubator for food entrepreneurs.

IX. Sustainability

1. How will this project have a long-term benefit to the City of Burlington? If this project ends, will that benefit continue?

The Kitchen Collective is made to create successful alumni. Our participating food entrepreneurs and support staff will have moved on from our incubator to better paying jobs, higher skill jobs, or work for themselves. If our project ends, our alumni will still be out there- in a better place than before and making amazing culinary art for Burlington and beyond. In addition, the City of Burlington will still receive tax revenue from our organization and the notoriety of supporting an innovative for-profit community organizing model.

2. If CDBG funding ends, will the project be able to continue?

Absolutely. The Kitchen Collective is a for-profit endeavor of us and for our partner food entrepreneurs. Our model is built to achieve financial stability. Funds from CDGB will be used to further establish the program in its infancy by allowing us to make proper personnel decisions and help cover first year overhead expenditures. All this is aimed at moving this program to sustainability independent of outside funding- to a point where the Kitchen Collective will thrive on its own design.