



REQUEST FOR BOARD ACTION

ITEM NO. 2.

DATE OF REQUEST: December 22, 2008

REQUESTED BY: Jimmy Smith on behalf of Pender Economic Development Alliance (PEDA)

SHORT TITLE: Request to Consider PEDA Board Recommendation on Pender Incubator Kitchen Project.

BACKGROUND: Pender Economic Development Alliance (PEDA) and Pender County applied for and received funding for a Community Development Block Grant Project to create a regional shared use commercial kitchen incubator (formerly referred to as Cape Fear Creations).

The primary purpose of this project was to provide hourly access to a regional commercial kitchen and food preparation area to entrepreneurs within a one hour radius of Burgaw, NC – including Pender, New Hanover, Brunswick, Onslow, Duplin, Sampson, Bladen and Columbus counties.

This project was designed to exist in partnership with the North Carolina Community College System and the UNC Small Business Technology Development Center as these two entities would provided training and technical assistance to clients who would use the proposed kitchen. After the North Carolina Dept. of Commerce Finance Center initially awarded the grant to Pender County, PEDA conducted an extensive search to find a suitable building to house the proposed regional commercial kitchen incubator kitchen in Pender County and reviewed five different buildings that were not adequate for this proposed project.

PEDA approached Cape Fear Community College (CFCC) about the possibility of staging the proposed regional kitchen incubator in the Industrial Training Room Area of CFCC-Burgaw. Both, PEDA and CFCC, agreed in principle to work together to house the proposed regional kitchen incubator at the Burgaw Campus. PEDA had hoped to find a unit of local government who would take on the responsibility of managing and operating the kitchen. PEDA first approached Pender County about taking on this role. After consideration of this, the County did not feel that it had the staff and resources to assume this role. Then, PEDA approached CFCC about managing and operating the kitchen. About this time, PEDA was in jeopardy of losing the space at the Burgaw Campus as Pender County Schools had approached CFCC regarding more space to expand early college classes. PEDA Board Members Jimmy Smith and Wayne Batten

approached the Town of Burgaw about managing and operating the kitchen. The Town, at that time, determined that they did not have the resources to manage and operate the kitchen. CFCC committed the space to Pender County Schools for early college shortly after PEDDA could not find an entity that would manage and operate the proposed incubator.

PEDDA began having conversations with Commerce Finance Center about moving the location of the incubator to another county since a viable solution for the proposed project could not be found in Pender County. Commerce Finance officials agreed that this could be achieved through a sub recipient agreement. PEDDA Board Members Wayne Batten and Jimmy Smith met with James Sprunt Community College (JSCC) and jointly with Bladen County Economic Development Commission and Bladen's Bloomin' Agri-Industrial, Inc. to discuss their possible interest in operating, managing, housing and growing a shared use commercial kitchen incubator. The Town of Burgaw requested the opportunity to submit a proposal. PEDDA received proposals from JSCC and the Town.

On December 15, 2008, the Board of PEDDA reconvened to review the two proposals (attached). After two hours of deliberation, the PEDDA board decided, by a vote of 4 to 1 to support the James Sprunt proposal. James Sprunt Community College President, Mr. Lawrence Rouse, and the Dean of College Advancement, Mr. Robert Rehder attended on behalf of the College and Mayor Pete Cowan, also a PEDDA Board member was present to represent the Town of Burgaw. The Board determined, since time is of the essence, that the JSCC proposal was closer to implementation. Their facility (WestPark Workforce and Business Development Center in Warsaw) is project-ready and they have the staff and programs in place to make this a successful project as they plan to manage and operate the proposed kitchen as well as facilitate the location and provide technical training to clients who will use the kitchen. While consideration was given to asking CFCC to provide academic and technical support should it be located in the old Burgaw Jail, it was felt that this process would take longer than Department of Commerce might be willing to wait. The PEDDA Board felt that the James Sprunt Community College proposal was the turnkey solution for the proposed regional kitchen incubator project.

Once constructed, this project will still serve the majority of the target area initially identified in the business plan. Please see the attachment for the most recent budget.

SPECIFIC ACTION REQUESTED: The PEDDA Board requests the Pender County Board of Commissioners consider the recommendation as outlined in the following resolution:

WHEREAS; The Pender County Board of Commissioners supports the establishment of a regional commercial kitchen incubator that would provide hourly access to entrepreneurs in the region, and

WHEREAS; The Pender County Board of Commissioners supports the concept of the regional kitchen incubator for clients using the facility an opportunity to supplement their income, and

WHEREAS; The Pender County Board of Commissioners supports regional cooperation in an effort to enhance economic development opportunities in the region,

NOW, THEREFORE BE IT RESOLVED; The Pender County Board of Commissioners agrees to authorize the execution of a sub recipient agreement with James Sprunt Community College for the use of Pender Incubator Kitchen Project funds to be used to establish a regional commercial kitchen incubator at WestPark Workforce and Business Development Center in Warsaw.

AMENDMENTS:

MOVED _____ SECONDED _____

APPROVED _____ DENIED _____ UNANIMOUS

YEA VOTES: Tate ___ Brown ___ Blanchard ___ Rivenbark ___ Williams ___

Jimmy T. Tate, Chairman 01/05/09
Date

ATTEST 01/05/09
Date

Project 6071- Fund 60

Income:

348110-6071	Community Development Funds	\$356,478
350001-6071	Local Match	44,938
348012-6071	Cape Fear RC&D	<u>2,500</u>
	<i>TOTAL INCOME</i>	<i>\$403,916</i>

Expenses:

407434-6071	Capital Outlay/C&D	\$335,062
404505-6071	Contracted Services/Engineer	19,716
404507-6071	Contracted Services/Inspections	1,700
404516-6071	Contracted Services/Planning	1,938
404551-6071	Contracted Services/Legal	3,000
404577-6071	Additional Services	2,500
404500-6071	Contracted Services	\$28,546
401100-6071	Telephone	1,800
401200-6071	Postage	150
401400-6071	Travel	1,200
406000-6071	Computer Expense	900
401600-6071	Maintenance/ Repair	1,500
401300-6071	Utilities	2,100
403300-6071	Supplies & Materials	2,304
405401-6071	Insurance (liability)	<u>1,500</u>
	<i>TOTAL EXPENSE</i>	<i>\$403,916</i>

Proposal (DRAFT)

Commercial Research Kitchen Facility

James Sprunt Community College

Westpark Workforce and Business Development Center

James Sprunt Community College proposes to develop a commercial research kitchen facility to include modular kitchens and laboratories tailored to meet the specific needs of developing food products from fruits and vegetables. The commercial research kitchen will house an extensive inventory of equipment to allow entrepreneurs to duplicate the process required for most food products. Small scale processes can be assembled in the facility for production of consumer test products.

The commercial research kitchen will be made available on a shared use rental basis for small businesses, entrepreneurs, start-up food companies, food processors and others to develop, process, test, produce and market their products. The facility will allow varied food processors the benefit of small scale production capability as well as test market processing for the development of new food products

The College proposes to locate the commercial research kitchen in the Westpark Workforce and Business Development Center located in Warsaw, North Carolina. The center will host a variety of support services for small businesses and entrepreneurs to include but not limited to the following:

- Technical Support in the development, processing, production, distribution and marketing of consumer food products made from fruits and vegetables

- Entrepreneurial business development classes, courses and seminars in conjunction with the business incubator for new and expanding business operations in the southeastern region of North Carolina
- Warehouse space for short term storage of products produced at the Westpark Workforce and Business Development Center
- Small Business Center Courses and one-on-one consultation to support the development of small businesses in the region
- Military business development seminars will be made available to small businesses, contractors and the general public to assist them developing contracts with military installations in North Carolina
- Business Incubator for 2 small businesses
- Conference Center for meetings and conferences
- A state of the art computer Lab with the latest technology and software to support the Westpark Workforce and Business Development Center and its students

James Sprunt Community College will manage and staff the facility with competent professionals to insure that all users will have a high quality experience in utilizing the commercial research kitchen.

The users of the commercial research kitchen will benefit from access to equipment and services that they could not afford to develop or buy on their own. All users will receive instruction in the use of the equipment and processes. Users will also receive assistance in setting up their production cycle and use of all capabilities of the facility.

The College proposes that the commercial research kitchen will meet all state, local and federal regulatory standards that may be required of food processing facilities.

commercial research kitchen

PENDER KITCHEN INCUBATOR (PKI)
CAPE FEAR CREATIONS (CFC)

Subject: Proposal to Keep the PKI in Pender

Overview: The Pender Economic Development Alliance, Cape Fear Community College and the Town of Burgaw will partner to create a shared-used commercial kitchen incubator at the old jail in Burgaw, NC.

The primary purpose will be to provide hourly access to a commercial kitchen and food preparation area to entrepreneurs in a one-hour radius from Burgaw, NC. The PKI would also serve as a training facility to train individuals who want to enter the food preparation industry. It is also envisioned that the facility could eventually serve as a training restaurants providing jobs while still providing hourly access to a commercial kitchen and food preparation area. Gailyn Gagliardi has been approached to manage the kitchen and teach.

Responsibility:

Town of Burgaw

Provide building (old Jail)

Provide Financial oversight

Serve as General Contractor (should save 20% on renovation)

PEDA as previously stated in business plan

Cape Fear Community College

Business management courses

Pender County Cooperative Extension Service

Food safety training

Services:

The same as in business plan with one exception as follows:

Hours of operations will be 7am-9pm by appointment only.

Published hours of training will be available

Food preparation equipment training

Compliance with food preparation regulations

Cooking classes

Restaurants training