

**Local Food Promotion Program (LFPP)
Final Performance Report**

The final performance report summarizes the outcome of your LFPP award objectives. As stated in the LFPP Terms and Conditions, you will not be eligible for future LFPP or Farmers Market Promotion Program grant funding unless all close-out procedures are completed, including satisfactory submission of this final performance report.

This final report will be made available to the public once it is approved by LFPP 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 limited to 10 pages and is due **within 90 days** of the project's performance period end date, or sooner if the project is complete. Provide answers to each question, or answer "not applicable" where necessary. It is recommended that you email or fax your completed performance report to your assigned grant specialist to avoid delays:

LFPP Phone: 202-720-2731; Email: USDALFPPQuestions@ams.usda.gov; Fax: 202-720-0300

Should you need to mail your documents via hard copy, contact LFPP staff to obtain mailing instructions.

Report Date Range: <i>(e.g. September 30, 20XX-September 29, 20XX)</i>	10/1/15 – 9/30/17
Authorized Representative Name:	Seth Bornstein
Authorized Representative Phone:	718-263-0546
Authorized Representative Email:	sbornstein@queensny.org
Recipient Organization Name:	Queens Economic Development Corporation
Project Title as Stated on Grant Agreement:	Entrepreneur Space Improvements and Made in Queens Marketing Campaign
Grant Agreement Number: <i>(e.g. 14-LFPPX-XX-XXXX)</i>	15-LFPP-NY-0029
Year Grant was Awarded:	2015
Project City/State:	Queens, New York
Total Awarded Budget:	\$100,000

LFPP staff may contact you to follow up for long-term success stories. Who may we contact?

Same Authorized Representative listed above (check if applicable).

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

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1. State the goals/objectives of your project as outlined in the grant narrative and/or approved by LFPP staff. If the goals/objectives from the narrative have changed from the grant narrative, please highlight those changes (e.g. "new objective", "new contact", "new consultant", etc.). You may add additional goals/objectives if necessary. For each item below, qualitatively discuss the progress made and indicate the impact on the community, if any.

i. **Goal/Objective 1: - Strengthen Local Supply Chain – We improved linkages between our incubator and food producers in New York State and the surrounding area.**

a. **Progress Made:** The Entrepreneur Space upgraded and produced our outreach materials (website, marketing materials) to inform food producers about the operation. Our website lists clients and their products. Linkages have been made – and are continuing to be made with the New York State Department of Agriculture and the surrounding states in outreaching the agricultural and other food making communities. Our website has been reformatted where we highlight clients who are making significant achievements. This is updated regularly. An inventory of client product needs is maintained and changes with new clients and seasonal items. We will continue to let the agricultural community know of opportunities where they can direct their crop/harvest.

b. **Impact on Community:** The Entrepreneur Space has made a positive impact on the community by providing a low cost facility in which to manufacture. Additionally, regional food growers know it is a market for their products that strengthens their reach into an urban center. Local consumers benefit by purchasing foods made in the community. The community has also benefitted by new jobs that are created as food manufacturers expand and "outgrow" the incubator, obtaining permanent homes for their businesses and adding to their staff – usually in a variety of abilities (this offers employment to workers with different skill levels).

ii. **Goal/Objective 2: - Strengthening the manufacturing and entrepreneurial environment -**

a. **Progress Made:** New and emerging business need business counseling in order to succeed. In our experience there are many food manufacturers who are excellent food makers and developers but often lack the necessary business skills to grow their company. A tasty product is not enough to build a business. To that end the Entrepreneur Space has provided – and will continue to provide - business counseling that includes but is not limited to: business planning, marketing, financing and human resources. Technical assistance is provided in instructing clients on scaling up their operations and obtaining the proper permits and licenses. The Entrepreneur Space has counselors and technical assistance providers on hand that can work individually with clients and in workshop settings. Our Client Services Manager monitors all counseling - as well as taking on individual clients. In the contract period from October 1, 2015 to September 30, 2017 we have provided 158 unique client consultations. During that contract period the workshops/classes at the Entrepreneur Space offered were: Presentation; Pricing; Labeling; Starting a Food Business; Legal issues; QuickBooks; Family Businesses; Financing; Tax Preparation; and M/WBE certification. These programs were attended by 400+ individuals.

b. **Impact on Community:** In follow up and through interviews we have noted that clients who participate in counseling and workshops/classes have an increased chance of success in their business. During this contract period we have housed 225 clients. A sampling of clients who have maintained and/or increased their business capacity – Ashantay Chocolate; Amada Smith Catering; Ambitious; Biggies Toffee; Bittergreen Catering; Bonne Fete Baking; Breur’s Pet Foods; Chick Pea & Olive; Chocolate Dances; Destination Dumplings; Grown in Brooklyn; Hungry Bars; It’s In The Mix; Josephine’s Feast, Love Michael; MJ Chocolate; Modish; Paleo With Love; Paulista Bakery; Sweeticles; Regal Vegan; Two Tablespoons; Ulli’s Oil Mill; and Yu Bakery. Highlights include Biggies Toffee that was noted on Oprah Winfrey’s TV show; Ashanty Bakery that won a \$10,000 from WINS Radio for an innovative small business; and Luv Michael that hires adults with autism and was selected by Jet Blue Airlines for the ‘Bluebud’ mentorship and marketing program. Twenty clients have moved to permanent or co-packing space during this contract period.

iii. **Goal/Objective 3: - Implement Marketing Campaign –**

a. **Progress Made:** We help our food entrepreneurs market and sell their products. This is especially important when clients are still at the early stages of their business and have little in the way of funds or expertise in selling their product. Many use websites and/or sell to weekly food markets. As Queens County is in fact the most ethnically diverse county in the country (people from 135+ countries are represented), there is been a strong interest in the borough’s cultures and not surprisingly food products. We regularly host international journalists and highlight the Entrepreneur Space. An important component of our marketing campaign was the development of the ‘MiQ’ Brand in 2016 when we opened a pop-up shop – “MiQ” – Made in Queens which promotes and sells products made, crafted or designed in the borough. The first ‘pop-up’ shop was opened with a dedicated food section. Entrepreneur Space clients were giving the opportunity to sell their pre-packaged foods at the store. This shop will closed at the end of 2016 and we opened up smaller pop ups during 2017 in other venues. There are two major airports in Queens and we are in discussion to open ‘MiQ’ product stands/kiosks.

b. **Impact on Community:** The MIQ concept received good media coverage. We schedule regular events (workshops, tastings, etc.) to drive traffic. Many participants based at the Entrepreneur Space have noticed increases in sales. There is a dedicated MiQ website and newsletter. An educational campaign commenced encouraging people to buy local through MIQ.

iv. **Goal/Objective 4: Economic Sustainability**

a. **Progress Made:** Though enhanced counseling and marketing efforts we have attracted new businesses seeking to manufacture food products. During this contract period a total of 126 clients were added. In order to keep our fees reasonable for these new businesses we have subsidized fees with funds obtained through public and private sector grants. In 2016 the incubator was

awarded a New York State Regional Economic Development grant of \$125,000 per year for three years, thus ensuring our ability to help small businesses for the foreseeable future.

b. Impact on Community: As a model for small manufacturing in Queens we have proven that by clustering new businesses in one facility we can create new and sustainable synergies – through shared production materials, supplies and staffing. Additionally, we continue to offer training and business counseling opportunities. Another important part of the project’s impact on the community is our relationships with community groups, most notably the Fortune Society. This organization helps the formally incarcerated re-enter society through job training, readiness and support services. We have developed a training program for their clients that enables them get a Food handler’s permit, which in turn makes them qualified for jobs in the industry. During this contract period we held eight cohorts and trained 115 participants. Two graduates currently work in the incubator.

2. Quantify the overall impact of the project on the intended beneficiaries from the baseline date of September 30, 2015. Include further explanation if necessary.
 - i. Number of direct jobs created: **125**
 - ii. Number of jobs retained: **100**
 - iii. Number of indirect jobs created: **80**
 - iv. Number of markets expanded: **40**
 - v. Number of new markets established: **21**
 - vi. Market sales increased by **\$1.4M.**
 - vii. Number of farmers/producers that have benefited from the project: **250**
 - a. Percent Increase: **33%**

3. Did you expand your customer base by reaching new populations such as new ethnic groups, additional low income/low access populations, new businesses, etc.? If so, how?

The Entrepreneur Space is located in Queens, NY which is the most diverse county in the United States. As such, we have outreached to many ethnic groups. During the contract period our clients represented over 40 ethnic groups. Being a food incubator it is laboratory in some respects for cuisine diversity. On any given day we may have clients preparing Chinese dumplings, Brazilian cheese biscuits, French bread, African inspired chocolates and many other items. Efforts are made to keep entry costs low to allow lower income populations to participate. We participate in a program with the New York City Department of Small Business Services to train residents of the NYC Housing Authority developments how to start and run a small business. Additionally, we work with clients to access micro-loans and take advantage of funding from providers – such as Kiva Zip – which is aimed at low income entrepreneurs. All of our food entrepreneurs are “new businesses.” Many started producing on a trial basis out of their homes and knew that they could only grow by entering a professional and licensed commercial kitchen.

4. Discuss your community partnerships.
 - i. Who are your community partners?

The Entrepreneur Space has and continues to work with Fortune Society, Queensborough Community College and Queens Community House. Additionally the

Entrepreneur Space continues to serve a NYC Housing Authority/Department of Small Business Services/NYC EDC program that trains low income people to start a food business. The Fortune Society trains formally incarcerated clients in food handling to prepare them with jobs in the industry. In the last period of the contract began working with the Queens Community House to help train low income individuals for employment in the food industry. The Entrepreneur Space helps arrange internships for them with our clients. Additionally, we will hire graduates of the Fortune Society program to work directly for us as Client Assistants. Through our internship program a Queensborough Community College marketing class completed client intake and outtake surveys that we are currently using. Though not food related, a non-profit, the Criminal Justice Agency shares space in a portion of the building. They work with at-risk individuals and refer their clients to the Fortune Society and Queens Community House for training.

- ii. How have they contributed to the overall results of the LFPP project?
During the Fortune Society cohorts clients are assigned internships with Entrepreneur Space clients. In this way they gain “on the job” skills and enable our clients to become more efficient. Some Fortune Society graduates of the program have been hired directly by our Entrepreneur Space clients. In addition, we have hired Fortune Society clients to work directly for us as assistants. Currently two of them are employed with us. Through our relationship with Queensborough Community College we have had cohorts of classes in the subjects of marketing, finance and business that provide help to individual clients.
 - iii. How will they continue to contribute to your project’s future activities, beyond the performance period of this LFPP grant?
In the last year we have noted the keen interest of Fortune Society clients - not to only learn food handling skills - but also learn how to start and build a food business. Based on this we have applied for funding to develop what we have termed a “sheltered business” whereby Fortune graduates, working under the direction of a food business professional, would learn how to start a modest food business with products serving the local community. The concept is to start small – with limited products – and build it under the auspices of the Entrepreneur Space and using best practices expand from there. We have solidified our relationship with Queensborough Community College and have an ongoing relationship for students, under the guidance of their instructors to continue to provide individual assistance to clients in this program.
5. Did you use contractors to conduct the work? If so, how did their work contribute to the results of the LFPP project?
The Entrepreneur Space has used and will continue to use the services of MiKitchen es su Kitchen (Kathrine Gregory), a nationally-known expert in operating kitchen incubators. Her expertise in both operations and client counseling has contributed to our success in attracting clients – and subsequently helping clients develop their permanent operations after starting out and outgrowing the Entrepreneur Space.
6. Have you publicized any results yet?* **Yes**
- i. If yes, how did you publicize the results?

We publicize our results through our website, eblasts, news articles and social networking (Facebook, Twitter, Instagram) We also held events highlighting our clients such as Queens Taste and a themed Annual Anniversary Party.

- ii. To whom did you publicize the results? How many stakeholders (i.e. people, entities) did you reach? **Our eblasts reach over 20,000 people; our events attract between 250-600 people.**

*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).

- 7. Have you collected any feedback from your community and additional stakeholders about your work?

- i. If so, how did you collect the information?

We do client surveys via email and in person interviews (meetings/phone).

- ii. What feedback was relayed (specific comments)?

In addition to feedback such as sales, new hires and new markets recent specific comments were: from Sweeticles – “being part of MiQ helped add additional wholesale distributors”; from Paleo with Love – “obtaining counseling has helped has grown our business and become more focused.”; from MJ Chocolate – “the new chocolate melter has helped me produce better and helped sales.”

- 8. 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:

- ii. Did the project generate any income? **YES**

a. If yes, how much was generated and how was it used to further the objectives of the award. Client fees during this contract period were \$1,085,191. These funds were used to support the operations of the incubator.

- 9. Lessons Learned:

- i. Summarize any lessons learned. Draw from 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).

Positive Experiences:

The Need Exists – The Entrepreneur Space has filled a crucial niche in the small food business manufacturing world. There are very few options for emerging food businesses when it comes to finding entry space. They cannot afford/commit to a long lease as they start their business. By offering low rates, flexibility, counseling and technical assistance they can “jump start” their business.

Seeing businesses grow – It takes time – and sometimes there is a “hit or miss” approach, but with a concerted business plan, dedication – and yes, sometimes luck – we have seen small business grow over time. An example is MJ Chocolate, which began when the owner (who had background in marketing but a passion for making quality chocolate) combined her business skills and marketing knowledge to develop an upscale product that has made inroads in the high-end market as evidenced by orders placed by business leaders, political figures and even overseas royalty. Her

success is due to the quality product, innovative marketing and truly beautiful presentation.

Seeing businesses connect – Some of our businesses seek opportunities to work with each other. Youcake, which makes edible photographs, has partnered with Bonne Fete, a gourmet cookie company, to make “photograph edible” cookies that they sell to companies (usually with the company logo) as part of a marketing campaign.

Incubator Efficiency – We have taken better care of our equipment and have maintenance contracts to avoid any mechanical problems prior to the machinery going out of service.

Negative Experiences:

Need to work closer with potential clients – We have minimum requirements in terms of business knowledge when admitting new clients. We did this in order to provide easy access. This does work but we soon realized that a low bar sometimes is not good for clients who only have rudimentary business skills. We have begun developing ways to help potential clients increase their business acumen prior to taking shifts.

ii. If goals or outcome measures were not achieved, identify and share the lessons learned to help others expedite problem-solving:
We met our goals.

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:
Developing realistic expectations for small businesses is important. At the onset we expected clients would use the incubator as a “waystation” with the goal off obtaining permanent space elsewhere. We did learn that was the goal of many clients but in addition there were various subsets. Subset 1 – small manufacturers that wanted to “stay small” and manufacture as artisan businesses. In this case the incubator met all their needs. Subset 2 – seasonal manufacturers who used the incubator intensively for certain periods and come back yearly and have no need for permanent space. We realized the importance to accommodate to their particular needs. Another lesson was costs of maintenance and repair. Commercial kitchen equipment is highly specialized. It is important to seek out honest and highly skilled companies to work with in maintaining/repairing.

10. Future Work:

i. How will you continue the work of this project beyond the performance period? In other words, how will you parlay 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.

As we enter our seventh year, the Entrepreneur Space is an established part of the small business ecosystem in New York City. We continually market the facility and give informational tours twice a week (attracting 1-10 potential clients that usually end in 2-3 new license agreements each month). We are better at tracking sales of clients and hope to see an increase in aggregate sales of 10-15% in future years and at least 20 FTE jobs created on an annual basis. Since inception over 450 clients have used the

kitchen with 128 currently registered. We expect one quarter of those to leave within the next year (and be replaced by new food businesses).

- 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?

For the future we will pursue:

- **Better business planning for manufacturers prior to utilization of the commercial kitchen**
- **Development of programming for business that use the commercial kitchen for limited artisan and seasonal products**
- **Enhancing market efforts through the MIQ program**
- **Funding for our Fortune Society clients so we can develop a food business for the formally incarcerated.**