



2020 VALUE ADDED GRANT
APPLICATION FORM

TO: Heather Throne, Grant Administrator
PO Box 30017
Lansing, MI 48909

PROJECT TITLE

Creating Supply and Demand for Agricultural Products in a Food Desert

APPLICANT INFORMATION

Bridgepoint Development LLC (EIN: 35-2550730) and
Peach Market, Inc. (EIN: 83-2519797)

BUSINESS ADDRESS: 8315 S. Jackson Road, Clarklake, MI 49234
STORE ADDRESS: 148 E. Cortland Ave., Jackson, MI 49201

CONTACT NAME: Andrew Kokas, CEO
PHONE: (517) 745-9191 **E-MAIL:** akokas@comcast.net

COUNTY: Jackson

CHECK ONE:

For Profit **x** _____
Non-Profit Organization _____

Total Grant Amount Requested:
(Round to nearest \$100) \$ 150,000

Total Match:
(Must be at least 30% of the grant amount) \$ 50,000

Total Project Amount: \$ 750,000

DURATION OF PROJECT

Start Date: August 2020 **End Date:** January 2022

Type of Project

- Food hub development
- Food access, including access to fresh/nutritional foods**
- Value-added food processing
Innovation and equipment
Technical assistance, including feasibility studies that lead to jobs/investment

PROJECT SUMMARY

If the coronavirus taught us anything, it is that the federal government cannot singlehandedly solve a pandemic. It can help with national policies and to allocate resources, but it takes community leaders who understand local needs to bring solutions where they matter most.

Just like the COVID-19 response, the federal government's effort to combat hunger is for the USDA to allocate resources so that states can provide SNAP benefits to low-income persons with the goal of improving their fresh food access. Beyond that, there is little that governments can do to make people eat more fruits and vegetables or change their diets without community support.

Peach Market, in coordination with several organizations, intends to show that the federal and state response to hunger—the Michigan Bridge card—can spur economic development, create jobs for low-income people, improve health outcomes and enable farmers to have new outlets for their agricultural products as long as a community makes it a priority.

Peach Market will open in a food desert October 1, 2020. Nutritional counseling, medical oversight, cooking classes and deeply discounted produce will be coordinated and promoted to see if a supply and demand for agricultural products can be created where none exists.

PROJECT PURPOSE/IMPACT

Expanding agriculture in Michigan requires both supply and demand. Think of the coronavirus again. There is a high demand for ventilators but limited supply. At restaurants, there are rows of empty tables and chairs, but restrictions have eliminated the demand to sit there. Supply and Demand are both necessary for any economic sector to thrive, yet these principles go largely unattended in food deserts. In food deserts the supply of raw agricultural products is scant, and demand is anyone's guess. This project seeks to turn that around—to do more and to know more.

There are thousands of homes in Jackson located in a USDA-designated food desert. This project will focus on a subset of those homes—3,662—all within a six-block radius of the center city. There are seven unique neighborhoods within the radius. The neighborhoods have slightly different levels of income, but combined, all households have average annual incomes of just \$16,558 as reported by CityData.com. This is \$6,692 below the Michigan poverty line. The people who live in these neighborhoods, 7,068 total persons, will be the main project target. The project goals are to create supply and demand in the neighborhood; to make it much more likely the targeted group will want to buy fruits, vegetables, meats, dairy and grains thus giving growers new opportunities to provide them.

The benefit to the agriculture community will be long-term and borne out by the numbers. The Bureau of Labor Statistics tells us that if annual household income is at \$16,558, 28% will be spent on food. That equates to \$4,636 per household annually. With 3,662 households in the target, \$17-million dollars will be spent on food next year in just one small community. Today, a

high percentage of that money is spent at fast food restaurants or the dubious options at the corner liquor stores with perhaps 10-15% spent on real food. Being able to document that change is possible—even moving the needle slightly—will impact Michigan growers. The key is finding whether there is hard evidence so that farmers, entrepreneurs, non-profits and government entities around the state can plan accordingly.

The main objective of the project is to change buying habits of a designated population group by providing opportunity. This is discussed in more detail in “Project Information” where the roles of the collaborators are outlined. No specific state or federal grants have been sought or awarded for this project, but all collaborators have committed the resources necessary to enable it to succeed. There are several organizations that helped with funding, yet the primary funding source is the neighborhood residents themselves, most of whom receive their food cash allowances through the SNAP program. If they change their buying habits, the money they already have (the Bridge Card) will support fresh food access, economic development in their community, dozens of new jobs for their neighborhood and, importantly, better health. It is a gamble for the primary applicant—Peach Market—to achieve this outcome but the applicant intends to succeed because the livelihoods of its workers will depend upon it.

PROJECT INFORMATION

First there was a food desert and then an oasis—a fresh food market where none has been before. Working under the broad economic principles of Supply and Demand, this project will calculate and analyze the individual factors that can best contribute to an increase in the sale of agricultural products where there has been no supply and where demand remains a mystery. The results will provide useful information to several groups: 1) the agricultural community, especially local farmers who want to sell more products and may find new untapped markets in food deserts; 2) individual retailers who may want to use the data to determine if there are strategies they can use in their own stores to boost sales; and 3) local health centers which have the primary responsibility of improving health outcomes which is often related to a healthy diet.

The grant opportunity is timely. All major financing is in place and all major construction of a blighted building in downtown Jackson has been completed. Detailed store construction is well underway. The developer, Yizhuo “Olivia” Liang of Bridgepoint Development her husband, Andrew Kokas have invested \$190,000 in the project. They have been supported by The Michigan Good Food Fund (\$100,000), by Michigan Women Forward (\$50,000) and they have received (or will receive) up to \$350,000 in loan funds from Northern Initiatives, a Community Development Financial Institution based in Marquette. These funds are being used to open a new fresh food market in the center of a food desert in Jackson. The only funds not yet promised or provided are those necessary for key pieces of equipment the store needs to complete its objectives. It is possible this equipment can be leased from an outside leasing company, but it would be considerably easier if the equipment can be purchased with funds from MDARD rather than adding to the debt load of a brand new store. One way or another, the store is scheduled to open October 1, 2020 pending Plan Review Approval from MDARD which is also underway.

It may seem obvious that installing a fresh food market in a food desert will naturally result in an increase in demand for fresh food products, but that is probably not true to any significant degree. Those living in a food desert have formed their food purchasing and eating habits over many years, sometimes over generations. So, just because they will have better access to a store that sells cucumbers, lettuce and tomatoes, does not necessarily mean they will abandon their local convenience stores to instead buy fresh vegetables to make salads for their families. It is also unknown the degree to which distance plays a role in purchasing decisions. All persons affected by the new store will be part of a community which will be transformed from a food desert to a neighborhood that is not a food desert. Some residents will have easy walkable access while others will still have to take a bus. Currently, most residents have to take two buses for fresh food. One is to get downtown. The other is to transfer at the downtown bus depot for a trip to the suburbs where Kroger, Meijer and Walmart are located. This project eliminates one bus and provides walkable access to those living within a six-block radius.

The control group will be a representative sample of those currently residing in the food desert, both bus riders and those with walkable access. In September 2020, just prior to the store's opening, this control group will be created by collecting data on a statistically valid sample of residents which will include food purchasing and eating habits, where they shop now, how they get to their stores and basic health data, such as BMI and incidence of diabetes.

The protocols for collecting this information will be coordinated by Ann J. Impens, PhD, MPH, a public health researcher with roots in Jackson County. Currently, Dr. Impens is Director of the Institute for Healthcare Innovation at Northwestern University in Chicago. Dr. Impens will consult and work alongside Rose Johnson, MD who is the Medical Director at the Center for Family Health, a federally qualified health center. Dr. Johnson sees patients and provides the guidance for 30 primary care physicians in Jackson. Her team of doctors, which treats patients regardless of ability to pay, see 75% of the people who reside in the affected food desert.

The study groups will be formed from general customers. Shortly after the store Grand Opening, messages will begin to appear on in-store TV monitors. Most messages will be about specially priced products or other common information as seen in many retail outlets. But important to this study, a series of 90-second videos will play intermittently with the ads. The short videos will invite customers to participate in one or more of the store's offerings. Each video, played in sequence over the course of several months, will explain special services offered by the store and/or the Center for Family Health. The overarching themes will be 'good eating and good health.' In sequential order, the videos will feature: 1) how to get a unique customer number. This is so the customer can take advantage of discounts based on accumulated purchases; 2) how to participate in the Double-Up Food Bucks program. This program doubles the value of produce purchases; 3) how to access dietitian and nutrition counseling at either the store or the Center for Family Health; 4) how to sign-up and attend cooking classes at the store (and elsewhere) and watch videos of previous cooking classes the customer may have missed; and 5) how to form a regular relationship with a primary care physician, not because of sickness but because of the desire for better health. The videos will be produced by Andrew Kokas, who is also executive producer and president of the HealthVision Foundation for Educational Media, a

non-profit organization which has produced hundreds of videos and broadcast TV programs about health. Each video will be designed to prompt customers to enroll in one of the services being explained. Enrollment in any program only requires the customer to give their 'customer number' to the cashier.

What we hope to see over time from Peach Market and this study is a gradual and significant increase in the purchase of raw agricultural products where none has existed, and even more purchases among those who choose to become actively engaged in their own health. Purchases will be tracked through the customer number system. The number system will be able to collect data about all purchases, but especially sort for agricultural products (produce, meats, dairy and grains) and who is buying them whether they are enrolled in programs or not. What we want to know is which influencers have the biggest impact. Is it proximity to the store, the price (Double-Up Food Bucks), is it education (nutritional counseling), is it skill development (cooking classes), is it regular visits with a primary care physician, is it all of it, some of it or is it just the mere existence of a fresh food market where there used to be none.

EXPECTED FULL-TIME AND/OR PART-TIME POSITIONS CREATED

Dozens of new jobs will be created by Peach Market, both full-time and part-time. Many of these jobs will be filled by people living nearby. This is a direct benefit to the neighborhood where unemployment rates are a staggering 30% or greater. It will also benefit store management in two ways. First, having employees who can walk to work make issues like snowstorms and 'cars that won't start' less problematic. Second, neighborhood customers are likely to be already acquainted with some of the workers at Peach Market. That will make store navigation feel less foreign to some customers. Anecdotally, this is a problem in one of Jackson County's food markets. Some persons of color say they will not shop there because they feel unwelcome. Peach Market is to be an urban market that will serve the residential neighborhood as well as downtown office workers.

The employment strategy will be executed by Yizhuo "Olivia" Liang, one of the grant applicants. Yizhuo earned her Master's Degree in Business Development and Workforce Training at St. Joseph's University in Philadelphia. She has been an HR executive at several multinational corporations. She also knows, first-hand, what it is like to not have a nearby source for groceries. Each week Yizhuo drives her mother to the Asian Market in Ann Arbor because many of the vegetables and fish her mother likes are unavailable in Jackson. Yizhuo will coordinate with Michigan Works to help fill employment positions. Training will be provided to all employees, including training that leads to job advancement. Full-time workers will have job benefits. Job positions encompass produce, grocery, deli, coffee bar, kitchen (various), cashiers and back office.

11 full-time jobs (general manager, store manager, produce manager, grocery manager, deli manager, chef, sous chef, head cashier, secondary cashier, dishwasher and receiving clerk.

19 part-time jobs (produce clerks, grocery clerks, deli clerks, baristas, butcher, line cooks, dishwashers, cashiers (average wages for limited skill workers: \$12-\$15 per hour).

Confirmed Capital Investments

\$140,000 Cash investment Yizhuo Liang and Andrew Kokas, a married couple.

\$ 50,000 Credit investment Liang/Kokas (Primarily Home Depot and Lowes)

\$ 75,000 Grant Michigan Good Food Fund

\$ 25,000 Grant Michigan Good Food Fund

\$267,000 Loan Northern Initiatives, a CDFI

\$ 50,000 Loan Michigan Women Forward, another CDFI

\$607,000 Total Committed Funds to this project

In addition to the committed funds there are unconfirmed options for the developers to complete the project. These include an already discussed loan-bump from Northern Initiatives up to \$75,000, depending upon need. There is also the potential of a \$30,000 loan/grant from the City of Jackson DDA which has already promised the funds but because of a new vacancy at the City Manager's office (he resigned) and the coronavirus, nailing down the funds has become difficult. The actual loan amount from Northern Initiatives will be dependent upon whether the Jackson DDA comes through. Lease financing for crucial equipment will depend upon the success of the grant request from MDARD. In total, approximately \$125,000 is still needed to complete the total project, whatever the sources. The applicants are asking MDARD for \$80,000 of that amount.

MEASURABLE OUTCOME(S)

Goal 1: Start operating an attractive fresh food market to transform a food desert in Jackson

Target 1: The residents and office workers in and around downtown Jackson.

Benchmark 1: Meet all standards for storing, displaying and handling fresh foods with documentary evidence set by the Michigan Department of Agriculture in its plan review of Peach Market (underway).

Goal 2: Understand the most influential factors that will contribute to a proper balance of supply, demand and growth for the purchase of fresh agricultural products in a food desert

Target 2: A subset of the residents without fresh food and no demonstrable demand.

Benchmark 2: A self-sustaining store with increasing sales and profitability over two years.

Goal 3: Improve health outcomes, particularly as they relate to the scourge of unmanaged diabetes among residents of a food desert.

Target 3: Subset of residents at high risk for poor health

Benchmark 3: A noticeable reduction in A1-C levels among at risk individuals in the food desert.

WORK PLAN

Tasks	Completed By
Finish building out the store, install crucial equipment, like refrigeration units, kitchen exhaust and inventory control systems, and prepare for all final inspections from various agencies.	9/1/20
Recruit surveyors (mostly hiring residents from the neighborhood) to collect data on a representative sample of all residents.	9/15/20
Complete the marketing and advertising plan for the store	9/15/20
Hire department managers and bring on board on a rotating basis for training.	9/1/20
Purchase limited food items for departmental training.	9/5/20
Conduct food purchase surveys and collect health information (subject to IRB guidelines) with food desert residents and supply the data to the Center for Family Health and Dr. Ann Impens.	9/15/20
Conduct interviews with support staff and then offer jobs to cashiers, deli clerks, baristas, cooks, produce clerks and grocery clerks (31 total).	9/15/20
Train the support staff members from each department on a rotating basis; continue to purchase limited inventory for training purposes	9/25/20
Complete finishing touches on the store, including promotional signs and displays.	9/25/20
Begin purchasing inventories, using Michigan sources as much as possible from various vendors, with fresh-sensitive items delayed until near opening.	9/28/20
Open the store—a “soft opening”—to introduce the store to the nearest residents and office workers.	10/1/20
Make any important adjustments to operations as revealed to be necessary from the soft opening.	10/15/20
Complete work on advertising materials for grand opening and launch ad campaign; complete website video introducing services. Delay posting.	10/15/20
Store Grand Opening, promote Thanksgiving turkey orders all the while.	11/1/20
Execute second round of advertising.	11/15/20

PROJECT COMMITMENT

The City of Jackson Master Plan, completed a couple of years ago, made beautification, accessibility, housing, greenspace and thriving retail businesses in the downtown core as its number one priority. Regarding retail, the Master Plan text reads: Add convenient retail choices for downtown residents, particularly in the categories of an urban grocery store, furniture and consignment, and eateries.

The *urban grocery store* priority for Jackson's downtown perhaps explains why so many business, community and civic leaders have reached out to the developers in ways that had been unexpected. Mr. Kokas and Ms. Liang have now spoken before many groups with a stake in downtown development, all of which continue to show high interest in this project.

Michigan Good Food Fund and Capital Impact Partners

This project would have never been possible without the Michigan Good Food Fund. Long before any financing was secured for this project, MGFF (through Capital Impact Partners) provided a \$75,000 grant to enable the developers to work through their plan and achieve additional financing from other institutions. In addition to the \$75,000 grant, the MGFF added \$25,000 a year later to keep the project going. The reasons why the MGFF and CIP support this project are well-explained in the attached letter sent by Mary Donnell.

Northern Initiatives

Northern Initiatives is a Community Development Financial Institution based in Marquette which provides loans and business services to small business owners and entrepreneurs who can create jobs and enable Michigan communities to thrive. This organization, through its loan officer, Melissa Evans, has become an outstanding partner of Peach Market in pursuit of a fresh food market in Jackson.

Michigan Women Forward (MWF)

This organization has a vision where women and girls are empowered to be leaders, inventors, dreamers and doers. Even though most of its support has been provided to organizations in downtown Detroit or Grand Rapids, MWF saw an opportunity to expand its reach with a Jackson County project, its first, and it is no surprise what turned their heads. The primary owner of Peach Market and Bridgepoint Development is Yizhuo Liang, a woman of color, an immigrant and an accomplished person with a plan.

The Jackson Housing Commission

Laurie Ingram, Executive Director of the Jackson Housing Commission knows how difficult it is for food desert residents to access fresh foods. Laurie oversees all Section 8 Housing in the City and she also manages three large Section 8 Housing complexes in different sectors. She has volunteered to provide the venues for off-site cooking classes at each of the complexes where their community centers have cooking facilities.

[The City of Jackson Downtown Development Authority](#)

The Jackson DDA was an organization that reached out and approved a grant for Bridgepoint Development to assist with façade improvement for the blighted property. The \$30,000 grant is supposed to be paid after completion. There may or may not be an issue with the grant due to city administrative changeover and the coronavirus. Support is pending.

[The Jackson City Council, its Mayor and City Manager](#)

In addition to extending courtesies at every turn, local government officials invested taxpayer money in this project by designating the former “blighted property” used for this new food market as a qualifying OPRA Property which stands for Obsolete Property Rehabilitation Act, supported by the State of Michigan and local tax authorities. With its action, the City Council is allowing property taxes of Peach Market to be frozen at current rates. This will save tens of thousands of dollars over the first twelve years of operations. An endorsement resolution of this project and the reasons it is supported have been published in a resolution of the City Council.

[250 Senior Citizens](#)

This is no formal group, but within one block of Peach Market in different directions there are three housing projects that are federally supported and designed exclusively for low-income seniors, including the disabled. Each day during construction many of these seniors walk by (or glide by on mobility scooters) to check on progress. There is no group more excited about this project than these seniors who have been having extreme difficulty getting anyone to take them to a store.

There are Four Partners in this Project

Bridgepoint Development LLC and Peach Market, Inc.

Both organizations are jointly owned by Andrew Kokas and Yizhuo “Olivia” Liang, a married couple who reside in Jackson County. They have invested \$190,000 of their own funds and are the driving force for the creation of Peach Market, which they will also operate. Their main jobs are to complete the construction of their building, purchase equipment and inventory and sell fresh and nutritious foods to an underserved community. They will also coordinate all the responsibilities related to this grant.

HealthVision Foundation for Educational Media

This small non-profit is run by Andrew Kokas who serves as president and executive producer. Mr. Kokas, a University of Michigan graduate, has worked in the media most of his career with important sabbaticals in grocery and food service, which is part of his family heritage. Under the auspices of the Foundation, Andy has produced hundreds of broadcast TV programs about health and medicine. He will be responsible for all educational materials and external promotion for the market.

The Center for Family Health

The Center for Family Health is an independent, federally qualified health center providing primary medical care and dental services in Jackson County. A patient-centered medical home, the Center provides services regardless of ability to pay. The Center began serving the community in 1991 and today operates a main facility in downtown Jackson just three blocks from Peach Market. There are approximately forty clinicians who provide care to the community, many of them overseen by Rose Johnson, MD, the Medical Director and a collaborator in this project. The primary responsibility of the Center for Family Health in this project is to pull health information from the aggregate population served by Peach Market, as well as individual health data from patients willing to be part of the more focused interventions and to conduct those interventions.

Ann J. Impens, PhD, MPH

Ann Impens earned her doctoral degree from the University of Michigan in the School of Public Health. Her focus then and now is on Health Behavior and Health Education. Professor Impens currently provides research support to medical students, medical faculty and clinicians at Northwestern University in Chicago. Many of her projects have a public health and community focus which aligns with the school's philosophy and her own. In addition to her teaching and research, Professor Impens is a project reviewer for PCORI—Patient Centered Outcomes Research Institute. In this project, Dr. Impens will design the study identifying the health impact created by healthy food access as well as the role that Peach Market program interventions play in increasing fresh food demand.

The budget narrative and budget items have been removed from this document. Detailed financial information is not available for public presentation purposes.

BUDGET NARRATIVE

Provide a short description for each budget item listed in the table. **The 30% Match does not need to be on every line. You can put it all toward one piece of equipment or all toward contractual. It is best if it is not spread over all lines.** (Complete the table below. Add lines if necessary)

Item	Requested Funds	Matching Funds –Must be at least 30% of Grant Request	Project Totals
Equipment			
	\$	\$	\$
	\$	\$	\$
Total Equipment	\$	\$	\$
Materials and Supplies			
	\$	\$	\$
	\$	\$	\$

Total Materials/Supplies	\$	\$	\$
Contractual			
	\$	\$	\$
	\$	\$	\$
Total Contractual	\$	\$	\$
Other (Please list activities)			
	\$	\$	\$
	\$	\$	\$
Total Other	\$	\$	\$
Administrative Costs (Non-Profit organizations only. May not exceed 10% of grant request)			
	\$		\$
Personnel/Salaries			
Name, % of time, salary, etc.		\$	\$
		\$	\$
		\$	\$
		\$	\$
Total Salaries		\$	\$
Total Fringe Benefits		\$	\$
Total Travel		\$	\$
Total Project Cost	\$	\$	\$

Organizational Capacity Survey

The objective of the Organizational Capacity Survey is to attain an understanding of your organization’s systems, policies, processes, and practices. The information collected by this survey will be used by the Department of Agriculture & Rural Development (MDARD) as a tool to review the capacity of your organization to successfully execute the terms of this grant. NOTE: MDARD reserves the right to request a copy of any materials attested to in this Organization Capacity Survey.

Instructions:

- ~ Respond to each applicable question: some questions may not be applicable to your entity;
- ~ Submit with your application to MDA-grants@michigan.gov

Person completing this survey [Andrew Kokas](#)

Phone / e-mail: (517) 745-9191 akokas@comcast.net

1. Technology Resources. Does your organization:
 - a. Provide a computer for all employees/persons? Yes No
 - b. Have a dedicated e-mail account for all employees/persons Yes No

- c. Have high-speed internet access? Yes No
2. What was your average annual employee turnover rate for the past two years? [N/A](#)
3. Does your organization have the ability to effectively respond to sudden personnel changes on a:
- a. Short-term basis (unexpected illness) [N/A](#) Yes No
 - b. Intermediate-term basis (unexpected resignation) [N/A](#) Yes No
 - c. Long-term basis (budget cutbacks necessitating staff reduction) [N/A](#) Yes No
1. If you are a food establishment, do you hold a current license? Yes No
2. Has an audit by a Certified Public Accounting been finalized for the most recently completed fiscal year? Yes No
3. If "No", is one currently underway or scheduled? Yes No
4. Has your organization received funding for this project from another source?
5. Yes No
6. Has your organization requested funding for this project from another source?
7. Yes No
8. Has your organization received a federal or state grant award in the last two (2) years?
9. Yes No
10. Does your organization use an automated accounting system? Yes No
11. If "Yes", what is the name of the system? [Quickbooks](#)
12. Has your organization registered with [State Budget Office - Contract & Payment Express](#)
Yes No
13. You may be asked to provide a recent Income Statement and Balance Sheet to show the financial stability of your organization to front the money until a report/reimbursement request is due. Is your organization able to comply with these requirements? Yes No