

About This Grant Request

The following grant request of the federal government was written in collaboration with another entity called Northern Initiatives. Northern Initiatives is a CDFI (Community Development Financial Institution) sanctioned by the US Government to receive grants and provide funding to developments in low-income communities.

We had the option to apply for this grant by ourselves as a private enterprise, or to apply under the auspices of our CDFI. We chose the latter.

Either way, the grant request did not succeed. Most of the content was written by me, Andrew Kokas. Some of the content was supplemented by the CDFI--Northern Initiatives.

USDA Healthy Food Financing Initiative
Increasing Healthy Food Access in Downtown Jackson, Michigan
12-month project timeline and Proposal

Background (250 words)

Briefly describe the applicant organization, its ownership or management structure, relevant project partners including supplier or buyer relationships and/or community partnerships as applicable. Please describe the applicant organization's and/or project partners' experience relevant to the success of developing and operating the proposed project. If applicable, please discuss if your project involves women- and/or minority-owned businesses and organizations.

Northern Great Lakes Initiatives (dba Northern Initiatives or NI) is a nonprofit Community Development Financial Institution that provides loans and business services to new and start-up organizations likely to bring high value opportunities to low-income neighborhoods. NI is governed by a board of 19 directors who guide CEO Elissa Sangalli and her staff of 25. Since 1994, NI has provided 1,302 loans totaling \$77.5 million dollars. A third of NI's customers are startups, a third are manufacturing, a third are to women-owned businesses, and over 70% are small businesses located in low-income areas. In 2019, over half of NI's loans went to minority-owned businesses.

Entrepreneur Yizhuo Liang, an Asian-American woman and her husband, Andrew Kokas (Bridgepoint Development) are restoring a blighted building to open Peach Market - an urban fresh food market to service the long-suffering downtown food desert residents in Jackson, Michigan. For their part, Liang and Kokas bring their own relevant experiences to the project. Their education - even their "DNA" has helped them navigate the intricacies of opening a unique enterprise because their families have been in the food business for generations. Individually, they have worked in fresh food grocery, produce and deli operations, mid and high-level restaurant operations, high level off-site catering and employer canteen operations. Mr. Kokas has his bachelor's degree from University of Michigan. Ms. Liang has a Masters' degree in business development from St. Joseph University in Philadelphia. (235 words)

1. Population, Community and/or Market Served (500 words)

Describe the critical elements and needs of the local food environment and the community that would benefit from the proposed project. This could include brief demographics and geographic characteristics of the area or population involved with or to be served by the proposed project. Applicants could describe the market within the food economy to be served by the food retailer or food enterprise. Applicants could draw from a Community Food Assessment or a market study to describe the challenges to access to food in this community. Please indicate if your project is accessible by public transit, if applicable. Most relevant is an explanation of who is to be served by this proposed project, and to what extent they are involved in project development, activities, operations, and successes.

The city of Jackson, Michigan (population 32,400) is located in the south central Lower Peninsula. Median household income of Jackson is \$26,586, sitting below Michigan's average of \$54,938. Thirty eight percent of the residents are at poverty or below which is over twice that of Michigan's rate (13%).

The average annual income of households located within a six-block radius of City Hall representing three USDA-designated food desert census tracts is \$16,205 (HUD's Extremely Low-Income limit for a family of 2 is \$15,950 for this area). This means that collectively, on average in a two-person household, everyone here lives in poverty. Peach Market will be in the center of this poverty enclave and less than

a ten-minute walk for 7,204 low-income residents comprising 3,662 total households. Twenty five percent of adults in this area--pre-pandemic--were unemployed.

Located in the same block as Peach Market live roughly 400 elderly and disabled persons with fixed incomes who cannot easily travel. It is expected these residents will frequent Peach Market regularly taking advantage of the ADA accessibility provided.

Food access is an issue in this area. In the area considered "metropolitan Jackson" (population 105,000) there are ten full-service grocery stores. All are located near the city limits, but no grocery store is in the city itself. Also, none would be considered "neighborhood grocery stores." They are all located on busy streets, near big box stores and fast-food restaurants. The only food option for downtown residents within walking distance or a short bus ride are convenience stores that offer such items as pizza slices, fried chicken, and limited canned food.

Depending on the neighborhood within the city, 30-70% of Jackson residents do not have personal transportation but can still get to all ten grocery stores by bus. Those without a car who do not live close to the bus depot must take two buses to get to a grocery store—one to bring them downtown and the other to take them outbound to a grocery store. Additionally, bus riders are limited by bus regulations to just two bags of groceries. Peach Market is in the same block as the bus depot, therefore it will be easily accessible for those without personal transportation.

A secondary market for Peach Market is the nearly 7,500 professionals who work within 6 blocks of the Peach Market. Five thousand of these work within 3 blocks and 2,500 are right across the street. Many of these customers are educated beyond high school and possess advanced degrees. This means these shoppers will be likely to buy higher priced items, sustaining Peach Market as it tries to develop the low-income customer base.

Peach Market project has wide community support from the Jackson City Council, the Jackson Anchor Initiative, the Jackson Housing Commission, the Center for Family Health, the Jackson DDA, and pastors of Black Churches who have invited Peach Market to address their parishioners about food opportunities coming to the neighborhood. (500 words)

2. Project Objectives, Activities, and Outcomes (750 words)

Describe the overall project for which you are seeking funding, including the community or market needs to be met; the goals of the project; the overall model, such as business model, program model, and sources of revenue and ability to cover ongoing operating expenses; project activities to be undertaken and the timeline to accomplish these activities; the specific changes (outcomes) that will occur as a result of the project, and who and what will benefit. As applicable, discuss the extent to which your project supports regional food systems and locally grown foods. Most relevant is why these activities were selected, and what impact on food access the applicant expects they will produce.

Northern Initiatives is requesting a grant from the Reinvestment Fund Healthy Food Financing Initiative in the amount of \$198,000 to support the opening of Peach Market, owned by Bridgepoint Development.

Goal

The goal of this project is to improve access to healthy, fresh foods to the primarily low income residents of Jackson's downtown area, through the opening of Peach Market, a small format fresh food retail grocery store. The Peach Market owners are taking a once blighted and condemned building and creating a fresh food oasis that will provide important grocery items for those living in the downtown area who would otherwise need to travel over 2 miles by bus or car to the grocery store.

Products Offered

Bridgepoint Development and Peach Market will participate in the Fair Food Network's Double-Up Food Bucks program allowing EBT customers (Michigan Bridge Card holders) to purchase fresh produce at half the price (39% of all City of Jackson households are receiving food stamp/SNAP benefits). These will include fresh fruits and vegetables, meats, dairy, and baked breads, general grocery items that fall into the category of Staple and Perishable Foods. Other items will include canned non perishable foods, spices, personal care products, wine, and beer. Bridgepoint has also been working with the Fair Food Network to identify local suppliers of fresh meat, dairy products, and produce to be sold in Peach Market.

To sustain the enterprise (and just like other businesses), Peach Market will cater directly to millennials and Generation X office workers with products like locally-grown and organic produce, grass-fed beef, a coffee and juice bar, a breakfast bar, a salad bar, a beer, wine and liquor bar, grab-n-go fresh sandwiches and soups, pre-prepared meals, recyclable carry out containers, ethnic foods, transparency in labeling, high level customer service and spic and span cleanliness. The expectation is that these customers will visit the market for a fast breakfast, a fast lunch and to stop by after work to pick up a few grocery items needed for that night's dinner. These offerings will support a longer introduction period for low-income customers unaccustomed to this type of market. To bring them in, Peach Market will first make sure that most of its front-end workers live in the neighborhoods to be served by this market ensuring a proper and comfortable welcome as they see people they know. These workers will be trained in cooperation with a Michigan agency that provides low-income employee training.

Activity	Expected Completion Date
Exterior renovation	11/15/20
Plumbing	11/15/20
HFFI Funding	11/20/20
Interior renovation	1/15/21
Acquire equipment	1/31/21

Hire store manager and chef	1/31/21
Set distributor relationship, including farmers	2/28/21
Set Final product offerings, including menus	2/28/21
Hire department managers: deli, cashiers, produce, grocery, and bar	3/15/21
Train front line workers, begin city-wide promotion	4/1/21
Soft Opening	4/15/21
Grand Opening	4/30/21

Outcomes

It is expected that 30 jobs (10 full-time and 20 part-time) will be created as a result of the Peach Market development. Specifically, the owners expect to hire a grocery manager, cashiers, produce/grocery floor clerks, bartenders/baristas, deli clerks, cooks and a sous chef. Whenever possible the jobs will be offered first to neighborhood residents starting at above average wages.

The outcome is that through the renovation of a blighted property, Peach Market will contribute to the revitalization of Jackson’s downtown area. Peach Market offerings will provide a sense of place that Jackson is seeking. According to the Jackson Master Plan, the City is seeking developments that provide these kinds of amenities whereby people will feel comfortable shopping and gathering. One thing the master plan did not address, however, are the needs of low-income residents living just on the fringes of downtown. As close as they live to the center city, low-income people can rarely use downtown because there is no place for them to go except the courthouse and bus depot. Shops do not sell what they want, and they have no ability to patronize restaurants that charge \$12-\$14 for lunch. After extensive primary research, Bridgepoint Development became committed to making Peach Market a comfortable gathering center for people of all cultures and income levels; to have all Jacksonians walking downtown day and night to satisfy their most basic need—affordable food--thus enabling the “left-out” sector of the population to also share the benefits of a revitalized downtown. (748 words)

3. Need for and Use of Funds (500 words)

Describe the elements of the project for which you are seeking grant funding, and how grant funding will be used if received. Most relevant is why grant funding is needed in particular for these uses of funds, as well as what grant funding will enable for the project, and the organization. If grant funding is part of a larger set of funding sources, describe what the grant will support within the project funding structure, as well as the source of other funding or financing and status of commitment, if available. and the status of other funding sources. You may attach a sources and uses spreadsheet on the attachments page as additional evidence to summarize the sources and uses described here.

The most successful submissions will be those that have demonstrated how grant funding will enable a sustainable project that can thrive after the grant period is over.

As first-time developers acquiring a blighted building, Bridgepoint Development guessed at some of the renovation costs and they were wrong, with unknown problems revealing themselves adding to project costs. Masonry and roofing costs were the first to crack the budget. Three block walls needed to be demolished and replaced. Three brick parapet walls needed reinforcement. Additional roofing costs appeared. Inside, the developers discovered that plumbing drains needed to be clear to the street and all new pipes had to be installed. These costs, plus storefront glass facades which saw a price increase late in development chipped away at funds that had once been earmarked for electric, mechanical, walk-in coolers and refrigerated merchandisers. Funds, therefore, had to be used for additional exterior renovation costs leaving a hefty gap in construction and equipment needed for inside the building.

The HFFI grant will enable the developers to fill the gap and complete the Peach Market without adding to long term borrowing costs. First, a small portion of the grant will fill the remaining \$15,000 gap for storefront glass. Most interior walls have been prepared, but flooring is an issue on four different floor surfaces. One of them requires additional hardwood planks to match original flooring from the old building. The concrete floor in one room will get polished, while a second concrete floor will get an epoxy covering. The last floor will need to be raised 14 inches with floor joists but will be covered with laminate for its use in back room operations. All new electric will be upgraded to 3-phase service and reach into every wall and corner of the 5,500 sf of renovated space. The mechanical contractor will provide new ductwork for all spaces and install an 11-foot Type I kitchen exhaust. The refrigeration companies will follow with two walk-in coolers. Finally, customer focused shelving, refrigerated merchandisers, a salad bar, coffee and juice bar, deli fridge and cooking equipment will round out most of the development costs.

Total funds for the project thus far have come from the developers (\$165,000), the Michigan Good Food Fund (\$100,000-grant), Northern Initiatives (\$265,000-loan), and Michigan Women Forward (\$50,000-loan). The Jackson DDA committed \$30,000 (loan/grant) but this has not yet been executed. The developers paid for the building, the liquor license, business development costs, and initial working capital. The MGFF paid for architectural and engineering drawings, research and the business plan including all costs related to finding debt financing. Northern Initiatives paid for substantial demolition costs, rebuilding walls, paint removal from exterior and interior brick, brick replacement where necessary and brick repointing. Additionally, NI paid for six new roofs (\$65,000) and for working capital plus wages for a small part time construction staff, extended working capital during the pandemic (helped by a \$10,000 federal PPP loan). Northern Initiatives also paid for some pre-owned refrigeration equipment that became available. Michigan Women Forward provided a loan (committed) to pay for most of the storefront glass (\$50,000). (500 words)

4. Project Impacts (250 words)

Impact assessment is an important component of the HFFI program overall. Reinvestment Fund seeks to collect impact metrics across all of its programs in order to assess the success of its funding initiatives. To determine and lift up best practices in food retail and food enterprise models, to inform the development of healthy food financing initiatives, and to assess the impact of each proposed project, Reinvestment Fund seeks to collect impact metrics about each project that apply for the HFFI TSG program.

Applicants must briefly describe the metrics of success they project for their proposed project, as applicable, such as:

- Growth in annual revenue for their organization / enterprise
- Leveraged capital – the amount of other capital supporting the project
- Square footage created – the amount of food retail space created or preserved
- Jobs to be created or preserved - please describe the number of jobs created or retained and job quality, including how wages and other benefits compare to similar positions in comparable businesses and economies.
- Sales revenue – weekly or annual sales revenue, weekly basket size, percentage of sales from SNAP transactions
- Other metrics appropriate to the project's impact:

Northern Initiatives and Bridgepoint Development will determine this project a success when Peach Market opens their doors to provide fresh and healthy food to the neighboring low-income residents and downtown office workers.

As a Community Development Financial Institution, NI is required to provide a minimum of 60% of loans provided to businesses in low income communities. In addition to monitoring low income metrics, NI consistently monitors metrics related to loans and business services to diverse borrowers, including women, People of Color, and veterans. Additionally, NI tracks jobs created and retained for each loan provided, and engagement and success of NI's technical assistance offerings.

Northern Initiatives will work with the Reinvestment Fund to measure project metrics as they relate to jobs created and the number of low-income shoppers based on Bridge Card transactions. As a part of general operations, Peach Market will monitor such metrics as annual revenue, additional capital leveraged since the start of the project, square footage created and renovated, and overall sales annual revenue.

Northern Initiatives uses Salesforce CRM for all metric tracking and monitoring and will use this software to track the above-mentioned metrics for this project in partnership with the Reinvestment Fund and Bridgepoint Development. (200 words)

5. Operating Projections (pdf document)

Please submit 5-year projections for the operations of the proposed Retail Outlet or Food Enterprise. Financial projections may include estimates for sales projections, gross margins, and operating expenses. Projections may be high level based on best available information. Where possible, applicants should include detail concerning how you arrived at the assumptions.

Small Business Cash Flow Projection

Bridgepoint - Peach Market



Starting date
 Cash balance alert minimum

	Beginning	2021	2022	2023	2024	2025	Total
Cash on hand (beginning of month)	10,000	10,000	96,648	124,155	125,081	124,442	
CASH RECEIPTS							
Grocery Sales		1,491,291	1,553,948	1,616,137	1,680,782	1,748,013	8,090,171
Returns and allowances							0
Downtown Delivery Sales		35,360	59,280	61,651	64,117	66,682	287,090
General Merchandise Sales		144,172	155,163	161,370	167,825	174,538	803,068
Beverage Sales		83,337	86,712	90,180	93,787	97,539	451,555
							0
TOTAL CASH RECEIPTS		1,754,160	1,855,103	1,929,338	2,006,511	2,086,772	9,631,884
Total cash available	10,000	1,764,160	1,951,751	2,053,493	2,131,592	2,211,214	
CASH PAID OUT							
Food Purchases (Cost of Goods Sold)		901,245	1,027,120	1,102,352	1,146,446	1,192,304	5,369,467
General Merch. (Cost of Goods Sold)		72,086	77,581	80,685	83,913	87,269	401,534
Beverage. (Cost of Goods Sold)		21,678	22,545	23,477	24,385	25,360	117,445
Labor		322,807	331,292	339,906	359,244	373,614	1,726,863
Payroll expenses (taxes, etc.)		58,105	59,633	62,177	64,664	67,250	311,829
Occupancy Charges		30,000	30,000	30,000	30,000	30,000	150,000
Equipment Rental		12,000	12,000	12,500	12,500	13,000	62,000
CAM Charges		6,000	6,000	6,250	6,250	6,500	31,000
Admin Charges		12,000	12,000	12,500	12,500	13,000	62,000
Auto Lease		5,400	5,400	5,400	6,000	6,000	28,200
Supplies		1,200	1,200	2,500	3,000	3,500	11,400
Grocery Consultant		7,800	7,800	7,800	7,800	7,800	39,000
Employee Supplies		2,400	2,400	2,800	3,000	3,000	13,600
Advertising		33,416	35,368	36,783	38,255	39,785	183,607
Utilities		18,000	18,500	19,000	19,500	20,000	95,000
Shrinkage		19,750	21,017	21,858	22,448	23,346	108,419
Contingencies (5% of Sales)		88,208	92,755	96,491	100,326	104,339	482,119
Delivery Costs		14,144	23,712	24,660	25,646	26,672	114,834
Other (specify)		0	0	0	0	0	0
Miscellaneous		0	0	0	0	0	0
SUBTOTAL		1,626,239	1,786,323	1,887,139	1,965,877	2,042,739	9,308,317
Northern Initiatives Loan Payments		29,105	29,105	29,105	29,105	29,105	145,525
MWF Loan Payments		12,168	12,168	12,168	12,168	12,168	60,840
Other Loan Costs		0	0	0	0	0	0
							0
							0
TOTAL CASH PAID OUT		1,667,512	1,827,596	1,928,412	2,007,150	2,084,012	9,514,682
Cash on hand (end of month)	10,000	96,648	124,155	125,081	124,442	127,202	

Selected Assumptions

- Cash Flow Projections reflect Peach Market at full operation after opening.
- Sales increase 4% annually
- Grocery Sales are based on published data showing how much a customer spends at this type of store on a single visit based on income. This is combined with Bridgepoint Development's own data calculating walking distance to the market. The figures above are a combination of residential and commuter customers. The detailed break-out is available upon request. The target market area (commuter and residential) was divided into small sectors based on distance to the market. For example, residential customers who live more than a five-minute walk to the store were projected to spend less per week than those within a three-minute walk. The same is true for downtown commuter office workers who are as near as across the street to a 14-minute walk away. Based on distance, a variable percentage of the collective of customers in an individual sector were assumed to visit the store once per week and spend up to 18% of their weekly food budget (data sourced). For example, half (50%) of the people living within three minutes of the store are projected to visit the store once per week where just 10% of the people living 12-minutes from the store are projected to visit once per week.
- Grocery and Delivery Food Costs = 59% of sales, estimated
- Beverage Sales shown above refers to beer, wine and liquor sold by the glass. The developers purchased the building with its on-site liquor license, so they intend to sell by the glass inside the food market. This is a relatively new concept in Michigan and data is not known about the successes of sales in a grocery store setting. To remain conservative, bar sales are assumed to be less than \$250 per day with beverage costs at 26% of sales. It is hoped that number will be higher.
- Merchandise Costs = 50% of sales, calculated at industry average
- Expenses overall reflect expected inflationary and cost of living increases.

6. Sources and Uses (template provided)

If your HFFI grant request is part of a larger project with additional sources of funding and activities, please upload a budget spreadsheet summarizing your project's sources and uses. Please [click here](#) to download a sample Excel template for a sources and uses format, although you may use your own format if you prefer

7. Letters of Support (pdfs documents)

You may submit letters from the key organizations involved in the project, partners, and other project stakeholders, acknowledging their support and contributions. For projects involving real property and/or construction, letters of support to demonstrate engagement of the local community are recommended. Letters of support are not required, and applicants who do not include letters of support will not be penalized.

These letters of support will be attached.

- Jackson City Council – in hand
- Mary Donnell – in hand
- Center for Family Health - Andrew send copy to NK
- Individual City Council Members - Andrew send copy to NK
- Jackson DDA - in hand
- MSU Product Center – no
- Fair Food Network – in hand
- Consumers Energy - coming

8. Budget Narrative: (600 words)

Describe with some detail how you arrived at the budget figures (such as quotes, estimates, or comparable figures). Describe categories of costs, include estimates and quotes.

- FFE: \$91,900; Costs associated with interior retail including but not limited to displays cases, refrigeration, and other kitchen equipment, walk in coolers, lighting, etc. *List all purchases for items with a life span of 1 year or more and for all purchases above \$5000 per each item acquired.*

The following are costs associated with Furniture, Fixtures, and Equipment. All have a lifespan of greater than 1 year.

Furniture	Cost	Total
Cashier Module	750	
Produce Display Pods	1,250	
Grocery Shelving	1,700	

Bulk Food Dispensary	1,100	
Bread Showcase Display Cabinet	1,900	
Standing/Sitting Coffee Bar	1,950	
Back Room Storage Shelving	1,000	
Office furnishings	1,000	\$10,650

Fixtures

Fluorescent Lighting	4,250	
Spot and Directed Lighting	3,000	
Restroom Fixtures	2,200	
Hand sinks and faucets	600	
3-compartment sinks and faucets	1,500	
Food prep work tables	1,300	
Deli Dishwasher	1,500	\$14,350

Equipment

Coffee-soda related equipment	4,500	
Refrigerated Salad Bar	3,200	

Glass door merchandising refrigerators (5)	7,400	
Vertical Open Air Vegetable Coolers	4,500	
Hot Bar and Supplies	1,400	
Oven-Range-Grill	3,000	
Charbroiler	600	
Convection Oven	1,500	
Deli Slicer	1,000	
8-foot deli counter	4,000	
Meat and Frozen Food Freezers	3,800	
Ice Machine	2,000	
20-foot glass door beverage cooler	13,000	
Back Room Walk-in Cooler	17,000	\$66,900

(176 words)

- Construction: \$88,100; Construction costs related to HVAC and kitchen exhaust, electrical, flooring, window installation and ADA compliance. *As applicable, include the acquisition and/or construction and renovation of land and/or buildings. Construction budget should include a minimum of 10% contingency.*

The following are costs associated with construction of Peach Market.

Construction

HVAC contractor, incl. Type 1 Exhaust	34,200
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Electrical contractor (estimated)	22,500	
Partial plank flooring	1,800	
Partial tile flooring	450	
Partial concrete polished floor	3,150	
Partial epoxy floor	2,520	
Storefront windows (still remaining)	13,500	
ADA Ramps and accommodations	1,170	\$79,290
Construction Contingencies (\$8,810)		
Total		\$88,100
		\$180,000

(60 words)

- Indirect: \$18,000; 10% of the direct costs (\$180,000) associated with administration and reporting to USDA HFFI.

Northern Initiatives will provide dedicated staff to the HFFI funded Peach Tree market project. Natasha Koss, Development Coordinator, and Amanda Blondeau, Chief Strategy Officer, will be responsible for impact monitoring in collaboration with Bridgepoint Development and reporting to the Reinvestment Fund. Northern Initiatives will provide coaching and technical assistance to Bridgepoint Development in the form of face to face meetings and providing assistance through NI's online customer portal called Initiate. The combination of these services rounds out the blended learning model of technical assistance delivery. Northern Initiatives staff business coach, Chris Wendel and commercial lender, Melissa Evans will provide these services in support of Peach Market's start and growth. Total staff salaries with fringe (27%) are \$13,385. Northern Initiatives expects two visits each for the lender (from NI's Muskegon office) and business coach (from NI's Traverse City office) with a total travel expense at \$1,000. (151 words)

- TOTAL: \$198,000

Supporting Information

Priority Points

Priority will be given to projects that have the following attributes. Two (2) points will be awarded for each attribute for a total of 16 priority points awarded on top of points awarded for the criteria above.

- Projects that are in Very Low-Income Communities (as defined earlier in this RFA).
- Projects that will create or retain Quality Jobs (as defined earlier in this RFA) for low-income residents in the community.
- Projects that support regional food systems and locally grown foods to the maximum extent possible.
- Projects that are accessible by public transit (in areas that are served by public transit).
- Projects that involve women- or minority-owned businesses.
- Projects in Rural Areas (as defined earlier in this RFA).
- Projects that receive funding from other sources, including other federal agencies. Matching contributions or cost-sharing is not required for awarded funds. However, the ability of an applicant to demonstrate that a grant award will serve to leverage other sources of capital, including other local, state, or federal government resources, private sources of equity or debt, will be considered.
(NI, MGFF, Michigan Women Forward, City of Jackson)
- Projects in communities that have been underserved by HFFI investment, including other national, state, and/or local HFFI programs.

Marketing and Outreach

Finally, Bridgepoint Development has received the support of the local chapter of the NAACP who has offered to introduce Peach Market to ministers of the area's black churches.

Data from the Bureau of Labor Statistics shows persons with an income of \$16,000 spend roughly \$87.25 on food per week, including food stamp allowances. That would equate to roughly \$16,434,462 spent on food by these households. It is expected that many of these residents will spend that money at one of the full-service supermarkets outside of the downtown. The Food Marketing Institute cites that food purchases at primary stores is now on the decline and shows that the percentage of food purchases at stores like Peach Market is up to 31%. Knowing this, Bridgepoint has estimated that roughly \$27.00 a day is spent at a store like Peach Market. Based on the aforementioned data and assumptions based on neighborhood proximity and weekly food budget per household, it is expected that Peach Market will, initially, welcome a minimum of 88 daily shoppers from the adjacent low-income neighborhoods.

What will greatly support this goal of providing fresh food to low-income residents of Jackson's downtown is that the market will also function as a full-service grab-n-go style eatery for the nearly 7,500 downtown office workers - 2,500 of whom are located across the street at the Consumers Energy headquarters building. Bridgepoint Development has estimated that around 1% of those who work downtown will stop by and make a purchase each day. That will equate roughly 75 people or an average of 5 persons per hour, with an estimated expenditure of \$18.75 per person. If these numbers can be achieved, Peach Market will generate more than \$500K in revenues from the portion of grocery items sold only to downtown workers. This revenue source will be important as Peach Market continues to innovate and make the necessary changes to best serve the low-income neighborhood residents.

Pre-prepared meals, sandwiches and soups made fresh daily will be deeply discounted after 7pm. Off-site cooking classes at Section 8 Housing Complexes will be conducted by the Peach Market Chef. Peach Market expects to offer in-office deliveries for groceries, merchandise and sandwiches, however at the start deliveries will likely only be grab-n-go meals to offices in close proximity to the store.

Total costs for the Peach Market have been estimated at \$683,537 including the cost of building acquisition (already purchased), exterior renovations, leasehold improvements, equipment costs, inventories, start-up operating expenses and contingencies. Exterior renovation will take place on the entire 7,000 square foot building, but initial interior renovation will take place on only the 5,300 area that will allow Peach Market to open and begin operations. Renovation of the other 1,700 will be reserved for future tenants or for the expansion of Peach Market if business operations allow.