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Food System Planning
for the Waukegan Food Ecosphere
Phase 2 Executive Summary
New Venture Advisors LLC
DEC 2020

INTRODUCTION

Adelante's Mission

- The mission of the Adelante Center for Entrepreneurship is to create wealth in distressed communities -- especially eastern Waukegan, North Chicago, and Zion -- through entrepreneurship, community development, and living wage job creation, all through a focus on addressing food insecurity.

COVID Development Pivot

- In 2019, New Venture Advisors (NVA) began working with Adelante on a market assessment for a set of projects including a food hall, a kitchen incubator, and an urban farm with a market and café. Pre-development work for this ambitious set of projects began by conducting a preliminary assessment of the food system to identify and clarify the set of enterprises that are most needed and likely to meet project goals.
- Through an extensive interview process, and both a demographic and consumer spending analysis, NVA assessed this cluster of food enterprises. However, as the research was concluding, the coronavirus (COVID-19) pandemic changed the economic and food system landscape abruptly and drastically, causing Adelante to shift its development focus toward programs to address food insecurity and delivery systems.

A New Model

- This report outlines an operating model for a network of food businesses and programs that address improved food quality and access in eastern Waukegan, North Chicago, Zion and the surrounding area, ranging from supply-side enterprises that aggregate and distribute fresh, healthy food right into these communities, to demand-side programs that connect the community with healthy, affordable food.
- From an aquaponics farm to farm-to-school programming and a Comedor meal program serving the housing insecure, a network of enterprises will also aim to provide mentoring and job opportunities and continue to create economic prosperity in the region.
- This network of programs and enterprises will be developed and operated through a **Collective Impact network model.**

THE NEED DRIVING THE MISSION AND MODEL

Adelante is committed to investment through food businesses as a catalyst to spur community development and revitalization in eastern Waukegan, North Chicago, Zion and the surrounding communities. The goal is to use food enterprise development to promote food security throughout the region and create community wealth through job creation.

Metrics and feedback (from interviews) compiled in Phase 1 of NVA's engagement provided support for the central role that Adelante can play in the development of food enterprises and programs that meet the community's needs.

1. The first is the **limited incomes** of the local residential community. Median household income in the downtown area is about \$26,000. This is 50% that of the entire trading area, 43% of the U.S. average, and at the poverty line for a family of four. Increased food insecurity will likely be felt acutely in households already facing financial challenges.
2. The second is the **need for leadership** and resources to catalyze greater collaboration and impact among the programs that already exist in the trade area, especially hunger, urban ag and workforce development programs. Adelante can play an important role as a central aggregator of information and resources to identify and fill in gaps, coordinate the flow of resources to areas of need, and make each of the almost two dozen activated organizations more effective in responding to community needs
3. Third is the need for significant levels of well-planned **financial support** for the development and operational build of food businesses and programs so that residents can utilize and benefit from them.

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WHAT IS COLLECTIVE IMPACT?

In order to better leverage scarce resources, Collective Impact brings together organizations that work collectively to define the problem as well as the vision to solve it. Collaborators agree upon shared goals and measurement, coordinate efforts, communicate often and transparently, and continuously improve based on data-driven metrics.

The model allows for cross-sector specialization and true systems change and is hyperlocal in application through direct involvement and outreach with community members. It also requires a strong backbone, a team dedicated to orchestrating the work of the group.

This is Adelante's proposed role and will allow Adelante to act as a coalition builder and collaborative partner focused on addressing food insecurity with other community organizations and businesses.

OVERVIEW:

Hub & Spoke Organizational Structure

Collective Impact Operating Philosophy



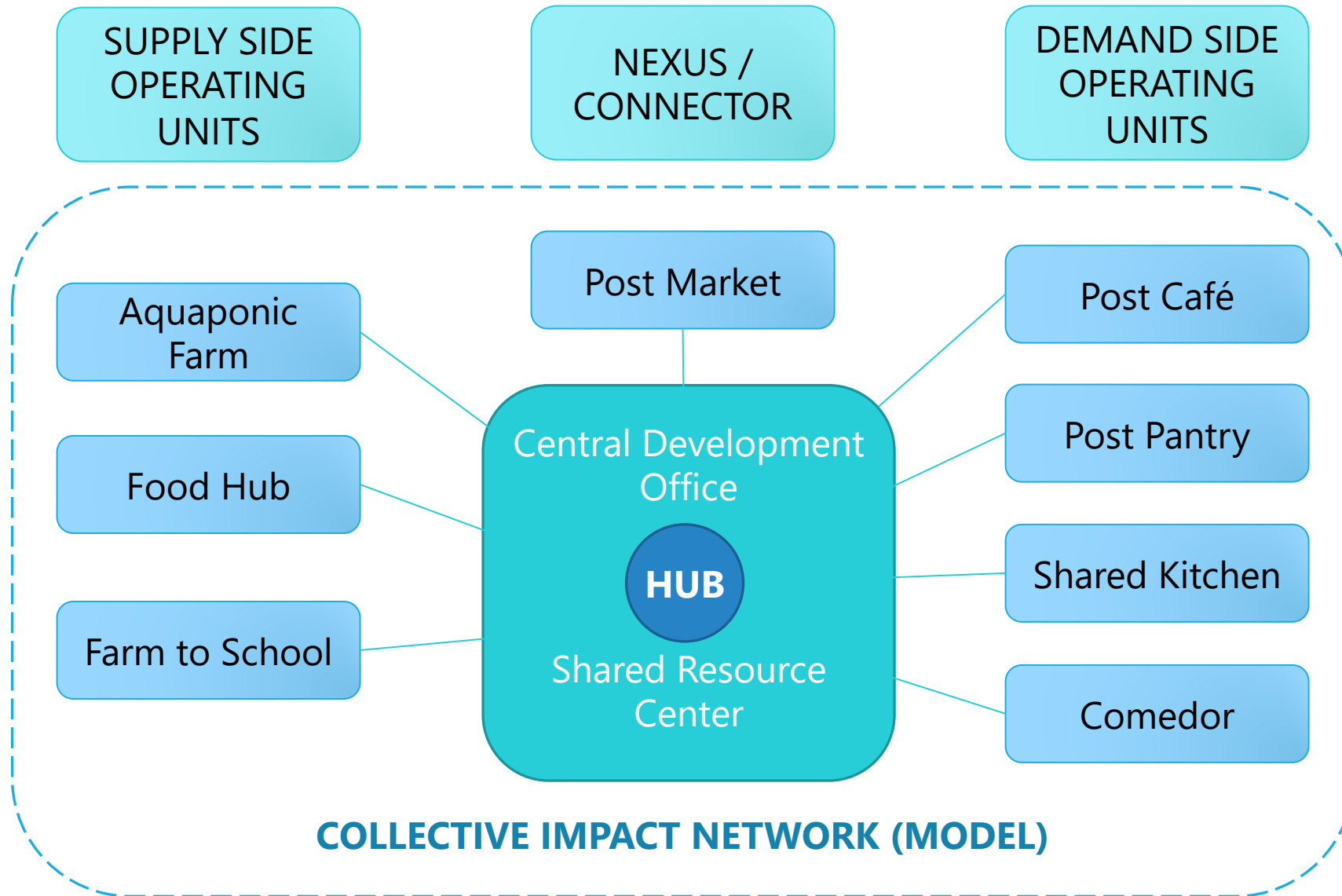
A **hub-and-spoke model** has been applied to the organizational structure, with Adelante as the “hub” or developer and each business component serving as the “spokes” or operating units of the model.



A **Collective Impact operating philosophy** has been overlayed onto the organizational structure to unify the mission behind all operating units.



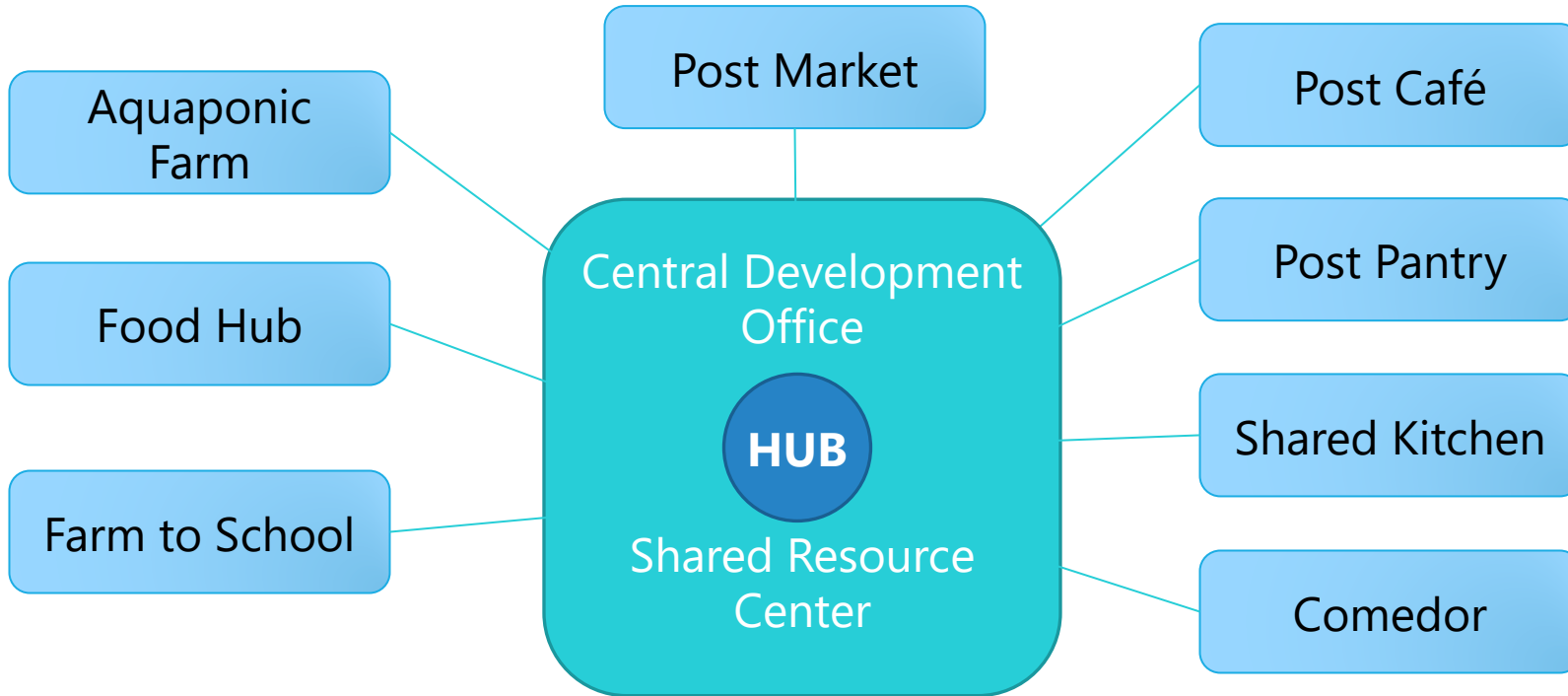
In coordination with other collaborative partners, Adelante will work to stimulate community and economic development by **creating a food system capable of increasing employment, access, and self-sufficiency**. This could serve as a unifying mission under the collective philosophy for the development of several operating units working together within a **Collective Impact network**.



SUPPLY SIDE
OPERATING
UNITS

NEXUS /
CONNECTOR

DEMAND SIDE
OPERATING
UNITS

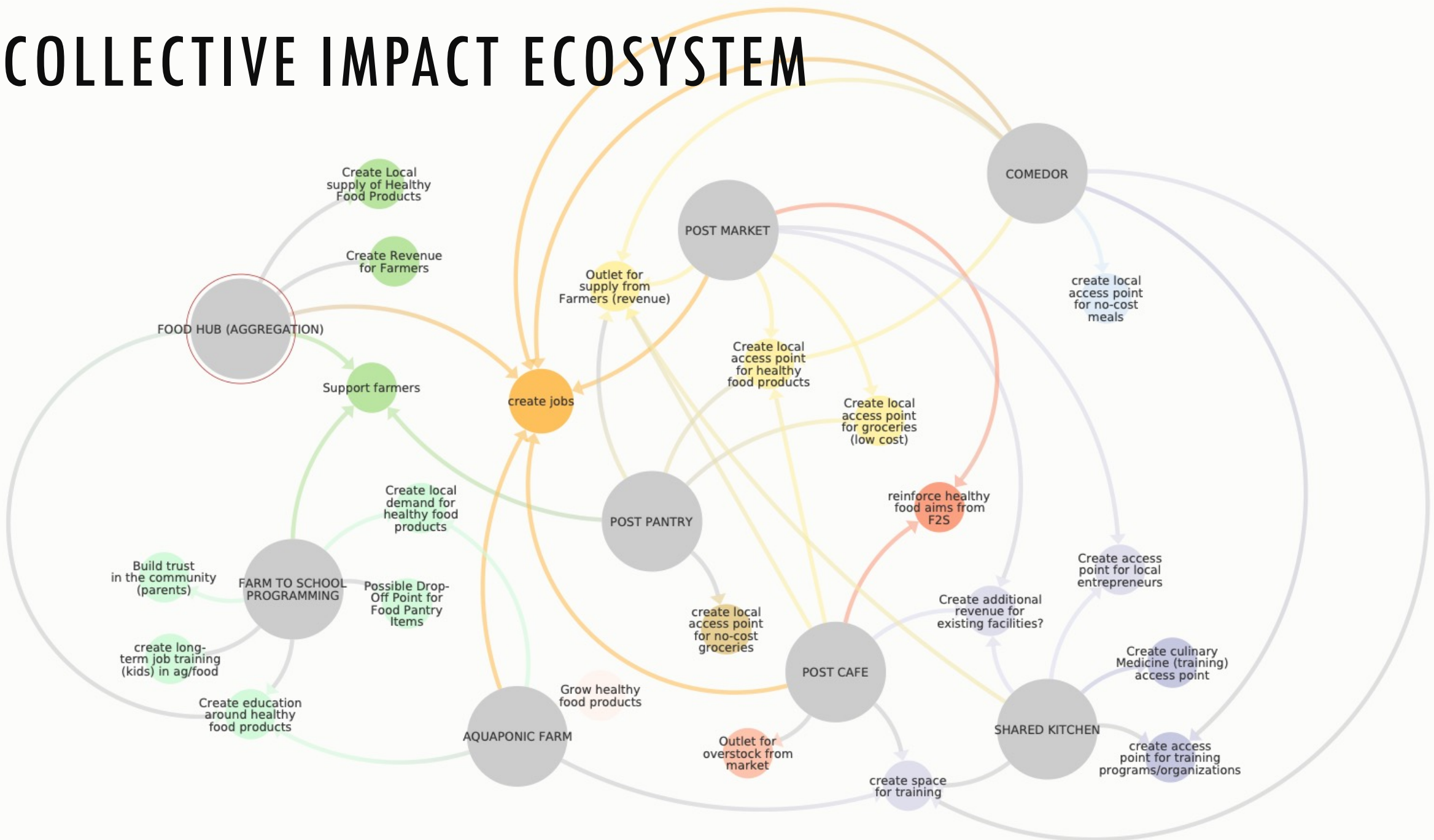


COLLECTIVE IMPACT NETWORK (MODEL)

FOOD ECOSPHERE



COLLECTIVE IMPACT ECOSYSTEM

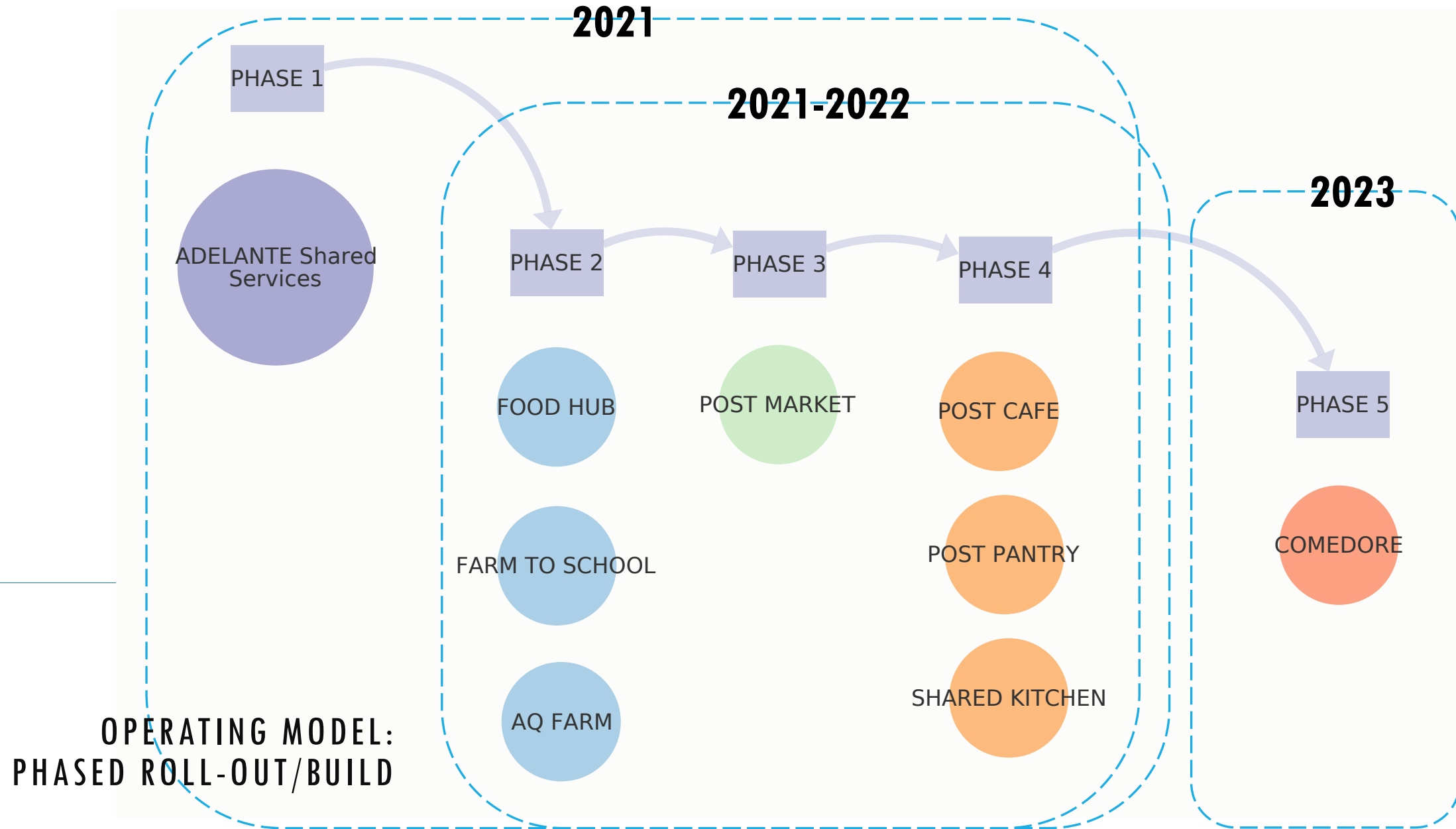


OPERATING MODEL: COLLECTIVE RESOURCES

Within the Collective Impact network, Adelante would organize the operating units and act as a development leader – either owning or leasing parcels/properties and acting as the primary developer of the operating units before sale or lease to the collaborative partners who would oversee each operating unit.

Adelante would also organize this Collective Impact network towards a common goal or mission – community development and job creation in Waukegan and North Chicago. To this end, as the central developer, Adelante would act as an aggregator of resources of three types:

- 1. Physical Resources:** Adelante would support the development of parcels or properties to help develop the operating units and build a common or shared facility that all units would operate out of. In a shared model, the operating units could share common physical assets such as loading areas, employee facilities, office space, event space, etc.
- 2. Personnel Resources:** To assist the operating units in keeping operational costs low, Adelante would aggregate personnel resources to support all operating unit businesses. In a Collective Impact network, Adelante would support common business needs such as HR, finance, grant-writing, marketing, sales + development, and other training or employee-related needs.
- 3. Intangible Resources:** Adelante would support the development and operating philosophy/goals by providing supporting activities such as grant development and funding support, metric and reporting to funders and common investors/supporters, interactions with government and supporting entities, public-facing marketing outreach or business development, and future development and projects.

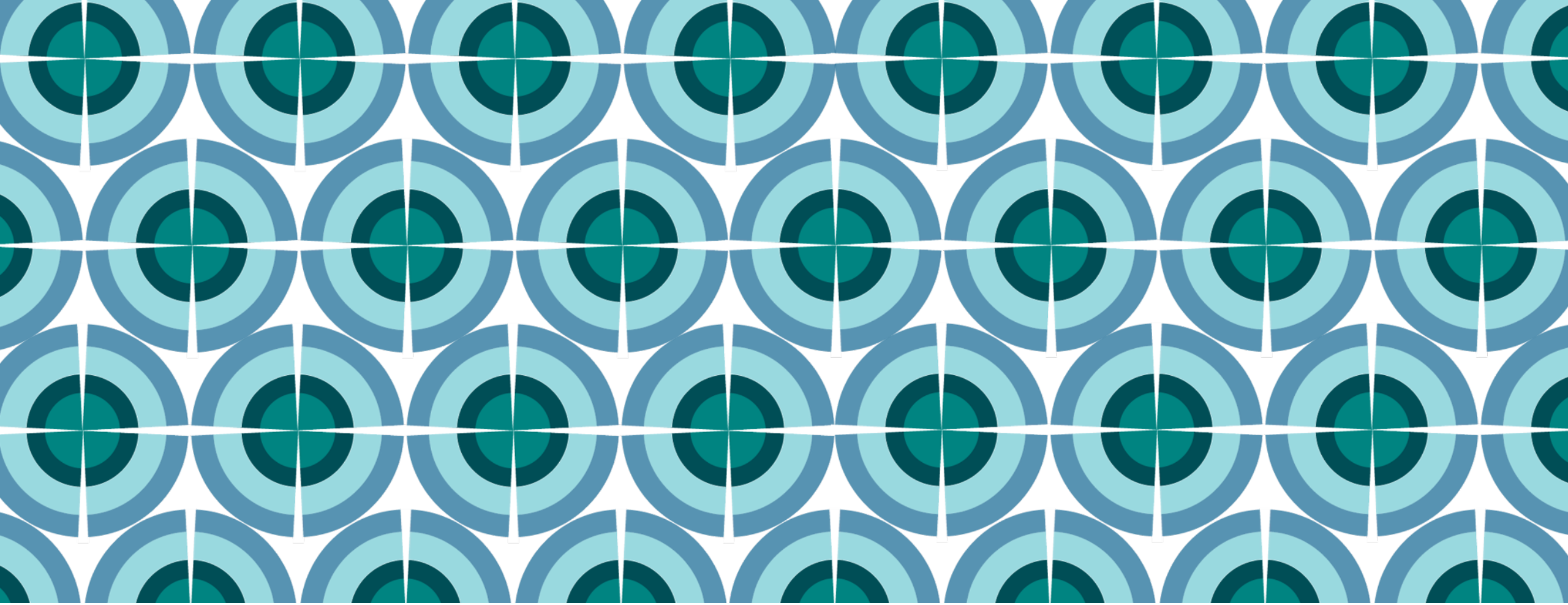


PHASED DEVELOPMENT PLAN

| PHASE | OPERATING UNITS | DESCRIPTION |
|--|---|--|
| PHASE 1 Adelante's Resource Hub | <ul style="list-style-type: none"> Central Development Office Shared Services Center | Adelante builds out central office space in which the rest of the planning and development may occur, in cooperation with local partners and the community itself. As the coalition builder, Adelante can use office and conference space to connect and convene partners and other organizations and provide support for all project components. Adelante will also work to aggregate resources, support interactions with various government jurisdictions to secure development locations and resources, seamlessly market all projects in the collective model, provide sales support for revenue-driving components, and secure funding assistance. |
| PHASE 2 Supply-Side Operating Units | <ul style="list-style-type: none"> Aquaponics Farm Food Hub Farm-to-School Programming | Adelante builds out supply-side components that will help to ensure a sustainable revenue stream to support the ventures that will make up the "demand-side" components, or those that will purchase or otherwise receive the Farm produce. By first building up a viable set of suppliers, Adelante and its partners can improve food access points, food quality, and awareness, laying the groundwork for the programs and other components to follow. |
| PHASE 3 Nexus/Connector | <ul style="list-style-type: none"> Post Market | The market is an important nexus between the supply (Food Hub, Aquaponics Farm) and demand side (Café, Pantry, the public) of food in North Chicago and Waukegan. |
| PHASE 4 Demand-Side Operating Units | <ul style="list-style-type: none"> Post Café Post Pantry Shared Kitchen | These businesses and programs provide more access points for the neighboring community. |
| PHASE 5 Specialized Access Programming | <ul style="list-style-type: none"> Comedor | Introduced in the final stage of the Coalition's development, and with the Food for Soul non-profit entity in Italy as the model for this line of business, this component would include a restaurant or café space serving hot meals to housing insecure or low-income community members and be called Comedor. The facility would also act as a skills or workforce development site for culinary skills training. It would serve not only as a food access point but also a nexus for connecting food insecure individuals with other social services. |

DEVELOPMENT MILESTONES

| Phase | Milestone | 2021 | 2022 | 2023 | 2024 |
|-------|--|------|------|------|------|
| 1 | Structure & Implement Collective Impact network | X | | | |
| 1 | Feasibility Analysis and Financial Forecast of Network Model & Main Operating Components | X | | | |
| 1 | Facility Visualizations + Location Development with Municipalities | X | | | |
| 1 | Partner/Operator Matching | X | X | | |
| 1 | Funding Development & Engaging Investors | X | X | X | |
| 1 | Community Engagement | X | X | | |
| 2 | Implementation of Farm-to-School Programming | X | X | | |
| 2 | Development: Food Hub, Aquaponics Farm | | X | | |
| 3 | Development: Post Market | | X | | |
| 4 | Development: Post Café, Post Pantry, Shared Kitchen | | X | X | |
| 5 | Development: Comedor | | | X | X |



APPENDIX

Interview List
Case Studies

SUPPORTING CONVERSATIONS & INTERVIEWS

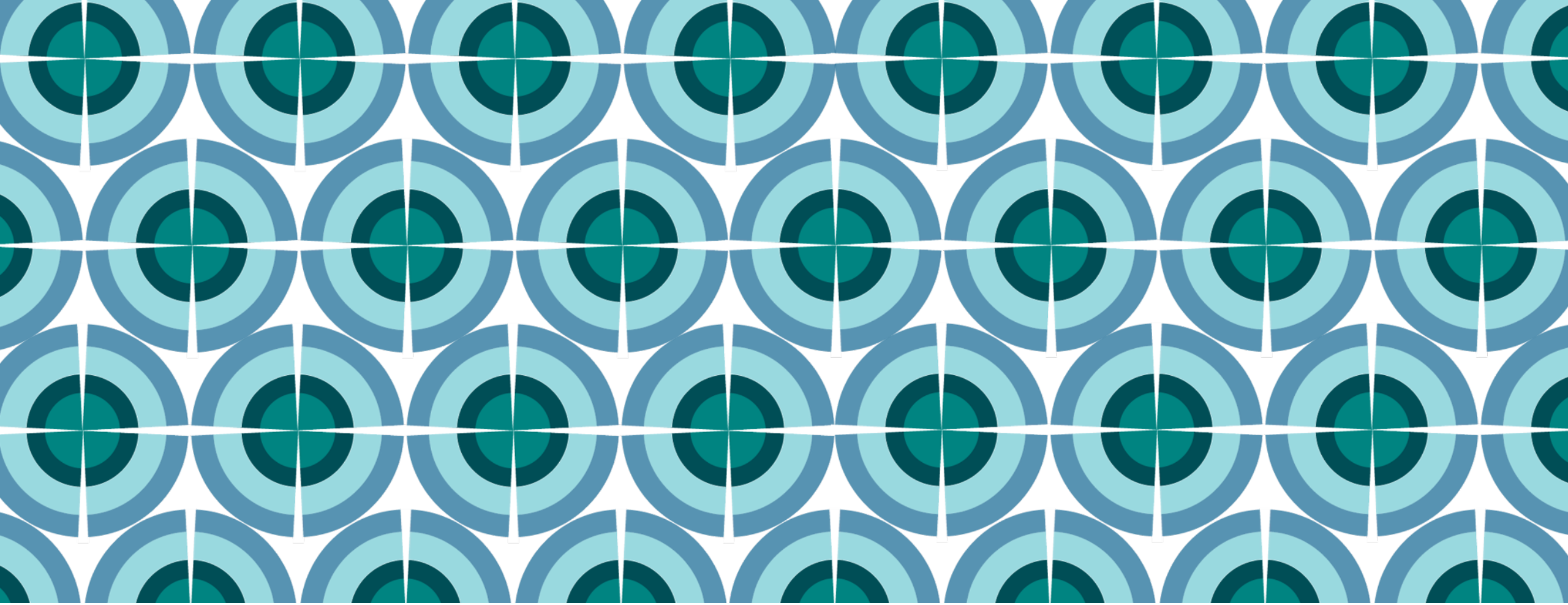


| Company/Organization | Contact & Title |
|---|--|
| FOCUS: Understanding the landscape of community development + Lake County development | |
| <u>College of Lake County Foundation</u> | <u>Kurt Peterson</u> , Executive Director |
| <u>College of Lake County</u> | <u>Rory Klick</u> , Associate Professor of Horticulture/Department Chair |
| <u>Chicago Neighborhood Initiative (CNI)</u> | <u>Ciere Boatright</u> , Vice President – Real Estate & Inclusion |
| FOCUS: Technology & Apps related to food access components | |
| (self) | Bob Hess, Digital Consultant |
| <u>Source WhatsGood (App)</u> | <u>James Cochran</u> , Support Manager |
| <u>Source WhatsGood (App)</u> | <u>Erin Tortora</u> , Co-Founder/Director of Resources (not on call) |
| <u>City Harvest/ Plentiful (App)</u> | <u>Bryan Moran</u> , Director of DevOps |
| FOCUS: Component and/or Operating Model Comparable | |
| <u>Ouroboros Aquaponic Farm & Education Center</u> | <u>Ken Armstrong</u> , Co-Founder & Owner |
| <u>Downtown Market Grand Rapids</u> | <u>Mimi Fritz</u> , President & CEO |
| <u>Local Foods</u> | <u>Jim Carbine</u> , Former President & CEO |
| <u>New Venture Advisors (NVA)/ <u>Wit Meets Grit Advisors</u></u> | <u>Nikki Seibert</u> , Food Systems Consultant |

CASE STUDIES:



| COMPONENT | CASE STUDY | LOCATION |
|---|---|-------------------|
| Aquaponic Farm | Ouroboros Farm & Education Center | Half Moon Bay, CA |
| Grocery/Market | Swamp Rabbit Café & Market | Greenville, SC |
| Cafe | <i>*For this exercise, the grocery/market and café have been combined into a single case study.</i> | - |
| The Food Hub (Aggregation & Distribution Center) | Local Foods Market, Distribution & Café (LF) | Chicago, IL |
| The Food Pantry (Integration of Aggregation work via CATCH) | FoodLink | Rochester, NY |
| Restaurant/Meals Provider for Housing Insecure Individuals | Nourish KC | Kansas City, KS |
| Commercial/Demo Kitchen | The Downtown Market Grand Rapids | Grand Rapids, MI |
| Farm-to-School Program | FreshFarm (FoodPrints Model) | Washington, DC |
| Full Operating Model/Structure | The Zingerman's Community of Businesses | Ann Arbor, MI |



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