NEW HILL
DEVELOPMENT
CORPORATION

BEACON's Shared-Use Commercial Kitchen and Incubator

Black **E**ntrepreneurial **A**dvancement and **C**ommunity **O**pportunity **N**etwork

BEACON's Kitchen

We are building a fully-equipped, shared-use commercial kitchen and incubator for rent on an hourly basis or monthly membership.

Think of it like a WeWork or a gym membership for food companies!

About New Hill

- New Hill is an African American led social enterprise founded in 2018 with the focus of increasing financial mobility within Charlottesville's Black community. Our three pillars of focus are: Financial Capability, Economic Opportunity and Affordable Housing.

- What New Hill has accomplished:
  - In 2018 New Hill received a $500,000 donation from the City of Charlottesville's Community Equity Fund to complete a small area plan for the Starr Hill Community and begin implementation of Financial Coaching in partnership with Operation HOPE.
  - In 2019 New Hill partnered with LISC, Floricane, RW Ventures and hundreds of community members to envision a road map for economic justice in Charlottesville as part of the future development in Starr Hill.
  - In 2020 New Hill won a statewide ***Inclusive Community Award*** from The Governor's Housing Conference for the Starr Hill Community Vision Plan and ***The Partnership of the Year*** award from CBIC for its Financial Coaching partnership with Fountain Fund.
  - In April 2021, the Starr Hill Community Vision Plan was adopted and appended to the City of Charlottesville's Comprehensive Plan.
  - Our Financial Capability Program– offers one-on-one financial coaching, foreclosure mitigation, Credit & Money Management and Home Ownership workshops to improve financial outcomes and provide pathways to wealth creation.
  - In October 2021 New Hill was awarded $150,000 in grant funds from the Governor's office to support the BEACON project.

A Glimpse of the Possibilities

PLAY VIDEO

What are Shared-Use Kitchens and Culinary Incubators?

- Fully equipped kitchen facilities that support growth of startup and emerging businesses for the benefit of the local economy, food system, and/or underserved entrepreneurs
- Helps remove restrictive barriers of high-cost capital investment associated with leasing or purchasing a kitchen and equipment
- Reduce the risk of failure by removing additional start up barriers associated with limited skills in managing and maintaining a commercial kitchen
- Allows specialty food businesses the opportunity to start up and grow at their own pace

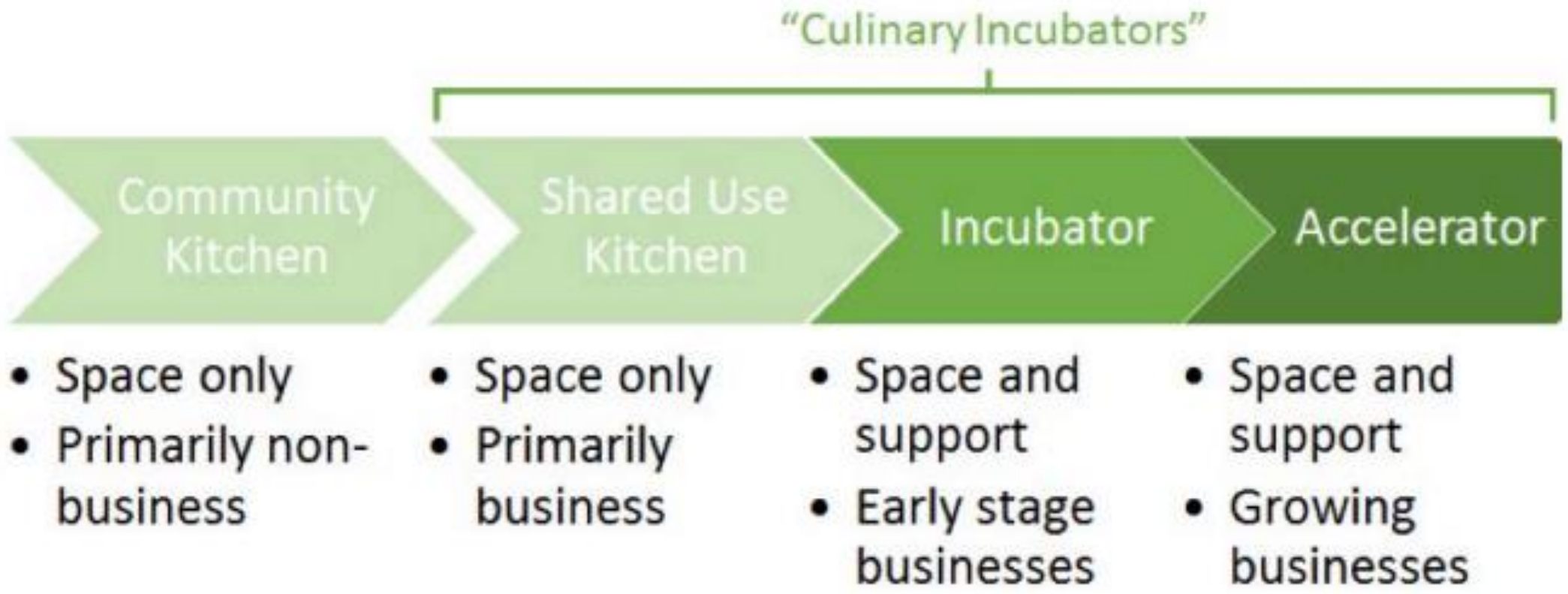


Figure 1. The spectrum of multi-culinary facilities.

BEACON's Kitchen

- The incubator will support New Hill's mission to create economic opportunity for African American/Black entrepreneurs.
- The shared-use kitchen will be for ANY food business that needs space and more capacity as part of the local food eco-system.

A Collaborative Approach

16-week general entrepreneurial training program, CDFI and Micro Lender

Small Business Development Center: 1:1 assistance, connection to curated research, access to technical experts and professionals

Owner/manager of BEACON's Kitchen, financial coaching, co-creator of culinary bootcamp, coordinator of ongoing supports

Life skills-based culinary training programs designed and taught by trained Master Chefs; co-creator and facilitator of culinary training bootcamp

The Lead Team

- Yolunda Harrell, CEO and Co-Founder of New Hill Development Corporation established in 2018. Over 25 years of corporate management experience to include production management with Xerox Business Services. Performed hospitality sales and hotel general management in various states through out the southeast with Red Roof Inn and Graduate Hotels. Managed two hotel renovation projects one totaling more than $12MM. Owned A Taste of Home Southern Cuisine Food Truck and Catering business.
    - Co-Founder and Vice President of Black Professional Network, Board Director for Charlottesville Chamber of Commerce, Habitat for Humanity and GO Virginia Region 9 Economic Development Council.

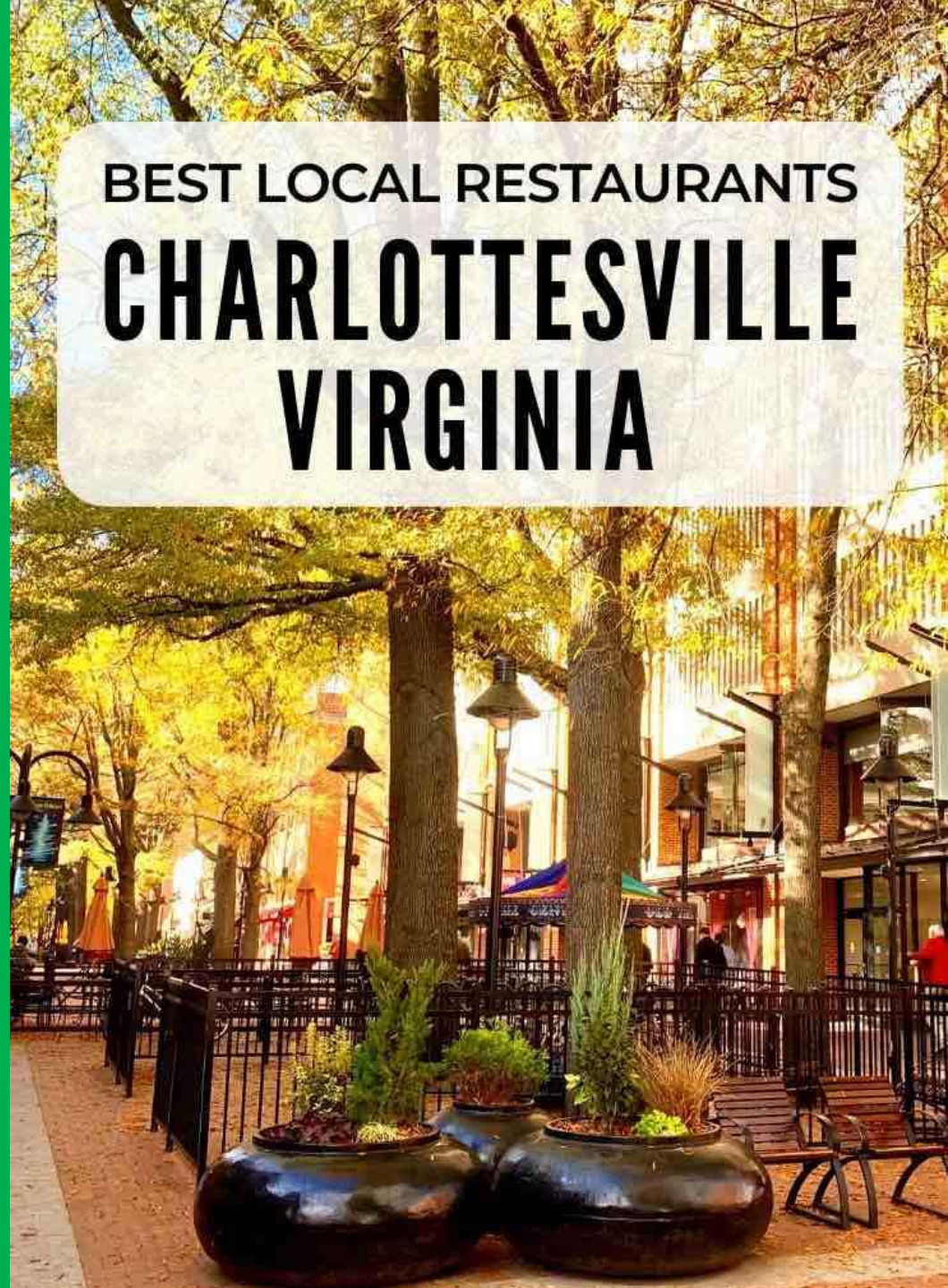
- Chef Antwon Brinson, President of Culinary Concepts AB is the owner and CEO of Culinary Concepts AB, which was founded in 2018 and provides high-impact, motivational training in the food service industry. Previously served as executive chef at Common House, also led and directed restaurants & resorts around the country and US Virgin Islands. He is a graduate of the Culinary Institute of America, in Hyde Park, New York.
    - Board Director for Charlottesville Area Community Foundation, Black Professional Network, CATEC, and board Chair for Piedmont Workforce Network.

BEACON's Culinary Incubation Journey

Participants primarily sourced from entrepreneurial basic training programs	Community Investment Collaborative: 16-week entrepreneurial training program Existing Food Business: Operating at least 1 year
Culinary Bootcamp	New Hill and Culinary Concepts AB: Food business operations training Business Established: Licenses, insurance, certifications, menu creation
BEACON's Kitchen	Ongoing Supports: Financial coaching, bookkeeping, and marketing Additional Workshops, Networking and Contract Opportunities

Charlottesville's Demand

- 2020 Population: 46,786 of which 19% are Black
- Average household income $93,251
  - 35% of Black families in Charlottesville are below poverty
- There are almost 400 restaurants in the Charlottesville area
  - Number of known Black owned restaurants in Charlottesville: 12
  - The number that own their storefront space: 1
- Cost of store front rental space ranges from $3,500-$7,000 per month
- Minimum Cost to build out a small café style kitchen ranges from $50,000-$75,000
- 2016 survey of 86 food business entrepreneurs in Charlottesville showed that 60 said they would use a shared-use kitchen
- Bread & Roses at Trinity Episcopal Church is currently the only accessible shared-use kitchen



Individual Impact

Cost Example for Startup Catering Business

Non-Shared Kitchen

- Training Costs- $750
- Build Out Costs- $10,000
- Equipment Purchase Monthly Payment- $950 ($57K total)
- Monthly Lease- $3,500
- Utilities- $500
- Storage- $150
- Small Wares Rentals- $1,000
- Total Monthly Expenses: **$6,100**

BEACON's Kitchen

- Training Costs- $750
- Build Out Costs- $0
- Equipment Purchase Monthly Payment- $0
- Monthly Lease- $1,200
- Utilities- $0
- Storage- $300
- Small Wares Rentals- $1,000
- Total Monthly Expenses: **$2,500**

Annual savings through use of BEACON's Kitchen

$43,200

Example of Local Shared-Use Kitchen: Bread & Roses at Trinity Episcopal Church in Charlottesville

- 500 sq. ft. Kitchen
- Currently supports 7 tenants: 3 Mobile Businesses, 1 Farmers Market Vendor, 2 VDACs tenants, and 1 Caterer
- Charges by the hour $25-$35 depending upon use
- One food business works at a time
- Currently receives 2-3 unique inquiries per week for long term kitchen use by caterers

Example of Community Impact: Commonwealth Kitchen, a shared-use commercial kitchen and incubator in Boston, MA

A powerful multiplier effect.

- 160+ people employed in one of Boston's lowest-income neighborhoods.
- 60 alumni companies still in business; creating over 500 new jobs, and generating over $40m/year in combined revenue.
- Over 40% of CWK's $2.7m annual budget comes from earned income from operations.
- Combined, CWK and our member companies earn $10 for every $1 in grant revenue.

Example of a Central Va Shared-Use Kitchen : Hatch Kitchen RVA by Lynx Ventures est. 2018

- **10,000 sq ft kitchen facility to support a maximum of 80 food businesses**
- **75-80% of businesses supported are minority owned**
- **Currently supporting 67 food business**
- **15 businesses can use the kitchen simultaneously**
- **Base monthly subscription revenue only $54,000**
- **Expanded into second facility by year 2 to offer butchery and packaged product production**
- **Year 4 expansion will offer food stalls space in mixed use commercial space The Current**

Program and Project Development Overview

- Location in Kathy's Shopping Center currently available
- 11,500 sq ft facility to support a maximum of 70 food businesses
- 12-16 food businesses can operate simultaneously
- 24/7 Access
- 2.5 FTE for every 15 Businesses
- 3 years to cashflow positive
- 4 years to maximum capacity
- $2.5MM for development cost of buildout, program implementation and working capital to bridge operational budget until cashflow positive
- In October 2021 New Hill was awarded $150,000 in grant funds from the Governor's office to support the project

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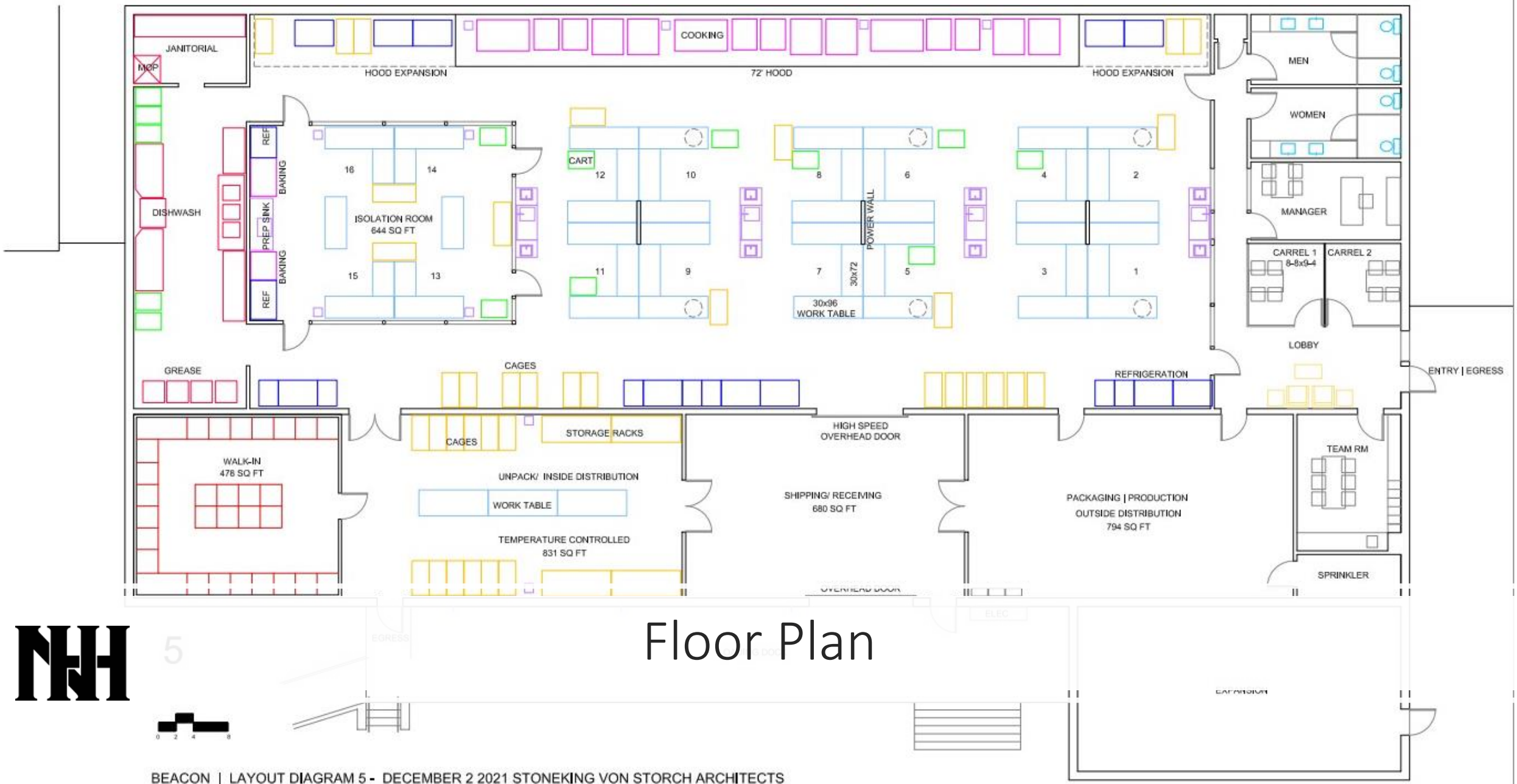
Floor Plan


JANITORIAL
MOP
HOOD EXPANSION
COOKING
72' HOOD
HOOD EXPANSION
MEN
WOMEN
MANAGER
CARREL 1
8-8x9-4
CARREL 2
LOBBY
ENTRY | EGRESS
DISHWASH
REF
BAKING
PREP SINK
BAKING
REF
ISOLATION ROOM
644 SQ FT
16
14
15
13
CART
12
10
11
9
8
6
7
5
POWER WALL
30x72
30x96
WORK TABLE
4
2
3
1
GREASE
CAGES
REFRIGERATION
WALK-IN
478 SQ FT
CAGES
STORAGE RACKS
UNPACK/ INSIDE DISTRIBUTION
WORK TABLE
TEMPERATURE CONTROLLED
831 SQ FT
HIGH SPEED
OVERHEAD DOOR
SHIPPING/ RECEIVING
680 SQ FT
PACKAGING | PRODUCTION
OUTSIDE DISTRIBUTION
794 SQ FT
TEAM RM
SPRINKLER
BEACON | LAYOUT DIAGRAM 5 - DECEMBER 2 2021 STONEKING VON STORCH ARCHITECTS

Revenue and Expense Overview

	Year 1	Year 3	Year 5
# of Food Business Occupants	25	59	70
Revenue Streams:			
Monthly Subscriptions	$ 180,000	$ 435,000	$ 510,000
Hourly Rate Rentals	$ 174,000	$ 414,000	$ 504,000
Storage: *(assumes only 24% of occupants use)*			
Dry	$ 7,000	$ 18,000	$ 22,000
Pallet	$ 14,000	$ 36,000	$ 43,000
Refrigeration	$ 7,000	$ 18,000	$ 22,000
Cooler	$ 11,000	$ 27,000	$ 32,000
Freezer	$ 11,000	$ 27,000	$ 32,000
Other:			
Packaged Goods Runs and Consulting	$ 16,000	$ 36,000	$ 44,000
Food Truck Service/Parking	$ 36,000	$ 90,000	$ 108,000
Total Revenue	**$ 456,000**	**$ 1,101,000**	**$ 1,317,000**
Lease Expense	$ 180,000	$ 180,000	$ 180,000
Property Management Expenses	$ 158,000	$ 158,000	$ 158,000
Core Payroll	$ 244,000	$ 383,000	$ 486,000
Total Expenses	**$ 582,000**	**$ 721,000**	**$ 824,000**
Net Income Before Debt	**$ (126,000)**	**$ 380,000**	**$ 493,000**

Capital Funds Overview

Total Capital Investment	$	2,500,000.00
Investment Uses:		
Kitchen Buildout	$	1,400,000.00
Kitchen and Packaging Equipment	$	600,000.00
Operating Capital Until Cash Flow Positive by Year 3	$	500,000.00

Numbers are based on budgets received from 3 different contractors

2022 BEACON Project Timeline

BEACON KITCHEN TIMELINE		January	February	March	April	May	June	July	August	September	October	November	December
Discovery/Education/Interviews	2020												
Concept Creation/Validation	2021												
Culinary Boot Camps			6 wks		6 wks				6 wks		6 wks		
Incubation Support					Ongoing								
Marketing/Recruiting					Recruit/suscribe/onboard existing food businessess for kitchen membership								
Pre-Construction (Architect and Engineer Drawings)	Began Sept. 2021 continues through construction												
Construction (Select Contractor, Pull Permits and Build Out)						6 months to build out							
Hire Management Team					Recruit and Begin Training at Hatch								
Occupy Facility/Train											Hire train hourly staff		
Welcome Entrepreneurs												Ongoing	

Capital Raise

We are seeking to raise $2.5MM for site development and working capital for program implementation and bridging operational budget.

- $1MM as grant/donation
- $1MM loan paid back at 5% interest
- $500K line of credit
- Loan period 5 years, payments amortized over 30 years, year one interest only
- Payment begins 90 days post construction
- Donor/Investor recognition in facility, during construction and on all collateral

APPENDIX

BEACON

A NEW HILL PROJECT

Market Studies and Reports

- Considerations for Creating a Food Business Incubator.pdf
- Food Hub Impact Report.pdf
- Shared-Kitchen-Industry-Report_The-Food-Corridor_2021_Xh45VByk92.pdf

New Hill Board of Directors

Melvin Burrus Board Chair	Retired Lawyer, Chamber of Commerce BOD, Alliance for Black Male Achievement
Dr. Rashard Dacus	Surgeon at UVA Medical, Board Chair Big Brothers and Big Sisters
Anne Brown Secretary	Operations Manager of Abundant Life Ministries, SHRM, Building Goodness Committee Member
Shymora Cooper	Social Service Admin, Habitat for Humanity Housing Partners
Hunter Smith	Owner of Champion Brewing and Hospitality
John Kluge	Founder of Refugee Investment Network, Philanthropist
Ramona Chapman	Capacity Development Specialist for Virginia Dep. Of Housing and Community Development

Hollie Lee	Dir. of Certificates Program, UVA, Former Director of Work Force Development for the City of Charlottesville
Elizabeth Kennan	Sr. Real Estate Development Manager with Enterprise Community Development, Inc.
Karen Klick Vice Chair	Owner of Klick Consulting, Former Deputy Dir. Piedmont Housing Alliance
Caruso Brown Treasurer	Retired CFO of Region Ten Community Services Board, Professional Genealogist, Autism Association BOD
Lester Jackson	Elevator Engineer at UVA, Musical Artist, Board Chair Music Resource Center
Steven Carter	Deputy Director of Parks and Recreation, Prince George's County
Shawn McGowen	Former VP of Commercial Banking, Owner of Leather Honey

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