# Oneida County Food Hub 100% SD Presentation June 11th 20

MASS.



STUART-LYNN COMPANY

**OYSTER SUNDAY** TREAS



#### **Project Schedule**



	JAN		FEB		MAR		AF
BREA	K			<u>PHASE</u>	<u>2: SCHEN</u>	/ATIC DE	<u>ESI</u>
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	B E R	auilding Plans + Experiential Cenderings	S conve desigr	takeholder ersations & n feedback			
					Revise Plans	+ Coordina	ato v

*Revise Plans + Coordinate with Engineers to Capture Scope in an SD deliverable* 

Including Business Model



WE ARE

HERE!





# 00 Where we left off



We completed the 100% SD drawing set and have received a cost estimate.

In parallel, we also completed the business operations report in collaboration with Oyster Sundav



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# **Business Operations**

**Early Phase Scenario Modeling** 

# IMPACT CRITERIA

Social Economic Environmental

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# FEASIBILITY CRITERIA

Financial & Economic Operational Functional & Technical

+



#### **Early Phase Scenario Modeling**





+ Operating Cost Resilience + Long-Term Funding Reliability + Startup Cost Availability

+ Management Entity Feasibility + Partners & Collaborators + Workforce Capacity + Regulatory & Legal Environment

+ Physical Accessibility + Opportunities for Integration + Logistical Viability



**Early Phase Scenario Modeling** 

# Based on the results of our weighting, we recommend Scenario 2, The Cultivator.

Here's why:

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I. Scenario 2 offers the greatest diversity of programming, which allows for:

- A. More potential funding streams and partnership opportunities
- B. Greater opportunity for programmatic symbiosis (energy use, waste, etc)
- C. Serves a broader cross section of stakeholders from local residents to businesses to local producers

# II. Scenario 2 emphasizes flexible, shared-use, commercial kitchen space. A. Kitchen space has been identified as a need by

- multiple stakeholder groups and can be used in a variety of ways, including education, experimentation, and production
- B. Kitchen space is a potential revenue generator

9



**Financial Modeling & Business Case** 

# deliverables.

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We then engaged with Oyster Sunday to build baseline proformas and financial models for the Cultivator, which they developed in parallel with the completion of the Schematic Design



#### **Assumptions that Informed Our Modeling**

## **OBJECTIVES**

- Sustainability
- Social Impact + Local Nonprofit Engagement
- Support of Local Businesses
- Workforce Development
- Reduction of Day-to-Day County Obligations
- Innovation in Food Service Operations
- Community Engagement and Participation

## METRICS

Our goal is to equip Oneida County with the information needed to make informed decisions about how to move forward with the Oneida County Food Hub Project as a whole. We have outlined **four (4)** recommended operating models and have taken into consideration the following:

- Leadership + Labor Structure
- Social Impact, Local Engagement + Partnerships
- Leased Units per Operational Entity
- Licenses + Permits
- Analysis
- Additional Resources/Support for Operating Model to Succeed
- Next Steps for Oneida County



# **CONSISTENT INPUTS ACROSS MODELS**

- maintenance, waste management, etc.
- Food Hall revenue and expense assumptions • Exception is operating expenses in Model #3
- Revenue assumptions for all F&B operations • Exception is nonprofit Model #2
- Commissary kitchen revenue and impact assumptions 50% of use donated in-kind (\$57k annual value)
- Use of Demo kitchen 10 hrs/week donated in-kind (\$25k annual value)
- County expense categories

• Reliance on property management company for support in security, IT, grounds

Same categories but differing costs depending on management structure



#### <u>Model #1:</u>

2 Private Operating Management Companies

<u>Model #2:</u>

1 Commercial Operating Management Company + 1 Nonprofit Management Company

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#### <u>Model #3:</u>

1 Private Operating Management Company

### <u>Model #4:</u>



#### <u>Model #1:</u>

2 Private Operating Management Companies <u>Model #2:</u>

1 Commercial Operating Management Company + 1 Nonprofit Management Company

Two separate food & beverage operators: one to manage Food Stall operations and the other to manage the Cafe, Event Space, and Bar.

A Commercial Property Management Company will facilitate the leases and manage property and facilities maintenance. Having **two specialized management companies that can distribute expenses over multiple business units** (and potentially more offsite) ensures profit margins will be competitive. Two separate food & beverage operators: a private company to manage Food Stall operations and a local, nonprofit organization to manage the additional F&B outlets (Cafe, Event Space, and Bar). This model places the **most direct value on a social impact partnership throughout this Hub and includes a slightly subsidized rent to the nonprofit**.

Commercial Property Management Company will facilitate the leases and manage property and facilities maintenance. By placing a significant responsibility for direct impact on the nonprofit, the County does not need a full-time on-site coordinator, reducing labor expense. However, the subsidized rent for the nonprofit will also reduce revenue to the county.

#### **Model #3:**

1 Private Operating Management Company

A single entity that will manage all food and beverage spaces, operations, and facilities needs. The County will evaluate and select this operator through an RFP process.

This model is the **most challenging to find the best fit but will be the least complex for the County to manage** in the short and long term. This model also allows for great partnerships to grow between the County and entities outside of the Hub.

Additionally, a **consolidated management company has the potential for greater profit margins due to economies of scale**. This model forecasts the highest profit margins for both the County and the business units. Individual operators for the Additional F&B Outlets (Cafe, Event Space, and Bar) and one entity to oversee the Food Stall operations. The County will evaluate and select these operators through an RFP process.

A Commercial Property Management Company will facilitate the leases and manage property and facilities maintenance. In comparison to the other models, **this model allows for the highest chance of local entities operating the F&B outlets**.

However, these smaller businesses will have higher operating costs, leading to the second lowest projected profit margins for F&B outlets

#### <u>Model #4:</u>



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BIZOPS
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#### Scenario Modeling Example

	Y1	Y2	Y3	¥4	Y5	¥6	¥7	Y8	Y9	Y10
Revenue										
Rent	\$ 219,616	\$ 228,401	\$ 237,537	\$ 247,038	\$ 256,920	\$ 267,197	\$ 277,885	\$ 289,000	\$ 300,560	\$ 312,582
Food Stalls	\$ 57,950	\$ 60,268	\$ 62,679	\$ 65,186	\$ 67,793	\$ 70,505	\$ 73,325	\$ 76,258	\$ 79,309	\$ 82,481
F&B Outlets	\$ 161,666	\$ 168,133	\$ 174,858	\$ 181,853	\$ 189,127	\$ 196,692	\$ 204,559	\$ 212,742	\$ 221,251	\$ 230,101
Commissary Kitchen	\$ 57,600	\$ 59,904	\$ 62,300	\$ 64,792	\$ 67,384	\$ 70,079	\$ 72,882	\$ 75,798	\$ 78,830	\$ 81,983
Total Revenue	\$ 277,216	\$ 288,305	\$ 299,837	\$ 311,831	\$ 324,304	\$ 337,276	\$ 350,767	\$ 364,798	\$ 379,390	\$ 394,565
Labor										
Director of Operations	\$ 110,000	\$ 113,300	\$ 116,699	\$ 120,200	\$ 123,806	\$ 127,520	\$ 131,346	\$ 135,286	\$ 139,345	\$ 143,525
Impact Coordinator	\$ 55,000	\$ 56,650	\$ 58,350	\$ 60,100	\$ 61,903	\$ 63,760	\$ 65,673	\$ 67,643	\$ 69,672	\$ 71,763
Payroll Taxes & Benefits	\$ 33,000	\$ 33,990	\$ 35,010	\$ 36,060	\$ 37,142	\$ 38,256	\$ 39,404	\$ 40,586	\$ 41,803	\$ 43,058
Total Labor	\$ 198,000	\$ 203,940	\$ 210,058	\$ 216,360	\$ 222,851	\$ 229,536	\$ 236,422	\$ 243,515	\$ 250,820	\$ 258,345
% of Gross Revenue	71%	71%	70%	69%	69%	68%	67%	67%	66%	65%
Operating Expenses										
Marketing	\$ 20,000	\$ 20,600	\$ 21,218	\$ 21,855	\$ 22,510	\$ 23,185	\$ 23,881	\$ 24,597	\$ 25,335	\$ 26,095
Security	\$ 3,000	\$ 3,090	\$ 3,183	\$ 3,278	\$ 3,377	\$ 3,478	\$ 3,582	\$ 3,690	\$ 3,800	\$ 3,914
Repairs & Maintainance	\$ 4,673	\$ 4,813	\$ 4,958	\$ 5,107	\$ 5,260	\$ 5,418	\$ 5,580	\$ 5,748	\$ 5,920	\$ 6,098
Legal & Professional	\$ 15,000	\$ 15,450	\$ 15,914	\$ 16,391	\$ 16,883	\$ 17,389	\$ 17,911	\$ 18,448	\$ 19,002	\$ 19,572
Property Management	\$ 30,494	\$ 31,714	\$ 32,982	\$ 34,301	\$ 35,673	\$ 37,100	\$ 38,584	\$ 40,128	\$ 41,733	\$ 43,402
Utilities	\$ 5,305	\$ 5,464	\$ 5,628	\$ 5,797	\$ 5,971	\$ 6,150	\$ 6,334	\$ 6,524	\$ 6,720	\$ 6,922
Total Operating Expenses	\$ 78,472	\$ 81,131	\$ 83,882	\$ 86,728	\$ 89,673	\$ 92,720	\$ 95,873	\$ 99,135	\$ 102,510	\$ 106,003
% of Gross Revenue	28%	28%	28%	28%	28%	27%	27%	27%	27%	27%
EBITDA	\$ 744	\$ 3,234	\$ 5,897	\$ 8,742	\$ 11,780	\$ 15,020	\$ 18,472	\$ 22,148	\$ 26,059	\$ 30,217
% of Gross Revenue	0.3%	1.1%	2.0%	2.8%	3.6%	4.5%	5.3%	6.1%	6.9%	7.7%



#### **Operational Model**

Model #1 - 2 Private Operating Management Companies

Model #2 - 1 Commercial Operating Management Company + 1 Nonprofi Management Company

Model #3 - 1 Private Operating Management Company

Model #4 - 1 Private Opertating Company for Food Stalls + Independent

	Estimated Revenue	Estimated Utica Profit Margin	Potential Jobs Created	Revenue to Utica Hub	Revenue to Mangement Companies	Donated Rent
	\$ 3,841,092	0.3%	\$ 1,318,414	\$ 277,216	\$ 1,938,710	\$ 108,600
it						
	\$ 3,710,592	0.5%	\$ 1,321,701	\$ 218,191	\$ 1,829,010	\$ 157,185
	\$ 3,841,092	14.8%	\$ 1,307,046	\$ 240,726	\$ 1,907,260	\$ 108,600
F&B outlets	\$ 3,841,092	-1.1%	\$ 1,365,317	\$ 277,216	\$ 188,698	\$ 108,600



#### <u>Model #1:</u>

2 Private Operating Management Companies

1 Commercial Operating Management Company + 1 Nonprofit Management Company

**Model #2:** 

REVENUE \$ 277,216

**PROFIT MARGIN @ YEAR 1** \$744

**PROFIT MARGIN @ YEAR 10** \$30,217

**BREAK-EVEN YEAR** 

Y1 RESILIENCE

++++

REVENUE \$ 218,191

PROFIT MARGIN @ YEAR 1 -\$15,788

**PROFIT MARGIN @ YEAR 10** \$2,419

**BREAK-EVEN YEAR** 

Y10 RESILIENCE

+

#### **NOTE:** Profit Margins exclude Hard Costs for the Food Hub build out in Chapter 3

Model #3: 1 Private Operating Management Company	1 F CC In
REVENUE	REVENUE
\$ 248,661	\$ 277,2
PROFIT MARGIN @ YEAR 1	PROFIT M
\$42,817	\$-5,25
PROFIT MARGIN @ YEAR 10	PROFIT M
\$82,395	\$22,38
BREAK-EVEN YEAR	BREAK-E\
Y1	Y4
RESILIENCE	RESILIENC
++	+++

#### **Model #4**:

Private Operating ompany for Food Stalls + ndependent F&B outlets

# 216

IARGIN @ YEAR 1

56

IARGIN @ YEAR 10

89

VEN YEAR

CE



#### **Model #1:**

2 Private Operating Management Companies **Model #2:** 

1 Commercial Operating Management Company + 1 Nonprofit Management Company

#### PROS

Easiest structure to find suitable operators.

PROS Most direct social

#### CONS

Low profit margins to County due to rent and management structure.

#### CONS

Lower profit margin outlets and expected for subsidized rent

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#### <u>Model #3:</u>

1 Private Operating Management Company

	PROS	PROS
impact.	Most streamlined organizational structure and highest profit margins.	Larges busine
ns for F&B ed need	cons Will be difficult to find a good fit.	cons Additio county margin

#### <u>Model #4:</u>

1 Private Operating Company for Food Stalls + Independent F&B outlets

# st opportunity for local esses.

Additional workload on the county and lower profit margins due to smaller operators.





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#### PRIORITIZATION

Should the project prioritize economic viability or direct social impact?



#### CAPACITY

Should we assume that the capacity of the County to administer and manage the project will remain low, or increase over time?



#### HIGHEST REVENUE

SOCIAL IMPACT

REMAIN LOW

INCREASE OVER TIME 3 2 4



1 Commercial Operating Management Company + 1 Nonprofit Management Company

2 Private Operating Management Companies



#### PRIORITIZATION

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1 Commercial Operating Management Company + 1 Nonprofit Management Company

2 Private Operating Management Companies



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2 Private Operating Management Companies



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2 Private Operating Management Companies



#### PRIORITIZATION

Should the project prioritize economic viability or direct social impact?



#### CAPACITY

Should we assume that the capacity of the County to administer and manage the project will remain low, or increase over time?



REMAIN LOW

INCREASE OVER TIME



1 Commercial Operating Management Company + 1 Nonprofit Management Company



## <u>Therefore, our recommended path forward is:</u>

- all parties involved.
- - regionally located
  - entities
  - etc.)
  - Ο
  - 50% of commissary kitchen availability donated in-kind
  - Programming/activation of community spaces within the Hub
- based on available operations candidates.

Model #3 for the greatest long-term stability due to economies of scale increasing profit margins for

• Ensure local and regional impact requirements are built into the RFP process: • Food stalls are occupied by regional/local businesses, and 20-30% of F&B vendors are required to be

• Building maintenance, security, IT, and waste management businesses are subcontracted to regional/local

• Partnerships with local nonprofits for hospitality industry training (i.e Hot Bread Kitchen, Turning Tables)

Broaden partnership with CCE Farmers Market (10 hrs/week of demo kitchen use donated to Market)

• However, there is a risk in that the RFP process will not find any suitable candidates. Should this occur, the County will need to decide whether Model #1 or Model #2 will be the next best choice



# 02 Project Cost Estimate

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# SUCHESSION

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![](_page_29_Picture_1.jpeg)

![](_page_29_Picture_2.jpeg)

![](_page_30_Picture_0.jpeg)

#### **Report Breakdown**

# Based upon the 100% SD drawing set and accompanying narrative dated 05/29/2024...

![](_page_31_Picture_3.jpeg)

	REVISIONO No. Description Date 1 100% Schematic Design OS/03/2024
	renter Marker
Oneida Count Schematic I	
	KEY PLAN
MASS. Transsolar KlimaEngineering RAMBCLL	
	01/22/24 TITLE SHEET & O G-000

![](_page_31_Picture_7.jpeg)

ty Food Hub

5.03.2024

0

![](_page_31_Picture_10.jpeg)

**Report Breakdown** 

Based upon the 100% SD drawing set and accompanying narrative dated 05/29/2024, this project has a hard cost of:

Building (30,313 SF): \$27,793,000 = \$916/SFSite (51,830 SF): \$15,076,000 = 290/SF

# TOTAL: \$42,869,000

NOTE: See Stuart Lynn estimate dated 6/7/24for breakdown by CSI division

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Site includes all work exterior of the building envelope

STUART LYNN Projecting Success

				GSF AREA	30,313	
DIV	DESCRIPTION		SF COST	% of Total	DIV. TOTAL	
01 00 00	GENERAL REQUIREMENTS		\$60.12	7.0%	\$1,822,516	
02 00 00	EXISTING CONDITIONS		\$27.89	3.2%	\$845,424	
03 00 00	CONCRETE		\$17.42	2.0%	\$528,174	
04 00 00	MASONRY		\$0.19	0.0%	\$5,886	
05 00 00	METALS		\$68.88	8.0%	\$2,087,905	
06 00 00	WOODS, PLASTICS AND COMPOSITES		\$75.75	8.8%	\$2,296,353	
07 00 00	THERMAL AND MOISTURE PROTECTION		\$67.04	7.8%	\$2,032,322	
08 00 00	OPENINGS		\$50.84	5.9%	\$1,541,013	
09 00 00	FINISHES		\$32.38	3.8%	\$981,603	
10 00 00	SPECIALTIES		\$2.94	0.3%	\$89,120	
11 00 00	EQUIPMENT		\$29.02	3.4%	\$879,560	
14 00 00	CONVEYING EQUIPMENT		\$6.27	0.7%	\$190,000	
21 00 00	FIRE SUPPRESSION		\$8.46	1.0%	\$256,584	
22 00 00	PLUMBING		\$22.43	2.6%	\$680,037	
23 00 00	HVAC		\$63.57	7.4%	\$1,927,025	
26 00 00	ELECTRICAL		\$121.66	14.1%	\$3,687,880	
27 00 00	COMMUNICATIONS		\$5.89	0.7%	\$178,584	
28 00 00	ELECTRONIC SAFETY AND SECURITY		\$8.10	0.9%	\$245,553	
31 00 00	EARTHWORK		\$62.77	7.3%	\$1,902,854	
32 00 00	EXTERIOR IMPROVEMENTS		\$100.18	11.6%	\$3,036,839	
33 00 00	UTILITIES		\$29.90	3.5%	\$906,500	
	SUBTOTAL (direct trades)		\$861.73	100.0%	\$26,121,732	
	DESIGN CONTINGENCY	10.0%	\$86.17	6.1%	\$2,612,200	
	GENERAL CONDITIONS	8.5%	\$80.57	5.7%	\$2,442,400	

See SLC Disclaimer on the Qualifications Sheet 1061-EST-100SD-24May24.xlsx

#### **Oneida County Food Hub** Utica, NY 100% Schematic Design

Stuart-Lynn Company, Inc. Tel 212-209-1180 stuart-lynn.com

#### Grand Summary

Estimate Phase: 100% Schematic Design Estimate Date of the Estimate: May 29, 2024

Printed 5/29/2024

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![](_page_32_Picture_22.jpeg)

#### **Report Breakdown**

Based upon the 100% SD drawing set and accompanying narrative dated 05/29/2024, this project has a hard cost of:

# Building (30,313 SF): **\$27,793,000 Site** (51,830 SF): **\$15,076,000**

# **TOTAL: \$42,869,000**

This value includes a **64.1% cumulative markup** for:

- 1. Design Contingency 10.0%
- 2. General Conditions 8.5%
- 3. Overhead & Profit 15%
- 4. Insurance; General Liability 1.5%
- 5. Bidding/Construction Contingency 7.5%
- 6. Escalation (May 2026, construction midpoint) 9.58%

This estimate assumes a **start date of** 

based on a 5.0% rate per year.

# **November 2025,** and a **completion date of** *November 2026*, equating to a 12 month construction period. Escalation prediction is

![](_page_33_Picture_21.jpeg)

#### Add + Deduct alternates

The following values may be **added** or **subtracted** if the corresponding scope is added or removed:

- 1. Connection to Union Station: \$1,552,000
- 2. Change canopy from wood to steel: +\$548,000
- 3. Remove solar panels from canopy & roof: -\$3,586,000
- 4. Custom outdoor market furnishings: -\$827,000

\*These value includes the 64.1% cumulative markup

![](_page_34_Picture_13.jpeg)

![](_page_34_Picture_16.jpeg)

#### Add + Deduct alternates

The following values may be **added** or **subtracted** if the corresponding scope is added or removed:

- 1. Connection to Union Station: \$1,552,000
- 2. Change canopy from wood to steel: +\$548,000
- 3. Remove solar panels from canopy & roof: -\$3,586,000
- 4. Custom outdoor market furnishings: -\$827,000

\*These value includes the 64.1% cumulative markup

![](_page_35_Figure_9.jpeg)

Not essential for the business model. Recommend getting SHPO approval and then cutting from scope if budget does not allow at that stage in the process. This will be useful if

Both will require maintenance and wood has Recommend deeper analysis in Design

We recommend a Life Cycle Cost analysis in Design Development to see when the solar panels pay for themselves through operational electric bill savings. Panels are essential for carbon net-zero operation (NYSERDA Grant

*Current estimate does not include cost of* interior furniture (tables, chairs, etc). Future project estimates will need to incorporate.

![](_page_35_Picture_15.jpeg)

![](_page_36_Figure_0.jpeg)

![](_page_36_Picture_1.jpeg)

# **Recommended next steps for Operator RFP:**

- and ensure mission and impact alignment.

# **Suggested Contents for Operator RFP:**

- 2. Project Goals & Required Impact Criteria
- 3. Schematic Design Deliverable
- 4. Hard Cost Estimate
- 5. Operations Model Proformas for Model #3 and #2
- 6. Requirements for Submission

1. Access the feasibility of Model #3 by reaching out to food hall operators and independent restaurant groups. Determine if there is enough interest from these parties to create an RFP,

2. Build out a secondary plan should the RFP process result in no suitable candidates.

1. Project History & Context (site history overview, site use in recent years, when the need was identified by the County, MASS engagement and design phases 2022-2024)

![](_page_37_Picture_20.jpeg)