



AMERICAN RESCUE PLAN ACT



State of Oklahoma

**ARPA State & Local Fiscal Recovery Funds (SLFRF)
Project Funding Review
For
Food On The Move**

Last updated August 1, 2022

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Summary

This Funding Review Template is sent to the Oklahoma ARPA project applicant prior to consideration by a Working Group of the Joint Committee on Pandemic Relief Funding. The Template includes the information collected through the project intake workflow and collects further information necessary for applicant consideration and subrecipient risk assessment.

SLFRF Resources

- Final Rule (FR) ([link](#))
- Overview of Final Rule ([link](#))
- Frequently Asked Questions ([link](#))
- Compliance and Reporting Guidance (version 4.0, June 16, 2022) ([link](#))

Project Overview

Project Name: Urban Farm – Food Hub

Organization Name: Food On The Move, Inc.

Primary Contact

Name: Kevin Harper

Email: KevinH@foodonthemoveok.com

Phone: 918-886-5010

Project Cost: 11,509,860

Project Cost Breakdown:

Proposed Project Cost Breakdown		
Total Requested Amount	\$3,000,000	Total of all below sections
Personnel	\$ 0	Details
Capital (Real Property)	\$ 0	Details
Capital (Other)	\$ 3,000,000 (Total for Section)	Purchase of the land and renovation of the first warehouse.
<i>Include equipment if it has a useful life of > one year and a per-unit acquisition cost ≥\$5,000</i>		
<i>Purchase of property located at 3928 E Apache St N, Tulsa, OK 74115</i>	<i>\$950,000</i>	<i>The property had three existing warehouses that can be convert to a food storage. Each warehouse has a loading dock and is designed for a semitruck access.</i>
Conversion of Warehouse 1	\$1,100,000	Renovation of the first 6,500 square foot warehouse. This will include cold storage, receiving, and packaging area.
Cooling systems	\$184,000	Cooling units for the first warehouse.

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Shipping and Receiving Office	\$226,000	Remodel for shipping and receiving office.
Site development	\$540,000	Parking, infrastructure, and shipping and receiving reinforcement. Bama
Services	\$ 0	Details
Supplies	\$ 0	Details

Other funding identified by applicant (non-SLFRF, matching funds, SLFRF from other sources, private, etc.):

Bama Companies

What goods or services will you need to complete this project?

The Food Hub will consist of three warehouses, shipping and receiving office space, and storage area. To complete this project the land will need to be secured and the existing warehouses converted to cold storage facilities. The project will need a network of local farmers, access to Oklahoma grown produce, and vendors. We currently we have a database of 450 Oklahoma farmers. The Food Hub will begin with one warehouse and then expand to three warehouses. The goods we will receive will be the crops purchased from Oklahoma farmers. This is the basic framework for our Model as we collaborate with both farmers and vendors to provide high quality, low cost, fresh produce for communities that are food deserts.

Have you identified competitive bidding procedures to be utilized to procure the necessary goods or services?

Yes. To ensure the project is a success multiple bids are required, each bid is examined by cost, experience, and minority contractor involvement. In conjunction with Manhattan Construction a proper bid packing has been designed to create purchasing power and reduces risk. The prequalification of specialty contractors is important. Specialty contractors are selected based on cost as well as experience with similar projects, their safety rating, past performance, availability of team members, and other key factors. Every bid is carefully examined by the Construction Manager, our Owners Representative, and our Building Committee.

Project Timeline (all projects must expend funds before December 31, 2026) identifying anticipated start date, completion date, and any milestone date goals.)

The development of the first warehouse of the Food Hub will begin in the second quarter of 2023, to be completed by Spring, 2024. Major milestones will include securing the property by the end of 2022, signing all construction contracts by the first quarter of 2023, and signing agreements with Oklahoma farmers by fall of 2023. The remaining warehouses will be complete by second quarter of 2025.

How many Oklahomans will benefit from this project?

We carefully researched ALL of the counties in the eastern half of the state. Based on this research, we estimated that Oklahoma has over 300,000 individuals living at or below the poverty line. According to the Oklahoma Health Equity Campaign, thirty-two of Oklahoma's seventy-seven counties contain food deserts, "meaning that at least 25 percent of the population lives ten miles or more from a supermarket or supercenter. Nine of those counties are "severe food deserts," meaning that the entire population has limited access to such food outlets – a real problem when transportation is limited." All of Oklahoma's food desert counties are rural, and yet food deserts also occur within our cities, such as in west and north Tulsa and parts of northeast OKC, where grocery stores are very limited and often replaced by convenient stores.

We begin by providing those counties access to fresh affordable produce through supplying local grocers, corner stores, mobile grocery stores, and pop-up Community Food & Resource Festivals (Food On The Move has a sharable model). In order to create this access a Food Hub we connect the rural Oklahoma farmer to a location to purchase and distribute the produce. The Food Hub will have the ability benefit every Oklahoma produce farmer participating in our project. The Food Hub will bring together rural and urban to increase access to locally grown and affordable produce. The Food Hub in North Tulsa will become the model that can be replicated in other locations around the state.

What is the potential return on investment for this project?

Our primary goal is to create a model connecting rural or urban farming with distribution opportunities, in an effort to increase the availability of Oklahoma grown produce for those who are living in a food desert or food insecure. The Food Hub business plan is to actively manage the aggregation, distribution, and marketing of local Oklahoma food products. This innovative food network connects small and medium-sized farmers and producers to otherwise inaccessible markets.

Most small to midsize farmers do not create enough produce to sell to a large distributor. Therefore, they reside to selling what they can sell at a local farmer market.

Some examples of our mission-based goals include:

- Improving human health in the local community and around the state
- Training farmers/ranchers in sustainable production and marketing practices
- Ensuring that producers/suppliers receive a fair price for their products

- Leverage the local food system to improve access to healthy foods.
- Provide low-cost grocery items to small community grocery stores as well as non-profit agencies addressing food insecurity in Food Deserts.
- Function as a comprehensive economic development strategy to move community residents into business ownership and achieve a more systematic community change.
- Increase access to healthy, affordable food to underserved communities as well as the creation of jobs and occupying vacant property.
- Connecting rural and urban potentially benefiting our entire network of 450 Oklahoma farmers.

The potential return on investment for the Food Hub is an innovative solution to strengthen Oklahoma's agricultural community while intentionally provide access to fresh and affordable produce to the over half million Oklahoman's who are food insecure! If we do our job right and this model works, then our actual ROI should always be zero – we are creating a cycle and our plan is to always be re-investing in our community, passing along any savings to overcome costs whenever needed in the cycle. In addition, job creation could be a result of the Urban and indoor farming opportunities.

Project Description to include impact of COVID-19, intended impact of project, and general description of services:

COVID put a spotlight on food access in our community. During the early days of the pandemic, Food On The Move quickly became the coordinator for several Oklahoma cities to get fresh produce. Food On The Move worked with Grove, Lawton, McAlister, Tatum, Ardmore, Duncan, and Marlow and others, witnessing first-hand the impact COVID-19 had on our food system and more importantly our communities. In the Tulsa area alone Food On The Move distributed more than 4,500,000 pounds of food to those in need. Because of all we are learning during this time, our long-term goal to fight food deserts became our priority, and the plans for a four-phase food campus called the "Food Home" emerged.

Food Home Phase One, the Urban Farm focuses on developing aquaponic and hydroponic farming techniques to begin supplying the North Tulsa community with fresh produce grown in their own neighborhood. The Urban Farm also includes multiple opportunities for education on everything from personal health, nutrition, health lifestyles and even agriculture. Individuals will have the chance to become certified in aquaponic and hydroponic farming, helping them find jobs or even have their own urban farm. Relationships are being developed with both producers, distributors, and even the one new local grocer – all in an effort to bring fresh produce to this food desert in North Tulsa, at an affordable price.

Food Home Phase Two, "The Food Hub" can have statewide impact to improve access to healthy, affordable food, beyond traditional wholesalers, by increase produce sales for existing farmers, expand production of locally grown produce, and promote food as an economic development opportunity to support neighborhood empowerment and revitalization. The

Food Hub will be the connecting point between the local rural and urban farmer and the local grocery store, the center of our Model.

This is a major project and cannot be done without the commitment of great partners. We are working with Katie Poholek of R&G Grocers, AJ Johnson of Oasis Fresh Market, a database of over 450 Oklahoma farmers, and more than 50 other Oklahoma community partners, national Food Hub operators, and the USDA. These partnerships will allow the Food Hub to bring together rural and urban relationships needed to increase affordable food access, health, and health education to Oklahomans.

The Food On The Move Food Hub is located in North Tulsa, next to Tulsa Community College Northeast Campus, one mile from the Gilcrease Expressway with simple access to any major highway or interstate. The Food Hub will not only provide access of fresh affordable produce, but healthy eating education and cooking classes, health assessments, hydroponic and aquaponic farming training, entrepreneurship development, and farming resources and education.

The Food Hub will provide warehouses and a distribution plan that will bridge the gap between small and medium sized farms to large wholesalers and local grocers with knowledge and expertise in both worlds. This will be a model that can and should be replicated around the state. By adding up to four other food hubs around the state, we will be able to offer farmers easier access to a distribution point, and then increase the amount farmers will be able to sell. This will decrease transportation costs as distribution is from the local farmer to the Food Hub to a local grocer.

Reporting and Planning

Which Expenditure Category should this project be reported under? (See Appendix A)

This expenditure will be categorized as the Food Hub under 2.22 and 2.1

KH Initial here to confirm that you understand you will be a subrecipient and required to comply with federal compliance, reporting, and contract requirements, including the Uniform Guidance (2 CFR Part 200). Among other requirements of the Uniform Guidance, you are confirming that you have:

- A financial management system capable of separately tracking individual Federal programs, and providing accurate, current, and complete information
- Written procedures regarding compensation and benefits, procurement (including a conflict-of-interest policy), and allowability of costs
- Established and will maintain effective internal controls over each Federal award to provide reasonable assurance that such awards are managed in compliance with Federal statutes, regulations, and the terms and conditions of the award

KH Initial here to confirm understanding that subrecipients expending more than \$750,000 total in Federal funds during their fiscal year will be subject to an audit under the Single Audit Act and its implementing regulation at 2 CFR Part 200, Subpart F regarding audit requirements.

Does your organization plan to expend \$750,000 or more in Federal funding in a single fiscal year when accounting for this request and any other federal awards you receive?

Yes, the request is for capital resources for an innovative project with positive lasting impact for the entire state.

What are the performance indicators (inputs, outputs, and outcomes) that this project will track to capture impact?

Performance indicators could include: the number of farmers supplying produce, number of people participating in our educational classes, number of jobs created, annual revenue, amount of produce received and distributed, organizations receiving produce, the number of rural towns received access to fresh produce, and changes to the overall health of communities based on health assessments.

Please provide an outline/brief summary of your performance management plan.

Food hubs are an emerging and viable business model nationally, enabling local growers to connect to a broader marketplace, improve their bottom line, and better meet consumer and supplier demand for locally grown produce and value-added products. Research performed on Food Hubs since 2009 revealed evidence proving during a recession Food Hubs continue to show a robust growth, suggesting that food hubs are more resistant to the negative shockwaves produced by unfavorable economic conditions. Our performance management plan carefully looks at the following areas.

- Sales Forecasting, Analysis, and Marketing
- Food safety protocols for internal use and for our partnering farmers
- Supply chain forecasting
- Diversified product supply in between growing seasons
- Maintaining healthy partnerships, especially with the local farmer
- Staff development and retention
- Keeping a strong financial foundation
- Continual evaluation process

Please provide an outline/brief summary of your community engagement or outreach plan.

Our community engagement plan began with our first Community Food & Resource Festival in 2014. Through these events we go into known food deserts and begin to have conversations with community members concerning food access and the impact of living in a food desert. We took harvested crops from local farms, who did not have the opportunity to sell their entire

crop and distribute them at our festivals to provide people with fresh produce. Our community engagement and outreach plan has evolved to the following:

- Creating a database of Oklahoma Farmers/meeting with these farmers
- Hiring a Community Ambassador to meet with Oklahoma farmers and rural community members
- Providing USDA sponsored continuing education classes for farmers
- Partnering with Langston University to work with underserved families and farmers
- Providing community classes for health and nutrition
- Teaching hydroponic and aquaponic farming
- Providing agribusiness classes in both middle and high schools

Please explain how non-English speaking constituents will be able to benefit from this program.

Currently we work closely with a local nonprofit called Mita's Foundation, who provide Spanish speaking interpreters for all our community events. We also work with other partners who speak a variety of languages to ensure we can serve every guest. These same partners have committed to all Food Hub and mobile events we host in rural Oklahoma towns.

Capital Expenditure Requirements

Does your project include a capital expenditure? If yes, is the total capital expenditure greater than \$1 million?

Yes

Do you or your team have prior experience in administering capital expenditure projects? If yes, briefly describe your years of experience. Please list details on project scope and size, as well as any relevant experience in handling capital expenditure projects.

Yes. The CEO/President of Food On The Move has been a part of two successful multimillion dollar capital expenditure projects in his career.

KH Initial here to confirm that you have reviewed and understand provisions of the US Treasury Final Rule regarding the use of State and Local Recovery Funds for capital expenditure, including the requirement to complete a written justification, including an alternatives analysis for capital expenditures of more than \$1 million in SLRF funds. See 87 Fed. Reg. 4450, Sec. 35.6(b)(3)(ii)(E)(4)(January 27, 2022) (summary: Appendix B)

KH Initial here to confirm that you agree to complete and meet the substantive requirements of a written justification for capital expenditure projects, where capital expenditures are greater than \$1million.

KH Initial here to confirm that you have read and understand fully the real property provisions, laid out under 2 CFR 200, specifically, 2 CFR 200.310 – 2 CFR 200.316 and 2 CFR 200.330.

KH Initial here to confirm that you have undertaken due diligence to ensure that the project will comply with all applicable federal and state laws, and including, but not limited to, environmental, siting and permitting laws and regulations.

KH Initial here to confirm you would be able to provide information regarding required programmatic data upon request (pg. 27-33, US Treasury State and Local Fiscal Recovery Funds Compliance and Reporting Guidance version 4.0)

Public Health and Negative Economic Impact Requirements

Please complete this section if your project falls into Expenditure Categories 1 (Public Health), 2 (Negative Economic Impacts), or 3 (Public Health-Negative Economic Impact: Public Sector Capacity). U.S. Treasury requires the State of Oklahoma to submit short responses (max 250 characters) to these questions for each applicable project.

Please describe the structure and objectives of the assistance program(s), including public health or negative economic impact experienced.

Our project, Food Hub, focuses on decreasing negative economic impacts of purchasing fresh produce, by providing the opportunity to find fresh produce within the community at a reasonable price. Our model includes opportunities for local or small rural farmers to have better access to distribution of their produce, helping them to make more money off of their crops.

Please describe how this project's response is related and reasonably proportional to a public health or negative economic impact of COVID-19.

COVID-19 had a dramatic effect on the community of North Tulsa, where we currently serve. This community was already facing challenges with food insecurity and the legacy issues that result. As a food desert, fresh produce was difficult to find and during the pandemic, the prices were often out of reach. The lack of fresh, healthy food has a long-term effect on this community, increasing the potential of diabetes, heart disease and others. Meeting this challenge was the focus of the Community Food and Resource Festivals offered free by FOTM.

Workforce and Job Training Requirements

Please complete this section if your project involves providing worker retention incentives; hiring or re-hiring public sector staff; or providing job training assistance, including tuition assistance.

Does your project include public sector worker retention incentives?

NO

Does your project involve hiring or re-hiring public sector staff?

NO

Does your project include job training assistance, such as tuition assistance, subsidized employment, or combined education and job training programs?

Yes, a portion of our project allows for agriculture education of individuals attending specific classes at our Food Hub. These classes could certify someone to have or manage an aquaponic or hydroponic farm. There are scholarships available for all the classes offered at the Food Hub that have been paid for by private donation.

Please describe how you will ensure and document that job training assistance is provided only to unemployed or underemployed workers.

NA

Aid to Impacted Industries Requirements

Please complete this section if your project is categorized as Expenditure Category 2.36 "Aid to Other Impacted Industries"

Did the industry experience employment loss of at least 8% nationally?

NA

If the industry did not experience employment loss of at least 8%.....

NA

Risk Assessment

KH Initial here to confirm your understanding that 2 CFR Part 200.206 requires the State to perform a risk assessment of applicants focusing on items such as financial stability, management systems and standards, history of performance, audit reports and findings, and ability to implement programs.

KH Initial here to confirm your understanding that 2 CFR Part 200.206 requires any subrecipient that subgrants State and Local Recovery Funds provided by the State of Oklahoma for this project to its own subrecipients to perform a risk assessment of those potential subrecipients for financial stability, management systems and standards, history of performance, audit reports and findings, and ability to implement programs.

Will you be administering the project? If so, describe your prior experience administering federal or state grants. How many years of experience do you have? If not, who will be administering and what is their prior experience?

Yes, we will. Our CEO/President board members have been a part of several governmental grants. One board member, Connie Dunivan, administered a 75,000,000 governmental grant for the Cherokee Nation.

What administrative costs do you expect to incur from the funds requested? (Expressed as a percentage or an amount). Does your organization have a Negotiated Indirect Costs Rate Agreement (NICRA) established with a federal agency?

No, the funding requested is ONLY for property and capital expenditures, allowing the re-purpose and redevelopment of existing building into useable warehouse for fresh produce.

Our organization does not have a Negotiated Indirect Cost Rate at this time.

Have you successfully completed a similar project in the past?

If yes, how many years of experience do you have in completing projects similar in scope and size?

The CEO/President has completed a project similar in size, and he has 15 years of experience.

Has your organization or entity been administratively responsible for expending, monitoring and compliance reporting for other pandemic relief funds?

If yes, how much funding was received by your organization or entity?

Yes, we received \$225,000 from Tulsa County and \$90,000 from the City of Tulsa for COVID Relief Efforts

Does your organization receive other Federal Funding?

If yes, please describe the type of funding (i.e., federal agency grant source, specific grant description etc.). How many years of experience does your organization have with other Federal funding and the corresponding federal grant requirements, including the Uniform Guidance.

We have received \$1,000,000 from Tulsa County ARPA funding for Phase 1 of Food Home - the Urban Farm.

Is your proposal a pre-existing project or program? If yes, how much funding has already been committed to the project? Please describe any other assets that have been committed to the project.

No, this project is a new phase of a four-phase project. We are currently performing several aspects of the Food Hub in other locations, and we are gathering produce from local farms and distributing that produce to underserved communities.

Does your organization have a record retention policy, procedure, and/or system to comply with the federal requirement to retain records for 5 years? If yes, please describe. If no, how do you plan to develop a record retention policy, procedure, and/or system?

Yes, please see the attached retention policy and procedure document.

Is your organization registered in SAM.gov? If yes, please provide the DUNS and unique entity identifier (UEI).

DUNS: 117561588

UEI: ZJXUTHMK4KN3

Monitoring & Internal Controls

Has your organization ever been subject to an audit or state or federal monitoring in the last three years? If yes, describe and provide reports.

We have an annual audit performed by a third-party auditor.

Describe all of the internal controls that will be used to ensure use of funds is consistent with State and Local Fiscal Recovery Funds regulations. (e.g., written policies and procedures, standard of conduct, etc.)

All funds received that are allocated to the Food Hub/Food Home Programs are tracked through our QuickBooks accounting software and DonorPerfect software. DonorPerfect allows us the ability to record and track all pledges, gifts, and donations from donors. This system integrates with QuickBooks to reconcile all accounting practices. The person who makes deposits does not fill out the deposit slip, and both individuals sign off on the deposits. The person making the deposit does not balance the bank statement, and our accounting firm reviews, balances, and checks all entries. Every year we have an audit performed.

Does your organization utilize a financial management system? Would that same system be used to monitor/ track/ report projects financial compliance? If yes, please describe your accounting software and financial management system.

Yes, we utilize QuickBooks and DonorPerfect software. As described above, DonorPerfect software integrates with QuickBooks.

Will this project distribute sub-grants or funds to beneficiaries (households, individuals, small businesses, non-profits, etc.)? If you plan to distribute these funds, what internal controls will be in place for eligibility determination to ensure funds are distributed in compliance with the U.S. Treasury Final Rule guidelines?

No we will not distribute sub-grants.

Please provide the job titles and years of experience for individuals who would be responsible for monitoring compliance.

Kevin Harper CEO/President has 15 years.

Connie Gibson Executive Assistant has 12 years.

Tim Roberts Accountant/Board Member 30 plus years.

Other Project Questionnaire Information

In which county is your organization headquartered?

Tulsa County

In 100 words or less, please describe any evidence or sources that validate the interventions proposed in your project or program.

FOTM currently serves North Tulsa which is the largest food desert in Tulsa County. Individuals living in this food insecure area die 13 years earlier than individuals who live in other parts of Tulsa, with access to food, health, and education opportunities. Many North Tulsa census tracts are more than 80% black and more than 35% of North Tulsa's population lives in poverty. We know that food insecurity has a profound effect on society, contributing to poor and chronic health issues, deteriorating neighborhoods, and generational poverty. The model we designed addresses food access, focuses on Oklahoma farmers, and provides education and job training.

Describe communities or vulnerable populations, including those that have been disproportionately impacted, that will benefit from this project. Include details on how this community was impacted by the pandemic.

We focus on food deserts, 32 of the 77 counties in Oklahoma have food deserts. These communities were economically impacted by the pandemic, and many have not fully recovered. However, most food deserts were in a state of desperation before the pandemic. These underserved communities suffer from a lack of food access, higher health problems, higher unemployment, and a higher high school dropout rate. In addition, they do not have the financial resources to make changes that come from education or healthy choices. The Community Food and Resource Festivals hosted several times each month by FOTM - even during the pandemic. These events have made food more accessible while also providing much needed health assessments and education, all free for this North Tulsa community.

The Food Hub will expand our impact outside of Tulsa to the rural communities located in the eastern half of the state and provide a place for all Oklahoma farmers to sell their produce. This will create a model that should be replicated across the state. The entire state of Oklahoma stands to benefit from this project.

Which counties would be most impacted by this project or program?

All counties in Eastern Oklahoma however, hopefully with time, the entire state will feel a positive impact.

Will this project support qualified census tracts?

Yes

If so, please identify which qualified census tracts will be impacted.

807, 8928, 9779, 5742, 1, 2, 3, 986, 3767, 6602, 15, 10, 5835, 207.4, 3, 15, 16, 62, 9400.6, 8, 7

Are matching funds or co-investment available from other organizations (philanthropic, local governments, other) that are interested in this project?

Yes

In 50 words or less, tell us which organizations have agreed to match or co-invest funds or have promised in-kind work and tell us what kind of organization they represent (business interest, non-profit, municipal agency, state agency, individual, etc.) In total, how many dollars have outside organizations financially committed to this project? Alternatively, describe any other assets that have been committed to the project or program.

The following organizations have expressed interest: Bama Companies (business), Schusterman Foundation, Helmerich & Payne (business), Cherokee Nation (Tribal government), Hardesty Family Foundation. As of September 2022, \$5.2 million has been committed to Phase One – the Urban Farm, which will break ground the first quarter of 2023 to supply produce to the Food Hub and the community. **This funding request is for the first warehouse of Phase Two** to be completed.

After initial funding from the state, would this project be able to continue operation, or would ongoing investment be required?

We will not need an ongoing investment from the state to keep the project going. Bama Companies has committed to providing start-up funding. Once operational the Food Hub will be self-sustaining generating revenue to cover all expenses. The Food Hub will create revenue from the produce sold to local grocery stores and distributors. Current Food Hubs models, like ours, are currently making 5%-15% profit annually. Any profit created over expenses will go back into the food distribution program desired for underserved areas to have access to fresh produce.

If not able to continue operations without additional State general fund appropriations, describe the amount of additional funding, the period of time such additional state funding would be required and potential alternative sources for the additional funding.

NA

Will this project bring revenue to the state or impacted communities?

Yes, the Food Hub will bring revenue to the state as well increase the health of the communities served. Currently the state of Oklahoma spends \$1,400,000,000 in medical costs related to eating habits or the lack of access to fresh produce. The Food Hub will begin to change the eating habits of Oklahomans served by providing access and education. This will lower the amount of medical expenses related to this issue.

If yes, how much revenue may be generated by this project annually, over the next five years?

Five Year Revenue Projections: Year 1) \$1,100,000; Year 2) \$1,122,000; Year 3) \$1,178,100; Year 4) \$1,240,539; Year 5) \$1,302,566

Appendix A: Expenditure Categories

*Denotes areas where recipients must identify the amount of the total funds that are allocated to evidence-based interventions

^Denotes areas where recipients must report on whether projects are primarily serving disproportionately impacted communities.

Table 2: Negative Economic Impacts

Section	Negative Economic Impact	
	Assistance to Households	
2.1	Household Assistance: Food Programs*^	➤ This request is for capital expenditures that will develop a program to reduce food insecurities and food deserts in Oklahoma. Specifically, this funding will purchase property and re-purpose an existing warehouse to become functional for food storage and distribution management. This distribution function will promote cost effective fresh produce for communities that are currently in a food desert. The increase of fresh produce will have a direct effect on the health of the individuals or families living in this area. Having healthy food and learning about healthy choices will in return promote health choices and decrease the incidents of heart disease, kidney disease and diabetes.
2.22	Strong Healthy Communities: Neighborhood Features that Promote Health and Safety^	

Additional Required Programmatic Data

Public Health and Negative Economic Impact (EC 1.1-3.5)

Collection to begin in April 2022

- **Brief description of structure and objectives of assistance program(s), including public health or negative economic impact experienced**

FOTM has been serving the people of North Tulsa, a current food desert. During the pandemic, this community found themselves choosing between healthy food for their families or paying for other needs such as housing. Throughout the pandemic FOTM continued to serve this community. Over time, FOTM has developed a plan to meet the needs of not only North Tulsa, but other food deserts in Oklahoma, providing better access to fresh produce and the opportunity to make healthy choices. Part of that plan has been outlined in this request. It starts with Urban farming, then helping local farmers to distribute their produce better and more easily through the FOTM Food Hub. All cost savings are passed along finally to the consumer – providing a direct positive economic impact on a community in need.

- **Brief description of how a recipient's response is related and reasonably and proportional to a public health or negative economic impact of COVID-19.18**

The development of the Urban Farm and the Food Hub are very new. FOTM has not had much opportunity to measure any responses to these new opportunities. We do know however from our Community Food and Resource Fairs that many individuals not only participate in our health assessments but are also making changes to their diet and life choices. Over time, we plan to capture this data in a more formal manner to continue understanding the impact we are making on a community.

Capital Expenditures (EC 1.1-3.5)

Collection began in January 2022, with additional optional fields to begin in April 2022; optional fields will become required in July 2022

- **Does this project include a capital expenditure? (Collection began in January 2022)**

YES

- **Total expected capital expenditure, including pre-development costs, if applicable (Collection began in January 2022)**

The total for Phase Two of this project is 11,509,860

Type of Capital expenditure, based on the following enumerated uses (This field is optional in April 2022; required in July 2022)

- Food banks and other facilities primarily dedicated to addressing food insecurity
- **For recipients (other than Tribal governments) investing in projects with total expected capital expenditures for an enumerated eligible use of \$10 million or more, as well as projects with total expected capital expenditures for an “other” use of \$1 million or more, please provide a written justification (This field is optional in April 2022; required in July 2022) (See Appendix B)**

NA

- **For projects with total expected capital expenditures of over \$10 million, provide labor reporting as outlined for infrastructure projects on pages 30 and 31 [of the reporting and compliance guidance]**

NA

For projects expending greater than or equal to \$1 million for capital expenditures, Treasury requires a written justification for the capital expenditure:

- **Description of the harm or need to be addressed. Provide a description of the specific harm or need to be addressed and why the harm was exacerbated or caused by the public health emergency. Recipient may provide quantitative information on the extent and the type of harm, such as the number of individuals or entities affected.**

In 2021 the USDA recognized 254 Food Hubs across America. This was an 83% increase since 2009. U.S. food hubs have a relatively high survival rate (88% survived from 2005 to 2017 compared to a 53% survival rate for all other types of new businesses). In 2021 Oklahoma agriculture was a \$85.3 billion industry. During the pandemic the USDA Farmers To Family Box Program was a major supplier for local food hubs. Food Hubs also now serve as an aggregate for small and midsize farmers. In Oklahoma, many of the small to midsize farmers missed selling their crops to the USDA for this program during the pandemic, because they lacked a local aggregate to help get their product to a larger market.

Oklahomans rank 10th in the nation for food insecurity, 6th in the nation for food waste, and the Oklahoma farm economy suffered more than any other state in the region last year. Oklahomans lack access to fresh produce but we are 6th in the nation in food waste and our agricultural output is declining because farmers do not have adequate places to sell what they produce. If change is not created and implemented at the farming level, the \$1,400,000,000 the state spends annually on medical conditions directly related to our food intake, will continue to increase. In summary, the people of our communities are not eating healthy foods, our farmers are closing their farms to find of lines of work, our health care costs are increasing, and we are wasting more food than 42 other states. FOTM feels that the Food Hub model could be the start of the change that could feed Oklahoma for the long term.

- **Explanation of why a capital expenditure is appropriate. For example, recipients should include an explanation of why existing equipment and facilities, or policy changes or additional funding to pertinent programs or services, would be inadequate.**

This request is for the purchase of property that is adjacent to the FOTM Urban Farm property. The purchase of this property would make the development of this project so much more accessible. Currently, there are three warehouses on the new property, so instead of building from scratch, renovation is required to re-purpose these warehouses into food storage, cold storage, and distribution for fresh produce. This request is for the renovation of one warehouse at this time.

Creating cold storage warehouses will give local farmers a nearby storage facility, helping them serve local grocers and sell more of their produce. Some of this cold storage will be available to store fresh produce to sell to other organizations and some will house food for Oklahomans in need. The Food Hub will also serve as a place where restaurants can send their excess for immediate distribution to those in need, cutting food waste.

- **Comparison of the proposed capital project against at least two alternative capital expenditures and demonstration of why the proposed capital expenditure is superior. Recipients should consider the effectiveness of the capital expenditure in addressing the harm identified and the expected total cost (including pre-development costs) against at least two alternative capital expenditures.**

This particular project is superior to any option because of the location of the property. This property is adjacent to the new Urban Farm project, providing direct access to fresh produce and distribution opportunities. Alternative capital expenditures could have included property in another location or property without existing warehouses. Both of these options would have simply cost more. Building from scratch is far more complicated than the renovation of an existing building. In addition, we are trying to keep distribution costs low, including transportation costs, so proximity to our current property is ideal.