



*Sample Proposal for the Good Food Access Program (GFAP)  
Equipment and Physical Improvement Grant*

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*In accordance with the Americans with Disabilities Act, this information is available in alternative forms of communication upon request by calling 651/201-6000. TTY users can call the Minnesota Relay Service at 711.*

*The MDA is an equal opportunity employer and provider.*

## *Mr. Hooper's Grocery Store*

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*Good Food Access Program Equipment and Physical Improvement Grant 2017*

## *Mr. Hooper's Grocery*

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1234 Sesame Street  
Goodfood, MN 56283

O: 507-111-1234

## *Harold Hooper*

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1234 Sesame Street  
Goodfood, MN 56283

[Harold.Hooper@goodfood.com](mailto:Harold.Hooper@goodfood.com)

O: 507-111-1111

## Applicant Information

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### House District(s) 2013-2022

Select the House district(s) the organization is located in or provides direct services. In most cases, you will only select one district. This information can be found at [Legislative District Finder](#).

16B

### Does your business have a parent company?\*

No

### Parent Company Name

If yes, please identify the company name:

N/A

### Parent Company Address

If yes, please identify the company address, including city and zip code:

N/A

## Eligibility

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Please answer each of the following questions. You must respond "Yes" to at least one of the first two questions to be eligible to apply for this grant.

### Eligibility Option #1\*

Applicant is a Minnesota grocery store or small food retailer engaged in the sale of nutritious and culturally appropriate foods.

Yes

### Eligibility Option #2\*

Applicant is applying on behalf of one or more eligible applicants.

Yes

### Authority to Apply\*

I have authority to apply for this grant based on my relationship with the Applicant Organization.

Yes

**Project Not Started\***

*I agree that no work has started on the proposed project nor will start until notified of award.*

Yes

**Good Standing\***

*I am in good standing with the State of Minnesota (no back taxes owed, no defaults on Minnesota State backed financing for the last seven years, in compliance with current State regulations, and acceptable performance on past MDA grants).*

Yes

*Do you agree to comply with the following conditions for a period of at least five years? If applying on behalf of eligible applicants, you must agree to make these requirements of each eligible applicant before a subaward is made.*

**SNAP\***

*Accept Supplemental Nutrition Assistance Program (SNAP) benefits:*

Yes

**WIC\***

*Apply to accept Special Supplemental Nutrition Assistance Program for Women, Infants, and Children (WIC) benefits, and if approved accept WIC benefits:*

Yes

**Data Collection and Reporting\***

*Comply with all data collection and reporting requirements established by the commissioner:*

Yes

**Local Workers\***

*Promote the hiring, training, and retention of local or regional residents from low-income and moderate-income areas that reflect area demographics, including communities of color:*

Yes

**Retail Food Space\***

*Except for small food retailers, as defined, allocate at least 30 percent of retail food space for the sale of affordable, nutritious, and culturally appropriate foods, including fruits and vegetables, low-fat and nonfat dairy, fortified dairy substitute beverages such as soy-based or nut-based dairy substitute beverages, whole grain-rich staple foods, meats, poultry, fish, seafood, and other proteins, consistent with nutrition standards in national guidelines described in the current United States Dietary Guidelines for Americans:*

Yes

**How did you hear about the GFAP Equipment and Physical Improvement Grant Program?\***

*Please check all that apply:*

Word of mouth

Other

**Other**

*If you selected Notification from Other Organization, Tradeshow, or Other, please list:*

Postcard from UMN Extension

**Project Start Date\***

July 1, 2017 (estimated)

**Project End Date\***

September 30, 2017 (estimated)

**Project Name**

Mr. Hooper's Grocery Store Produce Refrigeration Upgrade

**Sharing of Information\***

*May the MDA share your contact information and a summary of your proposal with program partners and technical assistance providers if your proposal is not funded? Funded proposals are automatically considered public information. If there are any parts of your proposal that you would not like shared, you must indicate the specific content that is a trade secret.*

Yes

**Overview of Applicant**

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*If applying on behalf of one business, complete the questions below; if applying on behalf of multiple businesses or locations, complete the table and upload at the bottom of this section.*

**Business Name**

Mr. Hooper's Grocery Store

**Business Address**

1234 Sesame Street, Goodfood, MN, 56283

**Census Tract**

1049

**Most recently completed fiscal year's gross revenue was:**

\$50,000 - \$750,000

**Type of Entity**

Grocery Store

**If you selected other "small food retailer" in the previous question please specify.**

N/A

**Eligibility Option**

*Select the option that best describes where the business is located. Each location where equipment is installed or physical improvements are made must be in a food desert or in a low- or moderate-income area with substantial subpopulation that has low supermarket access. (Refer to "Eligible Locations" section of the RFP for details on determining if the project is located in a Food Desert or Other Low-income or Moderate-income Area.*

Food Desert

*If you selected Other Low-income or Moderate-income Area, please explain how the project will target residents with limited access.*

N/A

**Current Square Footage of Food Retail Space after Project Completion**

12,345 sq ft

**Estimated Square Footage of Food Retail Space after Project Completion**

12,345 sq ft

**Multiple Retailers**

*If applying on behalf of multiple store/market locations, please download the Overview of Applicant Table, complete, and upload to your application. You may attach an additional page if necessary.*

## Proposal Summary

*Include a description of the project and goals to be accomplished. The summary of this proposal project must be suitable for dissemination to the public. (1,200 characters, including spaces)*

*Total Project Costs: \$78,400*

*Grant Amount Requested: \$19,600*

This project will replace and expand our open fresh produce coolers with 25 Zero Zone multi-deck glass door refrigerators and update the store's retail space lighting to high efficiency LED lamps. We want to better our customer experience by brightening the store with LEDs and maintaining our produce with doored refrigeration. These two major investments make financial sense from an operational perspective by reducing our electrical energy and maintenance needs, and from a customer service perspective by providing a better shopping experience and fresher products for sale. The new refrigeration will add 20 additional feet of produce coolers, allowing us to offer more variety of fresh herbs, fruits and vegetables, while actually reducing our energy footprint and cutting out repair costs. These new additions will give our store a new look as well.

## Business/Organization Overview\*

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### Business/Organization Overview\*

*Describe the business(es)/organization(s) capacity to implement the project. Include information such as years of experience in retail, years at the location(s), other experience in the food business, community support, organizational strengths, and any other information to demonstrate your organization's ability to execute your project.*

Mr. Hooper's Grocery Store has been in business and serving the Goodfood community for nearly 40 years. Originally opened by my parents in 1978, I purchased and started managing the store with my wife in 1998. We are in the same location and the only grocery store for 40 miles around. We sell to the entire community, including daycares, local churches, the elementary school on occasion, and the county fair, among other entities. We regularly support local events like the Goodfood Firemen's Breakfast, the Goodfood Fourth of July Fireworks show, Goodfood Food Drive and community food shelf, and high school football team dinners. We try our best to provide the community with fresh fruits and vegetables despite the market limitations of a small community, the transportation costs involved in supplying a rural community with food, and energy costs for running refrigeration and HVAC equipment for a small grocery store.

Organizationally, Mr. Hooper's Grocery Store staff is nimble in making business decisions though sometimes limited in time capacity. We make smart investments in our store where possible, including customer-oriented projects like repaving the parking lot, automatic entry/exit doors, and electronic payment systems. The store maintains a reasonable profit though losses have occurred periodically in past years associated with economic downturns or other economic pressures, like the opening of a megastore in the region, though customers usually come back to us after the "honeymoon" for the new store ends. Though we do maintain our store in good, working order, purchasing and installing new refrigeration has not been a reality because the full cost combined with the loss of sales makes for difficult financing picture.

### Business/Organization Overview\*

*Describe the business(es)/organization(s) current capabilities to provide nutritious, affordable, culturally appropriate foods to consumers.*

Our store has approximately 40 linear feet of produce coolers, 30 feet of dairy products and 30 feet of fresh cut meat and fish products. The new coolers would add 20 more feet of fruit and vegetable produce space. The rest of the store retail footprint is frozen dairy and frozen foods (including a frozen fruits and vegetables section), sundries, and a small deli. Our current capabilities to provide fresh produce to our customers is somewhat limited given the age of our refrigeration and the cost to update them. We receive fresh produce, meat and deli shipments twice weekly and dairy and egg products three times weekly. In the summer months, we purchase produce from an area food hub and contract directly with area growers who can supply produce in the amounts we sell. As more Latinos have moved to the area for local employers, we increased our supply and sales of cabbage, serrano and habanero peppers, avocados, potatoes, limes, and papaya, among other relevant ethnic foods. We are also happy to include specific food item requests in deliveries when our customers ask us for them. Again, our clients are our community members.

On a weekly basis, we discount fresh produce as a way to attract people to the store. For example, a 2 for \$6.00 carton of strawberries deal often results in 5% more in gross sales per daily average. Produce is often not a very profitable food item, but it simultaneously grows sales and is promotes healthy food choices. With the addition of 20 more feet of produce coolers, we are estimating more sales throughout the store. We are able to maintain and sometimes boost our store sales by providing recipe examples in our produce aisles. In our experience, we can move produce off the shelves more quickly by showing people how to prep and consume the produce in a recipe.

## *Investments*

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### **Investments\***

*Describe your organization's investments (monetary or non-monetary) into the project. If working with partners on the project, you may also include information about their investments (monetary or non-monetary). If contributing a cash match to the project, indicate the source of the funding.*

Our investment in the project is \$19,600 in cash and \$58,800 in loan funding from Goodfood Local Bank & Guaranty at 4.5% APR over 10 years. The cash amount is money we have saved toward this capital project. If we receive the requested \$19,600 in grant funding, we would complete the project as planned. If we are not successful in the grant competition, we will shrink the size of the project loan to fit a more manageable financial scenario. A smaller project would also mean smaller sales projections, thus the need to down-size the loan amount to recover costs.

## Work Plan

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### Work Plan Table\*

Download and complete the work plan table. You should include the steps you will take to successfully complete your project. For example, you might include target dates for requesting quotes, installing and testing equipment, and full launch of the equipment. Not all areas will apply to all projects. You may add additional lines or pages as necessary.

| <i>Timeline</i> | <i>Description of Task/Action Item</i>                                      | <i>Who is Responsible?</i> |
|-----------------|---|----------------------------|
| June 2017       | Gather quotes for produce cases   | Harold Hooper              |
| July 2017       | Prep and construct HVAC ducting for refrigeration waste heat                | Harold Hooper              |
| August 2017     | Install and test produce cases. If successful for 24hrs stock with product. | Harold Hooper              |
| September 2017  | Announce new installation and promote to community                          | Harold Hooper              |

## Budget

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### Budget Table\*

Download and complete the budget table. You may add additional lines or pages as necessary.

| <i>Item</i>                          | <i>Quantity</i> | <i>Cost Per Unit</i> | <i>Total Amount</i> | <i>Source of Estimate</i> |
|--------------------------------------|-----------------|----------------------|---------------------|---------------------------|
| 25 Zero Zone Glass Door Refrigerator | 1               | \$30,800             | \$30,800            | PB&J Refrigeration Co.    |
| T-LED Lamps                          | 600 lamps       | \$38.33              | \$23,000            | PB&J Refrigeration Co.    |
| Installation & Labor (8 FTE)         | 328 hours       | \$75                 | \$24,600            | PB&J Refrigeration Co.    |
| <b>TOTAL</b>                         |                 |                      | <b>\$78,400</b>     |                           |

### Budget Narrative\*

Respond to the following prompts:

- Detail how the funds will be used and justify each expense listed in the Budget Table.
- Explain how the expenses outlined in the Budget Table will enable you to offer and sell more nutritious and culturally appropriate foods.
- Explain sources of funds for any ongoing maintenance of equipment.
- Describe the necessity for grant funding to complete this project.
- The MDA normally does not provide cash advances for grant projects. However, you may request up to 50% of the total grant award as an advance. If you would like to do so, please justify your need for upfront

*funding. Note that any cash advance that violates the terms of the grant agreement or is not adequately used to support the approved project, will need to be repaid.*

The funds will be used to purchase and install new refrigeration and lighting equipment. The majority of these costs are hardware.

**Source of Funds:** \$19,600 cash savings; \$39,200 loan from Goodfood Local Bank & Trust; \$19,600 grant funding from GFAP.

**Hardware:** \$30,800 for 25 doors of multi-deck refrigeration totaling 60 linear feet. \$23,000 for 600 T-LED lamps to upgrade lighting and bring down operational costs for the long term.

**Installation & Labor:** \$24,600. The installation labor for PB&J Refrigeration Co. is priced reasonably at \$75/hr for a total of 328 hours across 8 full-time equivalent positions for experienced electricians and HVAC technicians.

**O & M:** No additional cost. The PB&J Refrigeration 10-year compressor warranty is included for the refrigeration, including an annual maintenance inspection. Internally, Mr. Hooper's Grocery Store cleans the refrigeration compressors and related equipment twice a year and intends to maintain a similar maintenance schedule as suggested by the manufacturer.

The cost of refrigeration equipment is very expensive. The grant would make it affordable for us to make these badly needed changes for our store. Customers would have more shopping confidence, knowing the equipment is updated and the equipment is running strong not always breaking down getting repaired. This grant money would benefit our community as it is at least 40 miles to larger stores. Without the support of this grant money a much lesser project will be completed. By only updating a portion of the planned remodel it may not make the sizable difference in our community that we are looking to achieve.

## Project Outcomes

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### Outcomes Table\*

Download and complete the outcomes table. We recommend that you review sales records.

If the retailer(s) was not in business prior to the grant project, you may enter zeros in the first column.

| <b>Sales of:</b>   | <b>Actual Measure in Most Recently Completed Fiscal Year</b> | <b>Estimated Measure in 1st Fiscal Year after Completion of Grant Project</b> | <b>Estimated Measure in 2nd Fiscal Year after Completion of Grant Project</b> |
|--|--|---|---|
| Fresh Fruits   | \$175,000  | \$183,750   | \$192,938   |
| Canned/Frozen Fruits                                     | \$25,000   | \$25,000  | \$25,000  |
| Fresh Vegetables   | \$100,000  | \$105,000   | \$110,250   |
| Canned/Frozen Vegetables                                 | \$35,000   | \$35,000  | \$35,000  |
| Grains/Flour   | \$55,000   | \$55,000  | \$55,000  |
| Meat/Poultry   | \$300,000  | \$300,000   | \$300,000   |
| Seafood  | \$30,000   | \$30,000  | \$30,000  |
| Plant-based protein items such as beans, seeds, and nuts | \$12,750   | \$12,750  | \$12,750  |
| Eggs   | \$25,000   | \$25,000  | \$25,000  |
| Fluid Milk   | \$115,000  | \$115,000   | \$115,000   |
| Other Dairy  | \$100,000  | \$100,000   | \$100,000   |
| Other Products   | \$50,000   | \$50,000  | \$50,000  |

### Increased Sales of Minnesota Foods\*

How will the proposed project lead to continued increased sales of Minnesota grown or raised foods?

This project will give us 33% more footage to sell fresh produce and enable us to offer more items with less loss of product. The additional produce cooler space will allow us to make a specific section during the growing season to highlight locally grown products like carrots, peppers, tomatoes, fresh herbs, etc. from our area food hub and a handful of local producers. Some of these producers are using hoop houses – a season extension technology – and as local producers extend the ability to grow local produce late into the season, our new produce coolers will also help extend that produce quality and availability further through improved refrigeration. Additionally, a more efficient cooler will help us keep our costs lower, giving us more flexibility to work with farmers on setting a sale value that meets both of our profit needs.

## *Letters of Support*

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### Letter of Support\*

#### Letter of Support

April 1, 2017

Citizens for a Healthy Goodfood  
6789 County Road 5  
Goodfood, MN 55123

Dear Minnesota Department of Agriculture,

Our citizen-run health group was established 5 years ago, near Goodfood, Minnesota. We take great pride in our support for businesses that supply fresh and healthy food to our citizens. We believe the key to a great community is access to good food. With our community experiencing a change in demographics it is important to us at Citizens for a Healthy Goodfood to support not only healthy foods, but the inclusion of culturally appropriate foods in our community grocery stores.

It is a pleasure to know that our local Mr. Hooper's Grocery Store is seeking to increase the availability of healthy food items as well as culturally appropriate food items in our community. We fully support this endeavor and the Good Food Access grant that Mr. Hooper's Grocery Store is seeking. Healthy foods such as fresh produce provide a way to increase nutrition in a child's diet and culturally appropriate foods allow for a better sense of community. Mr. Hooper's commitment to health and providing culturally appropriate foods will not only benefit the citizens of Goodfood, but the community as a whole.

Thank you for your consideration. Please contact me if you have any questions.

In health,

Norman Walker

## Letter of Support

March 23, 2017

Goodfood Office of Economic Development  
12345 Guernsey Ave.  
Goodfood, MN 54321

Dear Minnesota Department of Agriculture,

Please accept this letter as the Goodfood Office of Economic Development's support for Mr. Hooper's Grocery Store's Good Food Access Program grant application with the Minnesota Department of Agriculture.

The Goodfood Office of Economic Development believes in supporting local businesses looking to diversity their markets in ways that will benefit the community of Goodfood. It is a pleasure to know that Mr. Hooper's Grocery Store is seeking to increase the availability of healthy and culturally appropriate foods in their grocery store. Making culturally appropriate foods more accessible in grocery stores is an excellent way to promote community and possibly introduce the citizens of Goodfood to new food options. Supplying healthy food options in a local grocery store will allow for citizens to improve their daily nutrition without driving out of town to another store.

We at the Goodfood Office of Economic Development look forward to supporting Mr. Hopper as he takes this next step toward good food access in his grocery store.

Thank you for your consideration. Please contact me if you have any questions.

Sincerely,

Sally Johnson  
Goodfood Office of Economic Development  
President