



Eat LOCAL Food Innovation Districts



A best practices guide to supporting locally produced agriculture and food related businesses in Hillsborough County



Hillsborough County
City-County
Planning Commission

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Food **Innovation**

There is increasing demand for innovative locally grown food products. Nationwide, innovation is occurring in research and development, growing, production, distribution and preparation of food. As demonstrated by a nationwide trend in communities around the United States, food innovation has the potential to create economic and community benefits as well as promote food security and public health.

This guide provides methods and best practices used by others to create food innovation districts. While this guide does not recommend a specific location for a food innovation district in Hillsborough County, it does provide useful resources and best practices which can be used by local governments, community groups, and individuals.

What is a Food Innovation District?

A food innovation district is a geographic concentration of food-oriented businesses, services, and community activities that local governments support through planning and economic development initiatives in order to promote a positive business environment, spur regional food system development, and increase access to local food.

Food innovation district strategies, such as those developed by the Northwest Michigan Council of Governments are summarized in this guide, can be part of a larger revitalization strategy and tend to be more successful through public ownership, initiation, and oversight.

A food innovation district provides:

- Greater chances for small and start-up firms to advance and grow as employers
- More opportunity for small and mid-size farms in the region
- Public health improvements and greater overall food security to a region



According to the USDA, U.S. local food sales totalled at least \$12 billion in 2014, up from \$5 billion in 2008, and experts anticipate that value to hit \$20 billion by 2019.

Food Innovation District **Purpose**

FOOD INNOVATION = Jobs + Health + Place

After twenty years of exponential market growth, local and regional foods are more than a passing trend. Consumers are expressing an interest in knowing where their food comes from and connecting with those who put food on our tables. In response, producers are taking advantage of the opportunity to reach a new market; local food businesses are springing up; buyers in every sector of the food system have increased local food purchases; and conversations between farmers and consumers are taking place every day.

A food innovation district contains a diverse mix of food-oriented businesses and services, networked or connected to promote an environment for collaboration, spur economic growth, and increase access to healthy local food. The functions performed by the businesses within a food innovation district may include, but are not limited to, aggregation, warehousing, shared processing, coordinated distribution, wholesale and retail sales, waste management, or community engagement. A food innovation district is more likely to benefit and continue to attract agri-food businesses if it contains or has strong linkages to a food hub aggregating food products from the region. The Tampa Bay region is currently served by the Suncoast Food Alliance, which could be an important stakeholder.

Food innovation districts are much like well-known business acceleration zones or innovation districts for high-tech companies or medical research. They build on business synergies that occur when related enterprises locate in close proximity; share resources, information, and ideas; and grow investment and jobs with business development support.

Potential benefits of a food innovation district include:

- **Generation of jobs**
- **Strategic development of regional food system infrastructure, including storage, packaging, processing and distribution facilities, connecting local producers and regional markets**
- **Access to fresh, local food, contributing to food security and public health goals**
- **Opportunities to redevelop commercial areas which already have existing infrastructure**
- **Recreation, entertainment, retail, and other community-oriented activities that can enhance a sense of place and quality of life.**



The Urban Land Institute's America in 2015 national survey shows that 73 percent of U.S. residents consider access to fresh, healthy foods to be a high or top priority.

Why Food? **Why Now?**

According to the United States Department of Agriculture (USDA), local food growing, production and distribution is projected to be a top ten growth industry over the next decade in terms of the number of jobs generated. Jobs in local food production have a low barrier to entry, so advanced or specialized education is not necessary for entry into the field. There is also a high potential for individuals to climb the “wage ladder.” Workers starting at an entry level can advance quickly, with experience, to higher positions, or by owning and operating businesses.



Food innovation districts have the ability to support local food production and create strong business models with anchor institutions such as hospitals, universities, and public schools. These linkages can create additional public benefit for low income communities and strengthen the local economy. With strong linkages, local food production businesses can leverage long term and significant procurement contracts with local institutions and can be connected to major institution procurement contracts for public benefit. These contracts can provide enough revenue for food innovation facilities to become self-sustaining and employment providers.



In addition, universities can play a significant role in research and development for food innovation. Research and development labs, food hubs, co-packing, commercial kitchen facilities, and small retail spaces are all important elements for the local food economy to expand and be profitable.



Between 2009 and 2015, the USDA invested over \$1 billion in more than 40,000 local and regional food businesses and infrastructure projects.

First Course

Step 1: Gather Basic Information

Gather basic information about the community from which the district will draw entrepreneurs, customers and other users. This will include a review of community information, such as demographics and market information like basic food consumption and production statistics, as well as understand the needs and interests of the community's food systems and businesses. Part of the initial scoping will identify the food innovation uses, activities, and opportunities currently available in the community.

Step 2: Establish Rationale

Based upon the community information and assessment of need, it will then be possible to establish the rationale for the district. Emerging economic and public health trends in the United States and even Hillsborough County can make the case for building or supporting a food innovation district. Local interest in greater access to local food, combined with the need to reinvent industries and jobs, may also be a rationale for a food innovation district.

Step 3: Identify Assets and Opportunities

Next, it will be necessary to identify assets and opportunities that can direct the district's development and where it is located. As with all planning processes, assessment of needs and assets is essential in developing a clear vision for what a food innovation district should do and where it fits in. The assessment process should also identify gaps and areas of opportunity that could point to short- and long- term business or redevelopment targets.

Three main groups of elements typically come together in food innovation districts and, through peer-to-peer networking and business-to-business relationships, produce inter-related business, public health, and placemaking benefits:

- Producer-oriented elements such as storage, distribution, processing, and other services needed to move produce from farms to consumers
- Community-oriented elements, which link food businesses with the public, such as education and local food purchasing programs or community open space
- Place-oriented elements, such as restaurants and events, which relate to the placemaking value of activity in food innovation districts



Measurements

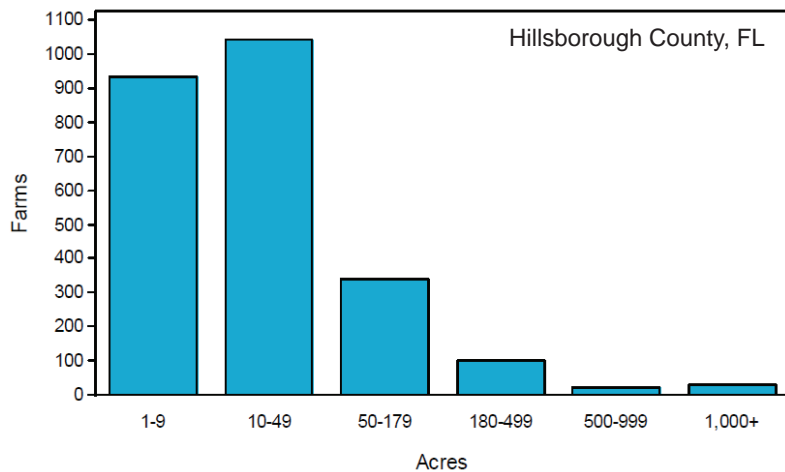


The U.S. Department of Agriculture defines small farms as those with gross cash farm income of less than \$250,000. Hillsborough County has almost 3,000 small farms. Eight-nine percent of these farms have sales less than \$100,000 per year with average net income of \$54,304. For 55 percent of those, farming is not the primary occupation of the principle operator, and 83 percent operate on less than 50 acres.

Hillsborough County Agricultural Industry Profile

	2007	2012	% Change
Number of Farms	2,843	2,455	-13
Land in Farms (acres)	219,800	214,940	-2
Market Value of Products Sold	\$488,220,000	\$378,077,000	-23

Farms by Size, 2012



Ingredients

Potential Elements



Food innovation districts often co-locate activities in one area. Each activity, or element, can exist as independent businesses or initiatives that collaborate with others. The availability of these facilities and services to a food innovation district can reduce costs and build opportunities for local food and farm businesses.

Producer-oriented elements

- Wholesale Facility
- Coordination/Technical assistance
- Distribution network
- Shared storage facility
- Processing facility
- Marketing services
- Farm to institution

Community-oriented elements

- Restaurants and eateries
- Educational programming
- Community/Incubator kitchens
- Education and nutrition outreach
- Social services
- Open space and community gardens
- Community supported agriculture
- Food subscription services

Place-oriented elements

- Food parks
- Festivals, fairs, and events
- Agrotourism
- Sidewalks and bike lanes
- Benches and bike racks
- Plazas and public art
- Pedestrian scale entry ways
- Local food identity

Second Course

Step 1: Establish a Vision

The findings of the assessment will point stakeholders toward a vision, which will help define the scope, intent, and goals of the food innovation district, and will help the community prioritize activities and steer decisions around district location and features.

The vision will:

- Involve principles that emerge such as the expectation that businesses in the district use local and environmentally sustainable foods or that the district provides neighborhood job training and employment opportunities.
- Point to district goals, such as providing hospitals and schools with a certain percentage of local food, or increasing the number of skilled farmers and food business employees by making vocational training available through the food innovation district.
- Help prioritize activities, which then steers location decisions toward places that provide the right kind of retail or light-industrial facilities, neighborhood connections, or access to transportation.

Step 2: Define Boundaries

As prime places for food innovation district development become apparent, organizers must decide where the district will start and stop. Defined boundaries are especially necessary for the subsequent implementation steps of planning, zoning and economic development. District boundaries determine, for example, eligibility for business incentives or building design requirements; they also clarify who benefits and who must comply.

Local government and community members must focus on their vision for the defined area, how the district could help accomplish the vision, and whether the proposed type and scale of uses work with surrounding areas. All stakeholders should be at the table to ensure that the district develops in a way that works for the neighborhood, farmers, food businesses, community organizations and others that it is intended to connect and support.



Top Chefs

Stakeholders



A broad range of residents, businesses, civic leaders and other stakeholders should be involved in food innovation district development. Their roles include envisioning and developing the project; determining its goals, objectives, and boundaries; formally initiating the effort; and managing the district's evolution. In our community stakeholders might include:

- ✓ Hillsborough County, Tampa, Temple Terrace, Plant City
- ✓ UF/IFAS Extension in Hillsborough County
- ✓ Hillsborough County Economic Development Corporation
- ✓ Chambers of Commerce
- ✓ Florida Small Business Development Center
- ✓ Hillsborough County Small Business Information Center
- ✓ Hillsborough County Entrepreneur Collaborative Center
- ✓ Hillsborough County Farm Bureau
- ✓ Suncoast Food Alliance
- ✓ Various farmers market boards

Grocery List

Ideal Locations



Identifying the ideal location is critical. Food innovation districts are typically built in areas where land prices are below the urban average but have strong connectivity to the entire region. These areas are either former industrial sites or areas just outside of the urban center with higher than average poverty and blight. Commercial neighborhoods, industrial neighborhoods, or downtowns are usually a good fit. A food innovation district can range in size from a couple of acres to several square miles and should include most of the following:

- ✓ Sewer and water access
- ✓ Air, rail, and highway transportation access
- ✓ Transit access
- ✓ Pedestrian friendly area
- ✓ Connections to nearby farms
- ✓ Presence of complementary food production or innovation activities
- ✓ Market development opportunities with complementary uses like schools, institutions, businesses
- ✓ Redevelopment/adaptive re-use opportunities
- ✓ Proximity to shopping or entertainment districts, parks, and greenspace
- ✓ Opportunities for adaptive reuse
- ✓ Desired district character/memorable spaces

Third Course

Step 1: Planning and Zoning

Planning: With uses in food innovation districts ranging from restaurants and retail to wholesale activities and urban agriculture, consideration toward planning or zoning initiatives is vital to ensure that diverse uses are permitted in the targeted area. It's important to identify the goal for food sustainability and innovation in the comprehensive plan. The comprehensive plan has important legal connections with zoning, and can help attract support from funders and link ongoing initiatives. Comprehensive plan language may address food systems in general, or it may identify specific goals around food innovation.

Zoning: Where zoning conflicts exist, planning and zoning conversations and related approval processes must take place to integrate food-related uses into plans and ordinances. Local governments may consider amending existing zoning to allow expanded agriculture and food related uses in applicable zoning districts. Other zoning solution that could be adopted include:

- **New zones** - consider an entirely new zoning classification to focus their planning approach to food innovation districts. A new zoning district can provide a clean and clear start to the district, allowing the community to address potential needs and uses in a cohesive manner
- **Overlay zones** - can add flexibility, restrictions, or incentives to underlying land uses within a specified district or across several districts. It can add food innovation uses and standards without creating the need to change each underlying zone or rezone properties. Once a community has identified the boundaries of a food innovation district, an overlay zone could add more uses to those portions of the industrial, commercial, and residential areas that the proposed district spans
- **Form based zoning** - regulates the physical design of a building or site to a greater extent than its use. Because they focus more on the form or design of development, form-based zoning codes often allow for more of a mixture of uses such as residential and commercial. As such, form-based zoning could provide important flexibility for food innovation districts, which can encompass a broad variety of uses and activities

Step 2: Economic Development

Explore available or potential programs, approaches, economic development strategies and tools for food innovation district development. This will look at food innovation districts in the context of broader strategies for growing jobs and investment in a region as well as examining available programs and other approaches that communities are using or could apply to food innovation districts.



Setting the Table

Zoning

Food Innovation District Uses and Zoning Districts		
Characteristic uses	May be regulated, defined as:	Common zoning districts
Aggregation and distribution	Wholesale, storage, distribution	Industrial, Commercial
Business management services, marketing	Professional, business services	Commercial, Office
Community kitchen	Community facilities	Commercial, Residential
Education	Community facilities	Commercial, Residential
Food production (community gardens, market gardens, farms)	Agriculture, community gardens	Agricultural, Residential
Processing	Processing, food processing	Industrial, Agricultural
Research and development	Research facilities	Industrial, Commercial, Residential
Restaurant	Retail	Commercial
Retail/consumer sales/markets	Retail, speciality shops, farm markets	Commercial, Agricultural, Residential

Icing the Cake

Incentives, Grants, and Programs



If offered financial incentives, food-related businesses may be enticed to locate in a food innovation district, forming clusters, which can potentially serve as stimuli for growth. Businesses locating to an area may possess necessary strengths such as skilled labor force, training programs for developing the local economy. Additionally, new firms could bring newer technology and innovation. Along with employment and technology benefits, high concentrations of industry-related businesses within a boundary bring reduced transport costs, goods, people, and ideas. Food-related businesses located within close proximity to others may find this to their advantage thus promoting synergy in the local economy.

- ✓ Tax credits
- ✓ Tax Increment Financing (TIF)
- ✓ Tax abatements
- ✓ Donations and sponsorships
- ✓ Federal, state, and local grants and loans
- ✓ Enterprise zones
- ✓ Business Improvement District
- ✓ Land banking
- ✓ Brownfield redevelopment areas
- ✓ Business and workforce development
- ✓ Placemaking through infrastructure investments
- ✓ Branding

Just Desserts

Elected Leadership Support

Support from leadership is essential to ensure success, longevity, and ability to have a meaningful impact. Without continued support a food innovation district project will not advance from planning concept to implementation.

Economic Feasibility Modeling

A key step is to create an order-of-magnitude construction budget, sources/uses of funding, and operating pro forma. This step will allow everyone to understand what degree of subsidy the project may need on the capital side, and to identify the most efficient ways to integrate the subsidy.

Select Developer/Operator

Select a developer/operator who can assume the risk in project and implement the food innovation district. The operator will manage the creation of and day-to-day operations of facilities within the food innovation district. Qualified operators will have experience building and operating food-related facilities and/or large-scale projects.

Secure Site Control

To move ahead, it will be important for the project team to secure land. While stakeholders will identify the boundaries of the food innovation district, the developer/operator would identify parcels that it believes would be a good fit for the project. These parcels should be evaluated further and reserved for development and potential future expansion.

As the project advances:

- Plan for incremental growth and provide an opportunity for businesses to scale up
- Build sufficient operating reserves for lean times
- Include back-office business services as part of the program (e.g. accounting, marketing)
- Assess market demand for space and skills available within the community
- Tailor business development programs to real world opportunities
- Incorporate community feedback to improve the programs offered



Case Study

Traverse City, MI

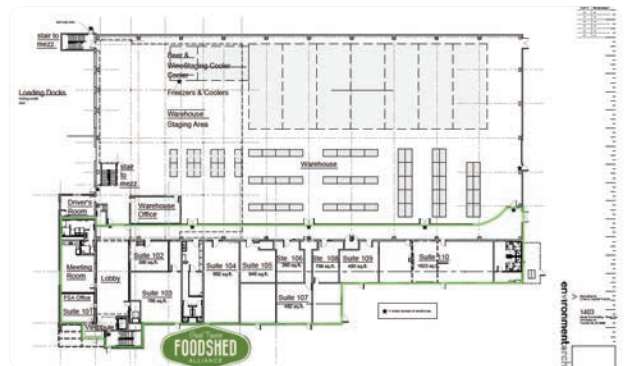
The Village at Grand Traverse Commons

Traverse City developed a Food Innovation District on the 63 acre campus of an old hospital. Now called The Village at Grand Traverse Commons, this site is surrounded by 480 acres of parkland. The Michigan Economic Development Corporation awarded the Commons Board of Directors who served as the campus' custodians \$50,000 to develop the food innovation district. In 2000, Traverse City area resident and builder Ray Minervini signed a redevelopment agreement with the Commons Board. Today the Village includes a year-round farmers market, commercial kitchen, cold storage, product processing and a vast array of eclectic shops, unique eateries, multi-family housing, and professional services.

The master plan was supported by a variety of special zoning designations, including an historic district designation, Michigan tax-free Renaissance-Zone designation, and brownfield designation. Several tax incentives are available to businesses within the district.

Greater Traverse Food Innovation Hub

The Grand Traverse Foodshed Alliance operates the Grand Traverse Food Innovation Hub in cooperation with several food system partners. The Food Innovation Hub provides 12,000 square feet of optimized food production facilities, along with shared meetings and classroom space and is housed in a 60,000 square foot building designed and managed by Cherry Capital Foods, a regional food distributor. The facility offers 10 leasable spaces designed to serve the specific needs of food manufacturing and production. Tenants are offered below-market rates and the option to interact with other like-minded food businesses. Each business also has the option to collaborate with Cherry Capital Foods to store and distribute finished food products through the collocated warehouse distribution facility.



According to the USDA, The U.S. had an estimated 8,669 farmers markets in 2016, a 2.3 percent increase over the year before and a nearly fivefold increase since 1994

Case Study

Seattle, WA

Rainier Beach

In October 2015, the city of Seattle's Office of Planning and Development engaged American Communities Trust to examine the potential of a food innovation district. Then, in 2016, VIA Architecture worked with Seattle's Department of Planning and Development and Jonathan Rose Companies to create a food innovation district development strategy for the Rainier Beach light rail station area that builds upon the community's unique assets, including Seattle's largest urban farm, a diverse community with a wealth of ethnic food knowledge, and a location on a thriving industrial corridor. Rainier Beach stakeholders have envisioned how the area can evolve as a new model of transit-oriented development in which employment, education, and entrepreneurship come together to create a food innovation district that capitalizes upon local resources and values.

With a significant immigrant population and unemployment more than twice that of the city, Rainier Beach needs jobs with low barriers to entry in industries that allow pathways for citizens to both enter the workforce and become entrepreneurs. With the community's proximity to light rail and residential, commercial, and light industrial districts, it is well positioned to attract businesses that need relatively low-cost industrial space close to customers. The community is also already home to two food enterprises: Rainier Beach Urban Farm & Wetlands food production and the Rainier Beach Farm & Food Hub, a local food production and distribution operation.

The City is continuing to work with a coalition of community members, not-for-profits, and educational institutions to further develop the concept of an "Opportunity Center for Food Education and Entrepreneurship," which will serve as a catalyst project for the food innovation district in the next two years.



The Urban Land Institute's America in 2015 national survey shows that 16 percent of U.S. residents—including 28 percent of African Americans and 25 percent of Latinos—say that healthy food is not available in their communities.



Case Study

Anaheim, CA

Anaheim Foodie District

The one-square-mile Anaheim Foodie District is part of the city's larger effort to revitalize its downtown. The foodie district was developed to raise interest in the area and increase new housing demand.

The Packing House, Packard Building, and Farmer's Park were developed as the center pieces of the district, between 2000 and 2004 in cooperation with Lab Holding, a local real estate developer. City officials have spent \$10.4 million to purchase and redevelop the three acres encompassing the three projects as part of an overall investment of over \$200 million in Downtown redevelopment funding. The three parcels, contained by an industrial zoning district, were granted conditional use permits by the Planning Commission to allow the conversion of an industrial building into a thriving commercial retail center.

The once vacant and abandoned Packing House has been converted into a popular food hall which offers an authentic environment, supporting small, local, and independent vendors. It boasts a 42,000-square-foot open air marketplace with high ceilings and a rustic interior design. More than 20 food vendors are hosted, representing diverse offerings such as a butcher, chocolate shop, fish market, cheese shop, Amish spice shop, Indian street food, soul food, and even a hidden speak-easy styled bar.

Also initiated by the City is the new Farmers Park. A two-acre grassy park that hosts a weekly farmers market offering locally sourced produce, meats and other goods. The Farmers Market accepts EBT (food stamp) benefits to ensure an inclusive commercial environment. Weekly concerts at sunset draw in an evening crowd. The Park also offers sports facilities, outdoor furniture, shade structures, power outlets, and a public garden.



Project for Public Spaces found that 60 percent of shoppers at indoor and outdoor food markets also visited other local retail establishments on the same day they visited the markets, and they only did so on days they visited the markets.

Case Study

Dallas, TX

Trinity Groves Restaurant Incubator

The restaurant incubator program is the brainchild of developers Phil Romano, founder of Romano's Macaroni Grill and Stuart Fitts, the proprietors behind West Dallas Investments LLP. The duo began buying up land in 2005 and now own 100 acres in Trinity Groves just across the river from Downtown Dallas. 10.3 acres has been dedicated to the incubator program.

The Trinity Grove Fund was created by the developers to provide \$500,000 each to new Millennial restaurateurs who present the best creative concepts to a team of experienced restaurateurs and investors. In return, the fund gains 50% ownership of each restaurant, and it provides an annual salary. It also funds management and design consultation to help make each concept more successful. To date it has raised about \$12 million and has provided a 12% return to investors. If a restaurant concept consistently fails to meet high standards set by the Fund, the lease will be terminated at no financial loss to the restaurateur.

The Dallas city government is supportive of Trinity Grove and has added the area into the existing Sports Arena TIF district leading to \$3.5 million of TIF financing for Phase 1. With the combination of public and private investment, the incubator is being used as a catalyst to attract new residential development that will take place within the site during Phase 2 and Phase 3 of redevelopment.

No zoning changes were required for the 10.3-acre restaurant incubator site however rezoning has occurred to support the mixed-use residential development that will occur in phases two and three.



According to the National Restaurant Association, as of 2016, growth in the restaurant sector has led the employment growth in the overall economy for 16 years straight.



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