

Traditional Methods to Accessing Capital

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PFI Annual Conference

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August 2015



October 2017



August 2015

October 2017

5085 Meredith Drive

46th Ave

Google



What is DUG?

- Urban Farm (¼ of an acre)
- For profit business – Diversified income streams
 - DUG Farmstand
 - Des Moines Metro Restaurants
 - Baru 66, HoQ, Table 128, Proof, The Cheese Shop, La Mie, The Wine Experience, Local Yocals, Reeds Hollow, Le Jardin, Harbinger
- Salad Subscription (form of a CSA)
- Beaverdale Farmers Market
- Iowa Food Coop
- Local caterers
- Urban FarmStay – Air BnB



Start Up Capital Bank Loan (Central Bank)

- Secured a mortgage for the “first” property
 - House and $\frac{1}{4}$ acre plot
 - \$110,000
- Secured a mortgage for “back” property
 - Back $\frac{1}{2}$ acre
 - \$39,000
 - Put 20% down on both mortgages
- Obtained an unsecured line of credit for business operations
 - Up to \$28,000
 - Used for Inventory in FarmStand
- Used personal savings for about 30% of start up costs



NRCS – EQIP High Tunnel Initiative

- Tedious but Worth it!
- Process took me over a year
- Get to know your County Rep!
- All states/counties are different
- Land where tunnel is going must be cropland
- Pay for tunnel out of pocket and later get reimbursed later
 - Iowa HT Funding cap is \$9,870



Paperwork

- Be diligent about paperwork & file properly!
 - Dogpatch Urban Gardens vs Dogpatch Urban Gardens, LLC
- U.S. federal government's System for Award Management (SAM)
- Dun & Bradstreet: D-U-N-S[®] Number
 - "D-U-N-S Number is a unique nine-digit identifier for businesses. It is used to establish a business credit file, which is often referenced by lenders and potential business partners to help predict the reliability and/or financial stability of the company in question." <http://www.dnb.com/duns-number.html>

HT Details

- 72x30 (30 is max width)
- Ran electrical to HT (at own expense)
- Poly must be 6 mil
 - (Chose double poly with inflation fan)
- Polycarb end walls
- All plants must be grown in the soil
- No heat!
- Must be maintained for 4 years



Tunnel System Job Specification Sheet

Name _____ Farm # _____ Tract # _____

Assisted by _____ Field Office _____ Contract # _____

Tunnel information

Manufacturer _____ Model _____

Height (min 6') _____ Width (max 30') _____ Length _____ Total square feet _____

Materials

Cover—Polyethylene a minimum of 6 mils thick

Ribs purlins, post and other components (size and type of materials)

Location (Show on site plan map)

Orientation (Show on site plan map)

Other required conservation practices planned (Show location on site plan map)

- | | | |
|--|---|--|
| <input type="checkbox"/> Diversion | <input type="checkbox"/> Grassed Waterway/Swale | <input type="checkbox"/> Critical Area Seeding |
| <input type="checkbox"/> Infiltration Trench | <input type="checkbox"/> Other | <input type="checkbox"/> None |

Seeding recommendations for erosion control on disturbed areas:

Species and rate to be planted _____

Lime _____ lbs/ac. Fertilizer _____ lbs of 5-10-10 /ac.

Certification

This structure was constructed and installed using all manufactures recommendations. I have read and understand the operation and maintenance requirements associated with this practice.

Landowner Date _____

Technical Service Provider (if applicable) Date _____

REQUIRED: Attach a site plan map.

SUPPORTING PRACTICES MEET NRCS SPECIFICATIONS

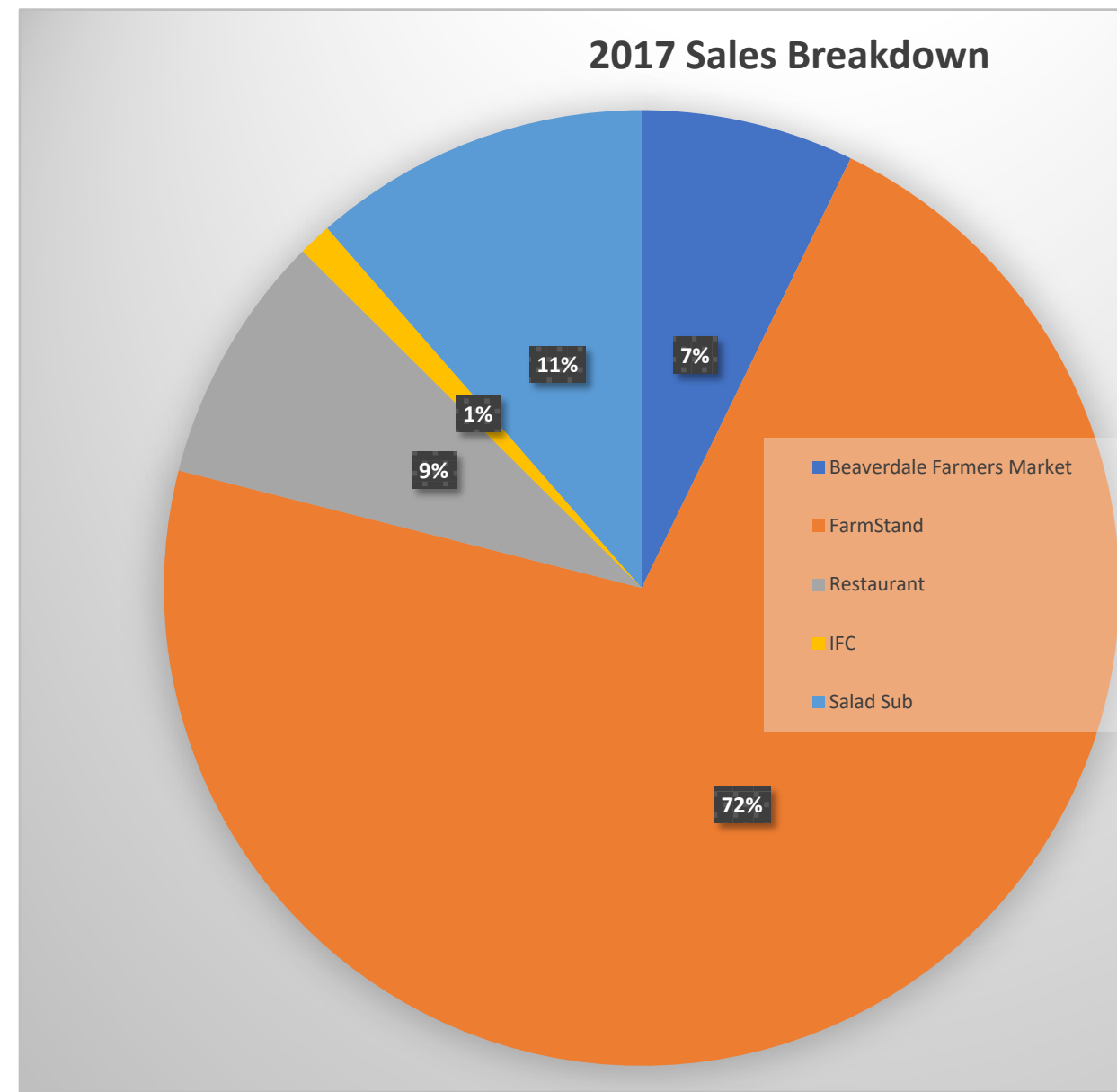
NRCS

Date

FSA Microloan

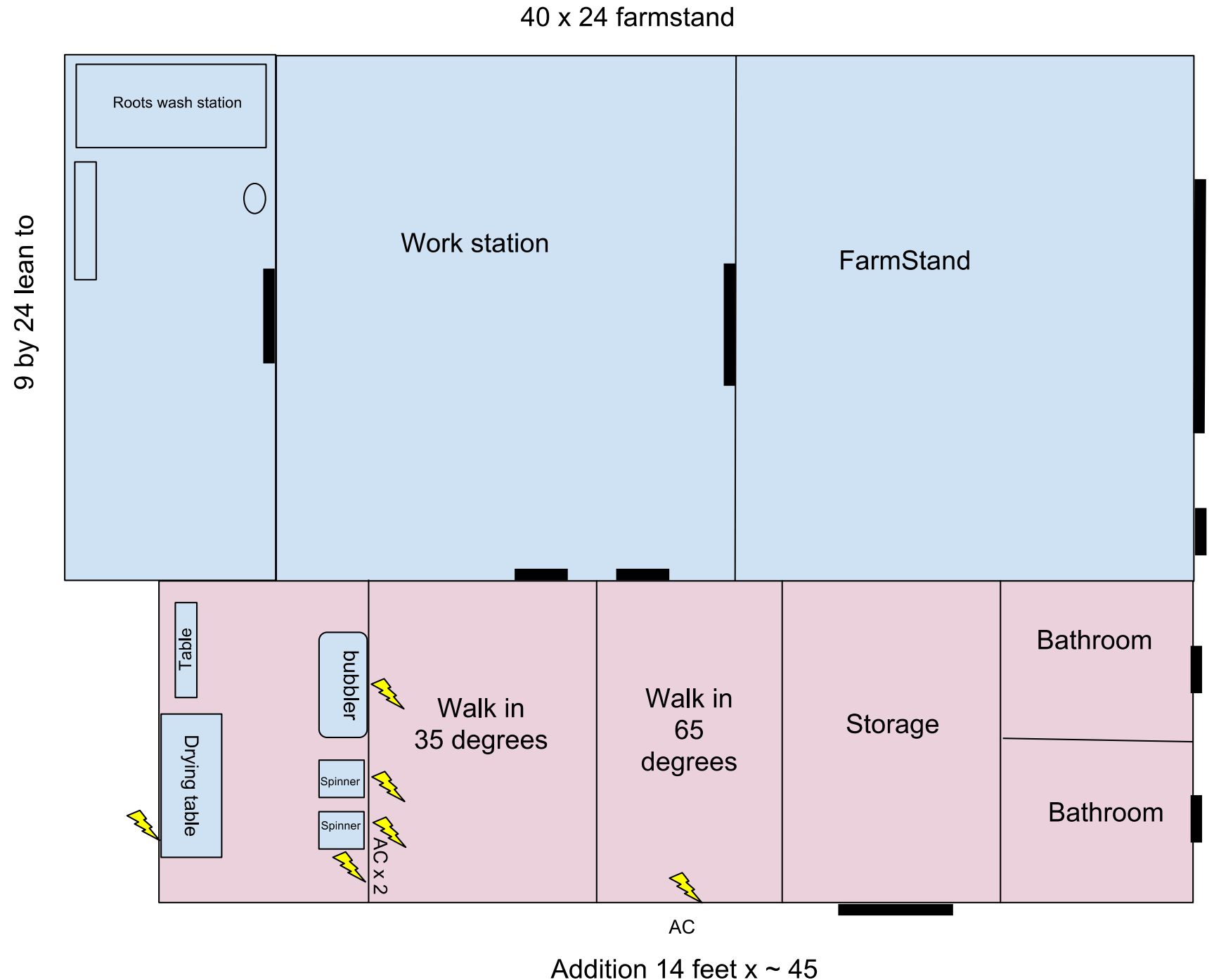
- Attempted to get microloan funding in 2016 (before garden had started)
- County rep didn't think our financial projections were feasible based on large scale farming numbers
 - "The ISU information indicates that you could potentially produce **\$5400 total** income off of your size of operation if you only planted green beans. Other crops such as **salad greens** show a lower income of only **\$2250.**"
- Reached out again in September of 2017
- Rep came out to land and was surprised by our operation
- Did not end up pursuing the \$
 - "You can estimate that you will spend \$2500 to \$4000 more to complete your project because of the environmental conditions."

2017 GROSS Revenue Source	Income
Beaverdale Farmers Market	5226.7
FarmStand	52000.51
Restaurant	6156.5
IFC	813
Salad Subscription	8286
	72482.71



Newest Addition

- Requires more \$\$
- Originated new line of credit through Central Bank
- Used Farm property to back the line of credit



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