CDFA Food Finance White Paper Series:

Food Systems & Targeted Tools

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Communities and regions around the country are turning to food and agricultural sectors for the opportunities they offer in growing economies, improving public health, addressing social issues, responding to environmental challenges, and celebrating local culture. Financing the diversity of food-related businesses and projects - from dairy farms and restaurants to small-scale canneries and seafood processing facilities - has been difficult in the past, yet a wide range of underutilized resources exist today that can help build a better food system.

As part of a white paper series demonstrating the vast potential for applying traditional finance tools to the food system, this paper focuses on tools that are used to target certain geographies, project types, or sectors. This category of targeted financing is described below, followed by a range of case studies showing how these different types of finance can be utilized in local and regional food system development.

What is Development Finance?

Development finance is used by local communities to encourage, support, and catalyze the physical development, redevelopment, or expansion of a business or industry. This is done through both public and private investment in projects that benefit the long-term health of a community.

Development finance agencies (DFAs) act as a conduit for channeling these investments to both private and public purpose projects through both direct and indirect lending programs. DFAs provide support for economic development through various financing programs, and they are central players in connecting projects and businesses with financing. They can be formed at the state, county, township, borough, or municipal level, and a wide variety of organizations classify as DFAs, including port authorities, industrial development authority, economic development authority, development corporation, and more.
Defining a Food System Asset Class

In order to establish reliable, affordable, and traditional streams of financing for a wide variety of food-related work, there must be a shift in perspective that understands individual people and projects in the context of the broader food system. CDFA has identified six distinct areas of activity that exist within a comprehensive food system and which could be recipients of investment.

Although there is often overlap between these areas of activity, this white paper series is oriented around the defined categories below:

- **Social Enterprise (addressing scarcity)** – An organization or initiative that works to support social objectives, such as increasing access to healthy affordable food, sustainable food, or other socially beneficial food objectives.

- **Agriculture (rural & urban)** – The cultivation and harvesting of primary consumable food products (plants, animals and their byproducts), as well as the acquisition and management of agricultural land, research & development, production, support, and operations, regardless of physical location or scale.

- **Entrepreneurs** – Individuals who create and operate businesses in the food system, such as culinary, technology, distribution, agriculture or processing businesses, in order to meet market needs and gain profits from the business.

- **Industry** – The broad range of actors who contribute, or facilitate, the process of food production and distribution to consumers. This may include food retailers, food service, processors, packagers, distributors, producers of related inputs, and more.

- **Institutional Buyers** – Public or private institutions, such as schools, universities, hospitals, or prisons, that purchase wholesale, prepare and serve large amounts of food to meet internal demand within the food system.

- **Infrastructure** – The physical facilities, as well as the organizational, technological, and relationship networks that allow for the production, processing, storage, distribution, transportation, transfer, and retail of food.

This new definition of the food system takes a more comprehensive look at the greater economic ecosystem around food, food enterprises and food infrastructure to reinforce the concept of an investible asset class.

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Targeted Financing Tools

Targeted financing tools are one of the fastest-growing areas of development finance, differing from other tools because they target specific geographic areas or difficult-to-finance sectors in a community. They offer incentives, tax rebates, credits, and unique financing structures that drive investment and development within that geographic footprint or topic area. The goal of targeted financing tools is to catalyze investment and transform the actual or perceived real estate values of a given geographic area.

Targeted financing tools have been widely successful, yet most of them are still underutilized throughout the country. Communities employing these tools have shown sizeable increases in property values and overall business development and community improvement. Large market cities such as Baltimore, Columbus, Washington, D.C., Los Angeles, Atlanta, Chicago and even smaller communities such as Boise, Des Moines, Louisville and others have applied these tools effectively. In recent years, small cities and rural places such as Peoria, Illinois; Chandler, Texas; and Johnson County, Iowa have effectively employed these powerful financing tools as well.

Targeted financing tools typically fall into two categories. The first category of tools is designed to generate new taxes in a geographic area through improvements to the built environment. These improvements increase property, sales or other taxes, which can, in turn, be used to finance some of the improvements. The second category of tools allows business and industry to generate funds through tax assessments, often self-imposed, which raise specific taxes in order to finance improvements in the geographic area. The following represents a summary of the available tools that have been most successful when applied to projects within local and regional food economies.

Types of Targeted Tools

Tax Increment Financing (TIF)

Tax increment financing (TIF) is a mechanism for capturing the future tax revenues - or increment - of new development or redevelopment in order to pay for the present cost of the site improvements. TIF can be applied to a district or a single property, with legislation state to state. Aspects of development that increase economic activity for the property or within the district generate greater tax revenues, which then become the repayment stream for the debt used to finance those improvements. The life of a district can be anywhere from 10-40 years, depending on how much time is needed to pay back the costs or bonds issued for development. This structure is set up so that the tax increment from a TIF is created without raising taxes or dipping into the base tax revenues present at the time that the TIF is established.

A TIF district, or the area capturing the tax increment itself, is drawn in order to direct benefits to a designated area - typically an area that is economically sluggish or physically distressed, where development would not otherwise occur. Once the TIF’s geographic boundaries are established the initial assessed value of the land of the property or in the district can be determined. Then, an analysis of current tax revenue from property tax, sales tax, and other taxes is conducted to benchmark the existing tax level.

Costs related to new development or redevelopment may include public infrastructure, land acquisition, relocation, demolition, utilities, debt service, planning costs, or a variety of other site improvements. Economic development priorities are often advanced using TIF, such as:

- Guiding public finance dollars towards targeted investment and development
- Developing industries and opening new markets for services that do not exist in a given geographic area
- Supporting overall development within a specific geographic area
- Reusing existing infrastructure and cleaning up polluted or brownfield land
- Creating or retaining jobs and supporting industrial development

Any of these uses of TIF can apply to food sector projects that require development on a specific site.
Special Assessment Districts

Every state provides some form of special assessment district financing and most states offer more than one option. These tools are known by a variety of names and can be structured in different ways, but there are two predominant methods. The first method is the assembly of business and neighborhood groups into a district to generate funding for projects and programs. The second approach is a directly targeted assessment program organized by local government. In the business/neighborhood-focused model, a local nonprofit or development agency manages the district, while in the government focused model the local government manages it. With both structures, funds are pooled for local economic development and made available to many types of projects and programs that often include food-related endeavors. Storefront improvements could help draw in more customers to a ‘mom and pop’ market, small business programs support the growth of local breweries, or place-making efforts might rebuild sidewalks so that restaurants can expand their outdoor seating. The following is an overview of these two approaches.

Business and Neighborhood Districts

Business and neighborhood-focused districts are usually run by property owners in the district. These owners impose self-assessed taxes on themselves in order to generate funds for physical improvements or other amenities directly benefiting their businesses or neighborhood. Some examples of these programs include:

- Business Improvement District (BID)
- Special Improvement District (SID)
- Community Improvement District (CID)
- Neighborhood Improvement District (NID)

Local government establishes these districts in cooperation with the district's property owners, and once the district is authorized the property owners or businesses pay an assessed tax to the local government. This special assessment is then returned to the district's management entity, typically a nonprofit or redevelopment agency, and the funds can be used to finance improvements. Such districts have supported local businesses by financing revolving loan funds or other lending programs, Other districts have created programs that cover costs of marketing, physical improvements to buildings and storefronts, or other economic development services.

Government Districts

Government districts often provide services that are similar in scope to those provided by business districts, though the work of these districts is directed instead by government entities. Examples include:

- Special Services District (SSD)
- Special Assessment District (SAD)
- Community Development District (CDD)
- New Community Authorities (NCA)

Such government-directed programs tend to focus on infrastructure development, such as transportation, roads, sewers, and community amenities like schools and public facilities.
Property Assessed Clean Energy (PACE) Financing

Property Assessed Clean Energy (PACE) financing is a tool that can be used to support new energy efficiency upgrades, retrofitting, and/or energy generation on both commercial properties (C-PACE) and residential properties (R-PACE). In both C-PACE and R-PACE, the property owner is given an affordable loan to make such energy improvements to their home or business possible. These loans are provided by private lenders, though the loan payments are collected through municipalities. Payments are incorporated with the landowner’s regular yearly property tax payments, and over time as the loan is paid off the property sees measurable energy savings. These energy savings reduce overall costs for a business or project, freeing up dollars to be used elsewhere. This can be beneficial to all types of food-related endeavors because everything from farms and cafes to composting facilities and food hubs use energy for their day-to-day operations.

A PACE program can be established to address a single piece of property, a district, a region, or an entire state, making this a very flexible and easily implementable financing tool. PACE has emerged as one of the most reliable forms of financing as the payments are tied to the property rather than the owner, therefore mitigating the risks of non-payment. Another one of the major benefits of the PACE model is that the tool can be tailored to broad and narrow programs at the same time. Communities can create broad programs that encompass larger geographic districts and allow for multiple uses such as housing, commercial, industrial and mixed-use. More narrow programs can also be designed to support projects such as assistance for low-income households, manufacturers, and business districts.
**Tax Abatement**

Tax abatements are an indirect type of financing tool that eliminate or reduce tax liabilities for qualified projects, investments, or other business activities. In a traditional tax abatement program, a business agrees to make a significant investment in return for the elimination or reduction of certain taxes for a set period of time. While it is generally agreed that taxes are necessary, tax abatement programs exist to provide an incentive for businesses to expand, invest, or relocate in targeted local communities. Like any other type of tax-paying entity, food-related businesses and projects benefit from tax abatements because reduced tax liability increases the availability of funds to be used for day-to-day business, job creation, expansion or improvements, and more.

Significant investment can take the form of job creation, physical development, capital investment, research expenditures, or other commitments. Most abatement agreements require job creation and capital investment commitments on the part of the business, and in return, offer abatement or reduction of designated taxes. Some abatement agreements require a business to repay, sometimes on a sliding scale basis, the tax abatement received in the event that the business fails to perform certain related economic development commitments (i.e. minimum job creation commitments, investment levels, etc.). These provisions are commonly referred to as “clawbacks” and should be part of any abatement agreement.

**In Summary**

Targeted financing tools are the most effective for investing precious public resources into economic development. Using the powers provided by state law and the financing capacity of governmental entities, these tools can foster new development and redevelopment. Such approaches should always be used in a comprehensive manner consistent with the community’s overall economic development strategy, and they should also be used in conjunction with other tools in the development finance toolbox. Perhaps most importantly, targeted financing tools should be used thoughtfully and creatively to address community needs, while they strengthen and diversify a geographic area’s economic base.

Tax increment financing, special assessment financing, property assessed clean energy financing, and tax abatement tools are most beneficial when focusing on a specific geographic area or specific industry or investment cluster because they are flexible and can be used in conjunction with other tools such as bonds, tax credits, and revolving loan funds. This makes them well-suited for use with food system businesses and projects.
Case Studies

Tax Increment Financing (TIF)

Farmers Market TIF District - Dallas, TX

Infrastructure

The Farmers Market TIF District was created in 1998, covering an area of nearly 115 acres in the eastern part of downtown Dallas. As of 2018, over $28.8 million had been invested in the district through TIF to support the development and renovation of retail, commercial, and restaurant space as well as residential units in the neighborhood. More than $20 million of this total has been used for the Farmers Market Redevelopment, which included renovating Shed 1 to provide 119 stalls for farmers and vendors to sell their products and Shed 2 to create 24,000 square feet of retail space for food merchants and restaurants. The North Texas Food Bank also purchased the Farmers Market Administration Building within the district and relocated its administration office to that site in 2015.

The district’s mission is to provide a source of funding for public infrastructure improvements to promote the redevelopment, stabilization and growth of the area. It is also intended to stabilize and grow the value of the area’s tax base and support of the Dallas Farmers Market. This TIF district is due to expire in 2028.

Peoria Area Food Bank Warehouse Expansion - Peoria, IL

Social Enterprise

In 2012, the Peoria Citizens Committee for Economic Opportunity (PCCEO) received $492,425 in TIF to help the Peoria Area Food Bank construct an 11,000 square foot warehouse expansion that cost approximately $2.6 million in total. PCCEO is an umbrella organization that oversees the Food Bank’s operations. This addition to the facility enabled an increase in food distribution to pantries and soup kitchens, which was especially important in the years following the Great Recession. When this funding was received, the Food Bank had already increased its product distribution during the previous 5 years by 1.5 million pounds to its 8 service counties.
La Plaza Tapatia - Columbus, OH  
Infrastructure

La Plaza Tapatia is a local grocer in central Ohio that sought to move from an aging strip mall to a newly built and owned facility, investing $10 million into an area in need of private investment. This relocation has been supported with a TIF deal through Franklin County Economic Development and Planning that will cover unexpected costs for a regional stormwater infrastructure repair project on the new site. La Tapatia also received assistance from the Franklin County Land Bank, who sold the business the new property site and also paid for the demolition of the apartment structure that was previously on the site. In addition, construction financing for the relocated grocery store building is coming from a partnership of Heartland Bank and Community Capital Development Corporation’s SBA 504 loan guarantee program.

This project has been coordinated by Franklin County Economic Development and Planning to align with the Columbus/Franklin County Local Food Action Plan, which prioritizes local food system development as an economic development policy.

The Hatchery - Chicago, IL – Champaign, IL  
Infrastructure

The Hatchery is a food and beverage business incubator that provides 67,000 square feet of space, facilities, amenities, and business incubation services to support a wide range of food and beverage production businesses. The City of Chicago helped this project by providing $7 million in TIF and securing $1.75 million in New Markets Tax Credits through the Chicago Development Fund. They also sold 12 parcels of city-owned land valued at $150,000 to the developer for $1, which were connected to the 9 parcels already owned by the developer. PNC Bank, Community Reinvestment Fund, First Pathway Community Development, and Partners for the Common Good provided an additional $8.5 million in New Market Tax Credits for the incubator. Assistance also came from private organizations providing design, financing, construction, and engineering services to this project. The building includes: 54 private food-grade kitchens, 5 shared kitchen bays, dry-cold storage, loading docks for distribution and food trucks, and open office space.
One Eleven Food Hall - Chicago, IL

Infrastructure

One Eleven Food Hall opened in May 2019 inside the 111th Street Gateway Retail Center in the historic south Chicago community of Pullman. The nonprofit developer Chicago Neighborhood Initiatives (CNI) used $500,000 in TIF from the city to finance the project. $4.5 million received in federal New Markets Tax Credits also supported the development and enabled them to offer rental space to food businesses at below-market rates. CNI provided microloans to the three current restaurateurs renting the space as well, to help them purchase equipment for the new space. The Food Hall occupies about one-quarter of the 10,000 square foot retail center plaza that sits at the entrance to Pullman’s National Monument. This model reduces the financial costs and risk for the restaurants while working to catalyze further development and create jobs in an underserved neighborhood.

Louisa Food Products - Jennings, MO

Industry

The City of Jennings, located outside of St. Louis, Missouri, approved the allocation of $500,000 in TIF for pasta production company Louisa Food Products, Inc. in 1997. The business was looking to expand its operations and considered moving to a new location for more affordable space that would allow them to grow. The support from the TIF enabled them to acquire and redevelop a site within Jennings, keeping their existing 125 jobs in the city. Construction included a new 15,000 square foot freezer, a shipping and receiving facility, as well as a dry storage warehouse that together totaled 30,000 square feet of new space. Today, over twenty years later, Louisa Food Products still operates out of this location and demonstrates the potential for using TIF to support food businesses.
Grand Rapids Downtown Market - Grand Rapids, MI

The Grand Rapids Downtown Development Authority provided $3.5 million in Brownfields TIF for the Grand Rapids Downtown Market. Zoning codes were updated by the city to allow for retail and residential use as well as light industrial food manufacturing, and the city also covered $4.7 million in public infrastructure improvements needed for the redevelopment. Project costs totaled $30 million, which were covered in part by a $3 million Community Revitalization Loan from the Michigan Strategic Fund and $5.2 million in Brownfields tax credits alongside the TIF support and additional private funding.

Food Enterprise Center of Viroqua - Madison, WI

The Food Enterprise Center was financed with a $2.3 million disaster bond secured with projected TIF revenue. A $2 million grant from the Economic Development Administration and $300,000 in private investment enabled this project to come to fruition. Vernon Economic Development Association (VEDA) bought the building after a manufacturing company closed its Viroqua factory to create this 100,000 square foot food hub. The multi-tenant facility offers space for aggregation, storage, processing, and distribution; business development resources; value-added community use kitchens; and meeting and classroom spaces for food and wellness related businesses. As of January 2019, there were 22 active tenants in the Food Enterprise Center ranging from a fermented foods business to a hunger relief organization to a solar-powered coffee roasting company.

This facility includes food retail space, a seasonal farmers market, a kitchen incubator, food and health education, and event space. Year-round, the building is home to over 20 small businesses selling baked goods, meat and fish, prepared foods, beverages, specialty products, and more. The 24/7 incubator offers technical assistance plus licensed commercial kitchen spaces for new businesses in need of professional-grade equipment for food production, packaging, prepping, or catering.
Over ten years ago, the River North Art District, or RiNo, began as a grassroots movement to connect arts organizations in the area. Through a cooperative approach by community businesses and residents in conjunction with the City of Denver, the RiNo special assessment district emerged to allocate the necessary financing from the special assessment taxes to provide community improvements. Today, RiNo is fully community empowered, as neighborhood stakeholders, businesses, developers, and residents collectively invest more than $1 million each year from special assessment taxes into the neighborhood through the RiNo Business Improvement District (BID) and the RiNo General Improvement District (GID).

The RiNo BID and GID work in tandem to fund neighborhood services to strategically grow RiNo that are beyond the services provided by the city and property taxes. The RiNo BID delivers “soft” infrastructure, such as marketing, placemaking, business support, and advocacy, while the RiNo GID only funds the “hard” infrastructure, such as street and riverfront improvements and enhancements. The BID and the GID infrastructure improvements and enhancements have assisted in transforming this brownfield into a neighborhood that is a popular cultural destination in the heart of Denver.

The RiNo District is a formal industrial hub and now is considered Denver’s creative hub. There are dozens of locally-owned businesses, such as breweries, cafes, restaurants, markets, and wineries scattered throughout the district, as well as art galleries, specialty shops, salons, and public art. Some of the businesses located in RiNo are Comal Heritage Food Incubator, a nonprofit restaurant that helps immigrants and refugees celebrate their cultural heritage through food while learning about entrepreneurship; a seasonal farmer’s market; and Market Hall, featuring a collection of 25 food vendors.
The Newport Beach Restaurant Association (NBRA) was founded as an official Business Improvement District (BID) of the City of Newport Beach. NBRA is a nonprofit organization that brands the dining experience in Newport Beach and promotes the commercial welfare of restaurants and the local food service industry through marketing, social events, and business resources. An annual assessment is levied for each business stakeholder in the NBRA BID, ranging from $150 to $600 per year; however, certain businesses in the district are exempt from paying an assessment, such as farmer’s markets, mini-marts, and banquet facilities. Since 1995, the NBRA has been successful at creating a cohesive brand for Newport Beach’s dining opportunities by using the special assessment financing for marketing, programs, and improvements to the neighborhood, and therefore making Newport Beach a desirable destination.

Historic Third Ward - Milwaukee, WI
Infrastructure

The Historic Third Ward, also referred to as Business Improvement District No. 2, was established by the City of Milwaukee in 1987 with the power to levy assessments on business properties. This BID provides strategic direction and financing for projects within the Ward, including two Tax Increment Districts (TID) that were used to finance streetscape improvements, parking structures, and the extension of the Milwaukee River Riverwalk. There have been more than $20 million of public investment into the BID, transforming the Ward from an industrial district to a bustling neighborhood.

As part of the BID, the Milwaukee Public Market, a year-round indoor public market featuring local restaurants, delis, and specialty food shops, has become the focal point of the Ward. The Market also features cooking classes. Since the Market’s creation in 2005, the Ward has developed dramatically, with over 500 businesses and millions of visitors within the 16-block area.
Property Assessed Clean Energy (PACE) Financing

5 Spoke Creamery - Goshen, NY
Agriculture

C-PACE financing enabled 5 Spoke Creamery, a 73-acre cheese-making farm located in Goshen, New York, to install a 53kW solar array on their farm in March 2015. The Energize NY Finance program provided $75,000 in PACE financing to be paid over 5 years for the project. 5 Spoke Creamery also received $50,000 from the New York State Energy Research and Development Authority and a $39,000 grant from the U.S. Department of Agriculture, which resulted in a cash flow positive project. The solar arrays provide 108% of the farm's electricity needs. 5 Spoke Creamery maintains a herd of 35 cows and sells their cheese to local and national grocery stores.

Tolli’s Apizza and La Pergola - East Haven, CT
Entrepreneurs

Tolli’s Apizza and La Pergola is a 63-year-old, family-owned restaurant that is bisected to serve casual pizza on one half and fine Italian on the other. The business worked with Greenworks Lending to use C-PACE financing for the installation of a 30KW solar array on the roof in order to reduce their electricity bill, the restaurant’s largest operating expense. Greenworks Lending provided $120,000 in financing over a 20-year term for this solar addition, and the estimated lifetime electricity savings from this project is over $260,000 – more than double what it cost to install. Without Greenworks Lending and C-PACE financing, Tolli’s Apizza and La Pergola would not have been able to afford the conversion to solar power that will drastically reduce the cost of their daily operations.

GreenLeaf Market and Zoom Convenience Store - St. Louis, MO
Infrastructure

In 2018, PACE Equity provided $2.7 million in C-PACE financing for the new construction of a grocery store and a convenience store in a food desert in St. Louis, Missouri. The GreenLeaf Market and Zoom Convenience Store bring over $20 million of investment to the area and are located within the Northside Regeneration Project, which features a $1.8 billion new headquarters for the National Geospatial-Intelligence Agency. The project also utilized several other financing tools, including New Markets Tax Credits. LED lighting, upgraded refrigeration, white roofs, and a solar canopy are the sustainable features provided by the C-PACE financing for the GreenLeaf Market and Zoom Convenience Store.
Small-scale agriculture operations who want to power their well pumps and irrigations systems with renewable energy can use C-PACE financing to install solar systems with support from AgWell Solar, through their partner Nuance Energy Group, Inc. The C-PACE financing with Nuance Energy is highly accessible because it is based on the true value of a property rather than on personal credit or income, like traditional bank financing or loans. This program has a fixed financing rate for 5-20 years and requires no money down, with payments billed to the borrower twice per year. Together, these two organizations enable small agriculture customers, family farmers, commercial and agribusiness property owners to increase operating cash flow while realizing the cash-saving benefits of solar energy and energy efficiency improvements on their properties.

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**Tax Abatements**

**Food Retail Expansion Program to Support Health (FRESH) - New York, NY**

Social Enterprise

The Food Retail Expansion to Support Health (FRESH) program promotes the establishment and redevelopment of neighborhood grocery stores in underserved communities in New York City. Financial incentives are provided through the New York City Industrial Development Agency (NYCIDA) in the form of zoning and financial incentives to eligible grocery store operators and developers. Four types of financial incentives are allowable through this program: land tax abatements of $500 per each full time employee for 25 years; building tax stabilization based on pre-improvement assessed values for up to 25 years; exemption from the 8.875% sales tax on materials for construction, renovations, or facility equipment; and a one-time mortgage recording tax deferral to reduce project mortgages from 2.8% to 0.3%.

Eligibility for these incentives is based on geographic location within the city, and certain areas are eligible for either financial or zoning incentives whereas others are able to draw on both types. Stores must also provide at least 6,000 square feet or 50% of retail space dedicated to grocery products, with a minimum of 30% of total retail space dedicated to perishable foods and at least 500 square feet for fresh produce specifically.
Marquette Food Co-op & Food Hub - Marquette, MI

Infrastructure

The City of Marquette approved a Commercial Rehabilitation Exemption Certificate in 2014 for the Marquette Food Co-op. This provided a five-year property tax abatement valued at $3.5 million to support the Co-op’s expansion to a second store, located within an existing Commercial Rehabilitation District (CRD). Their new space in downtown Marquette included a food hub for local food aggregation and a teaching kitchen, and also put the Co-op in close proximity to community gardens and the Marquette farmers market. The Co-op was founded in 1971 and today it is the only full-service natural and organic community-owned grocery store in Marquette, with more than 4,000 households that collectively own the business. They sell local, organic, and fair-trade products, in addition to organizing farm tours, cooking classes, education programs.

Oregon Department of Agriculture Food Processors Tax Abatement - Oregon Industry

In the State of Oregon, tax exemptions may be granted to qualified food processors whose businesses engage in processing, repacking, freezing, canning, dehydrating, concentrating, or preserving raw or fresh fruit, vegetables, nuts, legumes, seafood, grains, eggs, bakery, or dairy products. The program allows food processors located within the state to request a property tax exemption for qualified property machinery and equipment, such as freezers or conveyors, or a property tax exemption for personal property. Requests for exemptions through this program are made through the Oregon Department of Agriculture.

Conclusions and Next Steps

This is the third paper in a series seeking to define the food system as an asset class worthy of receiving traditional development financing. The first paper discussed food systems and development finance as a whole, and the second paper argued that food-related businesses are just as reliable in accessing capital to support their growth and expansion as other types of small businesses. This paper dives into the foundation of development finance and how bonds can be applicable to food and agriculture businesses. The coming research and white papers will further demonstrate the applicability of traditional development finance tools to projects in food-related industries and businesses. Future paper topics include district-based financing and tax credits, and the final paper in this series will discuss the future landscape of the relationship between the food system and development finance.
More information

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