

**Federal Reserve Bank of St. Louis  
Investment Connection Proposal**



Contact	Olivia Haslop
Title	Kaleidoscope Program Manager
Email Address	olivia@bdcmemphis.org
Phone	740.816.4993
Organization Name	Binghampton Development Corporation (BDC)
Mission statement	<p>The mission of the Binghampton Development Corporation (BDC) is to improve the quality of life in Binghampton, a low-income neighborhood of approximately 8,000 residents in 3,000 households. Binghampton is bounded by Summer on the north, Holmes on the east, Poplar on the south and E. Parkway on the west.</p> <p>Founded in 2003, the BDC serves those plagued by issues of systemic poverty through:</p> <ol style="list-style-type: none"> <li>1. Property development – acquiring and redeveloping blighted or strategic parcels for housing, commercial use, and community assets, like parks.</li> <li>2. Personal capacity development – student outreach at Cornerstone/Lester Prep and East High School, construction job training, and youth mentorship and employment.</li> <li>3. Economic development –the Binghampton Gateway Center development, a grocery-anchored commercial center at the corner of Tillman and Sam Cooper.</li> <li>4. Community building – the Binghampton Times newspaper, Greatest Gift Christmas Store, resident associations, and senior health seminars.</li> </ol>
Overview of Organization	<p>Over 15 years, the BDC has invested \$8 million in properties and \$7.8 million in programs. We have renovated over 100 housing units, built 22 new, and sold 34. We have demolished 89 vacant and blighted housing units. We have invested \$3.2 million in two parks, two apartment properties, an outreach center, and land for the Gateway Center. Our Housing Counseling program has</p>

	<p>helped 692 families avoid foreclosure and assisted 407 clients to purchase homes. Our construction job training program has graduated 34 trainees, whose cumulative annual income is about \$671,000. Our Student Outreach program has served nearly 150 kids per year through in-school mentoring and after-school activities.</p> <p>Currently, our \$6.6 million Gateway Center development is bringing 75 temporary and 55 permanent jobs along with the first grocery store to Binghampton, a USDA-designated food desert. We are also launching our newest Personal Capacity Development program, Kaleidoscope Kitchen, after a year of planning through The Kresge Foundation’s Fresh, Local &amp; Equitable initiative.</p>
Website	www.bdcmemphis.org
Location of project/activity	Memphis; Shelby County
Project/proposal title	Kaleidoscope Kitchen
Support request	Investment/Grant
Requested amount	\$1.4 million
Other significant partners in the proposal	<p>Programmatic Partners:</p> <ul style="list-style-type: none"> <li>· Caritas Village</li> <li>· EPIcenter</li> <li>· Refugee Empowerment Program (REP)</li> <li>· World Relief</li> <li>· Sabine Langer, a local immigrant advocate piloting an international food court in Crosstown</li> <li>· Wiseacre Brewery</li> <li>· Broad Avenue Arts District</li> </ul> <p>Philanthropic Partners:</p> <ul style="list-style-type: none"> <li>· The Kresge Foundation</li> <li>· Poplar Foundation</li> <li>· Applied to Kemmons Wilson Family Foundation</li> </ul>
Proposal narrative	<p>Kaleidoscope Kitchen will offer food skills and entrepreneurship training and small business support to equip Low-to-Moderate Income (LMI) and minority participants for sustainable careers in the food industry. A community-driven strategy, Kaleidoscope responds to the problem that many Binghampton residents wish to start food businesses but struggle to overcome challenges to entrepreneurship unique to their circumstances.</p> <p>As voiced by the community, the primary challenges to entrepreneurship are language, self-sufficiency, and launching a business. For Binghampton’s significant refugee population, it takes five to seven years on average to become fluent in English. For refugees and US-born</p>

	<p>residents alike, their communication skills, professional skills, and education may not easily transfer to the US job market. As such, it is difficult to achieve the financial stability necessary to start a business. Despite benefits, many get stuck in low-wage jobs that do not support their living costs. Additionally, refugees have unique financial demands like travel loan repayment and remittances. The lack of workforce development opportunities also makes it difficult for residents to access higher-paying career paths.</p> <p>While socioeconomic factors make it more challenging for Binghampton residents to afford startup costs, establishing a profitable food business is challenging for anyone. Due to the complexity and mounting costs of acquiring the necessary licenses and permits and renting kitchen facilities, many entrepreneurs cannot formalize legal businesses. In addition to the cost of renting a licensed commercial kitchen to prepare food legal for sale, there are not many available for rent in Memphis. Finally, many entrepreneurs also lack the business planning and marketing knowledge necessary to compete in the marketplace.</p> <p>Kaleidoscope exists to respond to barriers to working or launching a business in the food industry as an avenue to achieving self-sufficiency. Program objectives include: (1) equip residents with the professional, technical, and business skills needed to succeed in the workplace, (2) provide much-needed access to licensed commercial kitchens at below market rates, (3) connect participants to earning opportunities, and (4) reduce the time to entrepreneur readiness by offering holistic support.</p> <p>Beyond developing personal capacity, our strategy is to foster a community that comes together regardless of race, ethnicity, and religion to express, share, and celebrate identity and diversity through food and storytelling. Aligning with this vision are nine core values: (1) build the capacity of residents, (2) place residents in decision-making and leadership roles, (3) bring different cultures together through inclusivity, (4) address demonstrated needs, (5) grow with the community, (6) empower not enable, (7) ensure accessibility for nonnative English speakers, (8) foster collaboration amongst individuals and organizations, and (9) revitalize neighborhood spaces.</p> <p>We are currently developing a two-tier food</p>
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	<p>entrepreneurship curriculum of culinary and business basics to administer twice a year. We will launch an inaugural cohort of six entrepreneurs in our existing licensed commercial kitchen at the BDC Office &amp; Outreach Center in early 2018. During training, we will connect entrepreneurs to hands-on learning and sales opportunities. As they formalize businesses, we will support their access to capital and business resources. After graduation, we will continue to offer consultation and other small business support.</p> <p>Finally, we will expand kitchen rental at the BDC and work incrementally toward the community’s vision for an expanded commercial kitchen facility in the BDC’s Gateway Center. Further, we will develop a second, workforce-focused curriculum and build partnerships with potential employers for graduates. We will also engage with partners to offer English Language Learning (ELL) activities.</p>
Issues addressed	Small-business development; Financial access, capability and empowerment; Neighborhood revitalization and stabilization; Community facilities and services; Economic/workforce development
Geographic impact	Citywide; Neighborhoods
Population served	Kaleidoscope serves residents who have long-struggled against systemic poverty and injustice. The unemployment rate in Binghampton is double the county average. 33% of households live below the poverty line with some census blocks reaching over 70%. Twenty-three percent of residents receive public assistance, and 27% lack access to personal transportation. Kaleidoscope serves both US-born and international residents, many of which have been resettled to the neighborhood by World Relief. One of the most diverse neighborhoods in Memphis, 14% of Binghampton residents are foreign-born, representing over 17 nations. Other community demographics are: 69% African American, 22% White, 6% Hispanic, 2% Asian, and 3% Other.
Income of population served	The Area Median Income is \$26,000. Forty-eight percent of households live on a total income of less than \$20,000/year and 33% of households earn no wage or salary income at all.
Anticipated outcomes/impact	Using an innovative approach, we cultivated existing assets to build a strategy for Memphis’ first kitchen incubator. By investing in this community-tailored solution, we believe we will improve residents’ sense of belonging in Binghampton in a new, meaningful way. While planning Kaleidoscope with residents, multiple shared that if they

	<p>could not access opportunities to be successful in Binghampton, they would move out of state or even country. By using food as a platform for economic vitality, we aim to support entrepreneur success so they remain in the neighborhood.</p> <p>Upon implementation of Kaleidoscope Kitchen, we believe short-term impacts of the program will be:</p> <ul style="list-style-type: none"> <li>· Personal and professional development</li> <li>· Lower-barrier, lower-risk entry into the marketplace</li> <li>· Progression toward economic independence</li> <li>· Increased social capital and sense of community</li> <li>· Increased neighborhood collaboration</li> </ul> <p>Our anticipated longer-term outcomes are:</p> <ul style="list-style-type: none"> <li>· An increase in resident-owned businesses</li> <li>· Improved employment rate amongst residents</li> <li>· Economic stimulation in the neighborhood’s residential core</li> <li>· Improved perception of Binghampton</li> <li>· A strong alumni network</li> <li>· Stronger community cohesion</li> <li>· More residents in leadership roles</li> </ul>
<p>Evaluation methods used to measure success</p>	<p>The BDC is successful to the extent that it progresses residents’ vision for improved quality of life in Binghampton. Our construction job training program is an example of the success we aim to achieve with Kaleidoscope Kitchen. Started in 2006, the program has consistently produced skilled workers and stories of success. After graduating the program in 2009, Octavius Nickson quickly became the superintendent of Wagner General Contractors. After five years there, he launched his own company, Nickson General Contractors (NGC) in 2015. Octavius says, “Up until the BDC program, I just wanted to see Binghampton in my rearview window. But then I got involved in rebuilding houses, and seeing how it improved the neighborhood, and I want to be a part of it. Now I’m raising my sons here.” Not only did Octavius stay in the neighborhood, he bought a house (that he helped renovate) and began employing other BDC construction job training graduates.</p> <p>Our job training program proves that by investing in residents, we invest in the neighborhood. In the same way, Kaleidoscope will achieve success when graduates are successful in Binghampton and so boost the local economy. Ibt, from Sudan, wants to grow her catering business featuring tasty soups; Flora &amp; CC, from South</p>

	<p>Sudan and Kenya respectively, want to launch a large-event catering business and one day own their own venue; Indra, from Nepal, wants to use her delicious, vegetarian dumplings to build a family business; Raffe, from Syria, wants to expand branding and marketing for her catering business; and Latonya, a US-born Binghampton native, wants to sell healthy versions of traditional soul food from a food truck. Kaleidoscope Kitchen will be successful when its four- to six-month curriculum equips these women, and future cohorts, with the tools they need to achieve their goals.</p> <p>Kaleidoscope Kitchen supports a shift in power by leveling the playing field for LMI and minority residents. To evaluate this shift, we will measure the number of:</p> <ul style="list-style-type: none"> <li>· Incubator graduates</li> <li>· Businesses launched and profit margin growth over three years</li> <li>· Jobs created by residents</li> <li>· Residents in leadership roles</li> <li>· Program participants in the media</li> </ul> <p>In addition to indicators of shifts in power, to measure progress we will observe and track:</p> <ul style="list-style-type: none"> <li>· Participant confidence ratings with pre- and post-surveys</li> <li>· Test score improvement</li> <li>· Number of sales opportunities facilitated</li> <li>· Total sales</li> <li>· Growth in attendance at Kaleidoscope programming and events</li> <li>· Number of graduates placed in jobs</li> </ul>
Project time frame	New Program