



Thomas P. McNamara, Mayor

MEMORANDUM

TO: City Council
Planning and Development Committee

FROM: Todd Cagnoni, City Administrator
Sara Leys, Community and Development Director
Anna, Economic Development Manager

RE: Proposed funding agreement with Angelic Organics Learning Center Inc., an Illinois not-for-profit corporation d/b/a Farmers Rising in partnership with City Center Market for the establishment of a Mobile Grocery Store.

DATE: June 8, 2026

For your consideration, is a proposed funding agreement with Angelic Organics Learning Center Inc., an Illinois not-for-profit corporation d/b/a Farmers Rising in partnership with City Center Market for the establishment of a Mobile Grocery Store. Funding Source is 2025 Casino Funds in the amount of \$200,000 and 2026 Casino Funds in the amount of \$622,000 for a total amount up to \$822,000. This includes startup costs and support for 3 years of operations.

Farmers Rising, City Center Market and Northern Illinois Center for Nonprofit Excellence (NICNE) support a food insecurity action committee with a number of community partners working to address food insecurity. As they have evaluated ideas and needs across the community, a Mobile Grocery has been identified as solution for access. As they advanced forward, they utilized Northern Illinois Food Bank as a resource to assist and evaluate a service delivery model supported by a business plan.

This proposal is supported by the City's Policy on Addressing Food Insecurity, which states:

It is the policy of the City of Rockford to address food insecurity through coordinated municipal action, cross-sector partnerships, and strategic investment in community-based food systems. The City will work with community partners to eliminate barriers to food access, particularly in neighborhoods identified as food deserts or disproportionately impacted by poverty and systemic inequities.

GOALS OF POLICY:

1. Increase Access: Expand the availability of healthy and affordable food options, especially in underserved neighborhoods.

2. Support Local Food Initiatives: Partner with local farmers, growers, and community organizations, farmer markets, grocery stores to strengthen regional food systems.
3. Promote Equity: Prioritize investments in communities most impacted by food insecurity and ensure culturally appropriate food options.
4. Support Coordination: Support ongoing efforts to integrate nonprofits, schools, and healthcare partners to streamline food-related programs and services. Measure and Report Impact: Use data to prioritize projects, understanding the effect of proximity and cost on households, and track and report progress through regular data collection and evaluation of food insecurity trends.
5. Sustainability: Identify gaps and works towards a sustainable foundation that would provide for improved health outcomes related to nutrition for the future Rockford families.

Attached to this memo is a representation of their work, including a need analysis, community survey, business plan, and multiple year proforma. Terms of a funding agreement would set forth \$372,00 in startup costs which covers the following:

Uses of Funds	Amount
Vehicles (Semi-Tractor + Refrigerated Trailer)	\$340,000.00
Office & Other Equipment	\$8,500.00
Capitalized Start-Up Costs	\$23,500.00
Total Uses of Funds	\$372,000.00


In addition to startup costs, operational support over a 3-year period up to \$450,000 in City funds matched with private funding. A set \$150,000 in year one and up to \$150,000 in each of years two and three depending on the amount of dollars privately raised and overall operational costs. The below shows a lesser amount of City contribution in years two and three based on current goals and pricing.

OPERATING FUNDS

Sources of Funds	Year 1	Year 2	Year 3
Sponsorships — Public (City of Rockford)	\$150,000.00	\$25,490.00	\$11,454.50
Grants — Foundation	\$48,000.00	\$50,400.00	\$52,920.00
Corporate / Private Donations	\$25,020.00	\$25,000.00	\$25,000.00
10% Profit Share — City Center Market*	\$72,000.00	\$165,600.00	\$190,440.00
Total Sources of Funds	\$295,020.00	\$266,490.00	\$279,814.50

*Profit sharing begins in Month 6 (10% of City Center Market monthly food sales = \$12,000/month in Year 1). Grows at 15% annually with food sales.

Uses of Funds	Year 1	Year 2	Year 3
Operations (wages, utilities, insurance, etc.)	\$153,708.00	\$168,510.00	\$181,834.50
Food Subsidy Program	\$30,000.00	\$30,000.00	\$30,000.00
Depreciation	\$67,980.00	\$67,980.00	\$67,980.00
Total Uses of Funds	\$251,688.00	\$266,490.00	\$279,814.50



Staff recommends approval of the proposed funding agreement for a total amount not to exceed \$822,000. The request is consistent with City's Policy on Addressing Food Insecurity. Please let Sarah, Anna or I know should you have any questions.