



The Roundhouse Market & Event Center

A BUSINESS PLAN

September 2021

*A non-profit marketplace and event center, offering fresh locally-produced food
and a landmark gathering place in Martinsburg, W.Va.*

Mission: To establish a community-driven market and gathering place that provides access to fresh food to the greater community through collaboration with area farmers while promoting environment and railroad heritage education.

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Executive Summary

Under the governance and oversight of The Berkeley County Roundhouse Foundation, a 501(c)3 organization, The Roundhouse Market, aims to help eliminate a food desert in the City of Martinsburg while supporting revitalization of the Baltimore & Ohio Railroad & Related Industries Historic District in the heart of downtown Martinsburg, Berkeley County, West Virginia.

Envisioned to be a full-function marketplace, The Roundhouse Market & Event Center intends to respond to the fresh food gap in collaboration with the West Virginia Department of Agriculture, City of Martinsburg and the Berkeley County Roundhouse Authority (BCRA). The BCRA is a public corporation created and empowered by Act of the West Virginia Legislature to preserve and redevelop the Baltimore and Ohio Railroad Martinsburg Shops, a National Historic Landmark.

Our Model

With support from the City of Martinsburg, Berkeley County Council, Berkeley County Roundhouse Authority and the West Virginia Department of Agriculture, our model for The Roundhouse Market & Event Center is based, in part, on the success of the Capitol Market in Charleston, West Virginia. Meat and fresh produce provided by local farmers will complement the offerings of year-round Market & Event Center tenants, including restaurant/catering businesses, grocery, butcher/deli and retail space for West Virginia-made products.

Our Goals

Operate a market that sells local farm products and is open at least 6 days/week beginning in 2023. Mobilize community networks to make fresh food attractive and accessible to more residents. Support the economic viability of area farmers by promoting learning, collaboration and entrepreneurship. Promote industrial history and environment education. In partnership with the community, we hope to distribute products to community members in need.

The Roundhouse Market & Event Center will be established at 100 East Liberty Street, a short walk from Martinsburg's historic downtown business district, in the Bridge & Machine Shop, a building that was constructed by the Baltimore & Ohio Railroad Co., in the 1860s.

Today the building is structurally sound and ready to develop:

- A minimum of 6,500 square feet of commercial space for seven or eight year-round tenants, including a restaurant and catering business for second-floor 10,000-square foot event center space.

Your Part: All it takes is "bridge" money from you! Soon Martinsburg's food desert status will be eliminated with a wonderful place to shop for fresh food to prepare healthy homemade meals and gather at a truly unique place for special occasions.

**The Berkeley County Roundhouse Foundation
Board of Directors**

H.D. Boyd Jr.
Jeff Hollis
Clarence E. "CEM" Martin
Elaine Mauck
Matt Umstead

I. FOOD DESERT SITUATION & LOCALLY GROWN FOOD SOLUTION

A. Martinsburg, West Virginia Food Desert Situation

Technically, downtown Martinsburg is not a food desert because there is a grocery store closer than 10 miles, but getting groceries is a problem for many downtown area residents. It is hard to eat healthy when there is no local source of healthy food.

In the absence of a grocery store, residents turn to area restaurants and convenient stores for food. In Martinsburg, the offerings are pizza places, a couple bars, and a few other higher-end restaurants. Very few of these establishments offer any nutritional information about the items on their menus. Residents eat more fringe foods from Dollar General and gas stations with no or limited healthy food options. Fringe foods are chips, candy and other foods not found on the USDA MyPlate. Data from other food deserts warn that health problems arise fairly quickly including; weight gain leading to obesity, hypertension, diabetes and worse.

(<https://science.howstuffworks.com/environmental/green-science/food-desert.htm>).

West Virginia continues to rank among the worst states for prevalence of obesity (39.5%) and other health and diet-related problems among its residents. (<https://www.tfah.org/report-details/state-of-obesity-2021/>)

B. Martinsburg Area Farming Community – locally grown food solution

While the orchard and agricultural sectors of the eastern West Virginia economy have substantially diminished over the last four decades, a number of agriculture businesses in the greater Martinsburg area remain and new investments in agriculture have continued to surface.

The Roundhouse Market & Event Center will offer a convenient local outlet for farmers to sell directly as well as experiment with bringing new products to market and ultimately improving financial viability.

Small to medium sized farms have always struggled with economic sustainability but are intimately feeling pressure in the current marketplace. The commodity market has recently experienced a lot of insecurity with the loss of market guarantees. Farms have been closing or selling land consistently since the 1950's due to economic pressures, development, retirement and no succession plan, etc.

Once farms are lost, they are difficult to replace for many reasons. Farmers want to produce crops for sale that have a market and that keep their families working the land and are willing to try to innovate and invest in new products. The Roundhouse Market & Event Center offers a convenient way for area food farmers to save valuable resources and still be able to market their products to a larger populated area.

The farmer will be able to decide what to sell and when, set their own prices and deliver when it

works best in their schedule.

II. The Roundhouse Market & Event Center is operated by a non-profit 501©3 Organization

While historically, grocery stores have been for-profit businesses, the increasing number of food desert communities have opened non-profit food stores. In some cases, existing nonprofits added a food store. During the Obama administration, six different agencies with a total budget of \$800,000 helped 27 communities develop non-profit food stores. There are many models possible, but typically is a small food store, selling locally-grown produce, meat, dairy and eggs delivered by the producer. The producers set the price and most sell their products on consignment. Most of these businesses have cafés that provide additional revenue. An example is The Wild Ramp in Huntington, West Virginia, a year-round, non-profit farmers market.

A. Legal Structure

As a 501©3, the Berkeley County Roundhouse Foundation supports the Economic development in support of preserving and revitalizing the B&O property and aims to be a community partner with the City of Martinsburg.

B. Economic Impact & Jobs Created

The effect would be felt by the city, county, Eastern Panhandle and the State of West Virginia.

Berkeley County has seen a 17.2% population growth since 2010 (US Census Data).

Based on a 2010 long-term use projected Business Plan, the historic Roundhouse with a fulling functioning market place in the Bridge and Machine Building (mirroring the Capitol Market in Charleston, WV) along with must-see historic "edu-tainment" attractions would bring in 3,000 people per day.

Based on those figures, multiplied by 300 days of operation, Martinsburg would see 900,000 visitors per year with an average spending of \$69 per day equaling \$62,100,000. The effect of the estimated revenue would bring the city of Martinsburg \$260,820 per year and would Bring the State of West Virginia's share of this revenue at \$3,726,000 per year. (Dan Massey, West Virginia Development Office, 2010)

With the growth Berkeley County has seen in the last ten years and the projected growth of more than 13% over the next 10 years (WVU College of Business and Economic Research, Population Trends in WV through 2030); the Roundhouse Foundation is confident these projected numbers will be even high as to the multiplier effect this project will have on Martinsburg, Berkeley County, and the State of West Virginia.

It is estimated through a fiscal study that was done in 2005, this project would create 46.5 jobs in the first year with 1,019 jobs in the second year located in Martinsburg and Berkeley County

III. Business Model & Partnerships

This floor plan provides an overview of The Roundhouse Market & Event Center's core business venue. Healthy food is delivered to the Market from local producers for customers to buy to prepare healthy meals at home. Food not sold by the sell by date is donated to the local food pantry. Residents eat better while local producers obtain additional revenue, which allows them to increase production and quality of food. The extras is that The Roundhouse Market & Event Center will not only provide space for coffee and conversation, but a special events space that is unrivaled in seating capacity and atmosphere.

A. Basic Operations

Products for sale: Primarily locally produced items used to prepare healthy meals, including vegetables, fruits, meat, dairy, eggs, baked breads, baked goods. Limited non-consignment items that have longer shelf life will be sold, including homemade pastas, locally distributed teas, coffees, olive oils, etc.

The BOD will be responsible for setting consignment rates and the Store Manager will be responsible for assessing applications and deciding how to fill the store with a wonderful variety fresh food Restaurant Menu – will include prepared coffees, teas and other specialty beverages (smoothies, etc.), baked goods (e.g., healthy muffins, gluten free baked goods) and a limited take out menu (e.g. soup and sandwich of the day).

Tracking sales and other data – Will use software for tracking items sold per seller, number of paying customers per day, and inventory.

Sales – one stop check will be offered which accepts cash, checks, credit cards, SNAP, DUFEB and other programs cards, coins, etc.

B. Hours of Operation

The plan is for the Roundhouse Market and Event Center to be open 6-7 days a week. The exact hours have not yet been set, but hours of operation will be between 70-90 hours per week. We'll survey area residents to determine the best hours per day.

C. Key Personnel

Market Manager – Day-to-day operation of the West Virginia-made retail store and interaction with farmers, directing staff and chefs, marketing, carrying out education plans.

Restaurant Manager/Catering Supervisor – In addition to preparing the beverages and food items that will be for sale through the restaurant, this position will oversee catering services provided on the second floor of the Bridge and Machine Shop building.

Volunteers – we anticipate there will be many roles for volunteers. Details to be determined.

D. Potential Partnerships

Organization -- Brief Description of Potential Partnership

Healthy Berkeley -

CCAP Loaves & Fishes - This organization has a monthly food distribution to low income families. They

could be recipients of food past its sell by date.

Berkeley Senior Center - This organization provides various services, including dining for seniors. They could also be recipients of food past its sell by date. We also could potentially offer to do lunch talk programs about food education.

Main Street Martinsburg – Engage downtown-focused organization in cross-marketing effort to increase awareness in startup phase of project.

NOTE: There are many other opportunities for partnerships in Martinsburg. For example, with Berkeley County Schools, we may bring an outdoor classroom on our 13-acre site.

There are many volunteer organizations that promote a healthy community and we would be open to collaborations and partnerships around our overlapping mission and goals.

E. Marketing and Promotions

The Berkeley County Roundhouse Foundation envisions limited allocation of gross sales to marketing and promotions because the marketing and promotion plan makes use of many free or low cost methods.

There are three major objectives of the marketing plan:

- Ensure area residents are aware of what The Roundhouse Market & Event Center will sell and later has for sale daily.
- Help area residents appreciate the nutritional benefits of buying and consuming locally grown food
- Engage area residents in what The Roundhouse Market & Event Centers offers – food, event space, etc., classes, etc. Basically area residents will have input into the business!

Specifically, the marketing plan for 2021-2022 includes:

- This business plan to communicate details of the business
- Traditional media coverage to communicate information and updates
- Regular feature in The Journal to share information about eating better, about food and other related topics
- Social media – Facebook is used by many to obtain information about what is happening and thus, is a good way to get the word out daily/weekly.
- Website – this marketing media is important if someone is searching the web or wants information about a business (hours, contact info, history, etc.)
- Community surveys provide a way for The Roundhouse Market & Event Center to learn what area residents are interested in.

NOTE: Committee is working toward 2023 store opening - volunteers are contributing their time to make this nonprofit enterprise available to area residents and farmers.



IV. FINANCIAL PLAN

In 2021, the financial plan primarily focuses on fundraising to obtain the funds needed for start up - funds to complete renovations to the building and to purchase the equipment to operate business. The financial projections for once the Market & Event Center is operating also have been developed.

A. Next Steps: Fundraising to Open Roundhouse Market & Event Center

- Identify 20% match in local funding in the amount of \$148,578 to draw down grant funding in the amount of \$594,311 awarded for installation of concrete floor on first floor and construction of stair and elevator connections to second floor (See Exhibit 1 bid plans by Alpha)
- Identify funding source for HVAC (\$750,000 estimated), building insulation/sealing (\$250,000), door modifications (\$95,000), electrical updates (\$300,000), stormwater management and Tuscarora Creek trail pedestrian connector (\$605,000 for an estimated additional cost totaling \$2 million.
- Submit request for allocation of personnel to the West Virginia Department of Agriculture for market operation support.
- Identify funding for vendor/commercial vehicle access feasibility study to include preferred alternative and cost estimates (estimated \$40,000)
- Identify funding to construct vendor/commercial vehicle access enhancements identified by feasibility study.

B. Operating the Market & Event Center

Using a market-based scale to develop per square foot and event use lease rates, The Roundhouse Market & Event Center is projected to generate \$366,500 annually.

1 st Floor Lease Rate (6,500 SF Total)	Rate Per SF	WV-made Store^^
<500 SF	\$40	
500 to 1,000 SF	\$30	
>1,000 SF	\$20	
Gross Lease Revenue	\$184,000	

2 nd Floor Lease Rate \$125 per Hour	365 days	292 days
4 hours	\$182,500	\$146,000

8 hours	\$365,000	\$292,000
12 hours	\$547,500	\$438,000

No. of Guests	Public/For Profit Rate	Nonprofit Rate
<100	\$125 Per Hour	\$75 Per Hour
>100	\$200 Per Hour	\$100 Per Hour
>200	\$300 Per Hour	\$150 Per Hour

^^Does not factor revenues generated from internally managed WV-made store run by Roundhouse Market and Event Center

*Does not include cleanup fee charged for outside catering for special events. 80% of Cleanup Fee would go to Roundhouse Market & Event Center catering/restaurant business.

