

**FY 2017 BUDGET TESTIMONY
MARYLAND FOOD CENTER AUTHORITY
DR. DONALD J. DARNALL, EXECUTIVE DIRECTOR**

Public Safety, Transportation, and Environment Sub-Committee
James E. DeGrange, Sr., Chair
February 26, 2016

Education and Economic Development Sub-Committee
Adrienne A. Jones, Chair
February 24, 2016

Thank you for the opportunity to appear before the Sub-Committee today as you review the Maryland Food Center Authority's (MFCA) non-appropriated budget for informational purposes. The MFCA would like to thank our assigned DLS analyst, Ms. Zimmerman, for her thorough analysis.

The MFCA is dedicated to combining the very best in public and private efforts in planning and developing regional food industry facilities throughout Maryland. New and revitalized ventures under the MFCA's jurisdiction continue to generate employment and economic benefits throughout the State of Maryland. The MFCA is also continually being recognized by industry associations for its proactive involvement in the food industry.

MFCA would like to thank the sub-committee for the opportunity to present this testimony and is available to answer any additional questions.

Thank you.

MFCA should comment on if there are any plans to redevelop a recycling and composting program.

The MFCA continues to review recycling opportunities available to the Authority. As result of the lack of accessible food composting facilities, the MFCA is exploring alternative recycling options and nonconventional waste stream management concepts. In cooperation with members of the Maryland Environmental Service, Maryland Port Authority, Department of the Environment, Maryland Energy Administration, Office of Comptroller, Department of Agriculture, and Anne Arundel Community College, the MFCA is evaluating the potential for combining waste streams with other Maryland agencies to achieve, at a minimum, an economic neutral position, and at best, a waste stream that provides economic advantage to the Authority.

MFCA should discuss the status of the feasibility study for The Maryland Market Center.

The Maryland Market Center development plan (Appendix A), designed by the MFCA, constructs new facilities for food storage and processing, a farmers' market food hub, and a commercial kitchen.

The development plan is designed to incorporate the provisions of the Food Safety Modernization Act and to create an environment which brings consumers and food-related industries together in an environmentally-conscious, walkable campus with a focus on local products and responsible practices. The plan is broken down into three sections as follows:

- Section I - Stand-alone 70,000 SF building
- Section II - Four (4) 20,000 SF cold chain compliant units
- Section III - An expansion of the existing Maryland Wholesale Seafood Market

Section I

Section I of the development plan consists of a 70,000 SF building which houses the farmers' market food hub, food processing units, and a commercial kitchen (Appendix B).

The farmers' market food hub is an indoor, climate-controlled farmers' market that can be utilized 365 days a year. Using green technology, the farmers' market space will be planned based on the understanding that a farmer may only need to occupy space two days a week to market local goods. The space will be convertible to an open room capable of hosting events such as weddings or banquets during the time the farmers' market is not operating.

The commercial kitchen will allow companies to rent time in the kitchen to produce items on a large scale, process product at a high level of value added processing not attainable in their current space, or service events held in the farmers' market space. The commercial kitchen is also a vital component in the zero-waste initiative of the Maryland Market Center. Products which would have otherwise been discarded can be processed into marketable goods, reducing stress on local landfills.

The additional leasable space in the building will be occupied by tenants requiring time in the commercial kitchen. The rental agreement for these food processing units will guarantee commercial kitchen time for the tenant.

The 70,000 SF building is planned to utilize solar panels, rain collection systems, a green roof, and wind turbines to create an environmentally-conscious atmosphere for the tenants and consumers enjoying the space. Any user of space in the Maryland Market Center must subscribe to the zero-waste, zero-food loss initiative to be considered for tenancy.

Section II

To realize the plan for the Maryland Market Center, an existing section of the Maryland Wholesale Seafood Market will be razed and in its place four, 20,000 SF cold chain compliant units will be constructed to offer tenancy to a diverse range of food-related industries (Appendix C).

Section III

The remaining section of the Maryland Wholesale Seafood Market will be expanded to create the Food Market Expansion as depicted on Appendix A. Current tenants of the Maryland Wholesale Seafood Market occupying space in the front of the expansion will be given the option to increase their unit size. Otherwise, additional cold chain compliant space, independent of the front space, will be constructed at the rear of the Maryland Wholesale Seafood Market.

The MFCA has contracted with an Agricultural Economist to evaluate the industry to validate the current development plan and/or offer feedback for modifications based on the feasibility study findings. The feasibility study is currently underway and is expected to be completed by the end of fiscal year 2016.

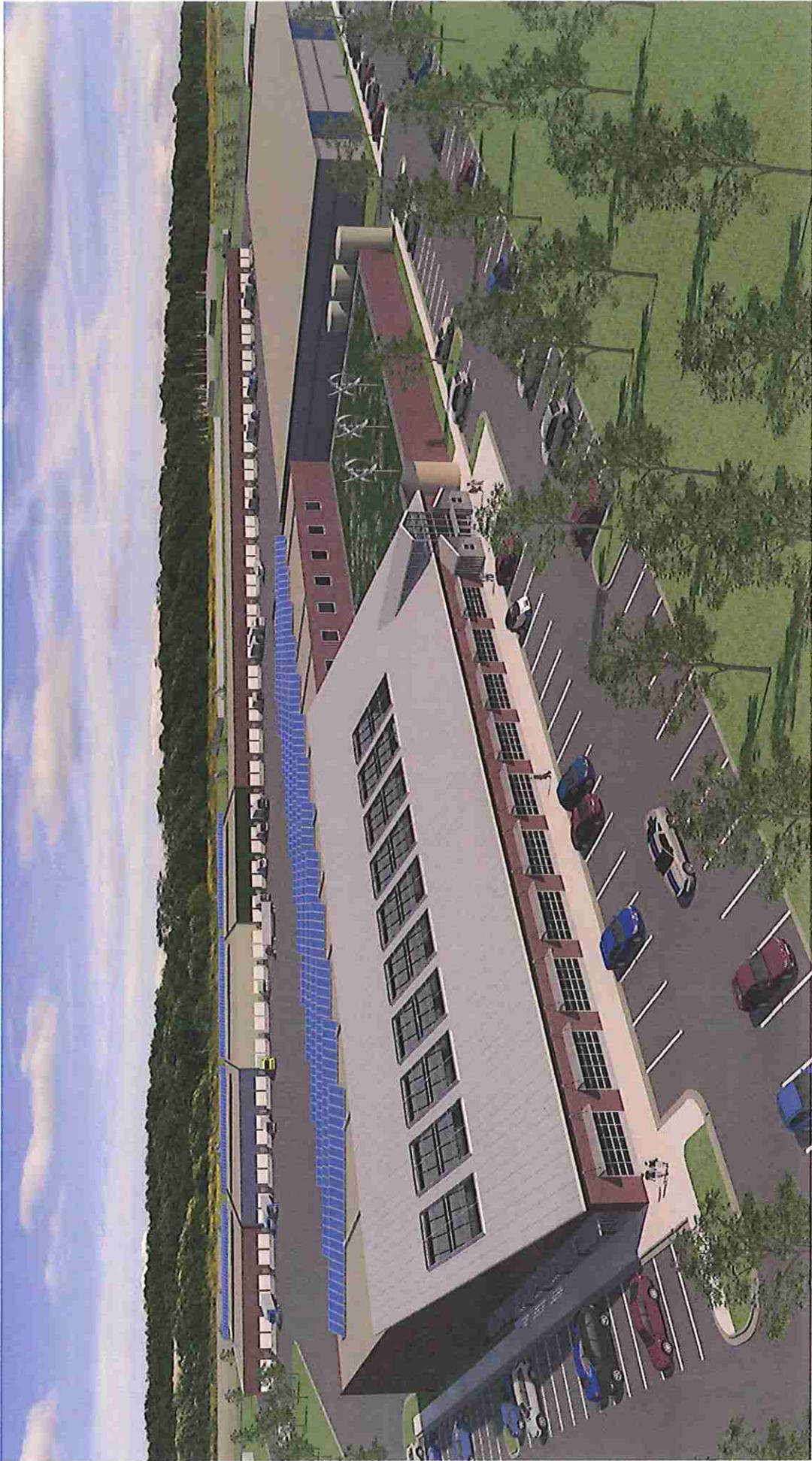
MFCA should comment of the expected timeframe for determining changes/improvements to MFCA facilities that may be required to ensure tenants are in compliance with the new Food Safety Modernization Act (FSMA). MFCA should also comment on how it will accommodate modifications that may be required within its capital program.

When a tenant's food safety policy is negatively impacted due to an existing building feature or another area of the Market, the MFCA will review the impact and determine the problems and/or the impact and jointly determine with the tenants the best means of compliance with the FSMA statute. The MFCA will work with the tenants to determine those capital projects that are most likely to assist tenant compliance with the FSMA statute. Any modifications deemed necessary may cause other planned capital projects to be deferred and/or the MFCA may require increased rental rates at the lease renewal to provide for any costs associated with these modifications.

Appendix A



Appendix B



Appendix C

