




# TOWN OF GRANBY

## MEMORANDUM

DATE: May 12, 2025

**TO:** The Granby Board of Selectmen

**FROM:** Mike Walsh, Town Manager 

**REGARDING:** 87 Simsbury Road – Friends of Holcomb Farm Business Plan

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As you may recall, in the fall of 2024, the Town of Granby made a concerted and successful effort to acquire 87 Simsbury Road, the former United Methodist Church property.

With the property acquired, the Friends of Holcomb Farm, under the leadership of Jenny Emery, were asked to construct a business plan to put the building and land to a constructive reuse without the need for Town of Granby taxpayer support.

With that background, by way of this memo, please accept that business plan from the Friends of Holcomb Farm for your review and consideration.

Jenny Emery will introduce this plan with a short presentation and take any questions you may have. The Board of Selectmen is not being asked for any formal action tonight.

However, a vote to accept or reject this plan should be taken by the Board at a future date. If the vote at that time is to accept the plan, I will begin negotiations to adjustment the existing agreement with the Friends to incorporate this business plan into their agreement with the Town.

I will be on hand to answer any questions you may have on this item. Thank you.



## 87 Simsbury Rd., West Granby: Proposal for the Long-Term Use and Maintenance of the Premises and the Improvements Located Thereon

### BACKGROUND AND EXECUTIVE SUMMARY

The Friends of Holcomb Farm (FOHF or the Friends), informed by analysis and recommendation of the Church Task Team (CTT)<sup>1</sup>, request approval from the Granby Board of Selectmen to amend its Lease and Use Agreement (L&U) with the Town of Granby to incorporate the property and buildings at 87 Simsbury Rd., West Granby.

In September 2024, the Town worked with the Hartford Foundation for Public Giving to repatriate this property to the Town's Holcomb Farm, at no cost, for the stated purpose of strengthening FOHF and its mission: "To preserve, promote, and utilize an historic New England farm, for the benefit of the community." The five acres and barn fit easily into the current farming operations. The question was whether retaining the church building itself was also a benefit to FOHF. The CTT was formed, and assessments undertaken, the result of which is this recommendation to retain the building for use by the Friends.

Pursuant to the Use and Occupancy Agreement, dated October 2024, this document serves as the "Required Plan." Specifically, in that agreement, FOHF agreed to "undertake structural inspections, financial analysis or any other due diligence that it may deem appropriate or necessary to formulate a written plan or proposal for the long-term use and maintenance of the Premises and the Improvements." Substantial completion of that effort informs this report.

In its evaluation, the CTT and FOHF identified five key questions. After completing due diligence, including inspection of the building, review of historic documents related to the cost of operation,

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<sup>1</sup> Members of the Church Task Team: Jenny Emery (President, FOHF); Eric Lukingbeal (FOHF Board); Mark Lockwood (Chairman, P&Z); Betsy Mazzotta (Town Project Manager); John Oates (former church member); Joe O'Grady (FOHF Managing Farmer); Steve Perry (FOHF Board); Mike Walsh (Granby Town Manager); Dana Warren (FOHF member and commercial architect)

contemplation of various options, and review and projection of farming financial results, the response(s) below were developed. Additional detail is included in the remainder of this report.

1. Question: What is the structural and functional status of the buildings?

Both the barn and the church building appear structurally sound. Visual evaluation and environmental testing found minimal hazardous material exposure, which can be reasonably abated during renovation. The barn can be immediately incorporated into existing farming operations.

Answer: The building is functionally adaptable to the needs of FOHF.

2. Question: Is it feasible to repurpose the former church building to meet FOHF's needs, without creating a burden on the Town and taxpayers?

Currently, FOHF operates the farm and stewards the land for public benefit at no cost to the taxpayers.<sup>2</sup> The most pressing needs of its farming programs were identified in a Five-Year Business Plan in 2021.<sup>3</sup> In addition to the need for land, which is being addressed through increased access to adjacent Granby Land Trust properties, this study identified two infrastructure-related priorities: 1) year-round temperature-controlled space to serve as a break and lunchroom for the staff; and 2) increased year-round space for cold storage and winter produce processing. In short, the farm needs indoor facilities to support operations outside of the traditional summer months. Winter sales are in high demand and positively drive net income. Adding space to accommodate winter vegetable processing and farm operations is strategically important to the long-term sustainability of today's farming programs. The evaluation of the church building has determined it can meet both needs, even as it presents additional opportunities for strengthening FOHF, and therefore its positive impact on the community.

Answer: Yes, it is feasible to repurpose and operate the former church property without creating a burden on the Town and taxpayers.

3. Question: What are the carrying costs of the building and can FOHF afford to absorb these into its operations?

The two largest annual carrying costs include insurance and electricity (which includes heat). The current annual estimate for this is \$25,000. (Other operating costs are comparable to current operations, and therefore not incremental to adding this building, and reducing the cost of utilities will be a priority in pursuing this opportunity.) We conservatively project net income from expanded winter sales will exceed \$30,000 annually.

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<sup>2</sup> The L&U agreement includes a rent obligation of FOHF to the Town of \$4500 annually, as well as certain Fresh Access food contributions to the Town through Social Services.

<sup>3</sup> The Friends intend to undertake a new farming business plan in 2026.

Answer: FOHF projects that the anticipated average annual net income from the expanded production and sales possible through use of the building will more than cover the expected annual carrying costs.

4. Question: What capital costs are required to put the building into use by the FOHF, and where will the money come from?

Costs to begin to utilize the building for expanded food storage and winter processing – the drivers for increasing net revenue from farming – are estimated to be \$200,000. These costs are expected to be addressed through existing FOHF reserves, donations, and grants. Additional renovations are required to fully utilize the building, maximize the benefit to the community, and support the programs of FOHF. FOHF will look for grants (several opportunities are being reviewed), fund-raising, and other sources that may be available to support Holcomb Farm. In total, over the next two to three years, an estimated \$400,000 to \$500,000 could be expended to fully repurpose the building. The project can be staged, over time, to align with available funding.

Answer: Initial and immediate capital costs are estimated to be \$200,000. Up to an additional \$300,000 is estimated to be required to fully repurpose the entire space as envisioned.

5. Question: What are the risks of retaining the building, and can they be mitigated?

One risk is that the financial results will not improve sufficiently to cover the building's carrying cost. Financial volatility is always a risk – one FOHF currently addresses by diversifying its crop mix (to increase the likelihood of success of at least some crops each year), utilizing a variety of distribution channels, holding reasonable operating reserves, and practicing good fiscal management. The assessment concludes that utilizing the building will more likely than not *reduce* financial variability, as the net income opportunity from winter sales is greater than from traditional seasonal sales. Much of the cost of winter produce is incurred in the summer, and market competition is much lower in the winter. The repurposed building positions the Friends to “weather the weather” more effectively.

The other major risk relates to raising the funds needed to implement this plan. This risk will be mitigated through a staged approach to the repurposing. No money will be borrowed, and no costs will be incurred until the funding is secured. By focusing first on the most immediate income-producing renovations, the project can be scaled over time.

Answer: There is greater risk in not seizing this opportunity than in pursuing it.

In conclusion, the repurposing of the church building offers increased income through the expansion of current farming activities. This increased income is sufficient to justify absorbing the building's carrying costs. The building benefits FOHF through improved working conditions and the community, through increased access to Holcomb Farm produce (and, as will be explained below, access to other local producers' products). FOHF respectfully requests approval from the Board of Selectmen to enter

negotiations that will outline and detail the roles and responsibilities related to the incorporation of the land, barn, and building into the L&U agreement.

## **FULL REPORT**

The remainder of this report offers detail on the findings and recommendations for the Town to retain ownership of the former church building, and for FOHF to assume responsibility for and comprehensive utilization of the building for the benefit of the community. The report is as follows:

- I. THE VISION FOR THE BUILDING**
- II. The Post-Harvest Processing Center**
- III. The (new) Holcomb Farm CSA and Farm Store and Kitchen**
- IV. Home base for FOHF crew, staff and board**
- V. Additional space**
- VI. Financial analysis**
- VII. Conclusion**

## I. THE VISION FOR THE BUILDING

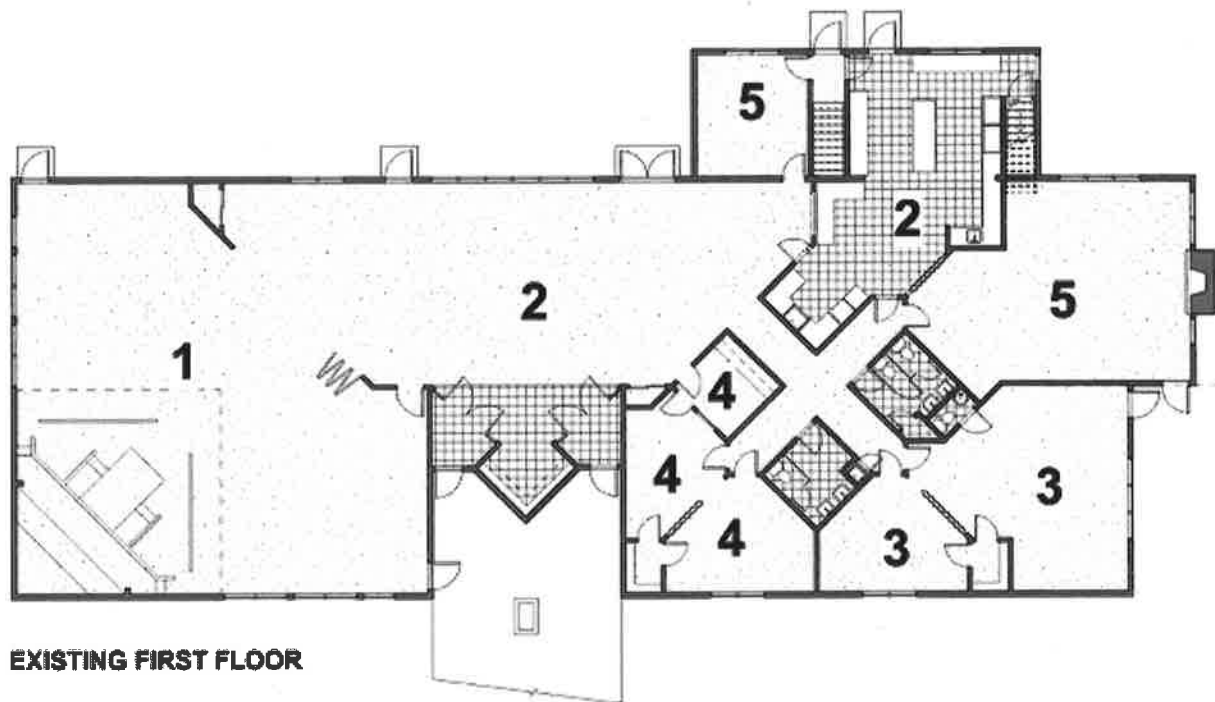
The building is immediately adjacent to the farm, separated from the existing CSA Barn by greenhouses.



We anticipate fully utilizing the barn to augment the overcrowded CSA barn. We also expect that the available land behind the church building will be the home of future greenhouses, as these are needed to offer more protection from increasingly frequent and excessive rains. The front of the building will be

landscaped to support the new purpose – the new home of the Holcomb CSA and Farm Store – and with respect for the historic West Granby district in which this place is situated. Pick-your-own will be expanded to this area, to continue the enhanced customer experience.

The footprint of the current building lends itself to a ready understanding of how it can be repurposed to meet FOHF's varied needs.



The former sanctuary (1), which comprises the southern 1/3rd of the building, is well-situated to serve as a post-harvest storage and processing facility. The center third of the building (2) is positioned to serve as the CSA pick-up and public farm store, carrying products from Holcomb Farm and from other local producers, with the kitchen upgraded to a commercial kitchen, allowing for processing value-added products on site. Several existing smaller rooms will provide offices (4), and a staff break room and lockers (3). The former “Ross Parlor,” along with the former pastor’s office (5), may be leased to other partners, and/or utilized for Board meetings and educational events. This vision allows the building to meet current and opportunistic needs, with minimal construction.

## II. THE POST HARVEST PROCESSING CENTER (1 on the floorplan)

Currently, as the vegetables are harvested, they are brought to the CSA barn for cleaning and packaging outside, with no protection from the elements. Limited cold storage is available but is insufficient for winter vegetables needed to expand the winter CSA and retail sales. The former sanctuary, repurposed into a post-harvest processing center, is the key to the financial feasibility of repurposing the building,



and, longer-term, to the economic sustainability of the farm, which is the revenue engine of the non-profit FOHF.<sup>4</sup> Quite simply, when we can process and sell food in the November through March timeframe, we can reliably generate positive net income from farming. While we do some shoulder-month production now, it is constrained by the absence of heated space for the crew to operate, and for the customers to visit.

The former sanctuary area would be emptied and stripped to its cement slab and otherwise retrofitted to serve as the space where farm crew can offload, store, clean, and pack produce, protected from the elements in both the heat of summer and the cold of winter. Floor drains would carry the “veg water” out into nearby fields. A loading dock would be added in the back to allow for ease of handling – both unloading for processing and storage, and re-loading for delivery to Fresh Access partners.

We continue to assess whether and how to utilize the existing three-story “tower.” It offers a sense of space and light but creates significant energy inefficiency. At this writing, it remains a “TBD.” The plan does include retaining the moveable/folding wall that separates the current sanctuary from the future Holcomb Harvest store, allowing the members and public to continue to view and engage with the crew, as they do now in the CSA barn.

### III. THE HOLCOMB FARM CSA AND FARM STORE AND KITCHEN (2 on the floorplan)

Our current farm store, where CSA members pick up their shares and they and others can shop for other local products is the front of the unheated CSA barn, limited in space and temperature control. The central area in the church building lends itself well to an expanded farm store, to support CSA pickups and retail sales. The rear of the church offers paved parking, far superior to the parking available at the CSA barn. Importantly, we will be able to carry more products from other local producers. With over 550 summer CSA members visiting the store weekly, and an anticipated 300 winter CSA members (once the processing center is available), this space will prove an attractive distribution outlet for many of the local agricultural producers in and around Granby – and “one-stop local food shopping” for the public.

We are also in discussion with local crafts people and artists, as we hope to support their product displays and sales. The Holcomb Farm CSA and Farm Store is initially anticipated to be open four days per week in the summer, and one to two days in the winter.

Currently, turning the produce into value-added products such as crushed tomatoes and pesto requires sending the produce out to another vendor. With kitchen renovations, which would come in a second or third phase of re-purposing (depending on funding), value-added processing can be accomplished on-site, at lower cost. We are also discussing with local chefs their potential use of the space for events and demonstrations. In addition, we are aware of the demand for commercial kitchen space for use by other producers. Once our own needs are fully understood and met, creating access for others can be explored.

### IV. HOME BASE FOR FOHF CREW, STAFF, AND BOARD (3 and 4 on the floorplan)

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<sup>4</sup> Renovations to the CSA barn to improve its viability as a full-purpose “home” for the farming operations, have been explored, but appear difficult and cost-prohibitive.



A small, heated portion of the CSA barn currently serves as the office, crew room and storage for the FOHF organization, and is woefully inadequate. The former church has several small and mid-sized rooms used as offices and classrooms and is easily repurposed to support our needs. Current plans include:

- A private break room and lockers for the farm crew;
- An office for the Managing Farmer, and separate space for bookkeeping and the part-time FOHF Administrator;
- A small office space in support of the Holcomb Farm CSA and Farm Store; and
- Two fully equipped public bathrooms.

#### V. ADDITIONAL SPACE (5 on the floorplan)

A 550 square-foot meeting room (the former “Ross Parlor”) remains available and is envisioned for intermittent day-use, and for FOHF for board meetings and member events. The former pastor’s office also remains available and offers the opportunity for another organization to lease the space, with access to the board meeting space as a part of the offering. Preliminary discussions regarding both possibilities have begun and offer the possibility of additional financial support to share in the overhead expense of the facility. Importantly, no such revenue is included in assessing the immediate financial feasibility of FOHF assuming this building. Feasibility is based on generating enough additional revenue through expanding current operations to cover the building’s carrying costs.

#### VI. FINANCIAL ANALYSIS

An analysis of the financial results of the past five years of FOHF farming operations (before overhead) has been completed. The objective was to build on actual past results to conservatively project results with the post-harvest processing center operational, and then also with the Holcomb CSA and Farm Store open to the public.

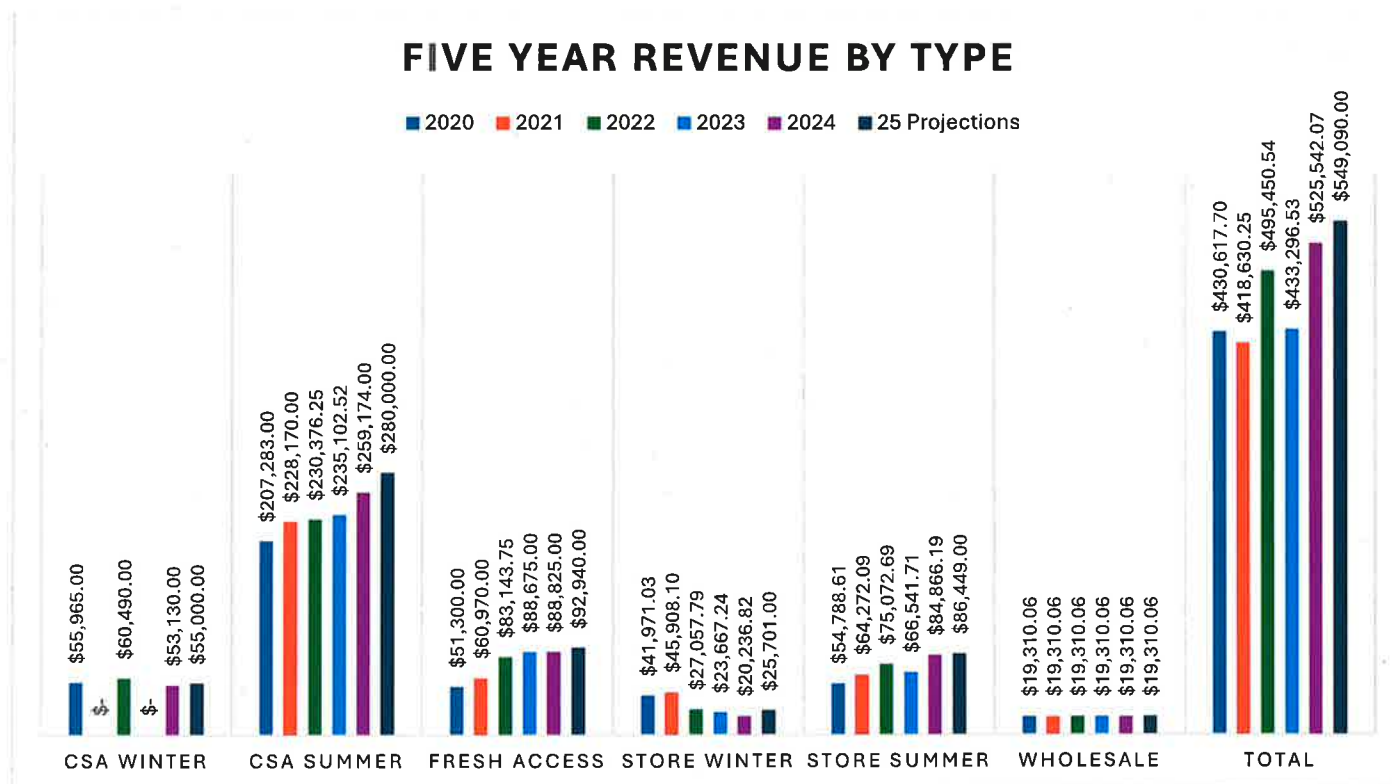
Here are the relevant highlights from the financial analysis.

- In anticipation of utilizing the post-harvest processing center over the 2025-26 winter, we estimate offering double the number of CSA winter shares offered in 2024-25. The limiting factor in 2024-25 was not the amount of food available, but the indoor space to operate. This doubling of the available winter CSA shares will generate (on average) \$60,000 in additional revenue, with \$34,000 in additional expense (“cost of goods sold”), or \$26,000 in new net income – more than enough to cover anticipated carrying costs for the building. This is presented as a baseline, conservative number. Demand is high in the winter, and there is little competition; working to increase local food access benefits the whole agricultural community, as it increases awareness and thereby grows demand overall. Most of the food sold in the winter is grown in the summer, and the actual results will vary. When summer production is high, and with expanded storage and processing capabilities, net income will be greater. When production wanes (due to bad growing conditions), arrangements made with other producers

will allow purchases and trades to support the variety that a CSA share demands, reducing net income in that year but stabilizing the market.<sup>5</sup> Taking all of this into account, the projection used in this analysis is considered conservative.

- Of note, the Fresh Access program is the largest single “customer” of the farm, and for purposes of this analysis, we are not projecting any increase in this program, as it is dependent on donations and grants. However, as FOHF is strengthened, our ability to raise funds to expand Fresh Access also grows.
- By the summer of 2026, subject to successful fundraising, we expect to have the new Holcomb CSA and Farm Store open. Conservative assumptions about increased sales of products from other producers generates new net income of \$5000, which will grow as the customer and product bases grow over time.
- The kitchen renovations are not planned until the harvest of 2026, producing new revenue in 2027, at the earliest. We are not projecting new revenue from this yet, pending the development of a more complete plan.

This chart contains the recent history of revenue from the diverse sales channels we use, and demonstrates that while summer revenues – CSA, farm store, and Fresh Access – have seen relatively consistent growth, the volatility in winter sales has undermined results.

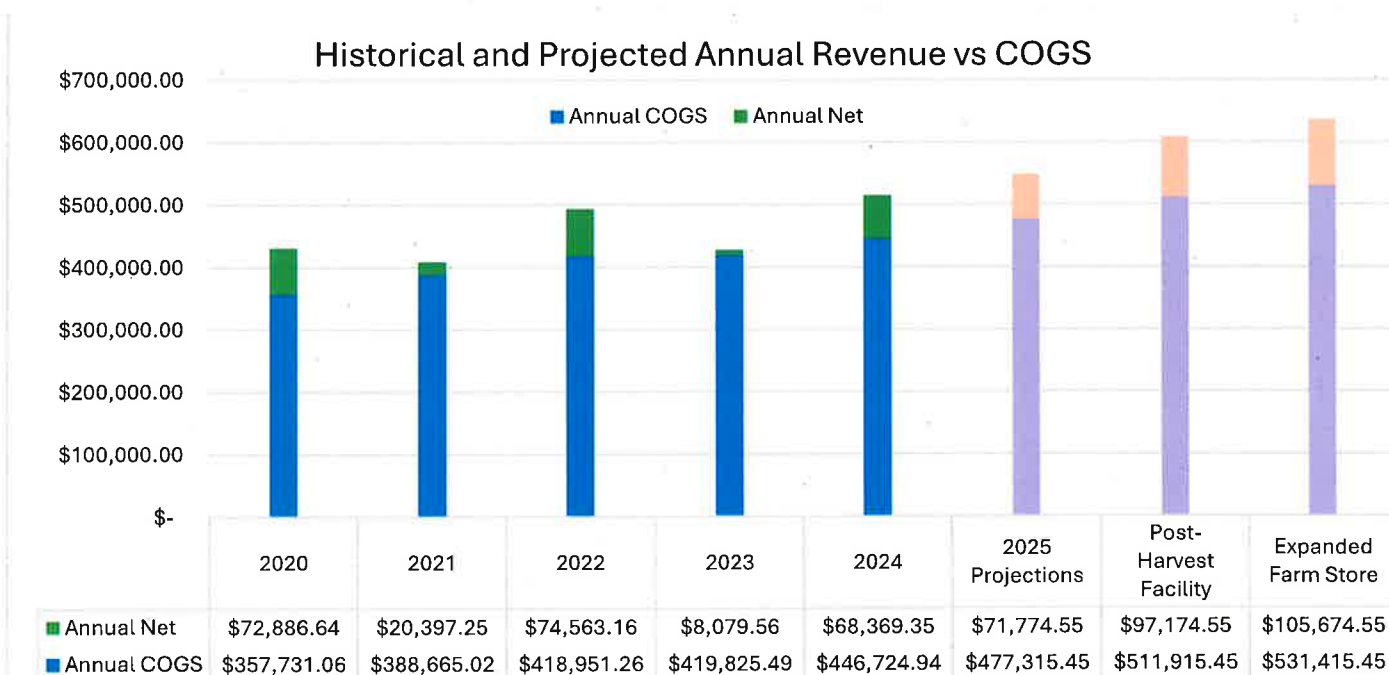


<sup>5</sup> The “CSA Winter” results show the impact of offering no Winter Share in 2021 and 2023. With the benefit of hindsight, our managing farmer has concluded that cancelling the shares was as much a reaction to the difficult winter working environment as it was to the growing results, and that varied growing results can be managed, with the new facility, without cancelling the winter CSA.

The table below shows actual farming revenue, cost of goods sold, and net farming revenue (before organizational overhead) over the past five years. 2025 is a projection as budgeted. As discussed, the bottom two lines are projected based on 1) increased winter sales through operation of the post-harvest facility, and 2) a conservative estimate of winter farm store sales increases. These are conservative estimates, in that they do not anticipate material changes in our operations – the amount of land farmed, the number of greenhouses, or even the number of staff (although increased staff time in the winter is accounted for). It simply estimates the revenue and net revenue opportunity available through acceptable winter working and sales conditions.

	ANNUAL TOP LINE	ANNUAL COGS	ANNUAL NET
2020	\$ 430,618	\$ 357,731	\$ 72,887
2021	\$ 409,062	\$ 388,665	\$ 20,397
2022	\$ 493,514	\$ 418,951	\$ 74,563
2023	\$ 427,905	\$ 419,825	\$ 8,080
2024	\$ 515,094	\$ 446,725	\$ 68,369
2025 PROJECTIONS	\$ 549,090	\$ 477,315	\$ 71,775
POST-HARVEST FACILITY OPERATING	\$ 609,090	\$ 511,915	\$ 97,175
EXPANDED FARM STORE	\$ 637,090	\$ 531,415	\$ 105,675

The chart below illustrates the constraints on and volatility of net farming revenue. The primary goal of the post-harvest production facility is to stabilize results at a reasonable level of net revenue, producing at least enough to address the building carrying costs.



Not included in the financial analysis are two other potential sources of revenue:

- Leases of the extra office, meeting room, and space in the former CSA barn, freed up through the move to the new property, can reasonably be expected to generate **\$10,000 to \$15,000 in annual revenue** to contribute to overhead costs, and as a part of a planned maintenance fund for the building
- The new roof on the church, and the relatively new metal roof on the barn are potentially attractive locations for a “buy-all-sell-all” solar leasing arrangement that is projected to generate at least **\$6000/annually for 20 years**. This opportunity is separate and distinct from an owned solar array on a separate part of the roof to address the electrical needs for the building, further reducing operating costs. (Note that there is no plan to put solar panels on the front roof of the building, in the interest of optimizing the curb appeal of the property.)

## VII. CONCLUSION

The Friends Board of Directors and the Church Task Team have concluded that pursuing the repurposing of the church in support of our farming programs is a transformative opportunity that will benefit the community. We recommend moving forward with an amendment to the L&U agreement to incorporate the land, barn and building into the Friends' operations.