



LETTER OF INTENT TO LEASE HOWENSTINE MAGNET HIGH SCHOOL

Dear *Tucson Unified School District*,

This letter is to express our intent to expand our lease at Howenstine Magnet High School’s property. In December of 2015, your board voted to lease our organization, Merchant’s Garden, property at the Howenstine High School on Tucson BLVD. Since, our public-private partnership has been received with high praise from the community. Our work was [nationally recognized](#) by the USDA Farm-to-School Program. We were featured in the [AZ Daily Star](#) for a powerful positive community impact. We’ve also been featured in the local news with [KVOA](#) & [KGUN](#). We’ve partnered with TUSD Food Services to provide nutrition and agriculture field trip education at the Farm every Wednesday. Additionally, we’ve partnered with Food Services to provide local, organic food in the cafeterias. Below are some additional highlights. We have received request from school districts across the country to replicate this partnership in their district.

2016/2017 School Year	
Public Milestones	Private Milestones
<ul style="list-style-type: none"> Nationally recognized the by USDA Farm to School Program Hired a 2016 Tucson High graduate Had 5 TUSD high school interns Hosted field trips tours to over 12 TUSD K-5 grade classes Provided nutrition and agriculture education to over 400 TUSD students Provided over 30,000 heads of lettuce to local, organic lettuce to TUSD cafeteria 	<ul style="list-style-type: none"> First and only USDA Certified Farm in Tucson Raised \$400,000 from an investor network with network of \$2.5B 30 restaurant customers 1 national distributor 4 resort customers 1 full patent Combined research efforts with UofA

Vision

Merchant’s Garden has demonstrated an ability to meet all financial obligations in the previous lease agreement and is proposing the renewal of the lease agreement for a 10 year period. In addition to extending their current lease agreement, they would like to expand the square footage to occupy the entire Howenstine property. The use of the property will be for expanding farm operations as well as community wellness services/resources. Over the last year, Merchant’s Garden has partnered with TUSD Food Services to provide nutrition and agriculture field trips to K-12 students on a weekly basis. The expansion of leased area is to accommodate the growing demand for field trips between TUSD, the larger Tucson Community and Merchant’s Garden. Additionally, the school space will be used to develop guided tours with the City of Gastronomy and Biosphere II. With the recent designation from UNESCO as a City of Gastronomy and the innovative work at Biosphere II, an opportunity to deliver a rich experience for the 6.5 million annual visitors to Tucson is present. Support of this project comes for additional partners like TMC and Pima County Health Department to provide a positive Tucson community and visitor experience. Merchant’s Garden will like to commence the occupancy of the entire property in January of 2019. Please Exhibit A, & B for further details on proposed use of the property.



Economic Feasibility

Even without business expansion, our current business operations provide enough financial resources to manage the projected additional rental payments and utility usage needed to occupy the entire property. Within 6 months following the completion of our commercial facility, the business was operating cash positive. We service 40 restaurants in the downtown Tucson area as well as a number of resorts and large food distributors. To date, the company has captured over \$400,000 of private investment.

To ensure further financial stability we have submitted proposals for grant funds in excess of \$2,500,000 for 2017/18. Additionally, we will open a Series A round to raise an additional \$2,250,000 in private investment. Our current investors provide business support to ensure sustainability too. Current investors include the CEO of Whirlpool, Managing Directors from 3 different venture capital firms, and the former CTO of Groupon. Furthermore, local advisory board members to the company are Michael McDonald (CEO of Community Food Bank) and Dr. Kevin Fitzsimmons (Professor at the University Of Arizona Department Of Agriculture).

Value to TUSD Strategic Plan

We believe that our current efforts have supported TUSD's governing board in achieving their STRATEGIC PLAN (2014-2019). Specifically, we believe our efforts have supported and the proposed efforts will enhance support in the three areas expressed below.

A. Diversity

- a. Community Engagement - A system where children and families have what they need to be successful
 - i. Amongst the most critical of families' needs are their access to healthy and affordable foods. Merchant's Garden provides community members with food previously inaccessible as well as nutrition education. This is done through hosting and sponsoring events

B. Facilities

- a. Green planning: Implement Green Environmental Sustainable Institutionalized Programs and Practices.
 - i. Our farming practices are considered by industry experts from the University of Arizona as among the most sustainable in the field. The investment we have made to date has made TUSD's site among the most sustainable agriculture properties in the country. Additionally, we share our farming practices with teachers, students, and communities.

C. Communication

- a. TUSD Brand
 - i. With Tucson receiving the designation from UNESCO as a City of Gastronomy, TUSD has an opportunity like no other in the country. The ability to align their brand with globally recognition for food sustainability. By aligning with Merchant's Garden proposed efforts, the TUSD brand will be amplified in sustainability.
- b. Community Engagement - Create a family-focused culture that engages high-level community members by using champion teams to create events
 - i. The proposed efforts are in a partnership with Tucson's most impactful organizations; Community Food Bank, University of Arizona Biosphere II, Visit Tucson, and UNESCO. The collaborative efforts, these partners would like TUSD to join along them providing family food focused events.

Exhibit A



Exhibit B

The primary use of the school interior will be the eco-tourism and community services. 6.5 million visitors come to Tucson annually of which 30% of them are looking for eco or agri-tourism related activities. 80% of visitors are looking to experience food related tours. The school site will be used to service this large demand for providing food tours to individuals visiting Tucson. Classrooms will be designed to acts as 10-15 minutes education stops on the tours. The tours will be lead alongside Biosphere 2, Visit Tucson, and Tucson City of Gastronomy.

Additionally, the multipurpose room will be used to provide community services like dental clinics, vaccinations, and nutritional courses. These offerings will be provided by Merchant's Garden, Pima County Department of Public Health, TMC, and El Rio.

Finally, Merchant's Garden has received 3 Letters of Intent to sublease a small portion of the Howenstine School to other food and agriculture organizations. Upon a signed a lease agreements with TUSD, Merchant's Garden will finalize all subleases.

