

How Municipalities Can Support Retail Food Co-ops

BY MARY STENNES WILBOURN

Late in 2016, another major conventional grocery store moved out of Columbia, South Carolina. City leaders were actively reaching out to other chain stores to come fill the void. In the deepest part of their food desert, residents were down to only a few convenience stores. People needed access to food that they could reach by foot as well as car, and they needed a store that would not shut down after a year and move away.

Wanda Pearson was motivated to drop a line to the Columbia city offices. Had they considered looking at a community-owned cooperative grocery store as a long-term solution? After all, a co-op has a vested interest in staying in its community. While not an “instant fix,” a co-op might be the best way to proceed.

The response came quickly—and directly from the mayor. Local control and local ownership sounded like the best possible idea. How could they find a way to work together to get a co-op started?

This scenario is playing out in dozens of cities across the U.S. The urban food deserts may get the most press coverage, but stores are opting out of small towns, suburbs, and rural areas as well. The shifting ground under the retail grocery industry makes it difficult for large chains to justify keeping marginally profitable stores open. In many cases communities cannot find any existing store willing to fill the void. They may move on to short-term solutions or to consider nonprofit stores.

Examples in Columbia and Minneapolis

The City of Columbia’s Business Development Opportunity Department came to the table ready to offer business development grant funds to help get things going. That quickly led to a meeting and office space being provided, help with funding for early exploratory and incorporating steps, and funds to send four people to the 2017 Up & Coming Food Co-op Conference in Milwaukee. The strength of the partnership showed: conference attendees were a blend of city workers and members of the fledgling co-op startup team. Their assistance continues today as the City Foods Cooperative Marketplace grows ownership and



Wirth Co-op meeting in new North Minneapolis space, January 2017.

builds the support network needed to get a store in its neighborhood.

Nearly ten years earlier in Minnesota, Wirth Cooperative Market began organizing in North Minneapolis, a major food desert. While the Minneapolis–St. Paul area had many food co-ops, in 2007 both potential shoppers and Wirth Co-op funders still knew very little about the cooperative model. The early organizers had a lot of learning and educating to do. In 2010 the co-op was incorporated, and community events began to grow

its membership base. The idea of owning their own community store became a hot topic among residents in the area.

Board treasurer John Flory recalls that getting financial assistance in those early years was a challenge. Several local foundations gave grants to support the education process, meetings, and doing the feasibility ground work. The group forged on, finding a site, welcoming new members, and seeking the funding needed to build out the store. Early applications to the City of Minneapolis and Hennepin County economic development offices meant that potential funding could come from there, once the co-op had secured primary assistance. They received a \$500,000 Brick and Mortar Federal Grant, which opened the door to loans and more local support—and set the date to open the store in the fall of 2017.

That brought the funding from the city and county into play as well. A Hennepin County business development grant of \$75,000 was a welcome boost to the project. The City of Minneapolis committed to a \$35,000 loan that is forgivable based on the continuing addition of living-wage positions at the store. General Manager Winston Bell is committed to making that happen.

Community Development Block Grant program: CDBG

Funding for city-based economic development programs, like those provided by Columbia and Minneapolis, begins with federal support. The Department of Housing and Urban Development’s Community Development Block Grants program puts this funding under local control. The funding can be used for affordable housing, for meeting the needs of vulnerable residents, and for



Columbia, S.C. council member, staff, and co-op steering committee.

supporting job retention and growth. Access to food is a common thread in communities most affected by these issues. Dozens of startups have found help at various stages through this partnership. Existing co-ops have expanded using block grants as well.

Applying for this support is done locally. However, like all grant programs, the co-op needs to be ready to lay the groundwork on co-op education and to ask for the right help at the right time. That can mean being clear about what help you need at your present stage while seeding interest towards the future of the project. Columbia rose to the occasion by supporting the education of the co-op leaders and getting them to the startup conference—a great investment in future success.

Of course, a feasibility study needs to come before site discussions. The burden of helping community leaders understand and value the cooperative development process may fall on your shoulders.

Wirth Co-op in North Minneapolis has been open for nearly six months. General Manager Winston Bell is enjoying the new store, the staff, and finding the right mix of items to fill the shelves. But he is especially loving the community that supports the store, and he is getting to know individuals and families who keep coming back for more. He advocates for other co-ops and makes presentations at conferences about the growth of this new store and how it was made possible by the hard work of the community.

As City Foods moves forward in Columbia, Wanda Pearson has her eyes on the prize—a store that the neighborhood owns and controls and can adjust as needed to make it serve the community for a long time to come. Her simple question, “Have you thought about a community-owned co-op?” set the wheels in motion. “Can you imagine if I had not asked that question? Asking opened the door,” she reflects, and encourages others to jump in early and ask. With the help of the city and all the new members who will be joining the co-op, the dream of a store unique to their neighborhood will be realized. •



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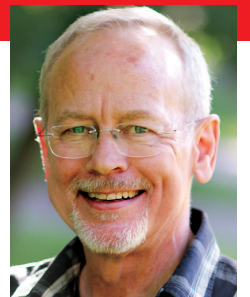
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- Served as a Business Development Director of NCG Development Co-op for nearly 5 years
- Designer in more than 450 projects, over 300 of them co-ops

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