

# BLUE HILL COOP

COMMUNITY MARKET & CAFE



May 1, 2018

Hi Folks,

It's been a while. I'm still here, plugging away at all things related to our relocation effort to South Street, while at the same time managing to keep this little store afloat. It's been quite the process thus far and it should be said this would not be possible without our great co-op staff that keep this co-op humming along not without challenges over the past months with snow days, wind storms, power outages, refrigeration break downs, and with long stretches where we were short-staffed. But, in spite of it all, sales are up, membership growth ticks along, and we've made some strong headway toward our goal of having a new co-op on South Street. Much of this progress has been made behind the scenes, so I want to bring a few key points to the forefront for you.

There's currently not a lot going on over on the South Street lot. It can make you feel like it will never happen. It's kind of like winter. It seems to drag on and on with little to no sign that anything is working to bring us closer to the warm, sunny days we yearn for. This year it especially felt like Spring would never come. But there's a lot going on, behind the scenes, or underground, that isn't so clear until we suddenly realize that the ocean breeze no longer chills us to the bone or we see the first daffodil, dandelion or tulip. It's at that moment when we realize mother earth was working all along. Spring is here. And we, too, have been working all along.

As we enter the final stages of the process toward groundbreaking, I find it fitting that we are also entering a time when you can comfortably sit outdoors with no jacket, and soon, in shorts or bare feet. There were two big pieces of the process toward South Street that needed a lot of cultivation, namely our Pro Forma business plan analysis and our interior store layout. I am happy to report that I--along with the Board and Co-op staff--am feeling excited with the progress we have made.

I have been working steadily on the Pro Forma document along with Co-op financial analyst and consultant, Bill Gessner of CDS Consulting Co-op. It has been a challenging task to make sure that all aspects of our business plan are mapped appropriately on our Pro Forma to confirm financial feasibility. There are so many aspects of a Pro Forma document that affect the outcome: size, location, number of parking spaces, retail square footage, retail sales per square foot projections, growth of membership projections and on and on. One of the aspects of the Pro Forma that we needed to accurately balance is how much our co-op has already invested/spent on the new store development. This information comes directly from our financial statements. Because the planning process for a project of this nature usually takes time as well as numerous iterations, we needed to ensure all our financial data related to relocation was in alignment with our Pro Forma before a final commitment could be made with regard to our architectural and interior design plans. That commitment has now been made.

This is great news. It is especially important going forward because, once we are fully-funded, a significant portion of development costs incurred to-date will be reimbursed to co-op operations. This also is great news. This past week, the Pro Forma, along with other updated project documents, has been sent off to an appraiser. This step is necessary to shore up potential funding from a group of lenders with whom we have been in preliminary talks for the past several months. They have read our business plan, understand how co-ops operate, and are eager to lend support.

### The Floor Plan

The other aspect that we have been hard at work on is ensuring we have a floor plan that is efficient, easy to navigate, customer friendly, accommodating to the various needs of staff, and yet retains all the aspects of a new store that are important to our co-op community such as highlighting our café and community room, among other things. Working with our architect and relocation committee, with input from store planners from CDS Consulting, we are very close to a final storefront plan. After several iterations during the planning process, the final result accomplishes all of our goals listed above. We are grateful to everyone that has participated over the years toward these goals. Our new co-op on South Street seems more attainable than ever.

### The Building Site

Be on the lookout this season when you drive by the new co-op site on South Street. We plan to do some "spring cleaning", thinning out some undergrowth, opening the space up a bit more clearly, put up a new sign, all a signal of things to come. Over the course of the next several weeks, we will begin the interview process to select a general contractor, work on contract negotiations, meet with potential lenders, solidify all required permits etc. all with the goal in mind of breaking ground after Labor Day. As progress continues we will look toward a soft opening in June of 2019 followed by a grand opening celebration in July 2019.

### Fundraising

There remains one final piece of this process to bring to fruition: member-owner investment. We are so amazed by the support we have thus far received from our member-owners. Our current fundraising total is comprised of both preferred share member investments and donations. Blue Hill Co-op member-owners have invested \$1,062,100 in preferred share member-investments to-date. Our total goal remains \$2 million, of which we are 53% funded. In addition to preferred share investments, we have received \$46,640 in donations. This is 62% of our donation goal of \$75,000. In order to reach our stated goals: to break ground after Labor Day, and to open next Spring/Summer 2019, time is of the essence.

In order to make it to our goal, we need an additional \$966,260.

If you are a current co-op member wishing to receive additional information on our South Street relocation effort, please contact me at: [gm@bluehill.coop](mailto:gm@bluehill.coop) or at the store at 374-2165.

Cooperatively yours,

A handwritten signature in black ink, appearing to read 'Kevin', with a small dot above the 'i'.

Kevin Gadsby, General Manager