

Leveraging Owner Advocacy for Co-op Expansion

BY JACQUELINE HANNAH

Expansions. Relocations. New stores. Parking lot overhauls.

What do these major projects all have in common? Your co-op will need the support of new stakeholders or a new level of support from long-term stakeholders. Fortunately, food co-ops are uniquely positioned to ace these tests of community support and relationship building—we approach these opportunities through a cooperative lens.

Expansion lessons in Astoria

In July 2014, Astoria Co+op in Astoria, Oregon, started a conversation with its owners about growing their store. After extensive input and business feasibility processes, a site was announced in June 2017, to enthusiastic owner response. After the announcement, the co-op moved forward with a rezoning request for the site that got through their city body with ease, launched an owner loan campaign that raised \$1.5 million in preferred shares in just eight weeks, and got design approval from their city.

All was unfolding as planned until the co-op planners found themselves smack dab in the middle of contention with a couple of their new residential neighbors over a driveway, a dispute that progressed to an appeals process with lawyers at the table. Every step of the way, according to Matt Stanley, Astoria's general manager since 2008, the co-op's successes and pitfalls had everything to do with how well they were communicating, using the cooperative principles, and engaging their owners in the process.

The Astoria project is an expansion/relocation that involves a build-to-suit lease with a developer. The location of the site is in several different local design overlays. It also exists in a home-owners association. "It was a doozy for design approval, but optimal sites in our town were limited—especially sites that came with a willing property owner/developer," shares Stanley. The Astoria team knew right away that the complexity of the situation would require approvals and support at the city level, and that the place to start was to take owner enthusiasm for the new site and turn it into action in the community.

In the end, there were five different hearings about Astoria Co-op's project with their city. For every hearing, the co-op reached out to its owner base and asked them to show their support, and the owners made the difference. "A big turnout (from our owners) and participation with comments was criti-

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cal to demonstrate the widespread support for the project in the community," reflects Stanley, who can now report they are through all approvals and ready to break ground. While sailing through an excellent owner engagement process and hugely successful owner loan campaign, the times Astoria hit snags were when principle seven, "concern for community," was not firing on all cylinders.

Knowing the co-op had strong city and owner support, Stanley negotiated with the home-owners association, which at first was rather overwhelmed by the scope of the project. This might have been the

red flag missed. While the association gave approval of Astoria Co-op's plan, many of the individual owners in the neighborhood had no idea about the scope of the project and were not reached. When some home owners voiced strong concerns, a community process was not put in place.

"Because the project involves a developer-partner, it meant some interesting dynamics with how we handled the PR associated with the approval process," relates Stanley. "Initially, our approach was to let the developer take the front seat on the project. It was his land and his shell that he was developing for us. This quickly became untenable, as the community could really only associate the process with the co-op. So, at some point we started to be perceived as bad neighbors, even among some of our staunch supporters."

In retrospect, Stanley says, absolutely, ". . . I would have tried harder, sooner in the process to meet the needs of the small group of folks opposed to the project. It was not worth the delay and negative press." Nevertheless, after readjusting and taking a community-focused approach, Stanley is able to report not only success in moving the project forward, but cooperative goodwill built. "In the end, we came out looking like good neighbors and cooperators. There was a general sense of pride that we had come to the table and found a solution that everyone could live with."

Along with good will built with the new neighbors and co-op pride built for Astoria Co-op staff and owners, their city was impressed too. According to the *Daily Astorian*, "City Manager Brett Estes said it is the first time in his career he has witnessed this kind of peaceful compromise after an issue has reached the battleground of the appeals process."

Concern for community meets rezoning

Wild Root Market is a startup food co-op in Racine, Wisconsin. After completing a successful \$1.125 million owner-loan campaign, with plans to break ground in spring 2019, the co-op also found it needed city approval of rezoning after the perfect store site was finally found. Wild Root Market had been through the wringer on proposed sites, having announced and lost one back in 2014.

After finally finding another site that met all of their feasibility criteria as well as their owner criteria, the co-op wasn't about to lose this opportunity—and the planning began.

The zoning and permitting required was not only going to require approval by their common council members, but also support from the residents living in the neighborhood adjacent to the proposed store. Having already worked to build their relationship with their city officials for several years after it became clear that it was make or break for their new site to get a zoning change, it was time for the co-op to put into play their one of their cooperative strengths—principle seven, concern for community—and engage their hundreds of owners in the process directly.

The Wild Root Market team decided to both reach out to their proposed neighborhood and engage their co-op owners all in one go. They started by explaining to their owners how critical it was that they be good neighbors. They also reached out to hear what those living adjacent to the store thought of the plan and to share with them how the co-op would benefit them. When the co-op rallied its owners with a call to their community-rooted values, dozens of owners came out to canvass the neighborhood, inviting residents to community listening sessions, and answering their questions. The results were electric.

“We scheduled a series of community conversations over the course of two weeks to provide information and answer questions about our co-op,” shares Margie Michinich, long-time board member at Wild Root Market. The co-op scheduled several times when neighbors could attend and had great finger food that showed off what their co-op could offer—provided by its mentor co-op in nearby Milwaukee, Outpost Natural Foods. The turnout and conversations were excellent. The end result was unanimous support of their zoning variance, with dozens of Wild Root Market owners in attendance at the council meeting as well as some of their new neighbors, who came to tell the city they wanted the co-op in their neighborhood.

With this process under its belt, Wild Root Market prepared again, a year later, to approach their city for support. This time, the co-op was applying for a \$390,000 grant toward the project's overall financing. The co-op board pulled out all the stops in engaging its owners again, which resulted in owners writing letters to the editor in their local newspaper as well as dozens of calls and emails to city representatives, culminating in a postcard campaign that put their grant request over the top.

“Don't forget about principle six—cooperation among cooperatives—when planning to engage the power of your owner base. Pay attention to your peer co-ops to find proven



A postcard party at Prairie Food Co-op generated hundreds of messages to city trustees. A similar event also became a core piece of Wild Root Market's development strategy.

methods,” encourages Wild Root Market board chair, Rose Nelson. Nelson expressed specific gratitude to Prairie Food Co-op for “sharing the secrets of their postcard event.”

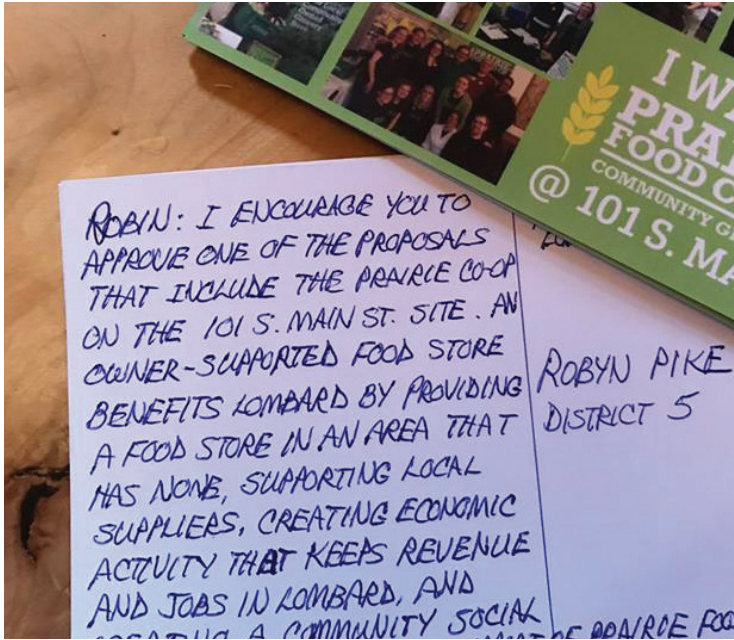
Enlisting help from owners and community

Prairie Food Co-op is a startup food co-op in the village of Lombard, Illinois, that is, after a powerful owner engagement process, awaiting the results of a request for proposal selection process with their city. That process will decide which developer, and which plan of that developer, will be selected for a star site in Lombard's downtown. Both of the proposals that have gotten to the final selection point feature Prairie Food Co-op. Getting to this point has had everything to do with activating their owners as advocates for their co-op.

While building owner and community support for a project may seem like a simple feel-good effort, it takes a multi-layered, detailed plan that is laid out in advance. Prairie Food Co-op knew this well from their efforts to build an initial owner base, and the co-op was ready. “Instead of wasting an opportunity, once we knew that the village would be announcing a request for proposal for the site, we immediately scheduled a site-intention meeting where we invited our owners to hear firsthand about what we were intending to pursue,” explains Jerry Nash, Prairie Food Co-op cofounder and outreach coordinator.

“After that, we thought it was important to make our whole community feel like they had a voice, while demonstrating our commitment to democratic process and transparency. So, we created a dedicated drop-down menu on our website with different actions that anyone could take to become a part of the process,” shared Nash.

Giving owners and community supporters specific actions and easy steps to take built momentum. Prairie Food Co-op started with a petition in support of the store located at the site, with a place for signers to leave comments about why they



supported PFC. This created testimonials, which Prairie Food Co-op leveraged into social media content. The petition blew past their one-week goal for signatures in three days.

Next, the co-op asked for owners to email their village trustee and made that easy—creating a page on their site with their trustee map, sample language to work from, and a link to their trustee the viewer could click and have an email screen immediately pop up to write their trustee. Also on the menu were bigger steps, such as writing letters to the editor, where and when to attend trustee meetings to give public comment, and talking points for how to engage your friends and neighbors about your co-op’s bid for the site.

The Prairie Food Co-op team then invented their postcard party, devising the technique that also become a core piece of Wild Root Market’s strategy. “We thought real postcards from our community would be a powerful message to our village board,” reveals Nash, “but even more so, we recognized the value of our owners feeling engaged in advocating for their co-op.”

The party was packed with Prairie Food Co-op branded postcards on every table, sample testimonials to inspire, and a half keg of beer from the local brewery. The result was not only hundreds of postcards to the trustees, but terrific coverage, photos that got shared over and over on social media, and a sense of momentum that Prairie Food Co-op has continued to ride. “Engaging community, being by and for our owners, it’s what co-ops are all about—that is our path to success,” sums up Nash. •

PHOTOS: FCI and Prairie Food Co-op

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