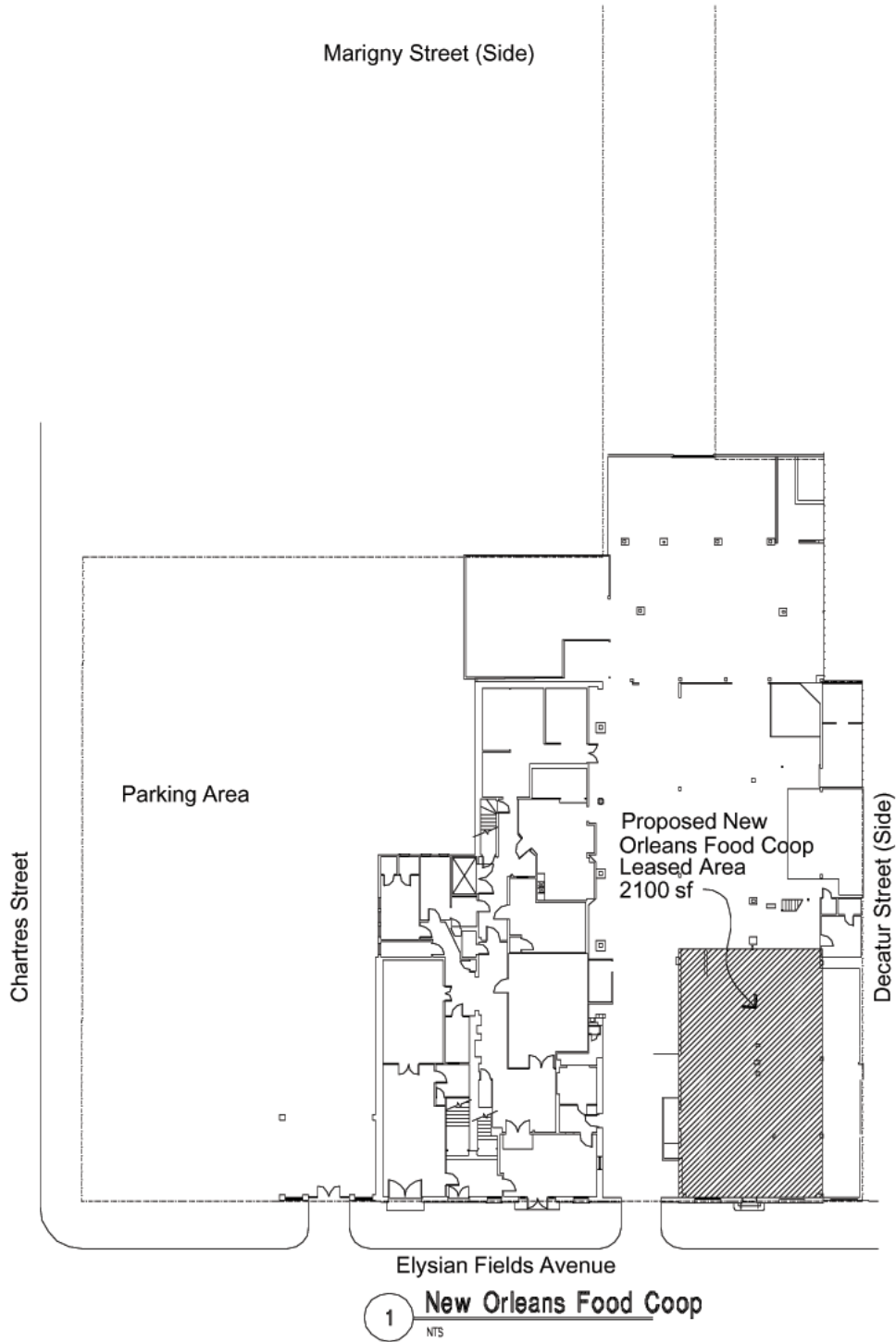


Please provide a diagram of how the NOFC plans to utilize the egress, parking, deliveries, storage, checkout, and display.

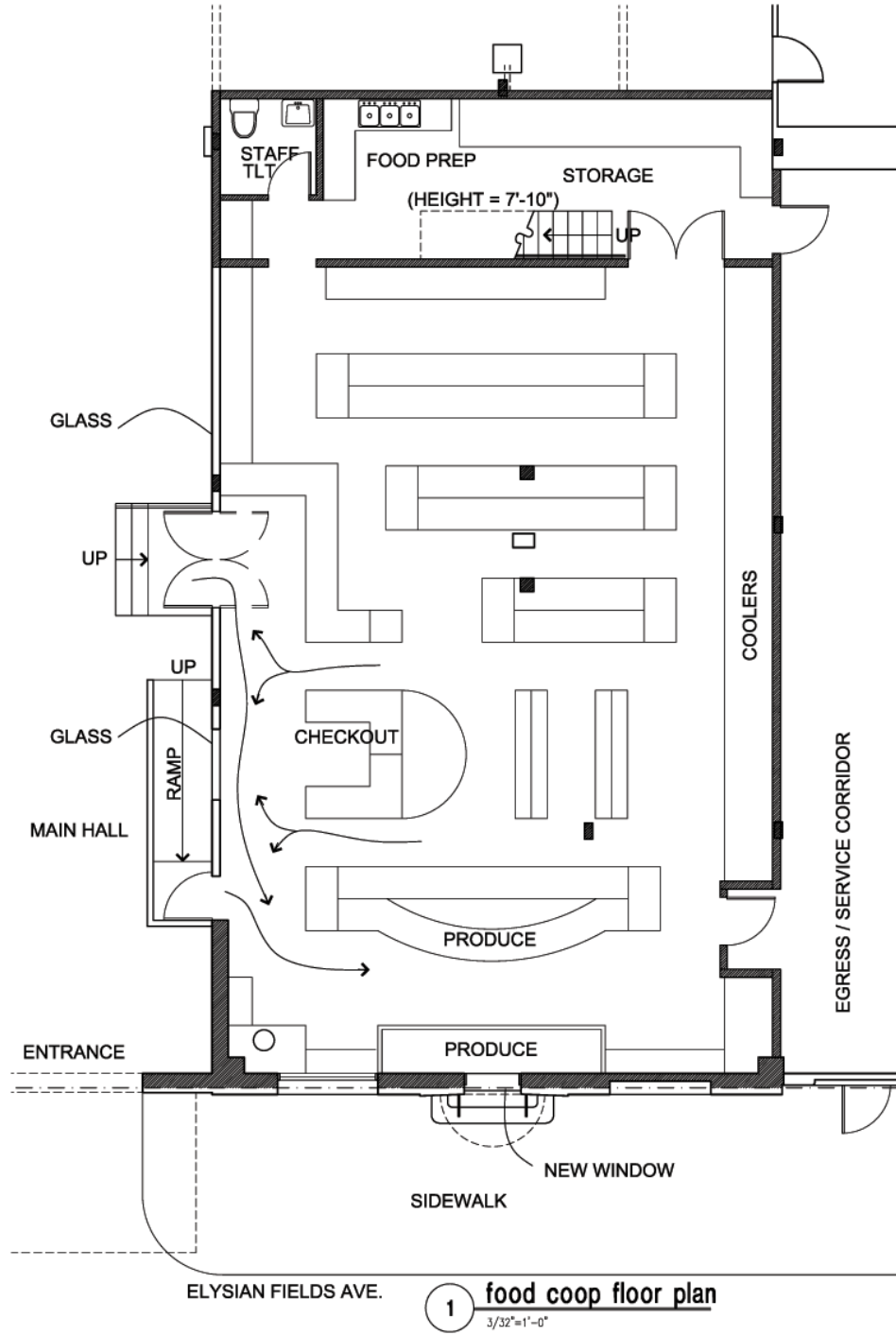
See diagram on next two pages for a draft floor plan.

- Egress:** Primary preference from centralized doorway/via planned promenade: secondary through extant doorway into space (would need to be altered to meet ADA specs)
- Checkout:** Will depend on location of egress. Will be positioned in such a way as to minimize any potential theft issues.
- Storage:** To be kept to a minimum as stored product=unsaleable product (i.e. Stored vitamins are not being displayed!). One possibility is to build a storage space and bathroom downstairs, with a second floor loft for office usage. Storage of light goods could be done in the upper levels of the high ceiling.
- Bathroom:** Ideal: one set of public bathrooms to be shared by entire building; one co-ed in coop itself.
- HV/AC:** Our preference is for these needs to be combined with the entire building: we would want our own thermostat/meter, but it would be best if this were a building-wide system for continuity.
- Parking:** Access to side lot parking spaces would be required, based on city code for number of spaces required for 2105 square foot store. Side lot would provide ample parking for the grocery. Contract lot across the street could be approached for a validated parking contract.
- Deliveries:** There is an extant loading zone on Elysian Fields: we would use the side alley for deliveries/service entrance, and would limit deliveries to early AM (pre-opening hours)
- Trash storage:** Should be centrally located at rear of building for all tenants.
- Back alley:** Could be used for utility purposes: trash, deliveries to rear for all tenants?

Floor plan Showing Portion of 527 Elysian Fields to be Utilized for Food Co-op



Floor plan Showing a Possible Utilization of the Space



Does the New Orleans Food Community currently operate a storefront in the city?

No, the NOFC does not currently operate a storefront in a physical location in the city.

However, the NOFC has been operating a Buying Club, utilizing on-line resources (buyingclub.nolafoodcoop.org) as well as a paper catalog provided by our main distributor.

The NOFC has been steadily growing the Buying Club and currently has 67 members, who are able to place orders on a monthly basis. Our experience with the Buying Club has given us useful experience in the record-keeping and operational requirements of member-based commercial operations. It also gives us a customer base, and provides a running report of what our members are interested in purchasing.

Also, the Buying Club has represented a way to make contact with local vendors and explain and discuss the NOFC's future plans with them, as well as supporting a regional cooperative, through our main supplier, Ozark Cooperative Warehouse, in Arkansas.

Our current local suppliers are:

- ◆ Orleans Coffee Exchange for locally roasted fair trade and organic coffees.
- ◆ The Crescent City Farmers Market for produce grab bags.
- ◆ Paw Paw's Lakeview Honey, produced within the city limits.
- ◆ A Louisiana shrimping cooperative for fresh and flash-frozen Gulf shrimp.
- ◆ A community supported agriculture (CSA) program sponsored by Pastime Farms, who will supply us with locally grown organic produce when we open our storefront.
- ◆ Stansel Mills Gourmet Rice Company for bulk purchases of gourmet brown and white rice.

Additional local suppliers whom we have contacted include:

- ◆ Whispering Pines Ranch, Loranger, LA, for steroid-, antibiotic-, and pesticide-free pasture-raised beef, field-raised pork, and yard-raised chicken
- ◆ Amato's Winery, Independence, LA, for sausage made with Whispering Pines Ranch meats, Louisiana fruit wines
- ◆ Blackwater Farms, Daleville, MS, pastured poultry (chicken & turkey) and eggs (chicken), grass-fed beef and lamb, pastured pork, and 100% cold extracted pure honey
- ◆ Gotreaux Family Farms, Scott, LA, for chicken, turkey, and tilapia

If not, why the leap from nothing to something as big as the Elysian Fields space?

While the Buying Club is one way to provide access to locally produced and natural and organic products, our development is limited by the lack of a permanent space. Our members want and will support a storefront.

The development of the New Orleans Food Cooperative in the space available at 527 Elysian Fields will entail two phases of development over the course of our first five years of operation.

During Phase I, we will develop a cooperative grocery store in the 2105 square feet available in the front section of the store (see pages 1-3), a space which is naturally separated from the rest of the property.

During Phase II, we would expand our operations to include a hot deli and/or small café. This could take place as an extension of the already operating storefront or could be developed in a nearby property.

In conjunction with our first phase of development, your plan to incubate other food and local businesses within the pedestrian corridor of the space via a series of small stalls is in line with our mission of supporting sustainable local agricultural production. We have investigated similar operations, such as Reading Market in Philadelphia, and find this style of business a good match for our plans and this space. While the NOFC could run our grocery from 527 Elysian Fields without this development, we would be happy to make our project work in conjunction with this development.

Our vision is for our store to be the anchor for a multi-stall set up that includes independent local vendors whose products would be of interest to our demographic. This would be a symbiotic relationship: we will bring in customers, who will stay to shop at these stalls, thereby supporting the Buy Local campaigns and the Louisiana economy. In this way, the cooperative would foster a sense of community, and the grocery store would become a community center for the surrounding neighborhoods.

Furthermore, on a nationwide scale, the development of cooperative grocery stores, while still dependent upon community support, is now happening on a larger scale than earlier development of this type of business. While cooperatives often began in very small spaces and gradually grew to occupy larger spaces over time (for example the Dartmouth Food Cooperative's progressive growth in Hanover and Lebanon, N.H.), this is no longer always the case. In Boulder, Colorado, a brand new Co-op recently opened in a downtown building after several years of fund raising and development. Because of increasing competition against encroaching big-box stores, to be successful in the 2000s, cooperatives must open at a scale that can meet their customers' expectations of service and variety. The gradual development of a cooperative from a very small space (such as a person's front room) to a full-scale grocery store is no longer a viable model of sustainable cooperative economic development.

What is the economic model of the New Orleans Food Community?

The NOFC is incorporated as a non-profit entity whose primary aim is to operate a self-sustaining, non profit-driven grocery store which simultaneously respects and abides by the seven cooperative principles (see Appendix 1). Although we are not out to personally profit from this consumer cooperative, we do aim to make a grocery store that can support itself while simultaneously serving a community with limited economic resources.

Consumer cooperatives operate on a democratic economic model. We are fully committed to empowering the membership of the cooperative to determine the path of their cooperative grocery store, through a Board of Directors and a qualified management team. Because this is a business investment, the membership will want to see their money grow. This can only be done through responsible economic decisions for the group as a whole.

Because much of our basic work (shelving, pricing, sweeping, bagging, etc) will be done by volunteers, our payroll will be substantially lower than a traditional grocery store, allowing us to be a self-sustaining organization more immediately than other independent grocery stores. Also, because our shoppers will be part-owners of their grocery, there will be a personal incentive to support their investment and see it succeed. Member equity represents funds for the initial operation of the store but it also creates customer loyalty from the beginning.

See Appendix 2 for Financial Projections.

Is the New Orleans Food Community involved with any national/international Co-operative movements?

Yes.

- ◆ The NOFC Buying Club is a member of the Ozark Cooperative Warehouse in Fayetteville, Arkansas, and this organization will be our principal supplier of nationally distributed natural and organic food lines.
- ◆ Our principle bank is the Hope Credit Union, a Southern banking cooperative.
- ◆ We subscribe to *Cooperative Grocer*. (<http://www.cooperativegrocer.coop/>).
- ◆ In conjunction with the NOFC Buying Club, Pastime Farms provides fresh, organic produce through a Community Sponsored Agriculture (CSA) program, in which members pay a fixed rate at the start of the growing season for a weekly supply of produce.

Furthermore, our membership applications are being processed by the following groups, with anticipated membership by August 2005:

- ◆ The National Cooperative Business Association (<http://www.ncba.org>)
- ◆ The Cooperative Grocers Information Network, an on-line support network for cooperatives (<http://www.cgin.coop/>)

Please provide examples of other successful food buying organizations such as you.

The cooperative food movement is international in scope and is continuously expanding.

There are currently 298 cooperatives in the United States and Canada registered with the Cooperative Grocer Directory at:

(http://www.cooperativegrocer.coop/coops/index.php?module=view_all).

We have visited a number of cooperatives throughout the country and have been gathering data from these groups in order to create a sustainable cooperative for the unique New Orleans market.

Cooperatives whose management we have consulted include:

- ◆ The Rainbow Whole Foods Cooperative Grocery in Jackson, Mississippi <http://www.rainbowcoop.org/>
- ◆ Seward Co-op in Minneapolis, Minnesota <http://www.seward.coop/>
- ◆ Sevananda Natural Foods Market in Atlanta, Georgia <http://www.sevananda.coop/>
- ◆ Boulder Co-op Market in Boulder, Colorado <http://www.boulder.coop/>
- ◆ Good Foods Co-op in Lexington, Kentucky <http://www.goodfoods.coop/>
- ◆ 14 Carrots Natural Foods Co-op in New London, New Hampshire <http://www.14carrotscoop.com/>

Furthermore, a number of our members have participated in cooperatives elsewhere, at a variety of levels ranging from casual shopper to Board of Directors posts. These include the Belfast and Blue Hills cooperatives in Maine, PCC Natural Markets in Seattle, and the Bethesda Co-op in Maryland.

Newer food cooperatives in the U.S. have faced many challenges in opening and expanding in an environment which does not always encourage cooperation. However, this movement has proved its resilience and ability to change to meet changing times. Many cooperatives opened in the 1990s and 2000s, and these newer examples demonstrate how cooperatives can continue to be successful in the face of the Walmartification of the U.S. grocery market.

How many people does the New Orleans Food Community plan on serving and who are these people?

Our store will be open to the general public, so anyone living in or visiting New Orleans represents a potential customer. Given the location of Phoenix Stables, this property represents a unique opportunity to reach a wide range of New Orleans society simultaneously. The NOFC will access the socially-conscious, diverse residents of the surrounding neighborhoods in our Founding Membership drive and will develop our product line to suit their interests.

- ◆ The site sits almost centrally between these neighborhoods (<http://www.gnocdc.org/orleans/7/index.html>)
 - ◆ Bywater District, French Quarter District
 - ◆ *City Planning Districts 7 & 1, respectively*
 - ◆ Tremé/Lafitte and Seventh Ward neighborhoods of the Mid-City District
 - ◆ *City Planning District 4*
 - ◆ Gentilly Terrace and Dillard neighborhoods of the Gentilly District
 - ◆ *City Planning District 6*
 - ◆ Lower Ninth Ward District
 - ◆ *City Planning District 8*
- ◆ 125,292 people live in these neighborhoods, all of which are within 2 miles of 527 Elysian Fields, an easy 10 minute or less commute. (see Neighborhood Statistics in Appendix 3b).
- ◆ These neighborhoods are grossly under served by major grocery stores in general, and completely lack any natural food or bulk product grocery store. Our store will be a welcome addition to their current options, most of which are currently very small corner stores with no real volume on sales. (see Store Distribution 1 & 2 in Appendix 3a)
- ◆ The Mid-City District residents are enthusiastic about our cooperative development, having developed an aversion to shopping at Whole Foods given their recent interactions with the Mid-City store closure. It is still unclear if the future grocery operation in the former Whole Foods building will be able to fulfill the vacuum in the natural foods and bulk grocery markets in this area.

The NOFC will draw on our Founding Membership pool (for which our initial target is 2,000 members) as our first customers and will build on their enthusiasm. We will canvass the surrounding neighborhoods for additional members.

Please describe the product lines you will carry and how your organization will target these products to the demographics of the area.

The NOFC is dedicated to providing a full range of local, natural, organic and bulk product lines to our shoppers. Based on a survey of former shoppers at the Mid-City Whole Foods, the NOFC has identified the types of goods purchased by our target demographic (see Appendix 4) and will ensure that we stock our shelves with the products that our membership will want to buy. This survey will be extended to include our Founding Membership and the immediate neighborhoods.

As much as possible, the NOFC will draw on local suppliers for our goods: the following are a few examples of these suppliers.

- ◆ Pastime Farms is a nationally certified organic producer supplier growing in Amite, Louisiana. They have contracted with national organic grocery suppliers and are prepared to provide our grocery with a full range of organic produce.
- ◆ Whispering Pines Ranch, in Loranger, Louisiana, supplies Farmers Market shoppers with a full complement of naturally produced hormone, steroid and pesticide-free beef and pork and is prepared to provide our store with these goods.
- ◆ A Louisiana shrimping cooperative, which currently coordinates the White Boot Brigade, will supply us with a range of fresh and flash-frozen shrimp.
- ◆ Orleans Coffee Exchange provides us with locally-roasted organic and fair trade coffees, and has the capacity to provide these goods to a grocery store (they currently supply their non-fair trade line to Zara's Groceries).
- ◆ We have established relationships with a number of other local producers through our connections at the Crescent City Farmers Market, and a number of suppliers have expressed an interest in working with us via a storefront.

For national product lines the NOFC will focus on natural and organic goods, in both bulk and packaged options. For these we will utilize:

- ◆ Ozark Cooperative Warehouse in Fayetteville, Arkansas, a supplier of a full range of national natural and organic grocery options. They are the main supplier for our Buying Club and offer an extended catalog for wholesale operations. They have been the primary supplier for Eve's Market and have expressed an interest in providing the NOFC with favorable terms for a storefront.
- ◆ Frontier Natural Products, a cooperative supplier of commodities and spices.

For mainstream groceries the NOFC will emphasize Louisiana-produced product lines. To access these the NOFC will utilize:

- ◆ The Independent Grocers Association, which supplies a number of independent grocers in the New Orleans area, including Zara's.
- ◆ Reilly Foods, makers of a full range of beverages and food items including Blue Plate mayonnaise and Swans Down cake flour.

**In order to determine the economic viability of your intentions,
please provide a business plan.**

Our Business Plan is under development in consultation with Newcorp Consulting Services. A copy will be provided when this is completed. See Appendix 2.

Our Mission: To provide healthy and affordable groceries to the New Orleans community.

Our Goal: To open at least one cooperative grocery store in New Orleans.

Our Focus: Sustaining the local economy through the active support of Louisiana producers. Providing healthy & environmentally responsible goods at affordable price.

**What would the anticipated utilities
for a 3000 square foot space be?**

According to Entergy, the average bill for a 2100 sq. ft. neighborhood grocery is \$1181.25; for a 3000 sq. ft. grocery, it is \$1687.50.

According to the Sewerage and Water Board, for Matassa's Market, a fair comparable in terms of size and anticipated usage, the average monthly bill is \$80.

Anticipated telecommunications costs are \$200 per month, including telephone, fax, and internet access.

**What are the necessary profit margins
to pay rent, utilities, and staff?**

Our projected costs and incomes are under active development and subject to change. The appendices included with this document are current snapshots of that development process.

The included version shows a profit margin of 14.52% and is dependent on a wider range of costs than posed in the question.

See page 5 of Appendix 2.

How much money do you believe that the New Orleans Food Community can contribute to the build-out and how will this sum be achieved?

We may pay up to \$100/sq ft for build out of the 2105 square foot space available to us. This represents a potential \$210,500 investment in the development of our portion of the Phoenix Stables property, an investment which we would hope to recuperate through a Lease Abatement agreement in our initial lease or some other negotiated arrangement. This money will be raised through our Founding Membership Drive, "Bricks-and-Mortar" Grants, and Member and Commercial Loans.

Please provide a fund raising plan.

Grassroots Membership Drive:

goal: 2000 members by September 2006: \$200,000
purpose: to build member equity
how: Word of Mouth/Referrals from current Founding Members
Community Events tabling (Farmers Markets, arts events, etc)
Door-to-door canvassing in targeted neighborhoods

Grassroots Fund raising Events:

goal: \$40,000 before store opens
purpose: to spread the word about the NOFC and cooperatives
to raise funds for current and future operating and equipment expenses
to seek donations of equipment
how: events are organized by volunteer coordinators, with entertainment and food volunteered, minimal charge for venue

Grants:

goal: to raise as much of remaining projected funds as possible through grants in order to limit our variable operating costs
purpose: to raise funds for build out, start-up costs, operating expenses
how: will be written by members with experience in grant-writing

Member Loans:

goal: to raise additional funds through member micro-loans for start-up costs, initial operating expenses
purpose: member loans allow for flexible terms, create engagement in community, to raise funds for start-up costs, operating expenses
how: member loan drive will be initiated when costs are set

Business Loans:

goal: keep these loans as low as possible, through cooperative banks for most favorable interest rates
purpose: to raise funds for initial operating expenses
how: to be used to cover costs not covered by primary fund raising efforts.

Current Status of Funds Raised:

Grassroots Membership Drive:

25 Founding Members have paid in full.
Additional members have begun installment payments.

Grassroots Fund raising Events:

past events have raised over \$11,000, including:

Co-op Fest 1	April 2003	\$1900
Back to the Garden	July 2003	\$1500
Holiday Art Auction	Dec. 2003	\$4300
Co-op Fest 2	April 2004	\$2300
Co-op Fest 3	April 2005	\$1100
Community Dinners:	various	\$600

The following Cooperative Organizations have grant and loan money available:

- ◆ The Cooperative Development Foundation: (<http://www.cdf.coop/>)
- ◆ The Federation of Southern Cooperatives:
(<http://www.federationsoutherncoop.com/marketin.htm>)
- ◆ The National Cooperative Bank (NCB):
(<http://www.ncb.coop/homepage/contents.nsf/default.htm>)
- ◆ The National Cooperative Bank Development Corporation: (<http://www.ncbdc.org/>)
- ◆ **Food Co-op 500 program**, a new collaboration of The National Co-op Bank, National Co-op Grocers Association, and the Cooperative Development Services:
(<http://www.foodcoop500.coop/>)

Additional Local and National Grant Sources are currently being targeted.

Once the storefront is open the following organization will assist us in maximizing the return on our investment:

- ◆ Common Cooperative Financial Statements (CoCoFiSt) (<http://www.cocofist.com/>)

How many members does your organization anticipate?

When we open our doors, we plan to have a minimum of 2,000 Founding Members, who will each have contributed at least \$100 in Member Equity.

Once the store opens, we will increase our Membership over time, also through a Member Equity program.

Who is going to be the manager of the New Orleans Food Community store at Elysian Fields? What is that person's experience at this job?

One candidate whom the NOFC has identified is Jill Hirons, who has worked for a number of years at cooperatives in Minneapolis/St. Paul, Minnesota. Her experience as a training and development coordinator in the cooperative grocery industry will inform our staffing and development needs.

The NOFC Board of Directors will conduct an open search for a fully qualified manager who has experience in cooperative groceries. The Board is also interested in focusing our search on local candidates who have extensive experience in natural foods sales. There is a wide pool of qualified and interested candidates in the New Orleans area as a result of the recent closures of the Mid-City Whole Foods and All Natural Deli on Magazine Street. These candidates are particularly important as they will be familiar with the food needs and interests of the New Orleans market.

The NOFC believes that the success of our co-op depends on finding an experienced, qualified manager or management team. The managerial candidate needs to have experience in cooperative and natural foods grocery and in growing cooperative membership. Our manager must be able to work with people and understand the special nature of the Cooperative's patrons, who are both customers and owners.

See Appendix 5 for candidate resume.

How will the facility be staffed and how are these people to be paid?

In addition to a management staff comprised of a three-person salaried Management staff and 5 wage-earning part-time Team Members, who will be responsible for handling the monies the co-op brings in. The NOFC is committed to paying a livable wage to all of its employees, in keeping with the co-op living wage models enacted nation-wide.

Staff salaries and hourly wages have been calculated into the monthly cost estimates in our Business Plan and will be paid through profit on goods sold.

Additional staff responsibilities will be completed by volunteers, whose tasks will include mopping the floors, stocking the shelves, pricing goods, cutting the cheese and other related duties. The use of volunteers to do these simple yet essential tasks will cut our labor costs significantly, enabling the store to minimize our variable operating costs.

See Appendix 6 for Staffing Matrix.

Please provide resumes for the manager as well as the principal board members of the New Orleans Food Community.

See Appendix 5

Our resumes are attached. The NOFC's Board of Directors is drawn from our growing pool of Founding Members. As you can see, collectively we have a full range of experience that has come into play in the organization of this group and will be put into play as we staff our store. The Board of Directors is united in our common interest of creating a grocery that we would all enjoy.

Current Board of Directors, seated June 29, 2005:

- ◆ **Tommy Boehm** has thirty years of management experience that has regularly informed our discussions. He has recently launched a food import business and a line of hot sauce.
- ◆ **John Calhoun's** creative energies and neighborhood contacts are the driving force behind our membership drive and grassroots fund raising efforts.
- ◆ **Dave Cash** is a computer programmer and community organizer.
- ◆ **Karley Frankic** is a zoning and permitting consultant who also has extensive restaurant and bar management experience and non-profit property management experience in neighborhood revitalization, which are invaluable to our group.
- ◆ **Leenie Halbert** is a French-schooled baker and music producer and licenser who has been actively involved in the organic food industry for a number of years.
- ◆ **Betsy Hemenway** is a professor whose organizational and research skills are being utilized by the NOFC for grant-writing and research tasks.
- ◆ **Bridget Kelly** is the program manager for Step Together New Orleans, an initiative of the Louisiana Health Institute which seeks to create healthy eating throughout New Orleans.
- ◆ **Erin Laine** is a computer programmer with a long-running interest in food cooperatives.
- ◆ **Darlene Wolnik** is the Associate Director of Market Umbrella.org for the Crescent City Farmers Market.