

## **Resolution to Authorize a Referendum on a Second Store for the Park Slope Food Coop**

Prepared by the Second Location Study Committee for the May 30, 2023 General Meeting

Whereas, previous physical expansions were previously approved by a coop-wide referendum of members in September/October 1985 and February 1998, and the 2001 expansion was funded in part by a member loan program that raised \$1.8m and a cooperative bank loan that raised \$2.5m.

Whereas, the Second Location Study Committee (Study Committee) was approved by a vote of the General Meeting (GM) in November 2016 to examine the feasibility of creating a second store for the Coop in addition to the store on Union Street.

Whereas, the measure was first introduced by Coop member Jonathan Farber as a GM agenda item in February 2015 and again in 2016 in conjunction with the General Coordinators.

Whereas, the stated purpose of a Second Store is to grow the Coop for the benefit of our members and future members, and to increase our potential impact on the foodshed.

Whereas, the Study Committee, after six years of detailed study, has determined it may be feasible to open a second store in addition to our location on Union Street pending a site search that meets both our budget and operational requirements.

Whereas, the second store should be approximately the same size as the current store, with an aim to double our membership and sales.

Whereas, a second store should be in a neighborhood close enough to the current store to establish a base from current members but far enough to avoid taking too much of the current membership away, as more fully stated in the Second Location Study Committee's report.

Whereas, a second store would require a budget of up to \$20 million in either leasing or acquisition scenarios, with related costs for pre-planning, build-out, and absorbing costs of the initial membership growth period.

Whereas, the Study Committee has been in extensive dialogue with members over the past 8 months, including: publishing our Second Location Study Report and a letter to the PSFC community on the Coop website in November 2022; a Discussion Item at the November 2022 General Meeting; three Zoom meetings and email correspondence with approximately fifty members; a Zoom meeting with the PSFC Equity, Access, and Community Committee; two Coop-wide informational Zoom Meetings; interviews for two articles on the second store in the *Linewaiters' Gazette*; and announcements on the Coop's Instagram.

Whereas, the Park Slope Food Coop is an institution that is governed through participatory democracy, and major decisions deserve to be reviewed by as many members as possible.

**Therefore**, be it resolved that the General Meeting will vote on whether to approve holding a referendum of all PSFC members starting September 1 and concluding September 30, 2023. The subject of the referendum will be as follows:

**Should the Park Slope Food Coop Board of Directors adopt the following four items in their entirety?**

**1. Form a new Second Store Steering Committee**

- A. The existing Second Location Study Committee will be disbanded following a referendum approved by the membership.
- B. Committee Selection
  - a. The Steering Committee will be a diverse group of members with skills in real estate development, real estate law, business and project management, finance, community organizing, public relations, marketing, store design, planning, architecture, landscape architecture, engineering, training, and more.
  - b. Members will be selected by a group consisting of two PSFC Directors, former members of the Study Committee and General Coordinators.
  - c. The Steering Committee will include approximately 20 members working for credit, three GCs and three staff members (at least one each from membership and receiving).
  - d. Two Steering Committee members will be designated by the Selection Committee to serve as a Chairperson and a Secretary. These positions, if vacant, may be filled by a majority of Committee members.
- C. Committee Operations
  - a. The Steering Committee will establish one or more subcommittees of its members which may include acquisition; financing and the member loan program; member relations, community organizing, and marketing; Coop operations and training; and more.
  - b. The Chairperson may add and replace Steering Committee members; at least 2/3 of Committee members must agree with any such recommendations.
- D. The Steering Committee will report to the GM in accordance with established PSFC committee rules and meet as necessary with the General Coordinators.
- E. The Steering Committee is not obliged to develop the second store and may instead recommend the membership cancel or postpone the project; at least 2/3 of Committee members must agree with any such recommendations.

**2. Establish a Project Budget of \$20m**

- A. Includes all costs, including building acquisition; soft costs such as project manager and consultant fees; operations-related costs such as advance hiring and staff training; community organizing and marketing costs; construction and build-out costs; and any other expense reasonably necessary for this project within a budget approved by the Committee.
- B. An escalator of 3% per year will be applied to the \$20m budget to compensate for the duration of the project.

**3. Create a member loan program to raise funds for the second store**

- A. The loan program will be administered by a subcommittee of the Steering Committee.
- B. The program will start as soon as practicable after an approved referendum.
- C. The project will not move forward unless enough member loans come in that support the project in a way that enables it to have a high chance of financial success.

**4. Authorize Coop officers to execute legal documents related to the project**

- A. Includes all documents and contracts related to financing; building acquisition; soft costs such as project manager and consultant fees; operations-related costs such as advance hiring and staff training; community organizing and marketing costs; construction and build-out costs; and any other expense reasonably necessary for this project within a budget approved by the Committee.
- B. This same authorization was in place for previous Coop expansions.