

## Pope Street Update

On December 2nd, Board President Shanti Ceane signed off on a massive stack of paper that represents the Silver City Food Co-op's commitment to a robust and healthy future for the cooperative, a next generation of the Co-op that will provide a dramatically improved shopping experience and a plethora of additional choices. It will be a platform for improved employee conditions and compensation and potential future Co-op activities. All this will take place in a modernized facility that is more sustainable and environmentally responsible. As we look to the future, we honor the past. The blueprints to renovate the Pope Street building are bringing the building full circle to its grocery store beginnings. It was nearly 80 years ago when it was used for that purpose. Between then and now, it served as a car dealership, a home improvement center, office buildings, and a non-profit service provider for the disabled, among other uses. Recycling and improving the building back to a food store and community hub will be an immensely worthwhile project for the Co-op and Silver City.

The massive stack of paper Shanti signed included a loan agreement and various other conditional agreements that will provide \$2,000,000 to execute that vision of the next generation of the Co-op. The loan is the culmination of ten months of work and negotiation with the New Mexico Finance Authority who are administering the financing, a New Market Tax Credit loan. We were able to qualify for this opportunity as a qualified low income community business.

The initial phase of the loan will be a seven year period of interest only payments at a lower than market interest rate. The payments are highly affordable relative to the future Co-op's earnings and cash flow. This will allow the Co-op to begin its next phase with confidence. During that seven year period, the Co-op may utilize as much of its capital as it sees fit to reduce the principal figure. The loan will then transition into a more traditional commercial 20 year loan at lower than market interest rate.

The next phase of the project is underway. The architects working with our store designer and contractors have made site visits, taken measurements and photos, and gathered documents and information. They have begun their collaborative relationship with the store designers and both have received the full accounting of desired features of the project. These include the priorities of sustainability, green energy, historic integration, and accessibility. We hope to create a facility in alignment with the personality, character and identity of the Co-op and Silver City. In addition, improved features of the business itself, including a meat department, vastly expanded prepared foods, increased checkout areas, indoor/outdoor seating, community space and increases in retail space and product variety in every department are of primary focus, as well as a commitment to keeping the Silver City Farmers' Market thriving in an improved space on the property.

Work on the building is scheduled to begin in the first quarter, with a timeline of 8-12 months to completion and opening. Our new Co-op will open in 2022. You can bank on it. We already did.