

## Minutes of HWFC General Membership Meeting

October 21, 2007

Welcome: Board President Lynne Lekakis welcomed the members to the meeting and introduced the members of the Facilities Committee, a subgroup of the Strategic Planning Committee. The purpose of this meeting is to provide an overview of the plan to purchase 100 Watervliet Avenue, Albany, to provide discussion of the plan, and then to vote.

A power point presentation reviewed the reasons for the Coop's need for a new space as well as described current problems with the current store location. Materials mailed to members covered this clearly and the presentation has been posted on the HWFC web site, so this information will not be repeated in the minutes.

Discussion was facilitated by (sorry, I didn't get his name), who asked that the topics of discussion be organized into 3 areas: site, neighborhood, and financial. This didn't quite happen, but my notes will reflect the discussion as it proceeded.

### 1. Site:

Question: Information requested on public transportation to new site.

Answer: CDTA bus stops nearby. The neighborhood is served by the #2 West Albany bus as well as the #55 Central Avenue bus (this is a walk of a few blocks from the Central Avenue stop.).

Another comment on this topic mentioned that the #2 bus does not go all the way down Central Avenue, which might be a problem requiring transfers.

Yet another comment asked that the Coop begin discussions with CDTA regarding a possible loop by the #55 bus around to the new location.

Question: Timeline to actual move?

Answer: The Coop plans to allow about 18-24 months for transition. This would include plans for the new store layout with 9-10 months for actual construction. The dance studio which currently rents a part of the space will end its lease in August, 2008, the same time that NYS will vacate the premises. That means construction could begin in September next year.

Question: What does the committee see as disadvantages of this site:

Answer: It's not a custom building, so the Coop will be spending money to do needed alterations. That said, however, no one on the committee felt that there were distinct disadvantages to this site and felt that there were many advantages.

Comment: The site seems to be in a "nether zone" - removed from the action on Central Avenue.

Environmental review of the new site was done and we learned there is a tank buried under the property. This will be removed. This was the only area of concern noted on the first environmental review.

Concern: Neighborhood safety was noted as a concern by Tim Maxwell, who questioned the safety of walking or biking on Watervliet Avenue at night. He also noted that the #2 bus is not a “prime bus route.”

Comment by Russell: Agrees that we need a new site, but would prefer it to be nearer downtown rather than further removed. He commented that this location is on the periphery of a neighborhood and does not meet “good urban planning” suggestions to locate nearby other things. He also mentioned that the site is close to a pollution site in the area (I did not get the name of that).

There was also comment regarding the new neighborhood as not being residential - this as criticism as some people might want to move to live close by a new Coop store.

Question: What is the history of the building?

Answer: The building was built in 1975. It has been a plumbing store and a beauty supply store. It is currently used by New York State for records storage as well as by a dance studio.

Question: Does it have a basement:

Answer: No, it’s on a slab.

Comment by Dennis (previous board member): This is an excellent plan. The neighborhood is transitional - it is low income, not high crime. There is housing within a short walk. Disagrees with suggestion to move further downtown due to traffic & pollution issues.

Question: Compare the size of the proposed store to current location.

Answer: The Coop will triple its available retail space (it was noted that stocking a larger space will be much more efficient and will not have to happen numerous times a day as it does now), as well as a teaching kitchen, large meeting room for classes, smaller rooms for massage, etc., and a warehouse space which is about the same as current location. Also customer parking will be away from stock delivery areas, which is a plus.

Question: Will the Coop use space to build or rent to other businesses on the site?

Answer: To be determined later. Not under consideration at this time.

## 2. Community/Neighborhood Concerns:

Corina commented that she lives around the corner from the new location. The Henry Johnson Charter School just opened nearby, and there are clearly residences in the neighborhood. She feels that the Coop will provide a great benefit to the area.

Bruce, who teaches at SUNY, is concerned about safety. He cites examples of his students who live in that area and do not feel safe.

Comment: The Coop should work with the city of Albany to improve public transportation in the neighborhood..

Comment: The Coop will bring more traffic, more people into the area and improved public safety will follow. It was also noted that CDTA is our neighbor and we will have access to discussions with them.

Comment: Location of schools in the area may not be all positive - cites examples of police cars around public schools in Albany.

Question: Will part of the current building be demolished as part of the plan?

Answer: The architect will need to assess the situation before such decisions are made. Costs are a factor as well. The space is more than what we want so it is a possibility, but decisions have not been made.

Comment: Long time frustration at lack of space for classes and this building will be an excellent opportunity to alleviate that. The speaker says she feels safe in the neighborhood as well.

New member who is an architect: Suggests current building be maintained and that it would be less costly to do so.

Comment: Concern that there will be a national recession and the property will decrease in value.

### 3. Financial:

Rita, an accountant, asked about the best & worse scenarios financially.

Answer: The Coop has a "nest egg" of \$900,000. Although this project could be expensive and could create debt, the Coop will need to make some kind of a move in the next few years and this is a great opportunity. Also, there will be specific membership voting on debt level, etc. at a later time. The worst case scenario would be that the cost would be equal to Coop profit over last four years, but this part of the project is considered low risk.

Question: Is the expansion of Hannaford and Price Chopper into natural foods, organics, etc. creating too much competition?

Answer: No. People shop at the Coop for the experience, as well as for the products.

Question: What is the intuition of the committee about the building/space?

Answer: Everyone feels very positive. It certainly does not feel like the Coop yet (it's full of file cabinets) but we know we can create the same ambience there that we have in the current space. In the beginning, the committee did not feel hopeful about this space, but since visiting and learning more, everyone is on board with it.

Question: Appraised value (questioner is not familiar with commercial real estate)?

Answer: The price is very realistic.

Question: How much new labor will be needed? Are there enough member workers to staff the new store?

Answer: The numbers of working members has increased and there is now often more interested members than jobs for them. Also, paid staff positions may increase - there are currently 70 paid staff members, and Coop anticipates that this number would increase to 100-110. Additionally, the Coop has specified that the construction be an “open shop” so that members can participate in that process as well.

Question: Has Coop sought guidance from similar groups, etc. in making this plan?

Answer: Yes. We have consulted with the Coop Development Service and also with a consultant from Sienna College.

Question: What would be the impact of a “no” vote on this proposal?

Answer: The Coop’s lease at the current location is up in 3 years. At that time, it is likely that the landlord would require us to pay a percentage of sales as rent, which would increase our costs but would not allow us to increase our sales, since our space is maxed out.

Question: Estimate potential growth with new facility?

Answer: It’s estimated that the Coop would do \$15 million in sales the first year. Additionally, a market survey done in 2003 indicated that the Coop was then tapping only 10% of the natural food market sales, so there is a tremendous potential for growth.

Question: What about the impact of Whole Foods coming to the area?

Answer: We will have a lot of lead time to prepare for this, assuming it is happening. We still bring something unique to the area, with our focus on local products and investing in local businesses.

Vote:

Yes = 189

No =13