

SABATHANI JULY 9 MEETING QUESTIONS AND ANSWERS

Thank you everyone who submitted comments and questions during the meeting at the Sabathani Community Center on July 9, 2013. We appreciate that you attended this meeting and shared with us your thoughts about Seward Co-op’s potential second store. We have categorized the questions into several broad topics, as many of the questions are similar in nature. We have done our best to provide a comprehensive response to each category of questions and comments that we received. The categories, comments, and the co-op’s responses are listed below.

Please continue to share with us your feedback. Again, we thank you for participating and sharing with us your thoughts and questions. Please attend future meetings as they are scheduled in months to come. All questions have been read by the board and management staff at the co-op and will help inform our decision-making process going forward. Thank you

— Sean Doyle, General Manager.

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QUESTIONS/COMMENTS ABOUT AFFORDABILITY:

- How will the product selection compare with the current store? I am concerned that the search for affordability will compromise the values that guide the co-op's buyers.
- Will you compete on price for "conventional" foods?
- What percentage of household income can an average (what is that?) family of 4 expect to spend or save by shopping at the co-op? Considerations should include mortgage/rent, auto payments/repairs and maintenance, auto insurance, clothing, medical... Certain stores offer better quality (Lunds/Byerlys, Kowalski's) others competitive bulk purchase prices (Aldi's). All offer better prices on certain, select items, not so much on others.
- If you claim that you are increasing access to an underserved community in a food desert, how will you ensure that people in the neighborhood, who are generally working class and low income, will be able to afford the food? If the prices are anything like they are in Seward, then I can guarantee you that most people in the local community will not be able to shop there. Therefore it will not fill the need for affordable healthy food that the neighborhood needs, instead it will attract more affluent people from other neighborhoods – rising property values and rent and driving out the low income primarily communities of color that live here. What will you do to ensure this won't happen? Could the Seward Store in Franklin subsidize this location? i.e. don't run it for any profit, run it to fulfill food desert need?
- Affordability of food
- How does the coop define "affordable" food and will a subsidy be necessary to make the coop's food affordable?
- I appreciate what the Seward offers but as a low-income person receiving food stamps, I would go hungry if I only shopped at your store. What will the co-op do to offer more affordable options at the new location?
- I am so excited about the co-op. What can we do to lower the prices at the co-op to make them affordable?
- How does the co-op plan to address the issue of affordability, one of the 7 identified priorities listed by the Carrot Initiative?
- Will low income neighbors be allowed to accumulate cash credit for volunteering? How will neighbors be involved in shaping the process? How will you partner with Sabathni Food and Health Program?
- Suggestion – thought: possible to create a dedicated fund to provide memberships to low-income local residents? We would be very excited to see healthy food available in our neighborhood. The Seward Coop would bring fruits and vegetables to an area that has long need them. Location is walkable and transit accessible.
- Can you bring back working/volunteering for a discount on food? Like the old days – make food affordable.

- Central neighborhood and surround neighborhoods have many low-income residents who cannot afford to shop at a higher end grocery store. Will this store be affordable for low-income residents?
- Why don't you use the profits of the co-op as a way to lower prices at the co-op, as a way to make healthy organic foods more accessible for low-income people?
- Will it be reasonably affordable groceries, products in the store?
- Speak to the "food affordability" issue.
- Has it been established that Seward Coop food prices are significantly higher than convenient store prices such as Cup Foods?
- What are you going to do to serve people on food stamps and who visit food shelves to not only give them affordable food but also variety?
- Creative ways to make fresh food more affordable?
- In Sabathani programs, 2600 families used food shelf last year. Does Seward have a plan to address this need in the community?
- How will Seward interact with and support Sabathani food shelf?
- What evidence that there will be sufficient affordability?
- The existing Seward is quite expensive/not "affordable." How does opening a Seward in this location commit to meeting the affordable goal of the Carrot Initiative?
- Will there be conventional items for sale and WIC items that have similar prices to Cub, etc.?

RESPONSE:

We currently sell several conventional products. However, even with a second store, we will not have the purchasing power of large chains, such as Walmart and Aldis. Because of the fact that they have many stores and can buy a particular product by the semi load, they have lower costs to begin with. They also have questionable labor and sourcing practices. All of these things make it impossible for small independent grocers to compete on price. This is the reason why there are no grocery stores in this community. They tried to compete on price and could not.

Our view is that we sell *better* food at *fair* prices. There are many cost factors that go into fairly priced groceries. Employees should earn a living wage. Product that is grown and made close to home tastes better and is good for our local economy. Organic food is grown in a way that is less damaging to our environment and is healthier for people to eat. Growers in other countries deserve to be paid a fair price for their products. Fair trade is at the root of how cooperatives operate.

Another reason the cost of good food is higher is due to government policy, as determined by the Farm Bill. Local and organic producers often do not qualify for federal crop insurance and other subsidies that the Farm Bill provides to conventional producers. Also, many of our products do not contain inferior

ingredients, such as corn syrup and processed soy (both highly subsidized), or chemical additives with questionable health and environmental impacts.

We price our products in order to ensure the sustainable operation of our co-op. The profits we make are not there to benefit a handful of investors, but rather to reinvest in our community. Our annual profits are returned to our members based on how much they purchased. We strive to make shopping at Seward Co-op as affordable as possible. We regularly compare our prices on hundreds of conventional and organic staple foods (milk, bread, tomatoes, etc.) to what they are sold for at other grocery stores. Overall, our pricing is very competitive.

Additionally, we offer a 5-percent needs-based discount to qualifying co-op members, and we have a needs-based membership option that allows families to become member-owners of Seward Co-op for as little as \$15. We provide helpful information on how to shop economically, including classes on how to shop the co-op on a budget. We accept food stamps, which are part of SNAP (Supplemental Nutrition Assistance Program). We also accept vouchers from the WIC (Women Infants and Children) program. This program provides nutritional support for pregnant women, infants and children of limited means,

Just as we do in our current location, we intend to stock a mix of conventional products along with our long-time focus on a selection of natural and organic foods. At this point, we have not made any decisions regarding which specific products we will carry at a second store. We will have conversations with neighbors and other potential shoppers about their needs.

Seward Co-op moved away from the volunteer-worker structure more than 20 years ago. Due to legal, tax and insurance issues, we discontinued working member programs in 1992. At that time, co-ops around the country were being investigated by the Department of Labor for not paying payroll taxes or minimum wage to volunteers. Additionally, many co-ops were seeing significant increases in their workers' compensation insurance due to injured volunteers who required coverage. Because of these things, all of our employees are either full- or part-time paid staff.

QUESTIONS/COMMENTS ABOUT DIVERSITY AND JOBS

- How will you make the store inviting, culturally relevant so that the diverse community members feel welcome in the store? (i.e. Central is 50% Latino, how will you make the store welcoming to Latino members?)
- Will Seward Coop address the racial disparities that exist in Mpls by intentionally including communities of color, who make up the majority of the surrounding area? The makeup of this room is an example of how deep institutional racism is engrained in our society. What is your plan to not perpetuate this?
- How specifically will you market and serve the African American, African and Latino community? How many staff and board of directors are from African American, African or Latino community??
- How will you ensure racial equity in your relationship with the neighborhood?

- Those on the panel, minus the pastor, seem all to be white? How does this reflect the supposed diversity promised? And please speak to how this seemingly white representation reflect the diversity of the neighborhood?
- Is the socio-economic make-up similar to the current Seward co-op? If not, how so?
- How will you make the co-op inviting to everyone?
- What is the racial and cultural demographic of board of directors at Seward? How will that demographic change within the new plans?
- Hello, I would like to applaud you for having the foresight to have your materials in various languages and having interpreters. However, little was done to make the interpretation services accessible. A Spanish speaking couple sat down next to me and needed interpretation. I asked around at the people wearing Seward badges, including at the registration desk and no one knew where to pick up equipment. I finally gave up and interpreted the whole meeting in Spanish for my neighbors. You can't be truly accessible if you keep your accessibility processes hidden.
- What percentage of membership from the affordable/subsidized housing communities, Seward East and West, are members or users of the coop?
- How do you plan to make your store inviting to the common man – general public?
- How many jobs will be guaranteed for local community members?
- Draw a certain amount of employees from the neighborhood?
- Could there be a process to hire local, low-income, diverse employees? This would make the co-op an asset to all.
- Let's have community meeting space, jobs for young people and seniors and poor people.
- Do you have to live in the community to become employed by the co-op?
- Will the people of the neighborhood be the first considered for employees? What about upper jobs? And non-white people?
- How many jobs and what is diversity at Seward now?
- Will Seward Coop offer living wage, union jobs for low-income community residents?
- Employ what % of neighborhood – every step of the way? construction through store opening? How will you meet the financial needs and cultural desires of all the neighbors?
- Can you commit to hiring people of color (plural, not just one racial group) that live in a 5 mile radius and can this group comprise 70% of the workforce? Include a leadership/mentor track to train local residents to grow into top management positions. What job commitment can you make to people in the neighborhood?

- What process might you use to ensure some of the jobs go to community members and not people from other areas that are “imported” like from more affluent SW Minneapolis area? Job training?
- What is a living wage?
- How many jobs will be created?
- How will you ensure that you hire the demographic of the neighborhood?
- Will there be job training?
- How does the coop define “living wage” jobs and will a subsidy be necessary to pay wages at that level?

RESPONSE:

We plan to hire additional employees to assist us in the preliminary phases of this project. One such position is a Capitalization, Education and Events Coordinator who we hope to hire in the coming weeks. If we move forward with this project, we will likely hold a job fair a couple of months prior to opening the new store. (There are many variables that will determine when the new store might open.) As this will be a new location, we anticipate adding a significant number of new positions. As is the case at our Franklin store, we expect that 75 percent of these positions will be full time. We employ a living wage model based on the City of Minneapolis’ living wage (currently \$12.45 an hour — adjusted annually). An employee qualifies for the living wage after they have worked 2,000 hours at the co-op.. The minimum wage to start for part-time work is 80 percent of this or \$9.96/hour. The minimum wage to start for a full-time position is 90 percent of this or \$11.21/hour.

Just as we welcome everyone to shop at the co-op and become a member-owner, employment opportunities are open to the whole community. We prefer to hire employees who live near our operations. We believe that hiring from the community provides a positive economic impact and reduces the environmental impact of commuting. Entry level positions exist in nearly every department, many of which do not require previous grocery experience. Seward Co-op also has a strong track record of promoting from within. We are committed to the cooperative principle of “Education, Training and Information,” not only to develop and grow the skills of our employees, but also for the benefit of our members and customers.

QUESTIONS/COMMENTS ABOUT GENTRIFICATION

- What are you going to do, how are you going to address the potential gentrification of the neighborhood?
- What is Seward planning to do, concretely, to make sure this co-op prioritizes benefits to neighbors? I’d like to see demographic (by race and address) targets for hiring; a community decision-making board (with real decision-making power over the process); union jobs; and an ongoing process to assess who is using/benefitting from the co-op; financial support to meaningfully help any people or orgs that are displaced find new locations.

- What will the co-op's role be in assuring that housing price in the area stay affordable, even as its presence increases property value and neighborhood attractiveness?
- Will the co-op be a gentrifying force? Will it be a space that represents the community food wise and employee wise?
- I'm concerned about how this will affect gentrification in the neighborhood- how will the diverse and varied population be maintained without sacrificing the importance of good, local food?
- How will you be sure the local community is in control of the co-op not just an empire of the Seward membership? How will you build in safeguards to protect the community from gentrification?
- What is your plan to prevent gentrification in the area? Blue Ox Café is a good example of overpriced products that are out of reach financially for most of the neighborhood.
- How will the Seward ensure that by developing this location, the existing neighbors won't be displaced?

RESPONSE:

The topic of gentrification is a complex issue. The question of what is appropriate development is certainly an important topic in our neighborhoods. We are not interested in creating a situation wherein property values and rents make the community unaffordable. This issue is bigger than the co-op deciding to build in Bryant. At the root of this issue is the price of real estate and whether it goes up or down. Prices are driven more by interest rates and public policy. At the root of this issue is fundamentally an economy built on greed. We only need to look at the foreclosure crisis we all recently lived through as an illustration of our individual and collective vulnerability to the economic system.

We believe that cooperatives are a solution, not a contributor, to this problem. Co-ops build community-owned wealth that is a positive anchor in the community in which they exist. We think that more neighborhoods need cooperatives. The reason we think this way is that community ownership assures local control of the business. The profits of the business stay in the community because co-ops pay living wage jobs, buy products from small local producers (which keeps the money in our community), and share the profits earned with the owners who shop in the store.

Our mission or Ends Statement states that "Seward Co-op will sustain a healthy community that has equitable economic relationships; positive environmental impacts; and inclusive, socially responsible practices." Our intentions are not gentrification, but rather the improvement of access to healthy foods for current co-op members and the broader community residing in neighborhoods near the Friendship site. We intend to build a store that is warm and inviting to all. We do not intend to force out any existing businesses or residents. We welcome everyone and look forward to learning more about how we can better serve the community around the Friendship site.

QUESTIONS/COMMENTS ABOUT PARKING AND TRAFFIC

- Are the concerns enough to reject the idea? What is off street parking capacity? What is anticipated square footage?
- Parking (how much)?
- Traffic. I will love to see coops in this 38 street area.
- What will the Seward do to manage traffic, especially on 3rd Avenue? Maybe – speed bumps, diverters, stop sign on 37th and 3rd?
- Any idea about the impact of increased vehicle traffic? Any plan for parking to prevent local streets from taking the overflow of cars?
- Are you going to set up a driving guide to respect the neighborhood? Noise?

RESPONSE:

It is very early in the design process. We are in the initial stages of hiring an architectural team to design the store. We hope to build a store that is comparable to our Franklin Avenue store. We will work closely with the City of Minneapolis to design a co-op that is compliant with all zoning and land use requirements. We intend to engage in community processes to ensure the parking design accommodates the neighborhood's best interests. We anticipate a comparable number of parking spaces to our Franklin store, which has 65 spots.

QUESTIONS/COMMENTS ABOUT IMPACT ON LOCAL STORES

- What has been your engagement with Cup foods, on the corner of 38th and Chicago? They sell fresh food, have a meat counter and have served this community for decades. Why aren't they a part of this conversation?
- As a community member, I appreciate and use my local family owned groceries, Portland Market, Sunshine Foods, Cup Foods, and Everett's Foods to name a few. How can we assure this coop expansion won't hurt community owned businesses?
- A co-op is different than a typical grocer. I'm a co-op member and am excited about this. I also want to be supportive of Everett's, a small family-owned grocer nearby. What can we do to help keep their business strong for what they do? I believe Everett's is different than places like Kwik Mart or Cup Foods I love the program of rounding up for local food shelves. Good job.
- How will you work with local corner stores to ensure you don't drive them out of business? i.e. Amigos One Stop.
- Will you connect with community stores? Don't close mom and pop stores!!

- How can we make sure this store is not going to affect the local Latino stores?
- We have food options in or neighborhood, various mercados and gardens. How are you defining food desert?

RESPONSE:

There are several small East African food markets, one large Asian foods supermarket and a superb fishmonger in the neighborhood near the Franklin Avenue store. Since our move, all of these businesses have continued to thrive. We expect that the neighborhood businesses near the Friendship site will continue to be viable, as well.

QUESTIONS/COMMENTS ABOUT URBAN FOOD SOURCES

- Will Seward buy from urban farms in neighborhood?
- Could the coop work with neighborhood farming initiatives to sell very, very local foods and strengthen your involvement in the community?
- Will Seward Coop buy produce from neighborhood growers? Will it help support an initiative of a Bryant/Central garden or farming co-op so there is an exchange of goods and capital?
- Support of urban agriculture, local producers first
- How will Seward work with and support current and new local and urban growers in their products?

RESPONSE:

Seward Co-op has a strong history of supporting urban agriculture. We have given grants to and worked with several organizations that grow produce within the metro area and provide space for urban gardeners and farmers. We hope to sell some of these products in our store as quality and availability allows. Examples of these organizations include:

The Permaculture Research Institute. We contributed to their Urban Farming Certification Program so they could afford training resources for the next generation of urban farmers in organic, sustainable and high-production agriculture for communities most in need.

Little Earth of United Tribes, which creates affordable housing for the American Indian community in Minneapolis. We helped with infrastructure improvements for the Little Earth Urban Farm Initiative — a program helping residents grow their own affordable and healthful food.

Community Design Center of Minnesota: a St. Paul-based organization with a mission to build vibrant and healthy communities through food, conservation, and youth development. Seward Co-op helped implement Garden Corps, a youth internship program on the east side of St. Paul. The program engages

low-income youths in summer agricultural work, training and education; learning leadership; peer teaching; and career exploration.

Growing Lots Urban Farm, which creates an economically viable series of urban micro farms, using under-utilized and nontraditional pieces of land (e.g., former parking lots), and transforming them into verdant, bountiful growing spaces that feed and nourish the surrounding community. Our grant allowed this local urban farm to expand in recent years in the Seward neighborhood.

Volunteers of America Education Center. We helped fund a school garden containing both edible plants and decorative, native species, while teaching students from urban, low-income populations about land stewardship practices.

Fruits of the City, whose mission is to add to the stores of over 30 food shelves with fresh, locally grown and nutritious fruit, gleaned from backyard fruit trees and nearby orchards. Our help enabled them to expand their network of fruit trees and create community orchards that function as public edible landscapes and serve food shelves.

QUESTIONS/COMMENTS ABOUT THE BOARD OF DIRECTORS

- I assume there will be another board for the Friendship store. True?
- New Board of neighborhood members?
- New store needs a new board with folks from the community?
- Will there be a separate Board of Directors? Other than voting for board members, are there any member-wide votes? How are concerns and ideas raised by members and or users heard, after today, next year, 5, 10 years later? Is the current structure going to be razed? How much transparency is in the business books?

RESPONSE:

The co-op's bylaws, and state law, allow for only one board of directors. The bylaws allow the board to hire one General Manager (GM). The GM then hires additional staff as needed. This will include a store manager, department managers and staff for each store. Membership in Seward Co-op is open to everyone. Our board is comprised of nine members who are elected by the membership. Each membership has one vote in the annual board of directors election. We encourage all members to vote and to consider running for the board. Candidate deadlines are mid August each year, and the election occurs in October.

QUESTIONS/COMMENTS ABOUT WHAT CAN WE DO?

- What are the barriers to making this happen and is there anything, we can do, as neighbors, to help overcome them? I ask because it would be heartbreaking if this didn't happen after all the excitement.
- What can current co-op members do to help? What skills, experience qualities do Seward Co-op and Carrot Initiative need in new board members?
- Will there be opportunities for individuals to invest in shares – apart from membership in the coop?
- Would new membership pledges help? i.e. I would join the new location but feel the Franklin store is too far to travel.
- What number, if any, is the ideal minimum members? Is there a maximum? What are the downsides and how can they be mitigated?

RESPONSE:

This is a proposed project, and at this point nothing is finalized. Multiple variables — such as several property acquisitions with environmental assessments, rezoning, and financing considerations — could delay or jeopardize the project.

We urge community members to keep an open mind about the project, as we are early in the process. Talk to your neighbors about the project: this is the best way to spread the word and build support. Come to our store on Franklin Avenue and see what the co-op is all about. Considering joining the co-op. More information about membership is available at www.seward.coop/membership.

If you are already a member and live in Minnesota, consider purchasing non-voting Class C stock. Informational brochures on Class C stock can be obtained at the Customer Service Desk.

Visit www.seward.coop/friendshipsite for current project information and follow Seward Co-op on social media (www.twitter.com/sewardcoop & www.facebook.com/seward.coop).

And stay connected with your neighborhood organization for updates.

QUESTIONS/COMMENTS ABOUT CONSTRUCTION

- Are you considering building a LEED certified building and/or a solar installation on the building?
- How green renewable could you build this store?
- For construction purposes, will the contractor use minority students from Summit OIC?

RESPONSE:

We will evaluate Leadership in Energy and Environmental Design (LEED) building certification when we get to the construction bid process. At this time, we have not made this decision. Seward Co-op's Franklin Avenue store was certified LEED Gold in 2010. We learned a great deal about building and operating a "green" building. We will incorporate as many green technologies and practices into the project as possible.

MISCELLANEOUS QUESTIONS/COMMENTS

- I would hope the co-op carries a vegan product called Beyond Meat. Other vegan 'meat' alternatives would be welcome as well – the type of frozen products offered by Trader Joe's. Thank you.
- A lot of programs are offered in North Minneapolis. We Win Institute has a program and utilizes space in the building. What about our children in this neighborhood/in this community?
- What is the strongest point of opposition to this plan you've heard and what is your response? In what ways would this second Seward Coop differ from the original in order to best fit within the community?
- I support the co-op and its new location. I'm just curious: Where will the current tenants of the Friendship Church space relocate to? Do they have assistance in relocating?
- Will the new co-op pare down the amount of packaged food? In the coming years we need much more local, bulk foods that eliminate the amount of plastic in the environment. The future generations are paying the price of the pollution of our throw-away society. The new co-op could be a shining example of change.
- What other nationwide community coops have been studied or plan to study? Food Fight in Burlington, VT is an excellent bad example of an uncooperative coop.
- How soon to opening day?
- I have heard that The Wedge is expanding too. Will their plans affect your site selection?
- The description of "cooperative" seems focused on "stockholders" and "profits" but isn't it about more than that? Isn't a co-op a form of community ownership?
- How many local members have Seward kept for over 3 years full-time? Has the entire city of Minneapolis been invited to donate funds to this project in order to establish socioeconomic justice in our city?
- When will Seward get soy and canola out of its products?
- Why did other attempts to start a neighborhood coop fail and how can we succeed this time?
- What market studies have you done? Of the 1500 current members in the area, I would imagine that many, like me, would continue going to the current location because it is on my route to work. 38th

and Clinton is in a less well-trafficked area. It is hard to shop with children sometimes. It would be nice if there was short-term children's area for use while parents are shopping...just a wish/dream.

RESPONSE:

Seward Co-op is owned, staffed, and shopped by people from the community. This community ownership and operation creates shared benefits from shared successes. Furthermore, the cooperative business model sets us apart from a traditional business model, in which benefits typically accrue only to a small number of owners.

We are early in the project process. There are many variables that can impact the timeline or derail the project altogether. Generally speaking, large projects such as this take many months to design, finance (a large portion of financing will come from co-op member-owners), and gain the necessary approvals before many months of construction begin.

We do not anticipate The Wedge's future expansion to have any affect on our plans. We cheer their expansion, as it will improve access to healthy food and information to more people in our broader community.

We welcome everyone and look forward to learning more about how we can better serve the immediate community around the Friendship site.