

Guilford County, North Carolina

**Economic Development Agencies Grant Application
Grant Application for FY2017-2018(7/1/17-6/30/18)**

1. **Agency Name:** Renaissance Community Co-operative
2. **Tax ID#:** 46-5070387
3. **Is your business a corporation?** Yes
If yes, please list your President and Corporate Secretary:
Roodline Volcy, President (Interim)
Tony Davies, Corporate Secretary
4. **Is your business a L.L.C.?** No
If yes, please list the managing director:
5. **Mailing Address:** 2517 Phillips Avenue, Greensboro, NC 27405
6. **Street Address with Directions:** Same
7. **Contact Person:** Marnie Thompson
8. **Email Address:** marnie@F4DC.org
9. **Phone:** 336-543-6362
10. **Mobile Phone:** same
11. **Date of Application:** 1/16/2018
12. **Fax Number:** n/a
13. **Amount of county funds/property or other support (specify) requested:** \$25,000
14. **Has your agency received Guilford County funds/property within the past three years?**
No
15. **Is this a one-time request for funds or property?** No
16. **Please briefly but specifically describe what the grant dollars will be used to fund if it is approved (i.e. personnel expenses for program "x", operating expenses or program expenses for program "x")**
The RCC will use these grant funds to pay for some of the costs associated with marketing the store. As a fledgling business in a highly competitive industry, marketing is critical to making residents aware of the Co-op, getting them through the doors, and ultimately ensuring the store's sustainability. The major expenses/activities that this funding will support are listed below:
 - **Marketing & Community Partnerships Associate (MACP) Position** – This employee is charged with maximizing sales growth through internal and external communication, community engagement, and the development of mutually beneficial relationships with community partners. This is a full-time, hourly wage position with employer-provided health insurance. The approximate annual cost for this position is \$36,000.
 - **Market Research and Branding consultants.** To attract more customers to the store, RCC needs to better understand the preferences and shopping habits of its potential customers. RCC is working with market research professionals to perform demographic and face-to-face customer research that yields critical insights about how to meet customers' needs and wants, which in turn will be

used to refresh the store's branding and identify the best channels for getting our brand message out to the most likely shoppers.

- **Advertising** – This year, the RCC has spent \$37,000 on advertising, mostly allocated to 1) direct mail campaigns that have delivered weekly sales circulars to approximately 17,000 area households and 2) 30-second spots on radio stations 102 Jamz and 97.1 WQMG. The Co-op is actively seeking other effective marketing channels via other media outlets and partnerships, such as NC A&T sports marketing programs.

a. *Who is your target population?*

The RCC's target population includes residents of northeast Greensboro residing within a two-mile radius of the Co-op. This primary market area consists of census tracts 101, 102, 103, 109, 110, 119.05, 127.04, 127.05, 127.06 and 127.07. This radius also includes small portions of larger outlying tracts, 154.02 and 128.03. The total population of the area is approximately 35,000 people.

17. How will you measure the impact of this grant on clients, services, and the community?

The RCC is currently focused on four key measures that are critical to viability and sustainability:

1. **Average Weekly Customer Count** – In the next calendar year, RCC aims to increase its average weekly customer count by 35%. This will mean moving the average weekly customer count from 1,202 to 1,622.
2. **Average Basket Ring** – This metric measures how much customers are spending at each visit. In the next calendar year, the Co-op aims to increase basket ring by approximately 15%. The RCC's current average basket is \$12.56, so we are looking to raise average basket ring to \$14.50.
3. **Owners** – On November 30, 2016, the RCC had 1,145 owners. On November 30, 2017, that number had grown to 1,335, an increase of 190, or 17%. In the next calendar year, the Co-op aims to increase this number by at least another 17%, reaching a total of 1,562 owners (an increase of 227 new owners).
4. **Monthly Gross Sales** – RCC's monthly gross sales vary widely month-to-month, depending on season (this is true for all grocery stores). In the next calendar year, RCC will aim to increase monthly gross sales in comparison to the same month the year previous by 15% or more.

Steady improvement in these indicators will mean that the Co-op is on a trend-line toward financial sustainability and is meeting the needs of more community residents.

a. *What is the demand for your service in Guilford County? Please include relevant statistics from a credible source?*

Since the Winn-Dixie that once occupied the space that is now the RCC closed in 1998, this area has been underserved in terms of grocery store access. The shuttering of the Winn-Dixie also led to the near-total shuttering of the shopping center's other storefronts. Thus, the RCC is of great importance to this community,

providing residents with access to fresh foods and encouraging commerce and jobs to return to the neighborhood.

RCC's primary market area suffers from numerous socioeconomic problems. Per the U.S. Census Bureau's *American Community Survey (ACS), 2011-15*, the area's per capita income is \$13,468, which is nearly half of the Guilford County average of \$26,762. Given these low earnings, it is not surprising that the area has high rates of poverty:

66.7% of area residents live in households that are at or below 200% of the Federal Poverty Level (FPL);

- 34.7% live at or below 100% FPL; and
- 15.5% live at or below 50% FPL (*ACS, 2011-15*).

Nearly half (48.1%) of residents are overburdened by housing costs, meaning they spend 30% or more of their total household income on rent or mortgage payments (*ACS, 2011-15*). This indicates that area residents have little margin of error as far as their household budgets are concerned. Higher rents leave less money for groceries, gas, and other household expenses. It follows that nearly 72% of public school students in RCC's primary market area are eligible for free/reduced price lunch, and 28.6% of area households receive SNAP benefits (National Center for Education Statistics, *Common Core of Data, 2014-15*; *ACS, 2011-15*).

Transportation barriers and lack of access to healthy food for the target population are additional reasons why the RCC is so important to this area. Per the *2011-15 ACS*, 17.5% of area households do not have a motor vehicle, which is significantly higher than the rate (7.12%) for Guilford County, and 3.69% of area residents use public transportation to commute to and from work. Again, this rate is much higher than the rate (1.25%) for the County. Per the U.S. Census Bureau's *County Business Patterns, 2015*, the area has 89.4 fast food restaurants per 100,000 population, and anyone driving around the area will see various corner stores and gas stations that brand themselves as "food marts." The problem, of course, is that fast food restaurants and corner stores mostly sell carbohydrate-rich junk foods.

Lack of access to healthy foods and poor dietary habits lead to poor health outcomes. Area residents suffer from obesity, diabetes, heart disease, high blood pressure, and certain types of cancer at much higher rates than the overall County population. As a result, the area has high rates of premature death. By providing access to fresh fruits and vegetables, the RCC could help residents improve their eating habits and overall health.

18. How many unduplicated clients?

An unduplicated count of customers is difficult to calculate. The Co-op's average weekly customer count is 1,202.

19. Describe the impact on your agency, clients, or services if Guilford County support is not received?

Funding from Guilford County will help the RCC meet its goals: reaching more customers and increasing sales. The RCC is the anchor of the Renaissance Shops shopping center, and its success is critical to the center's growth and ongoing sustainability. Put simply, if the Co-op fails, then the shopping center is unlikely to stay afloat.

20. Please provide amount of each grant requested from other local governments:

At this time, RCC is not seeking grant funding from any other local government. In the start-up phase, RCC sought and received funding from the City of Greensboro.

Name of Government	Amount
City of Greensboro	\$250,000 for 2015-16—Funds were used to pay for equipment and start-up costs.

a. Will this funding be used to leverage or secure other funding? If so, briefly explain.

Yes, this funding will be used to leverage other funding. The RCC is engaged in talks with investors, including the Community Foundation of Greater Greensboro and members of Regenerative Finance, to secure capital funding for improvements to the store's kitchen and deli. These improvements would allow the RCC to offer a more comprehensive selection of prepared foods, which is an important step in making the store more competitive. County funding to the RCC to help with marketing costs signals to investors that the Co-op is a growing, thriving enterprise that is worthy of investment.

b. Describe efforts made towards agency sustainability and seeking diverse funding streams.

From its inception, the RCC was designed to become a financially self-sustaining enterprise, with sufficient revenue from grocery sales to cover all its expenses. We knew from the beginning that reaching profitability would take 3 to 5 years, which is typical of grocery stores of this size. The RCC's Board of Directors, owners, and staff are committed to sustaining the Co-op and making it a profitable enterprise. Financial and operational data is regularly reviewed, and strategic planning is rooted in setting realistic goals. The Board, owners, and staff routinely look for ways to diversify revenue streams and increase the Co-op's profitability. This grant from Guilford County will support the RCC's goal of becoming a sustainable enterprise.

21. Provide the Mission Statement and General Agency Overview:

The Renaissance Community Co-op's mission is to create a democratically owned and controlled grocery store in Northeast Greensboro that provides all of Greensboro with healthy foods at affordable prices and has a commitment to locally sourced foods, community education, and dignified jobs. The RCC grew out of a grassroots effort to

alleviate a food desert and bring good jobs, healthy living options, and community wealth to a neighborhood that struggles with obesity, diabetes, unemployment, and poverty. With the RCC as a community-centered anchor, the shopping center will become a thriving example of community-based economic development.

22. How do you coordinate the services rendered by your non-profit agency with other agencies in the county? Please include the specific agencies you coordinate with in Guilford County.

The RCC grew out of a community-wide effort to re-establish a grocery store and thriving center of commerce in the Phillips Avenue shopping center that was formerly occupied by Winn-Dixie. The City of Greensboro, Cone Health Foundation, Fund for Democratic Communities, Concerned Citizens of Northeast Greensboro, and Community Foundation of Greater Greensboro, among many other community organizations, provided invaluable support as the RCC got off the ground. The RCC is now engaged in finding ways to work with community partners to support the Co-op's ongoing operations and play an active role in supporting its neighbors.

a. *Provide a listing of your program's referral sources and describe how your program is advertised or marketed to obtain clients.*

- On MLK Day, RCC participated in the MLK Parade, passing out coupons offering a free lunch and a flu shot in the store's community room (flu shots provided by partner Cone Health, which will soon open a health clinic in the center).
- The RCC is working closely with the City of Greensboro's Media and Public Relations staff to create videos that promote healthy eating through the City's media channels. For example, the City developed this video to advertise the MLK day promotion: <https://www.youtube.com/watch?v=-tfGLktWpHs&feature=youtu.be>
- Recognizing the historical and social significance of NC A&T to the residents of Northeast Greensboro, the RCC has recently signed a contract with NC A&T Sports to co-promote the store alongside NC A&T basketball and football.
- The RCC is partnering with the Guilford County Health Department and the American Heart Association on a healthy eating/diabetes prevention program. This program provides participants with lessons in healthy cooking and sends them home with bags of nutritious foods, which are provided by the RCC. In addition, the RCC provides expiring food to the YWCA and IRC. These agencies distribute the food to the needy residents they serve.
- RCC also partners with the McGirt-Horton Library, and is planning a Black History Month storytime project with the Library for February.
- RCC partners with UNCG on its Recipe for Success program every other Wednesday evening. Stationed at the co-op, UNCG and RCC both offer free samples of healthy foods to the public. Along with free samples, shoppers receive the recipe for each dish, tips on how to alter recipes based on dietary restrictions or taste preference, and healthy food-focused magazines.

- Each month, RCC holds fun store events geared to young families. In October, RCC held a Trunk-or-Treat with more than 60 attendees. In November and December, the RCC held free holiday-themed crafting classes for kids in the RCC community room.
- The RCC holds monthly Community Meetings that are routinely attended by 40 to 80 people. During these informal meetings the Board, General Manager, and staff have an opportunity to update the community on news and events related to the Co-op. There is always an opportunity for community members and Co-op owners to ask questions, raise concerns, and give general feedback. The RCC provides light refreshments at each meeting.
- The RCC maintains close relationships with several churches in the area, especially Presbyterian Church of the Cross, which routinely hosts our monthly community meetings.
- On January 13th, the RCC held its Annual Meeting and Celebration at Peeler Recreation Center, across the street from the store. RCC celebrated its first year of being open for business with food, door prizes, and kids' activities. More than 70 Co-op owners also conducted their annual business meeting and election of directors.

23. Detail the performance measures completed over the last (2) years:

The RCC has been in business for just over a year. The store opened in mid-October 2016, and held its grand opening in November 2016, so figures for these months, when the Co-op was not fully operational, do not provide an accurate snapshot of its performance. Therefore, we are reporting performance measures for the 12-month period beginning December 2016 through November 2017, in an attached file. The performance measures provide monthly data on customer count, basket ring, revenue, and the number of owners.

a. Performance Measures developed for this fiscal year:

See response to Question 17 above, which provides performance measures and goals for calendar year 2018.

24. Cash outflows:

	ACTUAL FY2015- 2016	ACTUAL FY2016-2017	BUDGET FY2017-2018
Cost of Goods Sold	RCC WAS NOT AN OPERATING BUSINESS IN THIS PERIOD	\$538,264.41	\$596,407.11
Personnel Expenses		\$472,827.63	\$511,175.75
Occupancy Costs		\$152,882.04	\$180,633.05
Operating Expenses		\$40,123.17	\$35,620.36
Administrative Expenses		\$38,410.35	\$49,641.25

Advertising & promotion		\$26,645.35	\$84,745.57
Coupons and Discounts		\$9,090.37	\$16,789.80
Interest Expense		\$17,227.01	\$29,122.16
Capital Outlays		\$645,755.44	\$129,969.58
Other		\$226.18	\$975.00
TOTAL		\$1,941,451.95	\$1,635,079.63
# Positions end of year		19	16

Notes on Capital Outlays: In fiscal year 2016-2017, capital outlays included equipment, leasehold improvements, inventory, and security deposits. In fiscal year 2017-2018, the capital outlays are for equipment and leasehold improvements.

25. Revenue Source

	ACTUAL FY2015-2016	ACTUAL FY2016-2017	BUDGET FY2017-2018
Sales Revenue		\$623,343	\$820,919
Interest		\$20	\$503
Grants and Donations		\$61,510	\$7,080
Loans	RCC WAS NOT AN OPERATING BUSINESS IN THIS PERIOD	\$553,999	\$0
Member shares		\$42,374	\$5,884
Preferred shares		\$162,000	\$715,000
APIC		\$590,000	\$0
Guilford County		\$0	\$25,000
TOTAL		\$2,033,245	\$1,574,386

Notes on revenue sources:

- Grants and Donations from FY 2016-2017 include \$50,000 grant from Starmount Presbyterian Church, \$10,000 grant from the Food Coop Initiative, and \$1,510 from “pass the hat” and other grassroots fundraising activities.
- Grants and Donations in FY 2017-2018 include \$2,132.50 in actual receipts (\$2,000 from the Bowers Fund for board development, \$130.52 from “pass the

hat” at community meetings), and an anticipated \$5,000 capacity-building grant from the Community Foundation of Greater Greensboro.

- c. Preferred shares investments through January 15, 2018 are held by The Working World and the Fund for Democratic Communities. These are non-voting shares that were purchased to offer the store liquidity as it strives to reach profitability.
- d. Additional Paid in Capital (APIC) represents the Tenant Improvement Allowance provided by Self Help Ventures Fund, landlord to the RCC.

26. Checklist of required documents: (Please attach to application):

- a. **Copy of 501-C** – Not applicable, RCC is not a nonprofit entity.
- b. **Current Annual Certified Audit** – Our audit for FY2016-2017 is still being completed by our auditors, Wegner CPAs. We will forward the audit when it is finalized.
- c. **Current Roster of Board Members, with terms specified** – Attached

13. Please type the name of the person completing the application. Your typed name will serve as your electronic signature. (Application without signature field will not be considered.)

Marnie Thompson

Renaissance Community Cooperative Board Members - January 15, 2018

First	Last	Term Expires
Tony	Davies	2018
Eleanor	Graves	2019
Jessica	Jackson	2018
Deb	Richardson	2018
Leo	Steward	2020
Casey	Thomas	2020
Bevelyn	Ukah	2020
Roodline	Volcy	2019

RCC Performance Dec 2016 - Nov 2017

Month	Dec 2016	Jan 2017	Feb 2017	Mar 2017	Apr 2017	May 2017	June 2017	July 2017	Aug 2017	Sep 2017	Oct 2017	Nov 2017	12 month total	monthly	
														average across year	weekly average across year
customer count	4901	5209	5088	5116	5846	5380	5161	4816	5037	5343	5293	4875		5172	1203
gross revenue	\$ 64,430.23	\$ 70,277.88	\$ 66,456.46	\$ 67,872.03	\$ 68,858.20	\$ 67,053.64	\$ 66,108.59	\$ 59,605.81	\$ 60,962.96	\$ 64,135.60	\$ 62,504.69	\$ 60,679.81	\$ 778,945.90	\$ 64,912.16	\$ 14,979.73
avg basket ring	\$ 13.15	\$ 13.49	\$ 13.06	\$ 13.27	\$ 11.78	\$ 12.46	\$ 12.81	\$ 12.38	\$ 12.10	\$ 12.00	\$ 11.81	\$ 12.45		12.56	\$ 12.56
# owners	1145											1335			