

## Information Item

**Date:** August 10, 2020

**To:** Mayor, Mayor Pro Tempore, and Members of the City Council

**From:** Evan Raleigh, Assistant City Manager

**Subject:**

Information on Request for Financial Assistance from SHARE Co-op for the Development of Harvest Market (South Ward)

**Strategic Focus Area:** Livable Neighborhoods

**Strategic Objective:** Expand Access to Healthy Food Options

**Strategic Plan Action Item:** No

**Key Work Item:** No



At the request of Council Member Larson, City staff is presenting a request for financial assistance totaling \$300,000 to support the development of the Harvest Market, a full-service grocery store operating under the cooperative model with a focus on providing fresh foods at a reasonable cost to families in and around areas designated as food deserts. The Market will operate out of an 8,700 square foot tenant space in the West Salem Shopping Center located at the intersection of Peters Creek and Academy Streets. The proposed assistance from the City would be offered to Supplying Honest And Respectful Engagement (SHARE) Co-op in the form of a grant.

In 2017, the Mayor and City Council approved a request from SHARE to fund a feasibility study and provide consulting services to evaluate the development of a cooperative grocery store. Since that time, SHARE has embarked on an aggressive member recruitment drive and fundraising campaign to acquire the funds necessary to open the grocery store. The consultants enlisted to develop the feasibility study identified an initial start-up cost of approximately \$2.4 million. To-date, SHARE has attracted more than 400 member/owners and has received financial commitments totaling approximately \$1.49 million from a combination of grants, loans, and contributions from various community-based non-profit and faith organizations. A full accounting of the financial commitments that have been made to the project to-date as well as the outstanding requests for assistance is captured in Exhibit A. As noted in Exhibit A, SHARE is also seeking gap funding from the City's small business loan committee and from Forsyth County.

Should the committee be supportive of this request, staff will prepare an item for action during the committee's September meeting. Staff recommends that fund balance from the City's Economic Development Loan Fund be used to support this request if approved. The current undesignated fund balance in the Economic Development Loan fund is \$4,550,000.