

PRODUCE

WELCOME

LET'S BUILD A GROCERY STORE



365 Organic  
BANANAS  
APPLES  
TOMATOES  
LIMES  
AVOCADOS  
LETTUCE  
ONIONS  
ASPARAGUS  
CARROTS

3  
PEPPERS  
HERBS  
CUT VEGETABLES

5 6  
CUCUMBERS  
PUMPS  
SQUASHES

6  
AVOCADOS  
MUSHROOMS

Organic  
EGGS  
2.49





A person's hands are shown typing on a laptop keyboard. The image is semi-transparent, allowing text to be overlaid. The background is a soft-focus view of the laptop and the person's hands.

## INFORMAL DISCLOSURE AGREEMENT & COMMENT

A lot of time, work & capital has been invested in the past few months for me to be in this position with you here today. Without subjecting each of you to sign a non-disclosure agreement, I am hoping mutual respect will be given, and any information obtained during this presentation will not be used nefariously or without my consent.

This is a fluid and workable presentation for informational and exploratory purposes. I have deliberated all possibilities for both a new, and existing, grocery store to work, and I wholeheartedly believe I have the best solution.



## WHY ARE WE HERE?

- I understand what it's going to take for a store to come to fruition. "Ah-Ha" Moment.
- I have engaged Logan several times concerning several angles & possible outcomes.
- A small-town grocery store is the lifeline of the community. 3 legs of a stool.
- No hero coming to save us.
- Inaction will lead to the decline of the community.
- I have a proposal for LCCF that I believe is a win-win-win for everyone.
- I'm willing to put in capital, development, and operational work to stabilize our needs.
- My goal today is to show you my conceptual idea & have each of you see the benefits. 3





## PRESENTATION OUTLINE

### EDUCATE & INFORM

Discuss what I have found from my research and conversations within the grocery industry.

### CASE STUDIES

What have other small communities done? What has or has not worked?

### COMMUNITY OPTIONS

To fulfill our grocery needs, what options do we have?

### PROPOSAL & QUESTIONS

Casey's Proposal to Lane County Community Foundation.

### WIIFM RADIO

Have you listened to this station before?

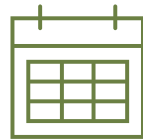


# EDUCATE & INFORM



## FOOD DESERT

Any area in the United States where members of the community must travel more than 10 miles for grocery needs.



## 5 YEARS

Research from K-State & Univ. of Minnesota shows that towns decline rapidly within five years of becoming a food desert.



## HOUSING

In five years or less, housing values decline by up to 50%.



## POPULATION

In those same five years, the population declines by up to 50%.

*-poor & elderly*



# COMMUNITY OPTIONS

Model Considerations for Rural Areas



## Independent Retailer

Entrepreneur or small  
franchise



## Non-Profit

Board of Directors  
Hires an operator  
Allows for tax-deductible  
donations



## Public-Private Partnership

Local government teams up  
with an individual  
entrepreneur or group



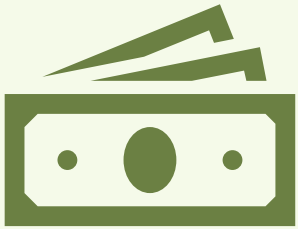
## Cooperative

Understood in rural areas  
Sells memberships  
Volunteers needed





## INDEPENDENT RETAILER



### PROS

QUICKER COMPLETION

NO CAPITAL REQUIRED FROM LOCAL GOVERNMENT (TAXES)

LIVELIHOOD DEPENDS ON SUCCESS

RETAIL & MANAGEMENT EXPERTISE

### CONS

CAPITAL NEEDS CAN BE CUMBERSOME & RISKY IN RURAL AREAS

UNRELIABLE CUSTOMER BASE

MAY NOT MEET COMMUNITY NEEDS

COULD CLOSE & LEAVE TOWN WITHOUT A STORE



## NON-PROFIT OWNED



### PROS

BOARD OVERSEES OPERATIONS

HIRED OPERATOR

IF OPERATOR LEAVES TOWN STORE STILL FUNCTIONS

OPERATIONAL NEEDS CAN ALWAYS BE MET WITH DONATIONS

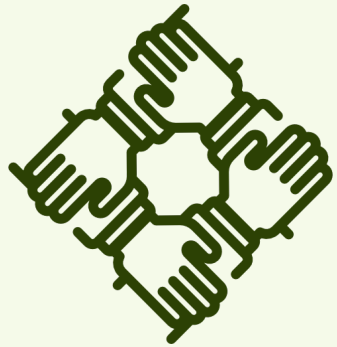
### CONS

DIFFICULTY FINDING QUALIFIED OPERATORS/MANAGERS

FAILURE TO CHANGE DIRECTION QUICKLY

POSSIBLE HIGH TURNOVER OF MANAGERS

## COOPERATIVE



### PROS

- SENSE OF COMMUNITY PRIDE
- HIRED OPERATOR/LEADER
- MEMBERSHIP SUPPORT
- WORK WITH SCHOOLS FOR LABOR

### CONS

- HIGH TURNOVER & BURNOUT
- LACK OF RIGOROUS FINANCIAL ANALYSIS
- TOO MANY GOALS & TOO FEW VOLUNTEERS
- DIFFICULTY OBTAINING MEMBERSHIP



## PRIVATE-PUBLIC PARTNERSHIP



### PROS

ALLEVIATES ONE INDIVIDUAL FROM ALL FINANCIAL RISK  
GREATER ACCESS TO MORE FUNDING OPTIONS  
KEEPS A STORE IN A TOWN

### CONS

LIMITED POOL OF QUALIFIED PRIVATE INDIVIDUALS  
INABILITY TO COMPROMISE  
SUBJECT TO SMALL-TOWN POLITICS  
USES TAXES WHICH LEADS TO COMMUNITY DIVISIVENESS

A photograph of a red barn with a cupola on its roof, situated in a field of tall, dry grass. The sky is overcast with soft, grey clouds. The text 'CASE STUDIES' is overlaid in the center in a bright green, sans-serif font.

# CASE STUDIES



## PLAINS, KS NON PROFIT

The opening of the Grand Avenue Market is the first full-service grocery store in the community in 20 years. With the support of the Kansas Healthy Food Initiative, a group of community residents developed the grocery store with the understanding that the rural community needed one to remain viable. To do so, they formed a nonprofit organization to develop, own, and operate the store, working tirelessly over the course of two decades to secure the funding and financing necessary to bring their vision for the store to life.





The only grocery store in the town of 700 people burned down in 2010. Citizen leaders, businesses, and local governments all collaborated to figure out short-term and long-term solutions.

The city finally entered a partnership with a private entrepreneur to build and operate a new grocery store. Pam Budenbender owns and operates this store; she is wanting to sell and retire. She would sell it for \$650,000. This store does the same amount in sales that K&J did in the past.

## ONAGA, KS PUBLIC/PRIVATE PARTNERSHIP





## MINNEOLA, KS CO-OP

The residents of Minneola quickly recognized the desperation of not having a grocery store in town. In 2019, several community members bought the former store location and started a cooperative.

They depend on several people each day, week & month to operate the store. They sell annual memberships for \$25, which gives customers access to sales and other perks.





Imperial, Nebraska is home to 2,000+ residents and two grocery stores. The Hills Family had owned their grocery store for 60 years. When a new store opened in town, the son of the founder just knew he had to do something, or he would be out of business.

## IMPERIAL, NE

He really liked the location of his current store, but it needed a lot of work. After exploring every option, his contractor mentioned they could build over and around the existing store. So, they did. This project cost \$450,000, taking the store from 7,300 ft. to 10,000 ft.





## LACROSSE, KS OWNER OPERATOR

Pat Ballmann moved his family back to his hometown to restore and re-open the only grocery store in Lacrosse. The town was without a grocery store for 18 months.

Pat's father purchased the building for him, and he was able to secure funding for the operations with a \$25,000 grant and the IFF out of Chicago. It cost \$190,000 to stock the 5,900 sq. ft. store.



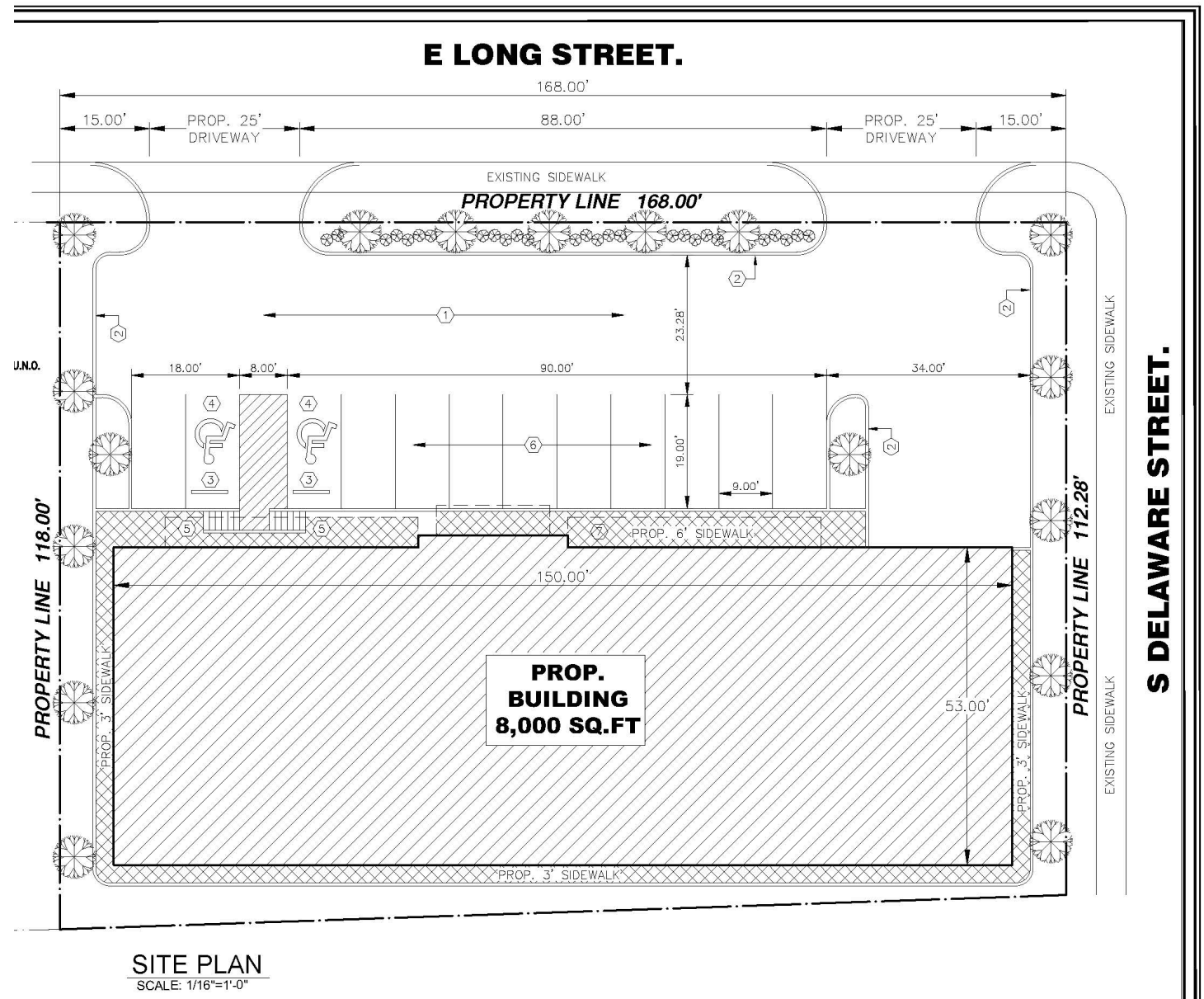
## NEW BUILDING

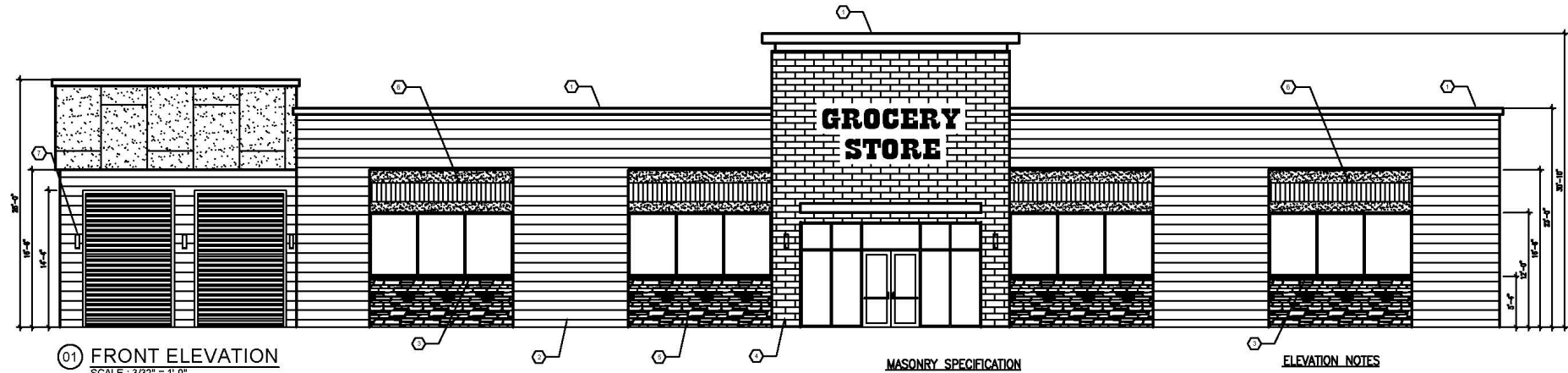
## WHAT I ENVISIONED

8,000 FT. CORRECT SIZE

TURN-KEY CONTRACTOR =  
\$150-\$180/FT.

TOTAL INVESTMENT = \$1.2M-\$1.45M





01 FRONT ELEVATION  
SCALE : 3/32" = 1'-0"

#### MASONRY SPECIFICATION

##### CMU CONCRETE BLOCK

BRAND : HEADWATERS

SIZE AND SHAPES : 8 x 8 x 16 SMOOTH FACE CMU

ALL MORTAR GAP WITH LADDER TYPE 2 WIRE SYSTEM ( SERIES 200 ).

COLOR : SOUTH TEXAS STANDARD COLORS, EXACT COLOR SELECTED BY OWNER.

MORTAR : KRETECONTROL 250, COLOR SELECTED BY OWNER.

SEALER : SURE KLEAN 800

##### METAL CLADDING PANEL

BRAND : KINGSPAN

MODEL : KARRIERPANEL WALL SYSTEM

COLOR : SELECTED BY OWNER.

##### NICHIA PANEL

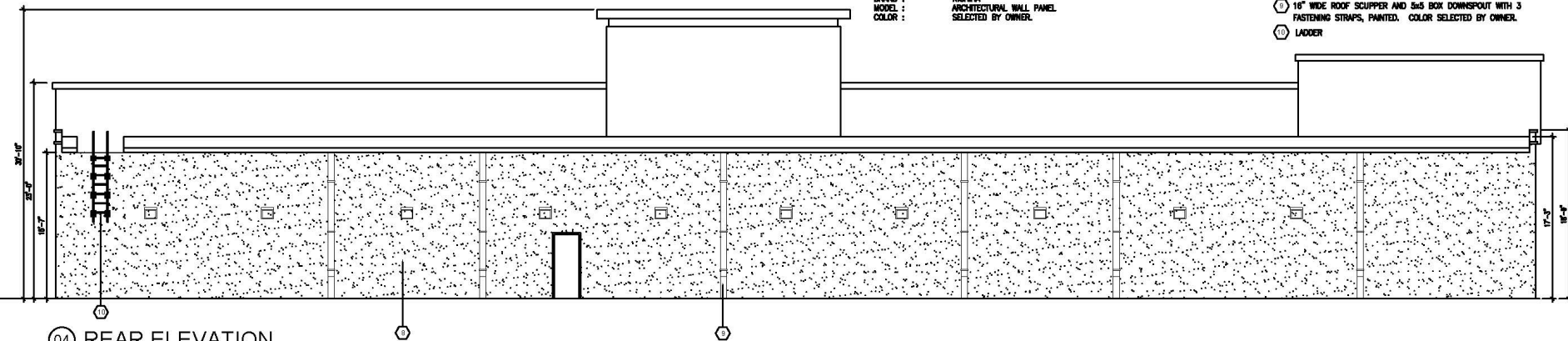
BRAND : NICHIA

MODEL : ARCHITECTURAL WALL PANEL

COLOR : SELECTED BY OWNER.

#### ELEVATION NOTES

- ① CROWN MOULDING
- ② EXTERIOR WALL WITH HORIZONTAL SIDING
- ③ WINDOW SILL
- ④ EXTERIOR WALL WITH BRICK
- ⑤ STONE FEATURE
- ⑥ CUSTOM METAL AWNING ABOVE WINDOW
- ⑦ WALL PACK
- ⑧ COLORED CMU EXTERIOR WALL, SMOOTH FACE.
- ⑨ 16" WIDE ROOF SCUPPER AND 5x5 BOX DOWNSPOUT WITH 3 FASTENING STRAPS, PAINTED. COLOR SELECTED BY OWNER.
- ⑩ LADDER



04 REAR ELEVATION  
SCALE : 3/32" = 1'-0"















## MANY HOLES IN THE DAM

### FOOD DISTRIBUTION

Only a few options for rural Kansas.

Inflation demands being passed onto owner/operators.

Affiliated Foods is the ideal choice. Concerning minimums.

### CONTRACTORS

Expensive. Difficult signing with any turn-key contractors because of busy schedules and Dighton's location/distance.

### OVERCOMING NEW SHOPPING HABITS

Survey indicated a vast amount of community members do NOT mind driving for grocery needs.

If retail needs are driven out of town, it will impact ALL retail businesses (Gas, food, vehicle service, etc.)



## MANY HOLES IN THE DAM

### EXORBITANT COSTS

Not a good business decision for any entrepreneur with high carrying costs to absorb.

Typically voids 10-year ROI.

### MACROECONOMIC CONCERNS

Inflation is not going away. This will burden rural America and the middle class.

The dollar is being devalued quickly and purchasing power is being eroded (\$1m today = \$275k in 2030).

### LANE CO. DEMOGRAPHICS

28% of the population is above the age of 65. We are not replacing what we are losing. I expect that to increase without significant economic development.





*“Get busy living or get busy dying.”*

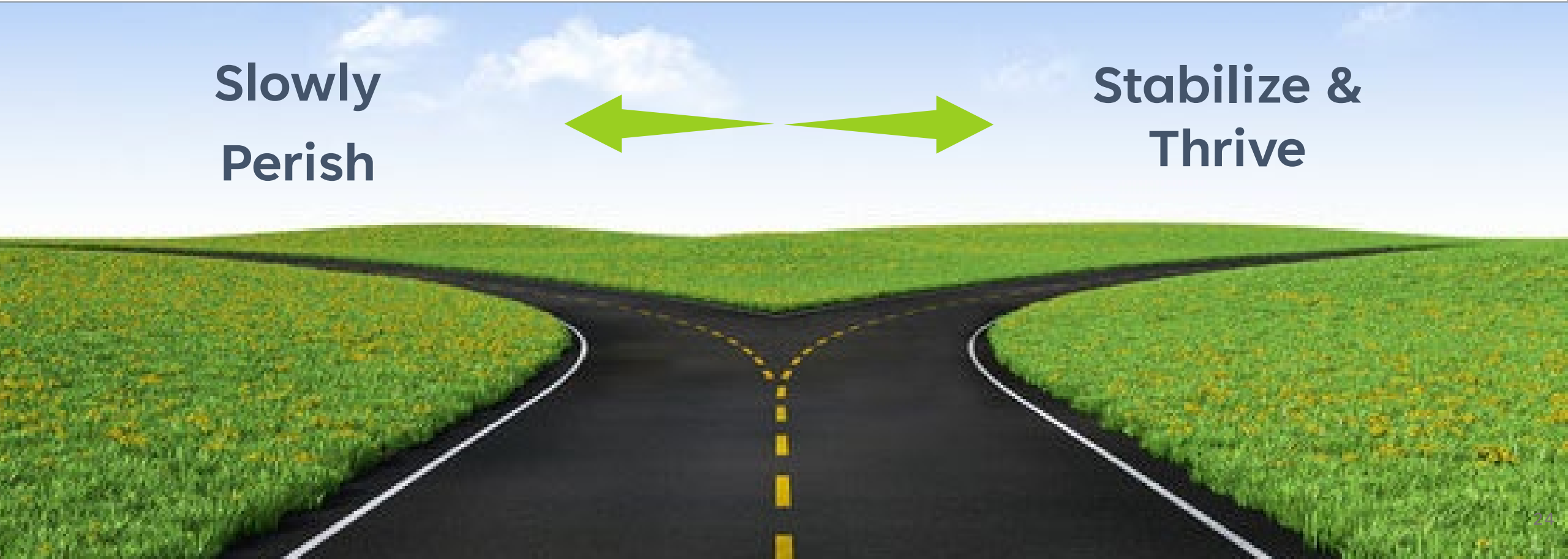
CHOICE TO MAKE

*“What you can do is often simply a matter of what you will do.”*

**Slowly  
Perish**



**Stabilize &  
Thrive**



# MY PROPOSAL

That I buy the land and build a new store and the foundation owns and operates the store.

Let's look at what, why, when, where & how...



# PROPOSAL

## WHAT

- Casey builds a new store and LCCF owns the operating business out of new store & location.
- LCCF receives a favorable lease-to-purchase agreement.
  - *Monthly Rent = carrying costs + nominal fee for future repairs and maintenance.*
  - *Purchase Agreement = after 5-10 years LCCF purchases the building for Casey's initial capital costs (≈\$100k-\$120k).*

## WHY

- A new building plus all the operational capital needed is too risky for one person or group (≈\$2m-\$2.5m).
- This allows us to utilize the LCCF's role in the community to receive donations directly to store (recurring as well) to decrease the debt burden on the operational entity.
- It gives a new store the best chance and most viable opportunity to survive long-term.
- Extra income can be returned to the community to fulfill needs.

# PROPOSAL

## HOW

- This needs a leader. I would be able to see this through if I were the Executive Director.
- LCCF receives the USDA RED-L&G funding through Midwest Energy (Casey already has this all set up).
  - *2% interest rate for 10 years.*
  - *20% down*
  - *Requires a fiduciary to issue an irrevocable letter of credit (FNB).*
- A subsidiary board is formed (Grocery Store Board)
  - *3-5 Hand-pick locals to form a strong board.*
  - *Executive Director of the Foundation can also sit on this board.*

## WHEN

- A new building could take up to a year to build so need to move quickly.
  - *Each passing day presents more challenges to a future store.*
- Needs timely approval and decision-making (vote



# PROPOSAL

## WHERE

- Ideal location identified is the lot east of the car wash.
  - *I have initial engagement with TJ Penka to purchase.*
  - *Location is 1 block from both schools.*
  - *Lot sets up well for a grocery store/retail store.*
  - *S.E. quadrant of Dighton is the most populated quadrant.*
- There are secondary-lot options

## WHO

- I believe you could hire very qualified individual within our community and pay him or her \$55k-\$65k annually + bonus opportunities.
- Looking at similar store sizes and speaking with owners, additionally need 4-5 full-time employees.
- The subsidiary Grocery Store Board and Executive Director will play pivotal roles in the store's success.



WHO LISTENS TO WIIFM RADIO?

**VOLUME**



## “WHAT’S IN IT FOR ME”

### → SOLIDIFIES FAMILY DECISION

Sarah and I made the biggest decision of our lives moving to Dighton. We want it to remain viable and potentially prosperous.

### → ANSWERS MY SERVANT CALLING

I have a servant heart and am naturally a people pleaser. God has called me home for a reason and his signs and my prayers point me to fixing the grocery store situation.

### → INVEST BACK INTO HOMETOWN

We have been blessed to be in a position financially where we can help. We can’t think of a better use than investing into my hometown.

### → A PURPOSE

Gives me a clearly defined direction and something to work towards. If I’m fortunate enough to be selected as the Executive Director of the LCCF, I will be able to utilize my strengths in my hometown. This was the biggest question mark moving back. What opportunities are there for me in Dighton?

# QUESTIONS & DISCUSSION

