

## *Takoma Junction Expansion Project*

This is a critical point for Takoma Park – Silver Spring Co-op. We are rebounding from a difficult year of financial losses and managerial changes. It is vital for the Co-op to secure its long-term future. While we work for a turnaround in Silver Spring, we face a unique strategic opportunity in Takoma Park.

With the completion of the new fire station, the Takoma Park City Council is ready to make decisions about the economic redevelopment of Takoma Junction. The Takoma Junction Task Force was commissioned to study alternatives and report to the Council about best-uses for commercial resources in the business district. Central to their work are alternatives for the use of the city-owned lot adjacent to our existing store.

TPSS Co-op currently depends on the city-owned lot for essential parking and receiving space. Use of this lot for any other purposes would adversely affect our ability to do business. The Co-op was ready and able to participate in this major opportunity.

Our current store has been open since 1998 and it is busy, selling about \$7.35 million in the last fiscal year. We are operating at a high utilization rate, with sales of more than \$1300 per square-foot annually. Typically retailers begin considering expansion or relocation when yearly revenues reach \$1000/sq.ft. But now, sales growth has flattened, suggesting a need for more space to sustain a robust future in Takoma Park.

The Co-op is engaging both the City and our member-owners in helping us determine the best future for our store at Takoma Junction. After the Board established a capital reserve fund of \$500,000 last year to underwrite the project, the Expansion Committee began working to develop a proposal for a major strategic initiative. With Steve Dubb and Lorig Charkoudian as liaisons to the Takoma Junction Task Force, the Expansion Committee consulted thoroughly with the City of Takoma Park and Task Force members to determine how the Co-op can grow our business and best fulfill the needs of our customers and community. To assure that our plans are prudent, we commissioned a market feasibility study to determine whether local market demand is sufficient for the Co-op expand our customer base and sell more great food to more people.

The Expansion Committee developed a proposal to expand to a store of about 12,500 square feet. Our expansion project would require construction on the city-owned lot we now use for parking and receiving. We are submitting our proposal to the Takoma Junction Task Force for inclusion in its report to the Takoma Park City Council, which is expected to make decisions later this year regarding the redevelopment of Takoma Junction. We plan to build our future in the Junction in cooperation with our community.

Now it is time for Co-op member-owners to decide about the future of the Takoma Park store. At the last general membership meeting, we discussed the progress of the expansion project. During the next general membership meeting on October 23 at 2:00, the member-owners of TPSS Co-op will be asked to decide whether to authorize the expansion project so that we can begin to negotiate in earnest with the City of Takoma Park and others.

The future is expanding for TPSS Co-op and so are the ways to cooperate. Join a committee or an advisory group for your neighborhood store. Run for the board. Attend the general membership committee on 23 October 2011, vote on expansion in Takoma Park and meet the candidates. Vote in the board election. Cooperate to decide our future. At the Co-op, you're the boss!

David Walker  
Board President