

Proposal for Expansion of Takoma Park-Silver Spring Co-op

The Takoma Park Silver Spring Co-op endorses the redevelopment of Takoma Junction, recognizing that this project represents a significant strategic opportunity. The Co-op wants to expand its Takoma Park store on the city-owned lot. To support this initiative, we created a capital reserve fund of \$500,000 and are committed to raising sufficient debt and equity financing.

The Co-op has operated a food store in Takoma Junction since 1998, specializing in local, natural, organic and alternative products. This store includes approximately 5500 square feet on the retail level. Typically, food retailers begin to plan expansion or relocation when annual sales per square-foot reach \$1000. With sales of \$7.35 million, our sales-per-square-foot are now over \$1300 annually. To promote future growth and stability, the Co-op desires to expand its presence in Takoma Junction to a facility of approximately 12,500 square feet, with both construction and parking on the city-owned lot.

Several alternatives for expanding the Co-op are under consideration, including expansion of our current building or the construction of a new free-standing store. Expansion of our current facility would require merging the Turner property with a portion of the city-owned lot. Construction of a new store could take place entirely within the city-owned lot. Expansion of the current Co-op store would add about 7000 square feet of retail space in the Junction, while building a new store would add 12,500 square feet of retail in the business district.

Expansion of our current store would probably be less expensive for the Co-op, but it could be problematic to negotiate with both the Turner estate and the City of Takoma Park. Building a new store entirely within the city-owned lot would be simpler since only one property owner would be involved. Permitting could also be simplified by focusing on a new store. New-store construction offers other advantages such as designing a purpose-built structure well-suited to grocery retailing, rather than adapting our current building to an expanded design. Moreover, it is easier and simpler to create energy-efficiency and reduce environmental impact in new construction than it would be to retrofit effective environmental features in our existing building. The Co-op is committed to strong environmental stewardship and plans to incorporate attributes such as a green roof and energy-efficient lighting, heating and cooling in any new building. Several designs will be evaluated.

Whether expanding our new store or constructing a new building, the Co-op wants our new facade to augment the historic nature of the Takoma Junction business district. Hence a key highlight of any design would be an attractive view from the street, blending harmoniously with the architecture of the existing Turner building and the new fire station.

Parking is another critical consideration for any expansion project the Co-op would undertake in Takoma Junction. Since opening operations in the Junction, the Co-op has leased part of the city-owned lot to provide parking for our customers and access to our loading dock. A 12,500 square-foot store would require 63 parking spaces to comply with county code. Moreover, other area businesses also have parking needs. While space at the Junction is undeniably tight and some variance from county code may be required, we are committed to working with the City to ensure that there is adequate parking.

A key objective of any expansion project by the Co-op is to expand our product offerings by extending our current core concentration of local, natural or organic foods and wellness items. The Co-op also desires to expand the types of foods we sell by adding new products and services such as a deli or a bakery, while adding a wider assortment of grocery items and product lines so that we can better serve all the people of Takoma Park. Expanding our store and the range of foods that we offer will also require the creation of dozens of jobs onsite in Takoma Junction.

Several contingencies apply to successful expansion by the Co-op in Takoma Junction. An acceptable lease or purchase must be negotiated with the City of Takoma Park and/or the Turner estate for use of the necessary property. Adequate debt and equity financing must be secured from Co-op member-owners and outside funding sources. Building-site and environmental suitability must be evaluated. Permitting must be obtained, in compliance with all applicable laws, codes and regulations. The owner-members of the Co-op must vote to authorize and finance the expansion project. A public-private partnership may need to be created to resolve parking and other issues. The Co-op is resolved to do what is necessary and proper to meet these and any other contingencies.