

## **FREQUENTLY ASKED QUESTIONS about Linden Hills Co-op's move**

### **Q. Why are we moving?**

A. So that we can serve our members and customers better, and expand our mission as a sustainable community-owned business. We've remodeled a number of times here, and have reached a point where we cannot grow any further in this location, which we lease. Buying this building and remodeling it is not financially feasible. When the owner of the former Sunnyside SuperValu contacted us in June, the board started to look into this possibility. This is one of only two larger buildings in the entire Linden Hills neighborhood, so it is a rare opportunity to expand and better serve our community.

### **Q. When is the co-op moving?**

A. We plan to be out of our current space by September 1, 2010. We hope to start the remodeling process in February.

### **Q. Why haven't we heard about this until now?**

A. It is a surprise to some people. The board has been talking about future plans for the store, including the possibility of a move, for the past four years, but only started negotiating with the owner of Sunnyside SuperValu in June. Real estate deals by nature are quite confidential and the final lease agreement was not signed until Friday, October 23. We had only four days to try to notify all our members before the annual meeting—and unfortunately, the local media got hold of the story before we were able to.

### **Q. What will be in the new store?**

All the plans are still in development, but we will have almost 50% more retail space. Besides more room for every department, we will have seating areas both inside and outside. If you have specific suggestions, please send us a comment via the email form on the website (upper right corner of the page) or fill out a comment form in the store.

### **Q. What is happening to the solar panels?**

A. We are making every effort to bring them with us to the new store.

### **Q: Are we using sustainable materials?**

A: Wherever it is affordable and within our project budget, we will use green materials and energy efficient equipment and lighting.

### **Q. What is happening with Linden Hills Natural Home?**

A. Natural Home's products and staff will be incorporated into the new store. For the relocation to be financially feasible, Natural Home has to move as well.

### **Q. Why aren't we buying the new building?**

A. The owner of the property was not ready to sell, but we were able to secure a 15 year lease that allows us first right of refusal with fair market value if he should decide to sell before the 15 years. If he chooses not to sell before the lease is up, we again have the option to buy the building at the end of the lease. The co-op's long-term goal is to own the building.

### **Q: How will this affect co-op staff?**

A: We will all have jobs at the new store—and we think there will be as many as 10 to 12 more jobs created.

**Q: How much money do we need to raise in order to move?**

A: The total project is \$3.5 million. \$1.5 million of the financing needs to come from the member-owners by January 31<sup>st</sup>. The rest will be a combination of loans from a bank, from the Northcountry Cooperative Development Fund, the co-op's own capital, and probably some other sources as well.

**Q: What are the member-owners' loans being used for?**

A: Co-ops always have their projects financed in part by their member-owners. Banks expect to see a certain % of the cost of the project to be put forth by the owners. We need to make improvements and remodel the store to suit our needs. We also need to buy some new equipment. The member-owners' money will go toward that.

**Q: What is a member loan?**

A: It is a simple arrangement between the co-op and the member-owner where the member-owner lends the co-op money for the project for a stated term-length and rate. Loans are a minimum \$2,000 with rates between 3.5 and 5%. Terms are from 4-10 years.

**Q: Where do I get information about the member loans?**

A: Ask for a detailed investment packet at the Customer Service Desk or call Tami Bauers at 612-279-2467. Please note that you must be a member of Linden Hills Coop to participate in the loan program. For information on how to join, go to <http://www.lindenhills.coop/membership/join>.

**Q: Can't I donate?**

A: We are not a 501c3 and are unable to take donations. If we took your money, it would be taxable income for us and it would not be tax deductible for you. The Northcountry Development Foundation was our fiscal agent for the solar project, and they are a nonprofit. Some ways you can "contribute" to the project are talking to other members about the investment option, buying a membership for a friend and continuing to shop here and at the new location.

**Q: What will happen to the current space?**

A: We are not sure who the landlord will rent to. If it becomes public knowledge, we will share that with you.

**Q. What is going into Linden Hills Natural Home's location?**

A. Again, we don't own that space, so we don't know.

**Q: How is the parking at the new store?**

A: There are 48 spots and we will resurface the lot.