

CITY OF AUSTIN ECONOMIC DEVELOPMENT DEPARTMENT

AUSTIN COMMUNITY-OWNED FOOD RETAIL INITIATIVE UPDATES AND CURRENT STATUS



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DECEMBER 2023

Austin Community-Owned Food Retail

Purpose: Support the development of a cooperative and/or non-profit grocery store in an underserved area of Austin.

City Council Direction:

“The American Rescue Plan Act (ARPA) Spending Framework allocated \$3.0 million ARPA funds to food assistance. Council also included direction to staff to consider using ARPA funds for planning, designing, and beginning operations of at least one new community-owned and/or community-controlled grocery store in an area lacking healthy food retail. City staff anticipate utilizing \$500,000 of the \$3.0 million ARPA funds dedicated for this planning, designing, and beginning of operations.”

Summary of RFP BYS3019

Vision and Key Objectives of RFP

- Identify a vendor or vendor team with relevant experience and strong capabilities essential for project
- Plan for adequate time to complete major tasks while working in a timeline constrained by federal spending requirements (Dec. 2024)
- Build out essential components of the business plan to put project on the best path for long-term success
- Blend community engagement and leadership development with strategic planning and robust feasibility analysis – community needs inform the plan and vice versa
- Major goal: Before deploying operational funds, meet major milestones necessary for successful project
 - Recruit core community “cohort” of store customers, members, and/or owners
 - Cultivate a leadership group to “steward” the project
 - Develop a feasible business plan
- Establish a Pilot Program that can be used to secure additional funds for a permanent brick-and-mortar store
- Use standard RFP procurement process to ensure transparency and fairness for applicants

Vendor Team

GAVA (Prime)

- Uses community organizing to co-design goals in which people with lived experience, from the neighborhoods, contextualize strategies and shape the tactics used to drive change
- Vast majority of GAVA organizers and resident/community leaders in this work are women of color
- Has led a successful Produce Distribution Program in Eastern Crescent, including power analysis workshops, civic engagement training, and food system education, building established network of residents focused on food access

ACBA

- Educational programming and coordination covers cooperative business planning, financial planning, management, and the history of the values-based cooperative economy

Columinate Consultants

- National consulting firm focused on cooperative grocery stores
- Advising, review plans, support messaging and educational outreach for events, and host workshops

Cooperative Coaching

- Expertise in cooperative development, specifically fundraising and capital campaigns for cooperatives
- Creating and implementing a clear path forward to allow the co-op to prepare for and implement a capital campaign

Current Status: Major Milestones

➤ Leadership Committee

- 8-person Steering Committee created + 2 Community Organization Representatives
- Extensive training and planning work
 - *Over 350 hours total in trainings including the following: Grocery retail 101; Food Co-op Business Panel; Undoing Racism Training; Building Power Across Cultures; General Outreach and Leadership training; Feasibility Study training; Business Planning training*
- 3 languages represented on Steering Committee – English, Spanish, Arabic

➤ Business Plan Development

- Committee and consultant team exploring store details with City business planning guidance
- Finance Committee developed with leadership from consultant team
- Anticipated market study and plan for January 2024

➤ Community Membership

- Outreach in 5 languages (English, Spanish, Arabic, Pashto, Vietnamese)
- Over 33 distinct engagement meetings and presentations
- Approximately 150 unique engagements as of November

Next Steps

- **January 2024:** Review of market study and plan
- **Spring 2024:** Review of Critical Milestones and Formal Incorporation of Store
- **Spring 2024 – Winter 2024:** Opening Grocery Store Pilot, ongoing Technical Assistance and Consulting, Final Report, and Identifying Additional Long-term Funding Needs
 - Exploring additional sources including partnerships with nonprofits and medical centers, federal programs, etc.
 - Membership recruitment
- **Post-December 2024:** Review status to determine opportunities for permanent facilities and funding

QUESTIONS?

