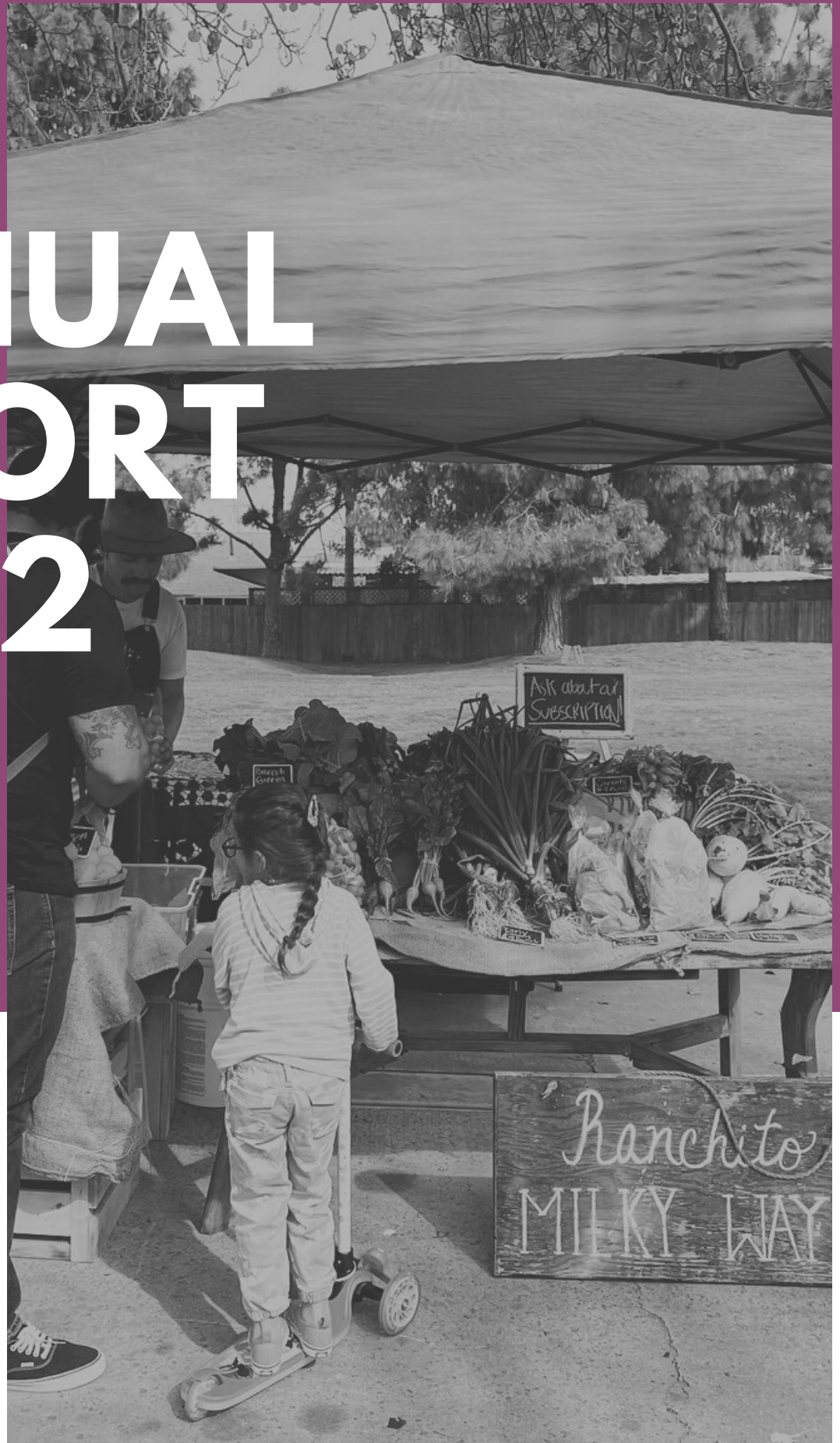


ANNUAL REPORT 2022

suncoast
market
co-op



LETTER FROM THE BOARD

In 2022, SunCoast Market Co-op achieved several major milestones:

- Signed a lease on a space in Imperial Beach (Silver Strand Plaza, 600 Palm Avenue)
- Held a community celebration to announce the store location
- Selected an architect and store designer
- Started a monthly Farmers Market
- Implemented an assistance program, called Build Your Own Grocery Bag, so that residents on financial assistance can also enjoy the Farmers Market (funded by a City grant)
- Launched the capital campaign to pay for store opening costs such as construction, equipment, and inventory.

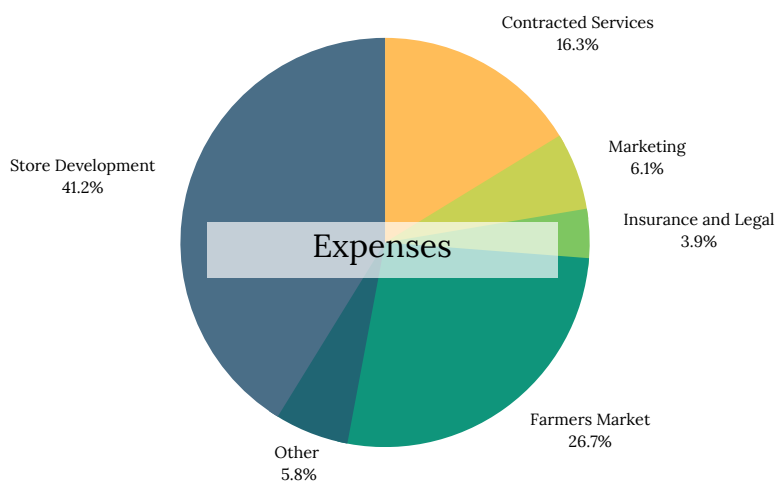
Achieving these milestones was the result of thousands of hours of hard work and planning by our volunteer Board of Directors with the help of volunteers who assisted with events and served on the co-op's finance, outreach, site, and grant writing committees. These milestones were also achieved with help from organizations such as the Food Co-op Initiative which provides free training, monthly peer group sessions, and advice to start up food co-ops, and expert consultants from Columinate and the Seven Roots Group.

But the work is not done, in fact we are now in the most challenging and critical phase of development, raising the money needed to open the store! The projected cost to open the South Bay's first cooperative grocery store is \$4.2 million. SunCoast has raised \$1.8M through donations, grants (from City, County, USDA, San Diego Foundation, Parker Foundation, & Hervey Foundation), and owner equity. Our community has a short timeline for raising the next \$1.6M needed to take possession of the space and begin construction. The path to success will include finding more grants and two important opportunities to donate: sponsorships and a crowdfunding Fund-a-Need campaign. Store sponsorships (contact us for a Sponsor Packet) offer the opportunity for individuals, organizations and businesses to sponsor store departments such as produce, wellness, and beverages, or to sponsor items like cashier lanes and aisles. Fund-a-Need offers everyone the opportunity to donate at any level to help purchase the thousands of dollars of equipment needed such as shopping baskets, deli slicer, and more. Visit www.suncoastmarket.coop/donate. If you have questions about donating, or can connect us with a potential donor, please contact us. The need is urgent and working together we will be celebrating SunCoast's grand opening in 2024!

in cooperation,

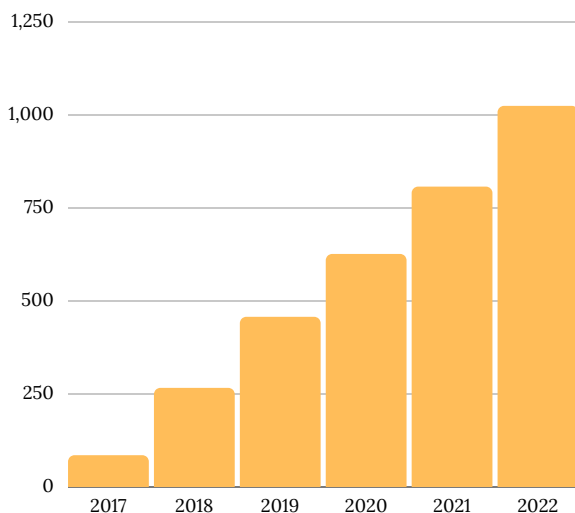
YOUR SUNCOAST MARKET CO-OP
BOARD OF DIRECTORS

FINANCIAL & OWNERSHIP SUMMARIES



FINANCIAL SUMMARY

Income in 2022 totaled \$578,136, compared to \$50,328 in 2021. Major sources of income included grants, donations, owner equity, and farmers' market vendor fees. Expenses in 2022 totaled \$104,193. Major expenses included store development costs (e.g. store design & architecture services), contracted services (marketing & outreach) and the farmers' market. The pie chart provides a breakdown for major expense categories. Total assets as of December 31, 2022, were \$520,945. As intended, our farmers market operates at no net cost to the co-op and any profits have been reinvested into the market operating budget.



OWNERS BY YEAR

There were 217 new households and businesses that joined SunCoast in 2022 and we ended the year with 1023 member-owners. Since 2019, twenty-seven low-income households have joined SunCoast through the Membership Assistance Program. This program provides half-price ownerships to those who are facing financial hardships, with the other half funded through donations.

YEAR IN REVIEW



In 2022 we:

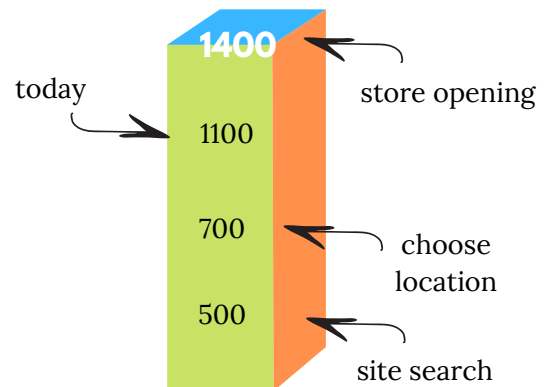
- Started our monthly farmers market. Our quarterly market was so successful we transitioned to a monthly market! In October, we expanded to Veterans Park.
- Started our Build Your Own Grocery Bag to serve community members in need at our farmers market.
- Held a community outreach pancake breakfast at Body Effects IB, an Eat& Greet at Millport, CBC, and in the Coronado Cays
- Hosted a Sustainability Fest and mural bike tour at Bikeway Village
- Participated in the SBCS/County Resident Leadership Academy for MVHS teens, co-presenting with I Love to Glean
- Served on the Advisory Council for the SD Foundation Community Food Program
- Member of the Live Well San Diego South Region Leadership Team and member of the Food Insecurity Workgroup
- Board members visited several food co-ops – Washington, Idaho, Wisconsin, & California
- Presented at the San Diego Food System Alliance Annual Gathering
- Established our four member grant writing team
- Nominated for 2022 national “Cooperative Citizen” award for going above and beyond in sharing our knowledge and experience with other peer co-ops and contributing to the growth of the overall food co-op community
- Board President was invited to present a workshop on “Harnessing the Power of Community Support,” at the California Cooperative Conference
- Received Mayoral Community Award for our efforts to support the community during the pandemic and beyond
- Selected to compete in the Alliance Healthcare’s Innovation Challenge and received a \$1000 stipend
- Awarded \$200,000 USDA Healthy Food Financing grant
- We were awarded an \$80,000 Neighborhood Reinvestment Grant from the County of San Diego
- **Signed lease in October 2022**
- Held Site Announcement Celebration at the Farmers Market on Oct 15
- The Board released Requests for Proposals and selected the store designer and architect
- The Store Designer developed and refined the store schematic design (floor plan)

STORE UPDATE



In October 2022, after a 15 month negotiation process, we signed a lease on our future store location in Silver Strand Plaza! This was an exciting milestone after 6 solid years of grassroots organizing. The ability to enter into a lease depends on years of building a strong base of ownership, City support and local resident input, along with detailed consulting, planning, and fundraising. Entering a lease meant that we were "pushing the button" on a very short and ambitious fundraising plan. With a goal of raising \$4.2 million dollars, our Board and fundraising team and volunteer grant writers have been working tirelessly to secure funds. We are working with City, County, State, and Federal representatives along with presenting our project to foundations and donors across the county. It's yet to be done by other co-ops, but we remain committed to opening without debt. It is important that we continue to exhaust all possible avenues of fundraising so that we can provide much needed community services when we open, including a Food for All program to provide assistance to families experiencing hardship. It will take engagement by owners to get us to the finish line.

Owner Goals



2023 areas of focus:

- Meet our fundraising goal
- Hire a general manager
- Order equipment
- Secure permits
- Solicit community input
- Continue owner growth

FUNDRAISING UPDATE



Opening SunCoast Market Co-op is a \$4.2 million project from inception in 2016 to store opening. The volunteer Board of Directors has worked thousands of hours to build community support and plan for success. Without the resources of a corporate chain store, food co-ops rely on a network of technical assistance advisors, consultants, and co-op peers to open successful food co-ops that serve their communities for decades. Before signing the lease in October 2022, the Board and volunteers worked with advisors and consultants to incorporate, create bylaws, build community trust and ownership, conduct market studies, review potential sites, complete a site feasibility study, create a pro forma with 10 years of financial projections, develop fundraising plans, select a store designer and architect, and much more.

The store will be located in the retail center at 600 Palm Avenue in Imperial Beach. However, before we can take possession and begin construction, we need to raise an additional \$1.6M. If we are not able to accomplish these tasks by the Fall of 2023 we risk losing the site.

To open our doors in 2024, we need help from our member-owners, the community, businesses, non profit partners, and elected officials. In addition to grants, we are also seeking donations. Donors can sponsor a store department or donate, at any level, towards equipment costs.

Please visit www.suncoastmarket.coop/donate for more information on how you can support this important effort.

FUNDRAISING OVERVIEW

Funding To Date

City of IB Grant	\$500,000
Owner Equity	\$208,466
USDA HFFI Grant	\$200,000
County NRP Grant	\$150,000
Landlord/Vendor Free Fill	\$72,460
Here Comes the Sun Event	\$250,000
Hervey Family Fund Grant	\$100,000
County NRP 2022-23	\$80,000
Parker Foundation Grant	\$45,000
Community Food Production Grant	\$200,000
Small Business Stimulus Grant	\$20,000

Projected Future Funding

State Grants	\$750,000
Local Grants	\$100,000
Store Sponsorship Opportunities	\$500,000
Fund-a-Need Community Investment Campaign	\$100,000
Other Donations	\$200,000
TOTAL NEEDED BEFORE FALL 2023	\$1,600,000
<i>Additional Needed Before Opening</i>	<i>\$800,000</i>

Upcoming Costs

Interior Improvements	\$1,240,000
Equipment	\$747,000
Inventory/NCG Membership	\$206,600
Fees & Interest	\$166,250
Admin & Marketing	\$117,750
Personnel Expense & Professional Support	\$185,000
Holding/Site Costs	\$351,400
Working Capital	\$240,000
Overrun Allowance	\$550,000
Total Upcoming Costs	\$3,804,000

LOOKING AHEAD

The focus for 2023 is continued owner growth, community engagement, and fundraising! In order to move forward in a fiscally responsible manner, we need to put continued focus on our fundraising campaign. Although we are moving forward with optimism, we have ambitious goals and will need to achieve remarkable success with our grant awards and donations.

OUTREACH

We want all members of our community to have a voice. In 2023, we will be launching a large-scale community survey to gain critical input on store offerings.

Our primary outreach activity will be a monthly Farmers Market with education and outreach at these events. This allows us to develop relationships with local vendors and to test a variety of products with future shoppers.

We will also offer bilingual English/Spanish cooking demos and co-op education for parents at local schools.

Look for the return of our Eat & Greet events at local venues! We will be touring around the area with info sessions designed to keep people up to date and continue to seek input on decisions for the store.

STORE DESIGN

We are planning and designing the store with our store design team and architect. With increased construction and labor costs, we will need to make difficult decisions in how we will initially open our doors and then how we can continue to grow as we see increased sales.



