

ANNUAL REPORT 2023

suncoast
market
co-op



LETTER FROM THE BOARD

To our valued owners,

The engagement of the community in creating South County's first community-owned, cooperative grocery store has been impressive. Hundreds of people have donated thousands of hours of their time, including your Board of Directors, committee members, and volunteers who host, organize, and work at community events and educational workshops. There are also numerous individuals, nonprofit agencies, and government supporters that have donated to this effort and provided grants. As of the writing of this letter, there are 1,165 households, businesses and organizations that have become member-owners by investing \$200. SunCoast Market Co-op will truly be a store that is "of the people, by the people, and for the people."

We are now in our most challenging phase – store development. There are still significant funds to raise and there are external factors that we can't control, such as rising costs and supply chain delays. However, our Board and development team are relentless in looking for solutions for every roadblock. Opening a cooperative grocery store is increasingly challenging, complex, and expensive, but we are confident we can succeed and are inspired by the success of our peers. Five startup food co-ops opened across the U.S. in 2023 and several more will be opening in 2024!

In addition, while we focus on the critical task of opening the store, SunCoast continues to serve the community by hosting community events, offering education (in Spanish and English), and providing access to nutritious and locally grown/produced food via the farmers' market held at Veterans Park in Imperial Beach on the third Saturday of each month.

Co-ops nurture our health, grow the economy, and cultivate community. Everything we do reflects our commitment to the well being of our community. We have already had a significant impact on the community. Imagine the impact the Co-op will have after we open and for generations to come. We are grateful to be on this journey with you and look forward to the grand opening of the South Bay's first food cooperative!

in cooperation,

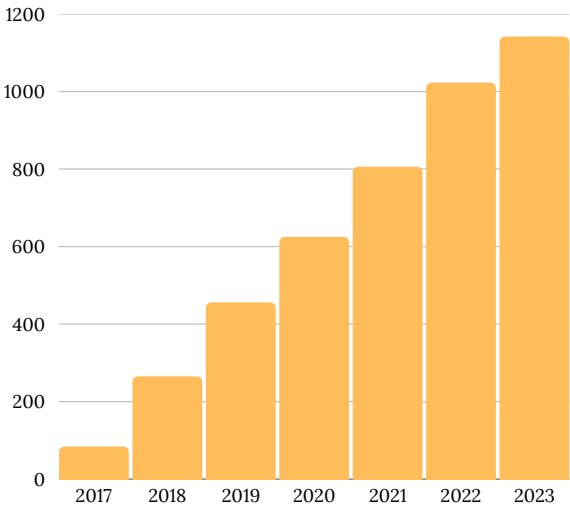
YOUR SUNCOAST MARKET CO-OP
BOARD OF DIRECTORS

FINANCIAL & OWNERSHIP SUMMARIES



FINANCIAL SUMMARY

Income for 2023 totaled \$358,828. Major sources of income included grants, a fundraising event, owner equity and farmers’ market vendor fees. Expenses in 2023 totaled \$355,409. Major expenses included store development costs (e.g., architecture/engineering services, plan check fees), marketing, farmers market, contracted services, and payroll for the new General Manager. The pie chart provides a breakdown of major expense categories. Total assets as of December 31, 2023 were \$524,451. As of June 1, 2024, SunCoast has \$1.3 million in accounts and pledges.



OWNERS BY YEAR

There were 119 new owners (household and/or businesses) that joined SunCoast in 2023. We ended the year with 1142 member-owners with 30 member-owners 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 2023 we:

- Held our Here Comes the Sun fundraising event at the Coronado Cays Yacht Club. This event met our goal to raise \$250,000 toward the building of the “Silver Strand Kitchen” in the store. Approximately 300 people attended, purchasing tickets that helped cover the event costs and reach our goal. Thirteen local area chefs donated their time and talents to feed guests, local band IT’S NEVER 2L8 played, and Coronado volunteers designed grocery-themed games for entertainment, and Tiny House Nation host John Weisbarth, emceed an auction to donate toward much needed store equipment purchases.
- We continued our monthly farmers markets with approximately 50 vendors at each market. These events not only brings an opportunity to support local business and farms before the store opens, but also acts as a test market for potential store items. General Manager, Doug Zilm, has been speaking with business owners about ways they can prepare themselves for possible store sales.
- We continued our tradition of community “meet and greets” to engage potential owners of the co-op. We held 3 events across IB and Coronado.
- With the guidance of a non-profit public relations firm, we gave multiple interviews, including live t.v. segments, podcasts, and print articles to encourage ongoing financial support
- We launched our South Bay Community Survey to solicit feedback on store desires. Our General Manager is using this data to determine store items and services.
- Additionally, we held four community events, our annual succulent pumpkin making workshop, our annual pie baking contest, our Hawaiian Holiday party and our Annual Meeting. Along with receiving proceeds from the classic Spells & Swells Halloween event.
- We presented at the CA Center for Cooperative Development conference on ways to engage local officials and government leaders on cooperative support and at the national Up & Coming Food Co-op Startup conference, where SunCoast also received the Cooperative Citizen award from among approximately 100 food co-op startups nationwide.
- In August, we engaged the help of a local public relations firm to hold a press conference announcing our store location and urging donors to support our mission.
- In October, we received a County of San Diego proclamation from Supervisor Nora Vargas in honor of National Co-op Month and commending SunCoast Market Co-op for our outstanding service, leadership and commitment to the citizens of San Diego County. Quote from the Chair’s remarks: “It is my great pleasure to honor SunCoast Market as a shining example of the positive impact that cooperatives can have on our community...They have shown us the power of collaboration in addressing the challenges, finding innovative solutions and creating a more sustainable and inclusive future for everyone. Let SunCoast Market’s success inspire all of us to support and engage with local food cooperatives.”

STORE UPDATE



SunCoast's development team made significant progress in 2023:

- We identified a store technology and development partner and are working on an agreement for them to manage the construction and equipment procurement and reduce our costs
- We revised the store design to reduce costs, create a more open layout, and provide more display coolers
- The Board decided that the Co-op will have a “clean energy” kitchen with all electric appliances and an electric water heater

FAQ's

Why is it taking so long? To meet the needs of a grocery store, the Board had to work with the landlord and the utility company to create a plan to upgrade the electrical service. The plan includes installing additional transformers and switchgear, trenching through the building and parking lot, ensuring equipment locations and clearances comply with building codes and more. Unfortunately, it took the utility company more than a year to begin work on the plan which significantly delayed the project.

When will SunCoast open? Building plans were resubmitted to the City of I.B. and the County Health Department at the end of April 2024 for their review. After we receive the permits and the Landlord completes their construction, we can begin construction on our store. The goal is to start construction this summer and open for business in late fall 2024! We are all looking forward to the grand opening!!

A COMMUNITY KITCHEN WAS BORN

In 2023, we facilitated four Healthy Cooking Workshops in Spanish at the Boys and Girls Club, serving 22 participants. Our workshops came together from a collection of recipes shared by local chefs, community members, and leaders within Imperial Beach. We also hosted four, one-hour food demos for South Bay Union School District, in partnership with Olivewood Gardens, during Coffee with the Principal at Berry Elementary School, Bayside Elementary School, Emory Elementary School, and Oneonta Elementary School. We served a total of 74 parents. Participants learned how co-ops serve the community, and how they can get involved with local organizations.

In 2024 we hosted over 35 participants at the Boys and Girls Club of South Bay starting with Manos de Mujer on history of the tortilla. We then hosted four workshops reaching over 68 people in the Latinx community, using local leaders, cooks, and community members to share easy, accessible ingredient recipes. We continued to grow our SBUSD partnership, with five more demos at Imperial Beach Charter, Nestor Language Academy, Pence Elementary, Sunnyslope Elementary, and Central Elementary reaching over 94 parents within SBUSD.



Our goal is to continue to bring Healthy Cooking Workshop Series to the Boys and Girls Club by building a Community Kitchen, and having this series exist as annual programming for the community. We would like to expand into family cooking workshops, cooking workshops with kids from SBUSD and Boys and Girls Club, and invite local chefs and partners into the community kitchen. If you are passionate about this project, please reach out to find ways that you can be a part of this amazing community service that aligns with global cooperative principles!

Global Cooperative Principles

- **Voluntary & open membership**
- **Democratic member control**
- **Member economic participation**
- **Autonomy & independence**
- **Education, training & information**
- **Cooperation among cooperatives**
- **Concern for community**

FUNDRAISING UPDATE



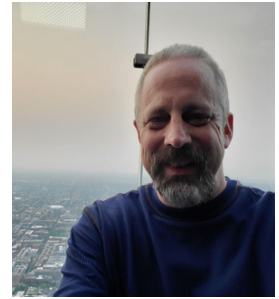
SunCoast Market Co-op will be located in the Silver Strand retail center at 600 Palm Avenue in Imperial Beach. To open our doors in 2024, we need help from our member-owners, the community, businesses, non profit partners, and elected officials to raise more funds through grants and donations and fill the funding gap of approximately \$800,000.

The Board of Directors can't do this alone. We need all hands on deck!

- If you haven't joined yet, now is the time! Encourage others to join as well. The equity received from share purchases, provides the Co-op with flexible funds that can be used to fill the gaps where grants and donations are not enough
- Purchase ownerships as gifts for friends, clients, and as an employee benefit for your current & future employees (contact us for more details)
- Volunteer to take the lead on planning an event, workshop, house party, happy hour, coffee talk, etc.
- Donate at suncoastmarket.coop/donate. Donations to the Fund-a-Need Equipment Campaign are tax deductible. The campaign goal is to raise \$100,000 for equipment and we are a quarter of the way there
- Donate by sponsoring a store department, aisle, or checkout stand (contact us for the sponsorship brochure).
- Join the SunCoast fundraising team to meet with businesses about the benefits of ownership, donations, and sponsorships.

MEET OUR GENERAL MANAGER

Hello SunCoast Market Co-op members and supporters. I am very excited to be the General Manager and want to get to know you all. My family and I are returning to the area after a 15-year absence, but the beach life has never left my heart. While San Diego has always been our family's favorite vacation spot, it will be my wife and son's first chance to live it fully. We are tremendously excited.



I started my life in food co-ops in the early 2000's at Ocean Beach People's Food Co-op as a part time stocker. Over the past 20+ years, I have worked in nearly every position a food co-op has officially or unofficially (such as being the IT Manager but also serving as emergency dishwasher on the morning crew) including being a General Manager and a Board Member. During this time, I have learned a lot about co-ops, their members, their staffs, and their boards. The biggest thing that stands out is that co-ops are about community. Co-ops start out of a community need and when successful, hold that as their core. Like-minded people in a community who see a need and work together to create a solution is the basis of nearly all co-op stories. SunCoast has been no different.

That community culture is what first attracted me to co-ops and while I remain with co-ops (I am a member of 4 food co-ops, 2 credit unions, and REI while SunCoast will be my 5th co-op employer). Community is the culture that the store will operate with as our base. The goal is to have the SunCoast Market Co-op staff, the products we carry, and the board be reflective of the South Bay communities. While it will never be everything to everyone (I am enough of a realist to understand that), we want to be the best that we can be. In order to do that, we depend on the activeness and participation of our members and supporters.

Ways that members and supporters can help right now is to join the co-op if you haven't already, participate in the shopper survey that we have happening now, and spread the word. Part of the co-op community is listening to the members and hearing what they want, need, and hope to see with the Co-op. As part of that, we will have upcoming events for you to come and meet and talk with me. Do feel free however, if you see me walking/biking around IB or at community events to introduce yourself and chat. I look forward to meeting you all.

Doug Zilm

LOOKING AHEAD

The focus for 2024 is continued owner growth, community engagement, construction, and fundraising! In order to move forward in a fiscally responsible manner, we need to put continued focus on our fundraising campaign.

OUTREACH

We want to hear from our future shoppers! As Doug begins his store planning, he needs to hear from shoppers about what they want to buy and what's more important to them when putting their trust in SunCoast Market Co-op. Complete the survey on our website homepage! We will develop store standards using this feedback as well as hosting listening sessions where Doug can hear from you directly.

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. But we will continue our history of meet and greet events as well!

We will also continue our bilingual health education programming and will be working with our non-profit partner, SunCoast Community Fund, on the future direction of that program.

STORE CONSTRUCTION

Much of our time and efforts are focused on all of the details required to begin construction. This is a detail-focused process, requiring the expertise of consultants and contractors. While much is out of our hands, rest assured that we are working on this project on a daily basis. Even when we encounter stalls on one piece, we move forward where we can to keep us on track for opening in 2024.



