
CHICAGO
MARKET

A COMMUNITY

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Annual
Report
2021.

A Message from Chicago Market's Board President

I'm proud to report that Chicago Market has the wind in its sails!

We are excited to be rapidly progressing on so many fronts. We have a firm business plan thanks to our reassessment with Firebrand and new market study from G2G (showing even greater strength than before!). The strength of this plan gave us the confidence this past year to recommit to our fantastic location at the Gerber building. And our plan, together with the Chicago Market vision and our location attracted the top talent of Dan Arnett, our general manager.

Late in 2020, we kicked off our SHOP program and helped to put \$11,502 in the hands of local farmers (not to mention, get some amazing product into your hands as well!). That program and volunteer team went on to win the Up & Coming Startup Innovator Award - something we can all be very proud of! More on SHOP and events later...

In 2021, we rolled all that momentum into launching the **Uptown Farmers Market**, providing a sales outlet for local farmers and food producers while bringing healthy, local foods to the corner of Wilson and Broadway. Plus, it lets us connect with so many more people in the community who care about local foods and introduce our Co-op to them and welcome them as new Owners. We are proud to now accept SNAP at the farmers market and also qualified for the LINK Match program, which allows any SNAP shopper at our market to double their spending power!

Now we look forward to one last big push to put the final funding pieces in place. Our TIF funding looks promising. We anticipate our project will be very attractive to a cooperative lender. But both those entities require Owner participation. Together, we, the City, and a bank, will come together to fund the build out of our store.

We've already raised over \$700,000 in Owner loans, grants, and donations, so we're well on our way to our funding goal of \$3 million. Our Capital Campaign kicks off at our Annual Meeting. By investing together in **real food and real people**, we will **build a better market**.

A 'better market'...? Better than what?

A 'better market' means that the status quo of corporate grocery stores may be the current default, but there's a better model — one that the community builds to fulfill the community's needs. Corporate grocery stores exist to earn profits for shareholders; Chicago Market, as a cooperative, prioritizes sustainability, transparency, and economic impact for *us*.

Getting real

Investing in 'real food' and 'real people' may be something you've heard other organizations claim in the past. The all-too-common practice of greenwashing and



local-washing might have made those words feel almost meaningless. Chicago Market's prioritization of local — whether that's food grown nearby, products crafted across town, or employees that live down the street — will create major impacts on lives and businesses. *Chicago Market won't just sell their food, we will tell their story.* And every person who invests to 'build a better market' will become part of stories like these:

- How a micro business was able to hire their first employees.
- How a small producer could scale up their operations and pay their staff a living wage.
- How a community member could access food they thought unattainable.
- How joining the staff of the Co-op meant a well-paying job which led to financial self-sufficiency for one of our employees.

These powerful impacts ripple out into our community in exponential ways. And they're what Owners, investors, and donors will create by funding our Co-op and showing Chicago what 'a better market' truly looks like.

You can be proud of the work your Ownership in Chicago Market has led to thus far — money in farmers' and food producers' pockets; rich, meaningful connections among us and a shared sense of purpose; and now our first paid employee, our general manager. But there is so much more we can do together and an open store is the path to that impact.

Join me now to make this next step a huge success. Invest in real food, real people, and the real change in our food system that we all want.

Let's raise the funds together to **build a better market!**

Matthew Ruffi
September 23, 2021

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Year in Review

The Project

Our progress toward an open store has moved rapidly this past year.

In October of 2020 the Board officially adopted the recommendations contained in the [Firebrand reassessment](#). These recommendations are the roadmap toward an open store that thrives at our Wilson and Broadway location. It gives us an operational plan covering all things from deli plans to community accessibility to a floor plan that supports the high volume urban store model that we'll be. It gives us ten-year financial planning that shows a successful store and financial metrics

our bank lender will expect to see. And it made clear how critically important the right general manager is to our success.

In January of 2021 the Board **voted to move forward with building our grocery store at the Gerber building**. Due diligence with Firebrand and negotiations with the CTA put previous concerns about the location to rest.

We also spent time working with the State Historic Preservation Office (SHPO) and City Landmarks to ensure our store floor plan would meet their approvals. With some modest edits, we're pleased to have come to an agreement that both endorse.

In February of 2021, we **submitted our TIF application to the City Department of Planning and Development**. As our store design process progresses, we will deliver final data to them and expect to receive TIF funding for our project.

In the world of start-up food co-ops, there are two critical decisions boards make that can make or break the success of the project. One is the site where the co-op will be built, and the other is who will run the operations of the co-op — and Firebrand's reassessment stressed this to the Board. With our site plans secure, the **Board hired an extremely qualified Dan Arnett as our general manager** in April 2021. Dan is a 20+ year veteran in food co-op management and is excited to be a part of our project. ([Read more about Dan here.](#))

Portions of the spring and summer have involved a [Mission Transition process](#) to bring Dan onboard and to guide him to make sure he opens the grocery store we, the Owners, have all been dreaming of.

In April 2021 **Chicago Market was awarded a \$75,000** grant from the Chicago Region Food System Fund (CRFSF) to support our work building long-term food system resilience in our region. ([read more](#))

With major fundraising on the near horizon, it **became time for an updated market study**. With funds available from our CRFSF grant, we hired G2G for a new study. The results further confirm the viability and high sales potential of our site, further strengthening our financial forecasting. ([read more](#))

"It has been a pleasure to work with Chicago Market on helping fit its requirements for a community grocery store into this wonderful building.

We appreciate the team's dedication to preserving the building's historic character throughout our discussions.

We look forward to Chicago Market becoming a new community landmark within this historic landmark."

- State Historic Preservation Office

Sales projections per square foot for this site outstrip 95%+ of all sales projections for startup food co-ops in the last decade.

- JQ Hannah
Food Co-op Initiative

With strong research into fundraising methods for our build out and construction, the Board determined that **offering Preferred Shares** would be a desired tool for our capital campaign. Our Articles of Incorporation needed amending in order to allow this and in August 2021, Ownership voted to make the needed amendments. 200 Owners voted: 194 were Yes votes and 6 were No votes. ([full amendment proposal is here](#))

Our capital campaign has the professional support of Firebrand, who is project managing, training, and providing core graphics and messaging strategy; and Candace Chesler, who is our campaign coordinator.

Owner Growth

We've welcomed 210 new Owners to Chicago Market since our last Annual Meeting in August of 2020, a rise in growth from 152 during the previous year. This brings us to a total of 2076 Owners.

The rate at which new Owners choose Cultivating Ownership has greatly increased in the past year. Previous to 2020, the rate of Cultivating Owners was 15%. Since January of 2021, the Cultivating rate has been 34%.

We've also welcomed 42 Level Ups since January 2021 — Founding Owners may at any time Level Up their Ownership to Cultivating on the website to strengthen the Co-op's capital position and in return be recognized in the store.

In January 2021 our All Are Welcome Ownership option went live on the website. All Are Welcome is a payment plan path to Founding Ownership that is stretched over five years. This lower financial barrier is intended to strengthen our community by making a seat at the table more accessible.

Initiatives and Events

SHOP

Our award-winning SHOP initiative (see P6 section below) continues each month and connects shoppers with our local farmers. Pre-orders are made on the website and the monthly pickup is scheduled to coincide with our Open House at the store. The SHOP team also offers a wide variety of items for day-of sale. Watch our [SHOP impact video here](#).

Events

Our Events team continues to be extremely busy, planning over 50 events for us in the past year.

Before COVID-19 restrictions eased, the team moved virtual but continued on — holding online workshops ranging from growing indoor herbs to making fermented foods. Several recordings of our online workshops are up [here on our youtube channel](#).

Additional online events included:

- Co-op Cafés (5)
- Ownership Info Sessions (8)
- Social Mixers (2)
- Ask Us Anything
- Annual Meeting

As COVID vaccinations made in-person events possible again this past year, we activated our future store space with events:

- Market Meet-Ups (4)
- Open House/SHOP (7)
- Chicago Architecture Center tours
- Pop-Up Book Sale + Book Donation Drop-Off
- Uptown Art Fair
- Volunteer Open House
- Peterson Garden Plant Sale
- Thanksgiving Pop-Up Market

And we hosted events with partners in the community:

- Party 2000
- City Grange Give-back Day
- Happy Hours (5)

Uptown Farmers Market

In May we launched the first farmers market in Uptown at our site with a robust vendor list of 25-30 vendors, with some rotating. The market connects the community with local food producers and growers and runs every Wednesday, 2:30 – 7:00pm, May to November.

The farmers market is supported in part by a \$5000 grant from Uptown United.

We applied immediately to be able to accept SNAP payments at the market and by late summer were approved and had the tools and training to offer it to shoppers. Additionally, through an \$8000 grant from LinkUp Illinois, we are able to offer Link Match dollars to SNAP users, effectively doubling their shopping power for fruits and vegetables. As awareness of this offering grew, use of SNAP at our market increased rapidly, with usage more than tripling from the third to fourth weeks it was available (and continuing to increase week over week since).

P6: Learning from the Co-op Community

One of the strengths of the cooperative model is the free sharing of information among co-ops (Cooperative Principle #6) and the Board and volunteers alike are connected and learning from our co-op community all the time. We attend regular peer calls facilitated by the Food Co-op Initiative (FCI).

In recognition of our SHOP initiative, Chicago Market was proud to be the recipient of the **Start-Up Innovator Award** at this year's Up & Coming Food Co-op Conference, "awarded for blazing a new way forward to solve the challenges faced by startup food co-ops".

SHOP team leader Matthew Ruffi was a peer presenter at Up & Coming, sharing the details and insights of our COVID-19 SHOP response with other startup co-ops around the country.

The entire Board attended this year's online Up & Coming Food Co-op Conference; one of the primary topics across all workshops and presentations was the need to address racial equity in the co-op world. We learned by attending and are committed to further DE&I (diversity, equity, and inclusion) work as a Board and an organization. We have scheduled workshops for the Board and core volunteers with Chicago-based expert consultants, Praxis Group, in October and November.

Volunteering

Volunteers are the back-bone of everything we do at Chicago Market. Until the hiring of our GM, Dan Arnett (by the GM Search team, made up of volunteers), basically every accomplishment of Chicago Market occurred because of volunteer efforts. We've had over 80 active volunteers in the last year contributing in a broad range of roles, both public facing and behind the scenes. We hosted a Volunteer Open House (helping to make volunteers and potential volunteers aware of other opportunities) this summer and our first volunteer listening session (to give our volunteers a safe place to talk openly and give the Board feedback) and look to continue these events into the new year.

It is impressive, even to those of us working with volunteers every day, the wide variety of diverse volunteer needs we have. In thinking about just one event, the Uptown Farmers Market, our needs on a weekly basis cover — cleaning the parking lot, chalking sidewalks, taking photos, assisting vendors, greeting guests, creating content and posting to social media, managing the budget, organizing weekly volunteer shift assignments, managing the SNAP/LINK table, and representing Chicago Market at our own table.

No matter the project, volunteers make all of this possible. Since our last annual meeting, volunteers have contributed over **5,000** hours of time to help bring Chicago Market to life — and we truly couldn't do it without them. As we look forward to this critical year, we will continue to need your help and feel confident that, as when we've asked in the past, volunteers will answer the call.

Board of Directors

In September 2020 Owners elected new Board members: Ben Cook, Donna Curtin, James Gignac, Kate Grimm, Jonathan Hertel, Sheri Reda, Matthew Ruffi, and Amin Shawki. Owners re-elected Lee Herman, Dana McKinney, and Anthony Todd.

Chicago Market's Board elects its officers annually, and in the fall of 2020, it elected Grant Kessler, president; Dana McKinney, vice-president; Lee Herman, treasurer; Matthew Ruffi, secretary. In March 2021 Grant Kessler resigned as president and the Board voted to appoint Matthew Ruffi as president. In April 2021 the Board elected Donna Curtin to the position of secretary.

Thank you to our Board members who stepped down during the year as well. We'd like to recognize them (as well as all Board members - past, present, and future) for their dedication to the Co-op: Amin Shawki, Ben Cook, Jonathan Hertel, and Sheri Reda.

Ownership Refunds

The Board has made the policy decision that because store opening and bank financing are nearing, we need to continue to suspend Ownership refunds to preserve Owner equity for the next steps in our development. The Board reviews this policy quarterly and posts the most recent policy on the [Documents](#) page of our website.

Parking Lot

We have a number of different organizations, and individuals, who rent parking spaces from us on a daily basis. As of the writing of this we have over 20 spots rented and another handful of conversations which will hopefully increase that number. We were also able to maximize use of our lot for everything from the Uptown Farmers Market, to a TV crew staging and filming, to parking overflow for local organizations who needed it, through to our own needs for events we've held in the space.

However, we have also been working with some neighbors experiencing houselessness who had been using our lot. While we cannot continue to allow individuals to stay on our property as we move forward with our project, we have provided time and space for these neighbors to secure permanent housing. We helped connect the Heartland Alliance with our unhoused neighbors, and Heartland Alliance was able to help match the individuals with housing options. There are both legal and logistical reasons that we cannot continue to have people staying in and storing items on our private property and, to that end, our Board president will be leading a committee to work to find longer-term solutions to ensure the safety and security of our parking tenants, volunteers, and others to whom we provide access to the lot.

Diversity, Equity and Inclusion (DEI)

In Summer 2021, the Board of Directors took active steps in our work around diversity, equity, and inclusion (DEI). We started by creating a DEI "working group" of Board members interested in this topic. The group is focused *internally* on our organization and its practices—how we approach governance, how we make decisions, Board education and development, and identifying training resources for us as a Board—all with the overarching goal to become a more anti-oppressive and anti-racist organization. We believe our work to do this will make our organization more welcoming to all members of our community and more aligned to our values.

We originally thought perhaps we would start with commissioning an equity audit—but, in conversations with expert consultants who provide those audits, we were guided instead towards first holding internal workshops around DEI topics to build a foundation for further progress. The Board approved investment in these efforts. In October and November, the Board and key volunteers will be participating in two workshops facilitated by the [Praxis Group](#), who specializes in supporting teams interested in learning how to create spaces that are respectful of people of many cultural backgrounds and truly reflective of the values of their organization.

The topics of the two workshops we are participating in are: (1) Exploring Power & Privilege + Creating a Culture of Feedback; and (2) Anti-Oppression 101. We look forward to these workshops and are committed to continuing our journey toward action steps to move our Co-op forward in becoming a more anti-oppressive, anti-racist organization.

What's on the Horizon?

Capital Campaign – build a better market

Our capital campaign begins today, September 23, 2021. We're Building a Better Market: Here's how...

Our Co-op will cost \$7.6 - 8.1 million to build, equip and open. It's up to us, the Owners, to raise \$3 million — and we're almost 25% of the way to our goal as we launch this campaign. The remaining amount will be financed by a bank loan and TIF funding.

We are now offering Preferred Shares in Chicago Market as well as the option for making a tax-deductible donation.

Preferred Shares are an investment tool that many co-ops use to allow owners to invest in their co-op beyond their initial share of common stock. Though preferred shareholders don't have voting rights, they generally receive reliable dividends and long-term value. Capital raised through preferred shares is shown as equity on our balance sheet—an advantage when working with lenders and vendors, and they can be offered (through a separate share series) to non-Owners to help us reach more capital sources.

The minimum preferred share investment is \$1,000 and we expect the average investment to be \$5,000–\$7,500.

Store Design

In August 2021, the Board approved the hiring of StoreMasters, LLC, for the next phase of our store design process. StoreMasters is headquartered in Pewaukee, Wisconsin. Since 1990 they have been involved in the planning, design, and construction of small to midsize grocery stores and food markets throughout the Midwest and U.S.

Chicago Market has engaged StoreMasters to carry out the preliminary schematic design of our store. Building on the store plan developed by Firebrand and Retail PlanIt, StoreMasters will provide the following:

- Schematic design drawings for layout of the store
- Specification of the equipment and other fixtures needed to operate the store
- Concept designs and renderings for all décor elements of our store (walls, floor, ceiling, signage, lighting, etc.)
- Preliminary construction and equipment budget
- Various owner's representative services including project schedule timeline development and monitoring and interface with governing agencies (e.g., CTA, City).

Thank You

Chicago Market is a volunteer-driven democracy and we want to take a moment to say thank you to ALL our volunteers. This project would never happen without our volunteers. We had unprecedented involvement this year — from our Uptown Farmers Market greeters to those who manage spreadsheets behind the scenes, to our all-volunteer Board - with over 5,000 hours of volunteering time for Chicago Market in dozens of different roles. The volunteers are truly the ones who will help us open Chicago Market.

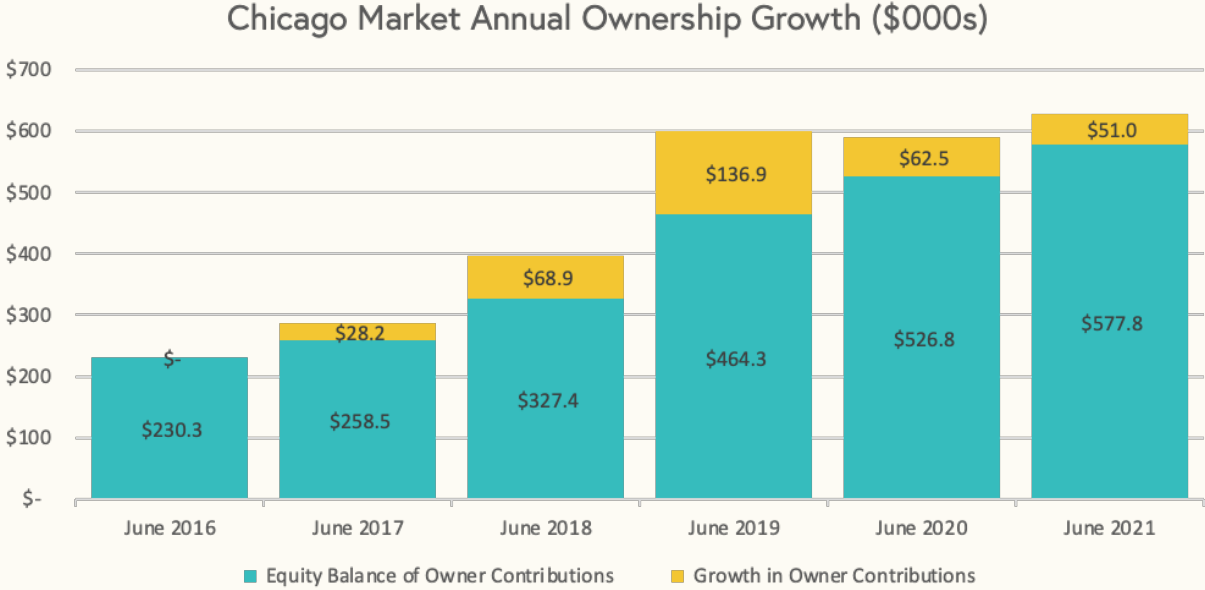
We are proud to be members of Uptown United and the Uptown Chamber of Commerce and thank them for their ongoing support.

Financial Statements

Chicago Market Financial Summary statements are presented on the next several pages. As noted earlier in the report, Chicago Market kicked off several activities that are providing operating income, reducing the impact of spending for ongoing operational expenses. The upcoming Capital Campaign is still critical to getting the store built!

Owner Growth

Owner growth during fiscal year 2020-2021 was at a lower rate than the previous year. Still, Chicago Market gained \$51K in Ownership funds in the fiscal year ending June 30, 2021. Since the end of the fiscal year, Owner growth has increased as noted earlier in the report.



Balance Sheet as of June 30, 2021

Assets

Total Cash	\$484,445
Total Fixed Assets (includes right of use)	\$1,759,649
Total Other Assets (security deposit)	\$25,000
Total Assets	\$2,269,095

Liabilities and Equity

Long-Term Liabilities	
Lease and Rent Liability	\$2,056,566
Owner Notes Payable	\$568,874
Total Liabilities	\$2,625,440

Equity

Owner's Contribution	\$577,757
Retained Earnings	(\$904,303)
Net Income	(\$71,530)
Total Equity	(\$398,076)
Total Liabilities and Equity	\$2,269,095

Profit and Loss July 1, 2020 to June 30, 2021

Income

Revenues

Grocery Sales	\$10,836
General Merchandise Sales	\$1,070
Chicago Market Merchandise Sales	\$194
Parking	\$3,550
Ticket Sales	\$1,587
Total Revenues	\$17,237
Uptown Farmers Market Fees	\$5,983
Total Income	\$23,219
Cost of Goods Sold	\$12,643
Gross Profit	\$10,576

Expenses

Selling, Marketing, & Advertising Expense	\$1,596
Bank Charges (includes credit card fees)	\$2,453
Conference Training Expenses	\$361
Dues (Chambers of Commerce)	\$150
Charitable Contributions	\$73
Insurance	\$14,815
Accounting Fees	\$3,511
Feasibility Study	\$21,100
Repair and Maintenance	\$6,252
Administrative	\$376
Taxes and Licenses	\$1,032

Technology Fees	\$5,817
Utilities	\$449
Pass-Through Donation Payments	989
Payroll	\$24,730
Uptown Farmers Market	\$979
Total Expenses	\$97,601
Net Operating Income	(\$87,025)
Other income	
Processing Fee Income	\$1,450
Donations	\$8,091
Grant Income	\$5,000
Pass-Through Donations	\$955
Total Other Income	\$15,495
Net Income	(\$71,530)

Statement of Cash Flows July 1, 2020 to June 30, 2021

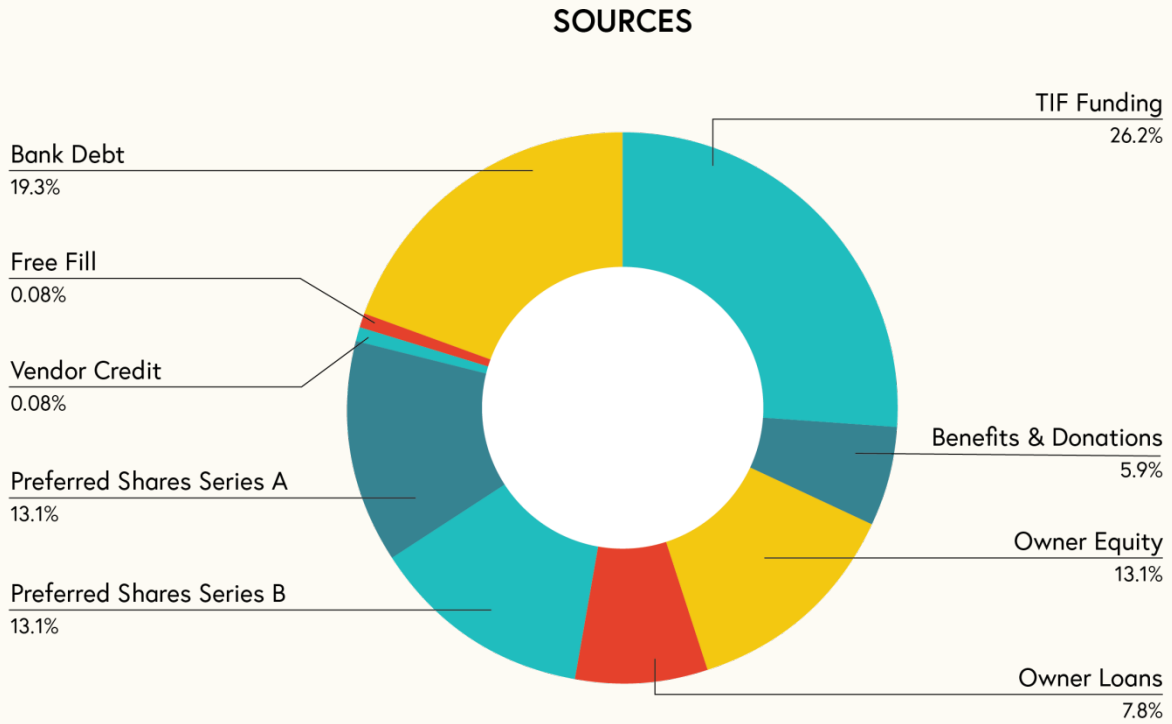
Operating Activities	
Net Income	(\$71,530)
Prepaid Insurance adjustment	\$7,035
Net Cash provided by operating activities	(\$64,495)
Investing Activities	
Operating Lease - Right of Use	\$253,185
Net Cash provided by investing activities	\$253,185
Financing Activities	
Operating Lease Liability	(\$253,185)
Owner's Contribution	\$50,963
Net cash provided by financing activities	(\$202,222)
Net Cash Increase for Period	(\$13,532)
Cash at beginning of period	\$497,977
Cash at end of period	\$484,445

Funding the Store

Chicago Market is moving forward with the store design. Funding this work and subsequent phases is dependent on a successful Capital Campaign and Owner growth. Absent adequate non-bank funding, the project will not be able to move forward with design and construction.

The total project cost is expected to be \$7.6M including Owner Equity and Owner Loans already obtained. Assuming a successful Capital Campaign and enough Owner Growth, we expect Chicago Market will be able to get bank and TIF financing as planned. The chart below shows the breakdown of funding sources.

Campaign Goal Funding Sources



Bank Debt	19.3%	\$1,472,377
Benefits & Donations	5.9%	\$450,000
TIF Funding	26.2%	\$2,000,000
Vendor Credit	0.8%	\$63,207
Free Fill	0.8%	\$63,207
Owner Loans Phase 1 + 2	7.8%	\$593,460
Preferred Shares Series A	13.1%	\$1,000,000
Preferred Shares Series B	13.1%	\$1,000,000
Owner Equity	13.1%	\$1,000,000
Total		\$7,642,251

Please Support Our Business Owners

(note that we keep an [updated list on our website](#))

Amanda Skrip - Natural Foods Chef + Wellness Consultant	Green City Market	Pastoral Artisan Cheese Bread & Wine *
Andersonville Farmers Market	Green Sheep Water	Phil Circle Music
Big Jones	Hewn Bakery	Pokiology
Bike Home Chicago Real Estate	Homegrown Wrappings Gift Company	Platform 4611
Bootleg Bâtard	Jeanette's Cookies	Printed Canvas
Breslin Farms	Jeppson's Malort	Ravenswood Event Center
Bueno Properties Inc	Jo Snow Syrups	Sauce & Bread Kitchen
Building Block Toys	Joel Berman Architecture & Design	Scratch Goods
Candid Wines	Khepri Renewal	Simple Farmer Wines
Citypads	Le Parfait	SoFo Tap
Clayco	Lindsey Collier Real Estate	Stewart School Lofts
Collective Resource Compost	Logan Square Kitchen	Swedish Hospital
Cornerstone Community Outreach	Mara Baker Studio	Bitter Ex Bitters Company
Earth First Farms	Metropolis Coffee	The Kola Nut Collaborative
Edward Collins-Fanner	Most Motivated	The Levantine Kitchen
Ext.54 (PR)	My Buddy's	The Public Barber
FarmLogix	Natural Investments - Sylvia Panek	The Vogel Team
Farpoint Development	Neighbor in the Know *	Two Door Group at Compass
Fat Cat Chicago	New Acropolis Chicago	Uncommon Ground
Fernandez Films	New Food Studio	Uptown Arcade *
First Financial Credit Union (Chicago Market Owners are eligible to open accounts at FFCU)	No Bones Beach Club	Vincent
Gardeneers	No Cover, LLC	WasteNot Compost
	Organic Bread of Heaven	Wellbeing Personalized Healthcare
	Pang Organic Tea	Yoga Body Elements

* denotes no longer in business