

Chicago Market Feasibility Reassessment Weekly Update

Start of Week 4, Monday, July 20, 2020

Last week's work included:

- Providing our proforma consultant with the information needed to create a baseline proforma with current assumptions (new information from landlord, anticipating potential impact of new store design, new opening date, new COCOFIST data, co-ops past expenditures). This is needed to create any realistic picture of what is feasible for the co-op. Updated baseline pro forma expected today.
- Team reviewed programming ideas and fleshed out two overall programming directions that will now be moved forward to be more fully modeled.
- Research on dense urban, small format, high volume stores operational metrics, programming, space usage, and operations. Dense urban co-op stores have very different metrics in key areas that we do not see reflected in the previous plan, to do this we need specific data from existing food co-ops that share many of CM's potential site characteristics. Identified two co-ops that closely mirror CM's site characteristics/market/size to get data and interviews from.
- Engaged Dan Arnett, (previously GM of Central Co-op in Seattle \$23M, one of the two open co-ops identified as being most similar to CM's planned store) as an additional consultant to the project to bring in deep operational and financial knowledge of dense urban market co-op formats. (There will be no extra cost to Chicago Market for this additional expert on our team).

This week our team will:

- Review and analyze baseline pro forma to verify just how far we have to move the dial — and develop plans to achieve that
- Review initial programming concepts with deli/fresh leadership from Kevin
- Review updated store design concept
- Provide an update to the Chicago Market Board on Wednesday and hear outcomes of their owner loan survey

Board Meeting Expectations:

We would ask all board members to please come ready to share questions or concerns you might have about this project so we can have a fully transparent and honest conversation. Your co-op is in a unique and important moment and it is very normal to have lots of questions about what the outcomes will be and what that will mean for your co-op. We will be ready to listen and respond to those questions and concerns that we can answer immediately, and take those that require input back to the team for a response.

We will also share at a high level how our work is evolving and the directions we are exploring to find financial feasibility for Chicago Market in the Gerber Building.