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# Northside developer buys building for co-op grocery. Will it succeed where Clifton failed?

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Northside's community development corporation has closed on the purchase of 4145 Apple St., a former Save-A-Lot, which it hopes to turn into a community co-op grocery store. Organizers of the Apple Street Market said Friday they hope to open it sometime in 2020.

Officials with Northsiders Engaged in Sustainable Transformation and the Apple Street Market are pursuing the co-op grocery store in a different way than the organizers of Clifton Market, which is 1.9 miles away and whose shareholders voted to sell to a private operator this week. Those differences will lead to success where Clifton Market failed, Councilman [David Mann](#) and those involved



COURIER/CHRIS WETTERICH

Sarah Thomas, the executive director of Northsiders Engaged in Sustainable Transformation (NEST), speaks at the site of the future site of Apple Street Market in Northside on Friday.

with the Apple Street Market predicted Friday.

Earlier this year, the Cincinnati City Council voted to give a \$515,000 community development block grant to NEST to buy the building. NEST will own and control the building, which it purchased for \$435,000 on Nov. 14, according to Hamilton County Auditor's records, regardless of whether Apple Street Market succeeds. Apple Street Market will pay NEST rent when it opens.

That's a major difference compared with Clifton Market, whose shareholders raised hundreds of thousands in share sales and shareholder loans to leverage more than \$6 million in loans from banks and individuals to buy the building at 319 Ludlow Ave. along with equipment for the store.

That debt, plus obligations incurred by the building's former owner that Clifton Market cleared, weighed down the store. Clifton Market opened without sufficient operating capital, took a public relations hit because prices were perceived as high at first and struggled at times with fully stocking shelves, which hurt sales. It led to a spiral that nearly resulted in the death of the market earlier this month, the market's bankruptcy attorney told shareholders on Tuesday.

The Apple Street Market project is expected to cost \$4.7 million, with New Market Tax Credits playing a role in the financing. NMTCs have been critical to urban core redevelopment in Cincinnati, drawing capital to low-income communities by giving individuals and corporations a tax credit on their federal income taxes when they provide debt or equity investments in development. The tax credits plug financing gaps in projects considered too risky for banks to finance through standard means.

The former Save-A-Lot was a store with low prices for groceries and high prices for low-quality produce. Apple Street Market has lined up a distributor, Associated Wholesale Grocers, to provide the low-cost, value products needed by Northside's low-income residents through a private-label brand with prices competitive with Walmart and Save-A-Lot, said Kristen Barker, board chair of the co-op. At the same time, the store will appeal to Northside's more affluent residents because of high-quality produce acquired from another developer.

"We think everyone can be rubbing shoulders together," Barker said.

Apple Street Market, which will be co-owned by shareowners and employees, also is building its business model using conservative sales projections below Save-A-Lot's

performance with the aim of ensuring the market is sustainable.

Philadelphia-based Uplift Solutions, a consultant on food desert projects, has provided guidance, including advice that co-ops cannot serve a significant debt load, that they must provide outstanding service and that co-ops should have space for other small businesses that can provide additional revenue and drive traffic, Barker said. Apple Street Market plans to achieve that by providing kiosk space.

Sarah Thomas, NEST's executive director, said the group, which traditionally has focused on residential redevelopment of blighted and vacant properties, is expanding to commercial redevelopment and the Apple Street Market project is part of that plan. The property is in a key location for the neighborhood near a school, recreation center and housing, she said. NEST will contribute its own funds to the grocery project.

"We're all very excited to see a contributing business return to this space," she said.

*Editor's note: The author of this story is a shareholder in Clifton Market.*

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