

APPLE STREET MARKET
Frequently Asked Questions
January 25, 2021

1. Where has money already raised since 2014 gone?

At the December 2020 Community Owner meeting we presented the most recent listing of expenses for the past 7 years, shown below:

EXPENSES from 2014-2020		
Merchant Fees	\$	8,163.25
Governance/Ins/Training	\$	8,232.02
Products+InsFor Farmers Mark	\$	11,619.24
Marketing, Website & Educatio	\$	16,962.34
Interest/Tax Exp	\$	17,213.72
Capital Campaign Expenses	\$	21,542.20
Market Studies & Feasibility	\$	27,630.14
Accounting & Legal	\$	35,518.86
Design, Engineering, Environme	\$	129,460.86
Project Management	\$	129,888.65
Total Expenses	\$	406,231.28

for 4145 Apple Street
over 7 years

2. How much did Apple Street pay professionals for designs for the Save-a-Lot site?

The design, engineering, environmental abatement fees totaled \$129,460.86. These fees paid for complete detailed building renovation plans for 4145 Apple Street which were used to apply for and receive a building permit, in anticipation of proceeding with the project. Environmental abatement included investigating the building for hazardous materials and then removing asbestos containing materials from the building. This environmental abatement was required for the building renovation project and is also necessary prior to the demolition of the building to make way for the Apple Street Senior apartment building.

3. How is the fundraising going?

We have 170K in hand and 540K in escrow accounts.

In order for fundraising to kick into high gear with potentially high dollar philanthropic sources, Apple Street Market needs to have a signed Memorandum of Understanding (MOU) that demonstrates there is a path for the Market to become part of development of the viable location of the Triangle site. The Cincinnati Development Fund has indicated that if they receive allocation in 2021 for New Market Tax Credits and Apple Street Market secures a viable location, they would be happy to allocate credits.

4. What kinds of vetting of the business plan has occurred?

Apple Street Market's business plan for 4145 Apple Street has been reviewed by numerous grocery experts who have found it to be realistic and compelling. In addition to the Market's distributor Associated Wholesale Grocery (AWG), the ICA Group, Columinate (previous CDS consulting, a very reputable grocery consultant), and various CDFI's including Self-help Credit Union have reviewed it. It serves as the basis of the business plan for Apple Street Market's sister store [Gem City Market](#), which is opening in Dayton, Ohio, in the next few months. [Food Cooperative Initiative](#) identified that business plan as the best business plan for a grocery co-op start-up it had seen. It only needs minor tweaks to work for the new site. Columinate is currently reviewing all of those tweaks along with AWG.

5. What kind of analysis of the proposed sites has occurred? Who other than AWG has provided vetting and analysis?

Apple Street Market has brought in Associated Wholesale Grocery (AWG) as well as Dakota Worldwide to evaluate sites in the neighborhood. Both identified the Triangle site at the corner of Blue Rock and Hamilton as the best site for a long-term viable grocery store.

The second best site is the rectangular former Ace Doran site on Blue Rock directly behind Hoffner. This property is currently owned by Gaslight Properties. Apple Street Market approached Gaslight to explore the possibilities of this site. Gaslight said they do not currently have a timeline for developing the property and that they are not interested in a grocery store. It is not clear whether this could change over time with significant community pressure.

Location is critical in creating a successful grocery store. People will not often go down side streets and out of their way for their groceries, especially if the grocery store size renders it incapable of holding anywhere near the varieties of products found at stores such as Kroger. Apple Street spent 2020 looking for potential viable sites and conducted market studies in both Northside and College Hill which eliminated several candidates. These include:

- Building Value or area by Rock Island Realty - Grocery stores want cross streets rather than the middle of a block. Corner spaces are ideal for a grocery. The further in the middle of the block, especially when there is insufficient density and off the main road, the less chance for it to work.
- StageCraft- This site presents challenges with respect to accessibility, parking, floor area, loading dock, and residential density.
- Large Cooper Lot at Cooper & Cherry -not visible, out of the way, not enough density
- Site of the proposed SkatePark when getting off I-74 - There is deep neighborhood desire for it to be a skatepark, and there may be serious traffic and safety challenges with getting into the site
- Capozollo Printers - The site has no parking except for paid Northside Business Association parking. It also has no entry from Hamilton Ave because the alley has insufficient space for entry. People could only access from Spring Grove. The building would need to likely be demolished and rebuilt to accommodate features such as a loading dock, which could be cost-prohibitive.
- Spring Grove Truck Lot - Located on the fringe of the trade area, without many houses around it, it may be too close to Kroger.
- Bud Herbert's - Of all the options, this is the closest to a possibility, but the market study sales number and proforma demonstrate that this would be difficult to pull off. There is the added challenge that a profitable business is happily operating there.

6. Does PLK have to build a grocery store?

PLK is of course under no obligation to build a grocery store. We hope to inspire them to accommodate this amenity that will serve their approximately 350 tenants including the Gantry and the proposed 200 unit development. It is an opportunity for PLK to be a transformational leader and support the Northside community.

7. What is Apple Street asking PLK?

To offer a chance for a grocery store to come to life in the neighborhood, we ask that:

- 1) PLK create an MOU with Apple Street Market that would lay out clear benchmarks that would need to be met to be incorporated into the Triangle development.
- 2) We suggest that PLK focus first on developing the Cooper lot.

This would not obligate PLK to make Apple Street Market a part of the development if the Market doesn't meet reasonable benchmarks. At the same time, it would also give Apple Street Market an MOU and a clear path to being part of the development.

That would allow Apple Street Market to recommence large-scale fundraising; returning to philanthropic foundations, getting a term sheet from Self Help Credit Union, and being ready to accept a New Market Tax Credit (NMTC) allocation should CDF receive another allocation, likely in May. A NMTC allocation could support PLK's development beyond the grocery on the Triangle.

8. What would this mean for PLK?

PLK will incur expenses for modifications to the current architecture plans for the Triangle if they abandon their current design. If PLK begins development with the Cooper lot, they will be bringing their largest, most profitable facility into being first, the one with over 120 units, where they would recoup that money quickly. This is potentially more lucrative for them in the final analysis.

9. Does the community have power?

Absolutely! While Cincinnati City Council demonstrates a history of ultimately backing developers at the end of the day regardless of community desires, City Council history also shows a willingness to slow the process down to urge developers to engage more deeply with communities. Time is money for developers. Slowing things down is a problem they would like to avoid. Developers benefit from community support, especially when it comes to things like in this project where PLK needs to buy a right of way from the city and wants tax credits.

10. What does Apple Street need to be viable on the Triangle site?

The Associated Wholesale Grocery market study and the 10 year proforma produced by Columinate demonstrate that Apple Street Market requires a minimum of 10,000 square feet, 30 parking spaces, and a loading dock. Interestingly, in PLK's second to last iteration they had 9300 square feet of commercial space in their drawing 7400 for Apple Street and 1900 for another unknown vendor.

11. What are the challenges to be dealt with on the Triangle site?

Parking is the biggest conundrum and would need a negotiated solution. It would require the neighborhood's creativity. Is there a way to rent part of Gulow business parking lot? Or part of Humble Monk's parking? Are there any options that could both increase pedestrian safety, help Collective Espresso and meet PLK and Apple Street's needs by shutting the one way part of Vandalia between Hamilton and Gulow?

How many units and what size unit will PLK have on the site? How much parking is needed per unit? Is PLK willing to provide financial information about how they are approaching this, how they are sharing costs, economies of scale between the Gantry and all these parcels?

Safety & Livability is also a concern. With more cars using Apple Street and Gulow Street, what does that mean for existing residents. What precautions could be taken to support pedestrian safety? Would shutting the one way part of Vandalia between Hamilton and Gulow be helpful? Could that be accomplished in a way that benefited Collective Espresso?

Design Challenges will include making sure there is a loading dock, sufficient parking, and that the grocery is accommodated while meeting the needs of the residential units.