



Kevin Baffa, Grant Administrator
Chester County Community Foundation
28 W. Market Street
Lincoln Biography Building
West Chester, PA 19382
March 11, 2023

Dear Mr. Baffa:

On behalf of the Board of Directors and member-owners of Kennett Community Grocer, we are submitting a Field of Interest and Donor Advised Funds Grant supporting our efforts to execute an “Open the Doors” capital campaign which will initiate the funding of our community-owned food cooperative for the Kennett area of Southern Chester County.

With funds provided by your organization, we will be able to support the consultation fees of an experienced food cooperative fundraiser and provide our fundraising team with the necessary tools to carry-out the work of raising money to begin financing the store. Our commitment to the Chester County community is to provide a beautiful for-profit grocery store with the mission of selling produce, meats, dairy products and prepared foods produced in Chester and surrounding Pennsylvania, Delaware and Maryland counties. With over 125 farms in Chester County alone, we feel confident that year-round we will be able to stock approximately 80% of our products from local producers. With wholesale volume procurement and the marketing expertise of the food cooperative business model, we will be able to sell these products at affordable prices.

We hope to utilize the funding we are applying for to secure the capacity to perform a successful capital campaign for funding a lease and hiring a project manager to begin the process of “opening the doors”.

Sincerely yours,

Edith Burkey, Board President, Kennett Community Grocer

CHESCO FOUNDATION GRANT NARRATIVE

1. Non-profit's history, goals, key achievements, and distinctiveness:

Initially planned and incorporated in 2018, Kennett Community Grocer (KCG) is a distinct and unique business model for a planned retail grocery store in southern Chester County. This model shared by over 120 cooperative grocery stores in the United States is based upon community-member ownership, as opposed to an individual principal ownership. Individuals and families living within our area come together signing an agreement to share cooperative values and principles. They contribute a financial equity share and in return will receive discounts and eventual profit-sharing from the store's revenue. The combined equity shares amassed from 2018 to present along with monies raised through a capital campaign will finance the store start-up.

To date, we have attracted 365 member-owners to this endeavor and are expanding by an average of 8-10 members per month. We have an established and experienced 12-member Board of Directors, four active committees organizing events, directing messaging and social media, and securing the store site and operations. We have raised \$3,500 in individual donations outside of the equity shares and have obtained a Hadley Grant which funded the production of our marketing video in Spanish and English. We have numerous active volunteers outside of our working volunteer Board members. With social media and event engagement, we have established strong community interest and support. In June 2024, we will launch our fundraising efforts to secure capital funds for the store.

The distinctiveness against our competitors lies in the community ownership as well as focus on providing an inventory comprised of products from local food producers and vendors. A KCG shopper will support the economic health of local agriculture producers who struggle to find and maintain economically sustainable wholesale markets. The farm products purchased by Kennett Community Grocer can make the difference between a local farm's financial health and its demise. Staffing of retail markets such as Farmer's Markets place a strain on farm production and are unreliable sources of income for a small farm.

Additionally, shopping in the store will be a personal experience encouraging interaction among fellow community members. Nutrition education provided by the knowledgeable staff will enhance health. We will be competitive in the natural and organic/clean food market offering food at affordable prices and will have a discount program for low-income residents. Because our area is a diverse community our food offerings and educational events will reflect a diversity of foods from our many traditions and will be available at prices the entire community can afford.

Funding Request

The average length of time to open a cooperative grocery store is 5 to 7 years according to our advising agency, The Food Cooperative Initiative (*FCI-coop*). At this point in time, it is critical for KCG to begin a capital campaign which we identify as a "community investment fund" to secure a lease on 6,000 square feet of commercial space, design and equip the store, secure wholesale contracts for local goods and purchase our initial inventory. Membership Equity shares are contributory but not sufficient for the next phase of our development.

Our Board of Directors voted to fund the position of an independent capital campaign consultant for the 2024 calendar year to guide us in raising funds and building the Board capacity to attract more member-owners. The proposal for this independent contractor included in this grant package requires additional funding beyond what we have budgeted. KCG will fund 60% of the contract and we are seeking an additional 40% of funding or \$5,965 from the Chester County Community Foundation.

As noted, we hope to meet industry standards for cooperative grocery store start-ups by opening our doors within the next 24 months. We are currently in our sixth year of emergence. A successful capital campaign will help our realtor secure our site. A recent professional Market Study determined a projected annual sales of 2.7 million dollars at our potential site. Thus, our impact will be felt economically by community members employed in the store, the local farmers and food producers, and shoppers who will benefit from one place to affordably secure local nutrient-rich farm food. We look forward to a successful Capital Campaign funded with the help of the Chester County Community Foundation funds.

**CHESTER COUNTY COMMUNITY FOUNDATION
GRANT PROPOSAL SUMMARY SHEET**

One page only. This page will be shared electronically with Grant Panel Members & Fund Advisors.

*Note: If Philanthropy Network's Common Grant Application is used, CCCF's **Summary Sheet MUST accompany application.***

To obtain an electronic version of this application, visit www.chescocf.org

Date

Contact Information

Organization Name: Kennett Community Grocer
Address: 133 Federal Walk, Kennett Square, PA 19348
eburkey@comcast.net
Phone: 610-986-4207
Website: kennettcommunitygrocer.coop
here):x
Year Incorporated: 2018
Burkey
FEIN: 39-1540529-Fiscal Sponsor, Cooperative
Development Funds of CDS

ED/CEO Name: Edith Burkey

ED/CEO E-mail:

Board Chair Name: Edith Burkey

Board Chair Approval (check

Primary Contact Name: Edith

Organization Information:

Field/s of Interest:

Arts, Culture & Humanities

Environment/Animal Welfare

Education

Health

Human Services

Religion

Mission: To provide a community-owned grocery store selling local, healthy, clean produce, farm products, meat, and dairy products at an affordable price.

Geographic Area Served: (If not all of Chester County, specify primary Chester County regions served): all of Chester County but primarily southern Chester County

Describe Population Served & Annual Number of People Served: Our market demographic is approximately 60,000 people within a 17-mile radius of Kennett Square Borough.

Annual Budget \$ \$30,000 _____ # of Full-Time Equivalent Paid Staff

_____ 80 _____ % of budget for program expenses _____ 9 _____ # of Board Volunteers

_____ 15 _____ % of budget for administrative expenses _____ 40 _____ # of Active Non-Board

Volunteers

_____ 5 _____ % of budget for fundraising expenses _____ 10 hours per week on average_

of Volunteer Hours 2,032 for 2023

100 % total

Top 3-5 funding sources:

Is this grant proposal for: Capacity Building or General Operating ?

If Capacity Building Proposal, the focus is:

Mission, Vision & Strategy Governance & Leadership Partnerships & Collaborations

Fundraising, Development & Marketing Technology Other:

Grant Amount Requested from the Community Foundation: \$ 5,965_____

Proposal Summary:

KENNETT COMMUNITY GROCER BOARD MEMBERS AND AFFILIATIONS

1. Edith Burkey-Board President, Retired Physician Assistant, Nemours Children's Hospital
2. Britton Elwood-Vice President, Operations Coordinator, Kennett Area Community Services
3. Lindsay Cook-Treasurer, CPA, MFT, President and Founder of Budget Babble LLC
4. Erin Selfe-Secretary, Officer and VP of Lumbermen's Mutual Insurance Company
5. Norah Roth-Moore, Esq., Homemaker
6. Adam Peterson- Senior Director, Creative Wellness Marketing, Inc.
7. Philippe Mazur- Retired Grocery Store Manager in France
8. Tracy Bhalla-Ambassador for Neal Yards Remedies and Owner of Loghouse Aromatics
9. Henry Schlimme- Senior Vice-President, Resource and Capacity Planning, Bank of America

Balance Sheet

Kennett Community Grocer

As of Jun 30, 2023

ACCOUNTS

Jun 30, 2023

Assets

Cash and Bank

Business Super Saver (940) \$7,702.45

Entity Ownership Share (932) \$5.00

KCG Member Equity Fund \$1,850.01

Primary Checking (957) \$50,522.39

TCN Member Equity Fund \$3,518.10

Total Cash and Bank \$63,597.95

Other Current Assets

Total Other Current Assets \$0.00

Long-term Assets

Total Long-term Assets \$0.00

Total Assets \$63,597.95

Liabilities

Current Liabilities

Total Current Liabilities \$0.00

Long-term Liabilities

Total Long-term Liabilities \$0.00

Total Liabilities \$0.00

Equity

Common Shares	\$90,689.13
Retained Earnings	
Profit for all prior years	-\$23,754.19
Profit between Jan 1, 2023 and Jun 30, 2023	-\$3,336.99
Total Retained Earnings	-\$27,091.18
Total Equity	\$63,597.95

EXPENSES

BUDGET FY 2023-24

MOVE Committee	
<i>Outreach</i>	\$500
<i>Volunteering</i>	\$1,000
<i>Events</i>	\$8,500
Office Supplies/Printing	\$500
Postage & Delivery	\$350
Contract Services	
<i>Tax Preparation</i>	\$600
<i>Clarion Service Company</i>	\$95
Market Study	
Consulting Fees/Capital Campaign	\$11,000
D&O Insurance	\$475
Liability Insurance	\$930
Miscellaneous	\$2,000
Taxes	
<i>Business Taxes</i>	\$0
TCN	\$500
Website Fees	
<i>Gandi</i>	\$110
NationBuilder	\$0
Squarespace	\$4,000
ElectionRunner	\$36
	TOTAL:
	\$30,596

Internal Revenue Service

Date: December 29, 2005

Kennett Community Grocers Sponsor
COOPERATIVE DEVELOPMENT FUND OF
CDS
131 W WILSON ST STE 400
MADISON, WI 53703

Department of the Treasury
P. O. Box 2508
Cincinnati, OH 45201

Person to Contact:

Sally Froehle
ID# 31-08058

Toll Free Telephone Number:

8:30 a.m. to 5:30 p.m. ET
877-829-5500

Federal Identification Number

39-1540529

fiscal sponsor

Dear Sir or Madam:

This is in response to your request of October 19, 2005 regarding your tax exempt status.

In March 1986 we issued a determination letter that recognized you as exempt from federal income tax. Our records indicate that you are currently exempt under section 501(c)(3) of the Internal Revenue Code.

Our records indicate that you are also classified as a public charity under sections 509(a)(1) and 170(b)(1)(A)(vi) of the Internal Revenue Code.

Our records indicate that contributions to you are deductible under section 170 of the Code, and that you are qualified to receive tax deductible bequests, devises, transfers or gifts under section 2055, 2106 or 2522 of the Internal Revenue Code.

If you have any questions, please call us at the telephone number shown in the heading of this letter.

Sincerely,

Cindy M. Westcott

Cindy Westcott
Manager, EO Determinations