FOR THIS YEAR’S ANNUAL LETTER, I want to address the issue of site selection and acquisition. To say this is the most asked question regarding our cooperative would be an understatement.

2016 was a year of many serious challenges toward the ultimate goal of opening the store. Even if it hasn’t been particularly apparent at times, the Terre Foods Cooperative Market leadership teams, the Working Groups, Steering Committee, and Board of Directors, have been actively pursuing a viable location for the store. To that end, I want to discuss some of the particulars in regards to finding an adequate location and give updates on what has transpired in the past year.

We started the year with a large step back. In 2015, the Board of Directors had been in the early stages of lease discussion with a very positive developer. That project would have literally been in the heart of downtown. Unfortunately, after working on understanding each other’s needs, bringing in our design consultant, and preparing the timeline for a capital campaign; the developer had a change of heart. After spending so much energy on that project, it was demoralizing to the board to have come so close to success, only to have to restart the process.

Ultimately that set back was our gain, as we learned more about negotiations, property development, contracts, and store design that will benefit our next round of discussions. It also helped us rethink how we were approaching the site selection process. We restructured the Site Selection Committee and invited new members to join in the property search who are knowledgeable in development, realty, and government bureaucracy with direct knowledge about the changing Terre Haute development and realty landscape.

The Site Selection Committee is now in the process of identifying new properties, and revisiting some that we had previously vetted. The city has changed since our last market analysis—we have new competition, and the market is changing with new developments in the downtown and surrounding areas. Our current plan is to find 6 suitable locations and have Dakota World Wide run a new market analysis on those sites. We are most of the way to that goal and hope to have that process completed in the first quarter of 2017. As we move forward, the board will be in communication as much as possible to keep you in the loop.

Another aspect that I think will be helpful to the membership is in the specifics of what makes a suitable location for the store. There are two parts to that goal, the area the store is located, and the suitability of the site itself.

In the past, the membership expressed a strong desire for a store located in the downtown corridor. However, our last member survey identified that the overall desire to see the store open was greater than having the store located directly in downtown. We are still committed to a store that meets the needs of downtown; however, we are also looking at suitable sites that are in the areas identified by membership as acceptable.

Regardless of location, the store needs to have enough traffic, be accessible to our customers, and be able to meet the specific needs of a retail grocery. That makes the market analysis an integral part of the overall decision making process. While we have been offered many sites and suggestions over the years, the reality is that the specifics have to be met in order to proceed.

Assuming a site seems viable, we have a checklist that must be met before we
can consider having a market analysis performed. The most important is size. Is the property suitable for both the store and parking needs? Is the property or building suitable from a development perspective? Our store needs a minimum of 5500 square feet of retail space, and a total footprint of 8500-10,000 square feet. This is a difficult combination to achieve in the downtown environment, especially when paired with the need for parking. We will need a location that is accessible by car, and meets the required codes for a retail grocery. To that end, our location must have at least 6 parking spaces for every 1000 square feet of retail space, not including accessible spaces and street parking, or a minimum of 33 spaces for this project. If the building or property cannot accommodate these two size requirements, then it is not a viable location.

Once the appropriate size is determined, a few more criteria need to be determined. Will the space have an area for deliveries? Is there space for a loading dock or overhead door? We do not want to unload trucks in the middle of a street or alleyway and impede traffic. And will it have an area for dumpsters? There will be a lot of material both for recycling and waste from our store and we need to be good neighbors in regards to removing these items.

After determining the best locations based on these criteria, a market analysis will identify which properties have the best potential financial return. And then there are other considerations. Is the site in a TIF? Will it be eligible for tax abatements? Is any government funding available, whether local, state, or federal? Is the landowner willing to lease or sell? Are they willing to develop the property for us? Will they be honest negotiators? And if our negotiations are successful, we will then begin a capital campaign to source as much of the funding as possible from our member owners.

As you can see, this process is lengthy with many steps in order to give us the best chance of success. I hope this helps you understand the difficulties of navigating a project like the one we have set out to achieve. Please reach out to any of the leadership, or consider adding your expertise to helping us finally get the store open.

Chris Weber
Board President
Terre Foods Cooperative Market
Dear Terre Foods Members,

I came on to chair the Steering Committee about a year and a half ago and I have seen a lot of changes in our organization from when I was working with Robyn Morton and many others in her living room to start Terre Foods many years ago. Back then, we had a dedicated group of about eight individuals that were doing all of the work. When I rejoined the steering committee I was heartened to see an active nine person board, with another 13 people that have worked with the Steering Committee, and about 20 others that have been involved with the various working groups and volunteer activities.

I am also serving on the site selection committee and we are moving forward well with that process. Site selection and the Capital Campaign are the two main hurdles for opening our store. The board has been working for the past several years with developers, but some good opportunities have failed after much work by the board because of a change in direction from the developers. We have examined every property in the downtown area and only have a few options left in that area that are viable for what we need for our grocery store. One of the main constraints is that we need to have about 30 parking spaces which is hard to find in the downtown area and then the project has to be economically viable. Many properties are too expensive for our project.

With your help, we completed the member survey of your wants and needs for the store as well as a reassessment of where the store can be located. One of the main messages that we got from that is that the membership is good with an expanded downtown view, really focusing on the central portion of Terre Haute but not adhering to the strict Downtown Terre Haute boundaries. While we would still love to be in the downtown area, this provides the leeway to open our search window and has helped us identify some new potential sites for our store. We are currently investigating those opportunities in earnest. We hope to be conducting a new market analysis soon on the top projects from that search and will put those numbers into our pro forma to determine the best property to pursue to complete our project and build the Terre Foods Cooperative Market. We, all 40 or so volunteers that are actively engaged in Terre Foods, working hard to get the store open.

The other main hurdle will be the Capital Campaign. We will need to raise a quarter to a third of the funds for the project from loans from our members. This was the hurdle that stopped us last time when we pursued the location on 7th
and Poplar where Footers Pizza is today. We did not raise enough funds with the Capital Campaign to move forward. We have learned since then that we need 800 members to have the number of members necessary to raise enough through the Capital Campaign for a project like this. Lending your money to the coop to get it open might seem like a difficult thing for many of our members, but the thing to focus on here is that it is a loan to a local organization that will pay back interest. It is investing directly in your community.

We have been putting much of our effort over the last five years in growing our membership. We are just about to break that 800 member mark. Once that happens, we decide on the optimal property to pursue, and we complete a successful Capital Campaign, we will be in sight of opening our store. These last few steps will take concerted effort from all of our members, but we can make it happen. We now have the tools and the membership to make it a reality.

In Cooperation,

James H. Speer, PhD
Chair of the Steering Committee
Member of the Site Selection Committee
Terre Foods Hires Communication Specialist

by Kimberly Burger, board member

Terre Foods Cooperative Market hired a part time Communication Specialist, Trevor Bridgewater. This new position is for helping to spread the word about Terre Foods Cooperative Market. The position was created from the need to help with our social media, improve Terre Foods outreach to the community, and become a point of communication with the public. The main objective of this position is to gain members, increase our communication and assist in growing the knowledge of the benefits of having a food co-op in our community.

Trevor Bridgewater has a Bachelors in Fine Arts from Indiana State University, and 2 associate’s degrees from Ivy Tech, one in Business marketing and another in Visual Communications. He is currently working on an MBA at the Scott School of Business at Indiana State University. He has an employment history as Marketing Coordinator/Publicity Director/Graphic Designer and has been involved in those fields for over 10 years. A lot of these ten years has been spent with Arts Illiana as Project Coordinator, but he has also done seasonal work with Crossroad Repertory Theater as their Publicity and Marketing Director. In his free time he enjoys playing the guitar and is a father of two wonderful boys, Colin and Liam. We are excited about the many talents and knowledge that Trevor brings to Terre Foods Cooperative Market.
Membership Working Group Update
by Susie Lannoo, Member of the Membership Working Group

The Membership Working Group has been meeting monthly; we started the year at the Public Library for evening meetings and have settled on our new home at Java Haute for monthly morning meetings. We keep them to 1 hour and pack quite a lot in, fueled by great coffee and tea. Highlights of 2016:

January we helped with the Annual Meeting at Central Presbyterian Church, setting up a membership table to answer questions and meet new members.

February we hosted the first Hump Day Happy Hour at 7th and Elm. No new members, but a group of us had a great time. It's important to give current members benefit to their membership and efforts have seemed to do just that.

March was our first Member Potluck at the Institute for Community Sustainability. We had several members show up besides us on the committee. We drew attention to our Farmers Market Vendors who are members in the Monthly Newsletter, beginning with Royer Farm Fresh.

April wouldn’t be complete with the Earth Day Celebration at SMWC. The Terre Foods tent was bustling, as always, with food from Royer Farm Fresh, Harvest Bakery, and member contributions of salads. The new t-shirts sporting the new logo were introduced as a gift to new members.

June saw us host another Member Potluck to welcome Community Gardeners at the Institute for Community Sustainability.

July- Blueberry Festival. ’Nuff said.

August was hot, and the Downtown Block Party was the place to set up a table and welcome questions. We introduced many new people to Terre Foods and heard ideas from people on potential store locations. September ended with the Annual Fall Retreat. With Board members and a few of us on Membership, we road mapped a timeline to opening. Can we stay on course? October was a good month to plan our Flash Sale events.

November saw two Flash Sale events: Aracari Kitchen and 7th and Elm. We received good feedback on these and hope to do more of them in 2017.

A great way to close out the year was the wonderful member benefit given by TH Fitness Center. Several folks have taken advantage of a great deal - $10 off a monthly membership. To cap this, a hugely popular Facebook video to announce this benefit took on a life of its own. Check out the TF Facebook page to see what all the fuss is about.

We have a wonderfully energetic group to work with. We look forward to great strides in 2017.
Community Outreach Update
by Holly Hudson, Chair of the Community Outreach Working Group

2106 was a busy year for the community outreach group supporting and participating in community events as well as planning the Blueberry Festival.

We began the year at the White Violet Center’s Earth Day event.

- With changes to the food vending policy, we could no longer solicit salads from our members. The community outreach group gathered together the Friday night before the event at the Sisters of Providence’s commercial kitchen to prepare salads, roast vegetables and prepare the sausages. A good time was had by all, as we prepared food and had good conversation.

- While the community outreach group is involved in the planning, several other Terre Foods members volunteered their time during the Earth Day event.

- Terre Foods is committed to supporting local businesses and local foods. The White Violet Center’s Earth Day is an event where we can do just that; the meat was from Royer’s and the bread was from The Harvest Bakery.

On the third Thursday each July for the past 8 years, Terre Foods has provided the community the opportunity to celebrate summer with the Blueberry Festival.

- The community outreach group is once again responsible for the planning of this event. However, it takes approximately 80, behind the scenes and the day of, Terre Foods members volunteering their time for it to be a success, and so far it has been a huge success each year.

- Due to the potential construction at Central Presbyterian, we had to seek out a new location. The Masonic Temple, right next door, offered to be the host site for the Blueberry Festival. The large lawn area and the huge shade tree provided a wonderful atmosphere for the festival, and helped provide relief from the excessive heat at this year’s festival.

- Along with our new location, we added a new feature to the festival this year; the blueberry man. T.J Hellmann, a Terre Foods board member and Terre Foods enthusiast, donned a blueberry suit while talking to members and potential members.

- Despite the heat, the festival was once again a success. We sold all 1,500 lbs. of blueberries and our vendors reported it as a good day.

Terre Foods continued its support of our community through its attendance at both the Block Party and the Altrusa Chili Cook-off.
• The Block Party gave us the opportunity to talk with current members as well as share the Terre Foods message with many potential members.
• The Chili cook-off is the opportunity to support our community while having a good time cooking. Terre Food’s chili this year was a black bean and butternut squash chili.

The Community Outreach working group is responsible for planning and organizing events.

• There are currently seven members participating in this working group; however, we always welcome more.
• We currently meet the second Wednesday of each month from 6:00-7:00 p.m.
• If you are interested, you can contact Holly Hudson at hhudson40@gmail.com for more information.

These events are planned and organized by a small group. However, the success of these events depends on the many members that volunteer. Thank you to all who have volunteered in the past and to those of you who will answer the call this year, as we will continue our efforts in making the Co-op a reality.
## General Fund

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## Capital Fund

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## Net Profit From Events

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7 Cooperative Principles

Cooperatives around the world generally operate according to the same core principles and values, adopted by the International Co-operative Alliance in 1995. Cooperatives trace the roots of these principles to the first modern cooperative founded in Rochdale, England in 1844.

1. VOLUNTARY AND OPEN MEMBERSHIP
Cooperatives are voluntary organizations, open to all people able to use its services and willing to accept the responsibilities of membership, without gender, social, racial, political or religious discrimination.

2. DEMOCRATIC MEMBER CONTROL
Cooperatives are democratic organizations controlled by their members—those who buy the goods or use the services of the cooperative—who actively participate in setting policies and making decisions.

3. MEMBERS’ ECONOMIC PARTICIPATION
Members contribute equally to, and democratically control, the capital of the cooperative. This benefits members in proportion to the business they conduct with the cooperative rather than on the capital invested.

4. AUTONOMY AND INDEPENDENCE
Cooperatives are autonomous, self-help organizations controlled by their members. If the co-op enters into agreements with other organizations or raises capital from external sources, it is done so based on terms that ensure democratic control by the members and maintains the cooperative’s autonomy.

5. EDUCATION, TRAINING AND INFORMATION
Cooperatives provide education and training for members, elected representatives, managers and employees so they can contribute effectively to the development of their cooperative. Members also inform the general public about the nature and benefits of cooperatives.

6. COOPERATION AMONG COOPERATIVES
Cooperatives serve their members most effectively and strengthen the cooperative movement by working together through local, national, regional and international structures.

7. CONCERN FOR COMMUNITY
While focusing on member needs, cooperatives work for the sustainable development of communities through policies and programs accepted by the members.

https://www.ncba.coop/7-cooperative-principles
Mission Statement
The mission of the Terre Foods Co-op is to provide the Terre Haute community access to organic and natural foods and products at fair value. Priority will be given to locally grown foods and handmade products. As a member-owned market, we are committed to serving the needs of the community while using ethical and sustainable business practices. We want to encourage the development of a local food system in cooperation with small farmers and businesses in order to sustain and invigorate our regional economy. (Adopted Nov. 2, 2007)

Vision Statement
Our vision of the Terre Foods Co-op is to enrich our community by providing access to healthy, local foods at fair value while building a network of local providers. We endeavor to promote community well-being, environmental stewardship, and economic sustainability through cooperation. (Adopted Nov. 2, 2007)