



Frequently Asked Questions & Answers About Goosefoot's New Grocery at Bayview Center

What kind of a grocery is the Goose?

The concept for the Goose is to combine the best of traditional value-oriented supermarket shopping with a commitment to presenting locally-produced foods.



The store is owned by Goosefoot and operated by The Myers Group. In a one-of-a-kind partnership, Goosefoot, a non-profit organization, and The Myers Group, a family-owned business, collaborated to develop and operate a community-owned supermarket. Both partners are headquartered on South Whidbey.

The 21,000 sq. ft. grocery opened on September 16, 2009. The interior has been completely redesigned and equipped to provide a warm and inviting atmosphere. A deli, bakery, expansive bulk food feature and espresso seating area have been added to the store. The produce department has been expanded and enhanced as part of the total redevelopment of the store.

The store's financial success will allow Goosefoot to reinvest profits to strengthen the South Whidbey community.

Why is Goosefoot the owner of the grocery store?

In short, necessity led us to this innovative solution.

Goosefoot explored potential relationships with various independent grocers in the region for 18 months. We learned that the traditional grocery owner/landlord models didn't work for grocers or Goosefoot. The grocer's steep cost of building-out a new store left little for store rent needed by Goosefoot as the property owner.

Goosefoot took the risk of building (and owning) the store because we believe a grocery at Bayview will be successful. We are confident that The Goose will respond to the community's needs, provide jobs, and contribute to the vitality of Bayview and South Whidbey community - which is central to Goosefoot's mission.

When the store becomes profitable, Goosefoot will be able to reinvest in the community, contributing to South Whidbey's social, economic and environmental health.

Is another grocery store needed on South Whidbey?

Yes, we believe there is need for another good grocer on South Whidbey. Goosefoot conducted multiple types of market analyses before deciding to pursue another grocery, including:

- A broad market study by GVA Kidder Matthews, a commercial real estate firm, for all of South Whidbey that evaluated the demographics, projected growth, existing commercial rental market and other factors; and
- Several focused grocery market analyses by Supervalu, the largest independent wholesale food supplier.

The market studies indicated a positive forecast of demand for a store at Bayview, particularly if the store was priced competitively with other major stores.

In addition, Goosefoot surveyed 250 individuals at the Island County Fair, held two large community meetings, and commissioned a focus group of island residents to ask about their suggestions for future uses/services at Bayview Center. These sources overwhelmingly voiced support for a grocery at Bayview Center, with an emphasis on fair price and value and access to locally grown food.

Bayview Center has been the home of a grocery store for the past 35 years. Until the late 1990's, the store was the most successful store on South Whidbey. Goosefoot is confident that the Myers Group will bring the store back to its former strength with their strong, locally-oriented management expertise and provide a great service to the community.

Will the new grocery compete with the Star Store at Bayview Corner?

Goosefoot is confident that a new grocery anchor at Bayview Center will build customer traffic for other businesses at the Center and the Bayview area overall.

The Star Store at Bayview is a treasured anchor tenant at the Cash Store at the Corner. Gene and Tamar Felton have created a highly successful model for a small, convenient, high quality natural food market and deli at Bayview. They have built a loyal customer base over the last five years that appreciate their specialized merchandise, warm service, and great deli fare.

The new grocery at Bayview will be a more traditional, value-oriented supermarket, targeting a broader audience than the Star Store at Bayview serves.

As the owner of the Cash Store at Bayview, it is also in Goosefoot's best interest to do everything possible to help ensure the continued success of the Bayview Star Store, since they are such an important part of at the Cash Store's success.

Were other uses for the old grocery space considered?

Goosefoot asked that question repeatedly and explored numerous options. The market studies conducted over 18 months and numerous connections with commercial real estate brokers for larger regional retailers failed to identify another viable use for the space. The 21,000 square feet of space represented a big challenge to fill with a successful tenant.

The population of South Whidbey is small; only 15,000 people live on the island from Greenbank south. The open, quiet spaces and dispersed population that makes the island attractive to those who live here also make it unattractive to major chain retailers such as pharmacies, Trader Joe's, furniture stores, etc.

Goosefoot also explored the possibility of dividing up the space for multiple smaller tenants. After a concerted marketing effort, we identified only one possible use for 30 percent of the space. The economic downturn in the last year has also created a glut of available rental space on South Whidbey. A recent survey of commercial space revealed there was more than 60,000 sq ft of vacant space on South Whidbey – not counting the 21,000 sq ft grocery at Bayview.

Did Goosefoot hire local contractors for the renovation?

We did seek out/accept local bids for this project. Unfortunately, we were able to use local contractors in just a few aspects of the job. Our decisions regarding contractors were guided by several significant criteria - and constraints.

The first was schedule. We were on a very tight construction deadline. Every day the building stood empty was a meaningful financial loss. Our rapid construction schedule demanded commercial contractors with significant capacity in terms of workforce. For example, we needed a crew of 6 - 8 refrigeration techs on site for the majority of the job.

Experience was another important decision guide. In many cases we were looking for contractors with the specific experience building groceries which narrows the pool of qualified contractors sharply. For example, we spoke to local vendors who serviced refrigeration units locally, but not ones who built them from the ground up - or from the trench up - as was the case for the store.

And lastly, cost was a critical factor. Our local bids came in at a significantly higher rate, in the range of 25 - 30%, above other competitors. Our budget constraints have been extreme. We had \$1.54 M to build and equip a totally new grocery store and make improvements to the rest of the Bayview Center. Our financing would not support the additional cost or schedule length that local contractors required to complete the project. To accomplish this project has been a major leap for Goosefoot. We needed to sell properties, commit our reserves and borrow additional funds to complete it. We entered construction with no contingency in the budget. There was simply no wiggle room on the budget.

In the long run, the store will be maintained and repaired by local contractors. A local firm was in doing repairs on the very first day of operation. And, more importantly, the Goose now employs and provides benefits to 25 full-time and 10 part-time staff. And we also know that the store's success will have a lasting positive economic impact for all of the businesses in Bayview.

Goosefoot has an exceptionally strong track record of using local contractors in our other ventures. In the case of building the grocery, we had a limited budget, complex project scope and tight schedule that did not allow us the opportunity to use local crews. We sincerely hoped that we would be able to use more local contractors for this project and were disappointed that our economics didn't allow us to do so.

What effect has the new store had for jobs on South Whidbey?

The closure of Casey's Red Apple meant the end of approximately 20 full time equivalent jobs. The Goose has hired 25 individuals for full time positions. Approximately ten part time positions have also been filled; courtesy clerk positions, often filled by high school students, are a good example of part time roles. Store employees who work at least 24 hours/week are eligible for medical and retirement benefits. The Myers Group will employ store staff.

Who and what is The Myers Group?

The Myers Group is a locally owned, family business with over 30 years of retail experience featuring a portfolio of grocery stores, fuel stations, and hardware stores throughout Western Washington. Tyler Myers and his staff will oversee the grocery's day-to-day operations of the Goose. Their most recent projects include developing and operating the Ridge Grocery Store in Snoqualmie and the downtown Seattle Kress IGA Supermarket. Tyler Myers oversaw both of these projects from start to finish. The Myers family also previously owned the Red Apple groceries at Bayview Center and Ken's Korner.