

Neechi Commons Closing and Revitalization Drive



Neechi Commons will be closed to the public after Saturday, June 30, allowing the co-op to focus on finding partners interested in redeveloping the complex. The goal is to bring in new businesses and financing that would allow the Commons to continue to provide strategic economic, social and cultural benefits for Indigenous people, ‘North End’ residents, and beyond.¹

The staff-owned co-op is hoping that a new mix of products, services and ownership will lay the basis for the revitalization and long-term viability of Neechi Commons. The co-op believes that the current situation presents an attractive business opportunity for new stakeholders and that the property provides the basis for solid security for new investments. The property was professionally appraised at \$6.3 million in 2014.

The Commons opened in 2013 but extensive renovations and new construction left a very large debt load. In turn, a shortage of operating funds has blocked the completion of business development plans and sales have not been high enough to pay down the debt. A year ago it became public knowledge that the main lender had started legal proceedings to recover its loan. This led to the widespread misconception that the business had closed. Sales slumped and did not recover. The property is now listed for sale.

The amount owing to the primary lender is close to \$3.9 million. Neechi is looking for new financing that would cover this debt and protect \$1.3 million in social-purpose loans and shares that have been invested in the Commons by co-op members and other private sources with no personal financial gain. Over \$1 million worth of volunteer time also has been invested in the development and operation of Neechi Commons.

Neechi is hoping that a revitalization partnership will lead to financing from a sale and leaseback arrangement with a supportive landlord or to direct financing by community-minded investors. Ideally, a philanthropic investor would step forward to eliminate the danger of the property being sold without a commitment to on-going opportunities for Indigenous and neighbourhood residents. Neechi Foods Co-op is classified as a Non-Profit Organization under the federal Income Tax Act. Charitable donations can be made via the Neechi Commons Fund at Vancity Community Foundation.

Neechi Foods Co-Op has been providing economic opportunities and other social benefits in the North-end since it opened its old store on Dufferin Avenue at the beginning of 1990; over 28 years ago.

¹ For more information about the impact of Neechi Commons please see the accompanying summary, “What’s So Special About Neechi Commons”, view the recent half-hour documentary, “The Inclusive Economy” at <https://www.policyalternatives.ca/multimedia/inclusive-economy>, or visit Neechi’s website at <https://neechi.ca/>.