

7.11.11

Community Supported Enterprise

It is a safe assumption to make that most Vermonters have heard of Community Supported Agriculture; the basic model has a farmer asking customers to pay up-front, before the harvest, in return for a share of the harvest during the course of the growing season. It is a win-win situation for both parties. The farmer gets a cash-infusion when it is most needed and the investors receive a share of the harvest during the entire growing season.

As this business model has become standard across the country, new models of a similar nature are emerging in other business fields – “community supported enterprise.” This idea builds on the reality that small business, particularly in Vermont’s more rural areas play an important role within their community; those businesses are the “great good place,” not home, not work, but a place where you can “hang out.” Barber shops, general stores, bars, beauty salons, bookstores, coffee shops – you know them and you visit them. They are the place you go to hang out, feel connected to the community you live in and talk about stuff you don’t talk about at work or at home.

Business models have been developed that address the needs of start-ups or expanding businesses that utilize this creative approach to financing a business. This method though does not negate the requirement that an entrepreneur needs a good business plan. There are success stories around Vermont that have grown into very profitable businesses for their owners and their community investors by supplying that “great third place.”

The Bobcat Café in Bristol, an English-style pub on Main Street received \$5,000 from each of 32 local investors who in turn received 25% off their dinners; in five years, the investors were paid back, the Bobcat was able to arrange traditional financing and the café is an established fixture in Bristol. A struggling downtown in Vermont's Northeast Kingdom gets off the ground with the help of 50 community members who invested \$1,000 each to outfit the restaurant and recruited a chef who uses only local ingredients from area farms -- the end result is a truly local, truly great restaurant. Perhaps you have eaten there; **Claire's Restaurant, Hardwick, VT**. And restaurants are not the only kind of business that can be developed using this model.

A group of 28 local investors formed a limited liability corporation to renovate a "bookend" building in a downtown National Register District for mixed retail, office and housing; the result, **The Basin Block, Vergennes, VT**. Food co-ops scattered across the state are another excellent example of community members coming together and supporting an enterprise that provides innumerable benefits to the community – **the Adamant General Store**, the oldest in Vermont is a good example. **Mad River Glen Ski Area, Fayston, VT** was able to revitalize itself and expand through the capital raised by selling \$2,000 shares to community investors.

Community Supported Enterprise is an idea that has proven successful and perhaps is ready to take a giant leap forward during these difficult economic times. The Office of Economic Development is working with a potential investor in Brandon who may

considering using this idea. Perhaps you have an idea that would provide a “great third place” for the community? The Vermont Trust for Historic Preservation has done a lot of work in this area, from providing technical assistance to actually providing funding for projects. You can read about this idea in an article written by Paul Bruhn, Executive Director of the Preservation Trust of Vermont by going to there website at http://www.ptvermont.org/community_supported_enterprises/cse_bruhn.php.

Perhaps you have an idea that would provide a “great third place” for the community? And Brandon’s Office of Economic Development can help you make the connection; brandondoesit@gmail.com or 247.3635 and ask to speak with Steve Beck.