

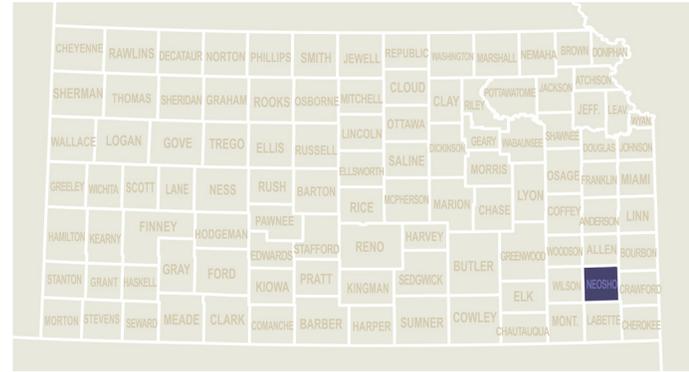


The St. Paul Supermarket sits along highway 47 in St. Paul, Kansas.

Background

St. Paul, Kansas is located in Neosho County in the southeast region of the state in an area known as the Osage Cuestas. The Osage Cuestas region covers much of eastern Kansas south of the Kansas River. Cuesta is Spanish for hill or cliff, and is the term geologists use to describe ridges with steep, cliff-like faces on one side and gentle slopes on the other. A variety of other landscapes are seen - from relative flat plains to rolling hills.

A Catholic church and Osage Mission school were founded by Father John Schoenmakers in 1847 on the site that is now St. Paul. These settlements formed the social and religious magnet that drew large numbers of early settlers to the area. St. Paul was chosen as the town name in an 1895 election. The name was most likely selected in honor of St. Paul of the Cross, founder of the Passionist Order which had just established a home in the Osage Mission. In fact, on its official web page, St. Paul highlights the St. Francis Catholic Church, pointing out that the town is known as “the little town with the big church.”



About the Community

CITY POPULATION*	614
COUNTY POPULATION*†	16,125
MEDIAN HOUSEHOLD INCOME*	\$51,607
MEDIAN AGE*	41 years
CHILDREN LIVING BELOW POVERTY LEVEL** †	26.9%
FAMILIES LIVING BELOW POVERTY LEVEL** †	13.0%
LOW INCOME & LOW ACCESS TO GROCERY STORE**†	2.5%
PEOPLE WITH LOW ACCESS TO A GROCERY STORE**†	6.4%
CHILDREN WITH LOW ACCESS TO A GROCERY STORE**†	1.7%

*ACS 2014-2018, **Kansas Health Matters, †County Level Data

The Issue

There had not been a grocery store in town for nearly two decades. In 1985 the St. Paul grocery store that had, for generations, operated out of a building located on the town's historic main street closed. That closure left only the St. Paul café and a local convenience store as places to purchase food in town. To access groceries such as fresh meat, varieties of fruits, vegetables, and dairy, St. Paul residents had to make the 34 mile round trip to the nearest full-service supermarket.

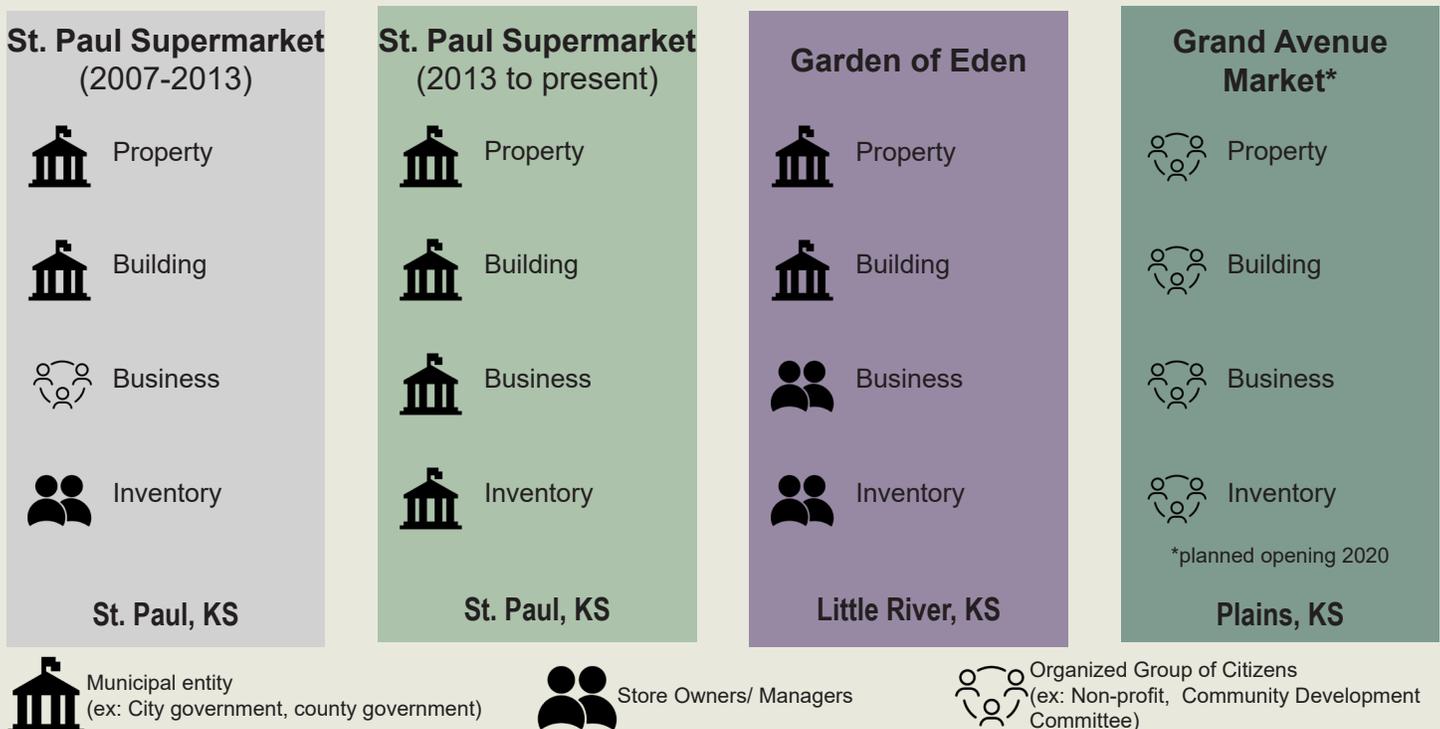
In 2006, newly elected St. Paul Mayor Rick Giefer had a vision to open a grocery store. The mayor believed that access to food was important on two critical levels. Most importantly, the mayor believed that access to food, like access to water, was a public good and something that should be supported by the city and the community. Additionally, the mayor saw his community as being at a crossroad. The town continued to lose population and there were rumors that the local schools might permanently close.

“I think it was '05 and St. Paul had been without a grocery store for 20 years. We almost lost our high school and as a committee we realized, in order to draw people to town, we needed a food source other than a convenience store.”

- Former St. Paul Mayor Rick Giefer

City-owned, Community Supported Enterprises, what's the deal?

Alternative models of ownership for grocery stores are becoming more prevalent as grocery store owners retire and communities step in. Rural communities have unique fabric and character as do their grocery stores. City-run, community-supported, municipality-owned; these are examples of alternative models of grocery store ownership. In Kansas, several variations of public-private partnerships have been implemented in rural communities where traditional models have failed. A few examples are highlighted below.



The Process

TIMELINE

1985

St. Paul's only grocery store closes.

2004

The local school board closes St. Paul schools prompting conversations about how to save the town. Reopening the schools and building a grocery store are identified as two top strategies.

2005

- Rick Giefer is elected mayor of St. Paul.
- St. Paul Area Community Development Corporation (CDC) is formed. Mark Smith chairs the CDC.
- St. Paul citizens overwhelmingly vote to allow the city to guarantee any grocery store related loan.

2006

Market study confirms grocery store can succeed in St. Paul.

2007

Working with Mayor Giefer, the CDC, and Heartland Rural Electric Cooperative, Inc., the USDA approves a \$400,000 zero-interest loan for construction of the St. Paul grocery store.

2008

St. Paul Supermarket opens!

2008- 2013

St. Paul Supermarket is managed by Joe and Sue Renfro, a couple with years of grocery experience in Altamont, KS.

2013

The Renfros retire. To keep the store operational, the city of St. Paul buys out the CDC and the Renfros. New managers - Kelly and James Voorhies - are hired.

After the local school board closed the St. Paul schools in 2004, a group of St. Paul residents “got to talking” and agreed that the town needed a grocery store to keep the town moving forward. In 2005, newly elected Mayor Rick Giefer and the newly formed St. Paul Area Community Development Corporation (CDC), headed by Mark Smith, worked with the Heartland Rural Electric Cooperative, Inc. to submit an application to USDA’s Rural Economic Development Loan and Grant program (REDLG). In 2007, a zero-interest REDLG loan to construct the grocery store was made to the rural electric cooperative that then gave the money to the CDC to buy and prepare the land, construct the grocery facility and purchase all the equipment needed in the store. The loan was guaranteed by the City of St. Paul following an overwhelming vote of support from the town’s residents in 2007.

Once the grocery facility was built, the town needed to find a distributor for the store. The best option was Affiliated Foods Midwest, a food wholesaler based out of Norfolk, NE. The CDC stepped forward and raised \$5,000 to buy membership into the wholesale food cooperative, thus becoming the “owners” of the grocery business. Meanwhile, the city identified a couple – Joe and Sue Renfro – with experience managing a nearby grocery store and interest in moving to St. Paul. The Renfros agreed to purchase and maintain the grocery inventory and manage the store.

The St. Paul Supermarket opened in 2008 with three funding partners: public dollars from the residents of St. Paul bought the property and built the physical store, the CDC, a volunteer group of St. Paul citizens, invested their own money to buy the business, and a husband and wife team bought the inventory and managed the store.

By 2013, the Renfros decided to retire. The city commission decided to assume operation of the store and bought out the CDC and the managing couple. The city identified and hired a local husband and wife – James and Kelly Voorhies – to manage the store. The St. Paul Supermarket was now a municipally-owned business. Full-time employees were city employees with city-funded benefits.

Lessons Learned

✓ A Recognized Need

The move of city government to buy and run a private business is a significant decision, one that requires significant public support. Arguing that the business is providing a vital community need is critical. This need was initially identified and articulated by a group of citizens and then by St. Paul's mayor. These residents and elected officials argued that access to groceries was a vital public good – residents needed access to food – and essential in the community's efforts to preserve its local school and continue to attract residents to town.

An Entrepreneurial Champion ✓

An entrepreneurial local champion with experience in the town is especially important. This champion is an individual with a vision and the confidence and ability to express that vision. Ideally, this person is also someone with a trusted history in the community. Mayor Giefer played this important role for St. Paul.

“The city owned the water department, to furnish water for the citizens of the community. Why could we not own our grocery store to furnish food for the citizens of the community?”

- Former St. Paul Mayor Rick Giefer

✓ A Leadership Team

While a local champion is critical, it is not enough. Opening a grocery store is complex. A variety of skills and knowledge is necessary. A team is needed to assist the champion to attain the community vision. The citizen-based St. Paul Area Community Development Corporation (CDC), led by Mark Smith, was an invaluable asset to the grocery effort. They did much of the early financing and grocery leg work, helped secure the REDLG loan, built the parking lot, paid for the marketing study, found and installed grocery equipment.

Community Support ✓

In rural regions across the country, there are powerful examples of small towns where grocery store are thriving. One of the most important reasons for small town grocery store success is community support. There are a number of ways

a community demonstrates this support. One way is support provided through city or county financing via the city or county commission. Local citizens, community groups, and businesses patronizing the store demonstrate community support. Community groups in St. Paul, particularly the Catholic Church, are significant supporters of the supermarket.



St. Francis Catholic Church is less than one mile away from St. Paul Supermarket.

“Number one, you have to have your community behind you, or you won't succeed”

- Kelly Voorhies, St. Paul Supermarket Manager



514 Washington St
St. Paul, Kansas 66771



“St. Paul Supermarket”