

Medford Market hangs on

The food co-op's decision to dissolve the business was put on hold by an ad hoc committee

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Medford's foundering food cooperative voted to dissolve Monday, but with one stipulation: If it can get out of its 10-year lease agreement by Nov. 15, the Medford Market will continue on.

The co-op owners passed the amended resolution to dissolve 77 to 4. The two-week extension was proposed by an ad hoc committee.

The Medford Market has been making last-ditch efforts to gather the \$1.5 million it needs to open its doors. After 21/2 years of effort, the organization learned in August that its major lender, National Cooperative Bank, tabled the loan because of increased loan restrictions.

The 1,500-member Medford Market has been leasing the Hubbard's Ace Hardware building at Main Street and Riverside Avenue for the past year, and had hoped to open the new store there this fall. The building is owned by Bob Seus and his siblings, and the lease states that as long as the co-op exists it is liable for the lease.

Following the organization's September meeting, a handful of members formed an ad hoc committee, which wanted to seek a different direction than the board's recommendation for dissolution. The group came to Monday night's meeting with a draft amendment to buy time.

"The purpose of the amendment is to give the Seus family the opportunity to let the co-op out of the lease," said Medford City Councilman John Statler, who is among the committee members.

"Then the co-op can continue to function."

Medford City Councilman Ben Truwe, also on the ad hoc committee, said once the organization is out from under the rent agreement, it can move forward with membership and mailing lists intact.

Statler said some venture capitalists have expressed an interest in investing in the co-op. But it was too soon to talk about an alternative business plan or new location.

"We're not going to lease anything until we've got \$1.5 million committed to the project," he said.

Statler said several ad hoc committee members, including himself, have indicated an interest in being on a new board.

"I think the board did the best job it could, they maybe didn't have the skills to take it to the level it needed to go," he said.

Seus said he and his siblings all have purchased subscriptions and hope the store succeeds. He said he found no fault with the current board.

"Everything I've had with that group has been cordial and responsible and organized," he said.

Seus said the lease agreement is not unusual and it is typical to include language holding a company liable for the lease as long as it is in existence.

"We've never given them any grief about, 'Hey, we're going to tie you down,' " he said. He said the family has not yet been asked to release the organization.

"We would consider that, yes," he said.

Velda Welch, president of the co-op board, said the Medford Market has received \$200,000 in cash and pledges. Less than half of that was spent on a year's lease on the Hubbard's building. Other costs have included attorney fees and interior renovations to the building. Welch has said the organization has no money left. She also said the Seus family has been generous in extending payment due dates.

Welch said attorneys and financial advisers say Medford's demographics would not support a food cooperative, and something smaller like a buying club might work.

She said board members are not self-appointed, but are elected by members. Should the organization survive, the next board election would be in November.

Welch said she couldn't say yet whether the organization will dissolve.

"We need to negotiate at this point," she said.

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