

# THE RURAL GROCERY STORE THAT COULD AND DID ...

OVERCOMING THE ODDS

PARTNERS IN THE FIELD

THE HEART OF A FAMILY

How Wilson, Kansas,  
population 859, is sustaining  
their grocery store into the  
future leaning on family  
support and community  
partnerships

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THE WEIGEL FAMILY







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Wilson Foods has a huge economic impact on Wilson. Wilson also has a significant number of older residents and having a well run and well stocked grocery store on main street is a tremendous service to our community.

MikePeschka, Mayor

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Building a community's sustainability means keeping the local grocery store open. With challenges in competing with big box, dwindling population, and limited access to suppliers, this is no easy challenge, but the Weigel family is here to prove that a challenge turned upside down becomes opportunity for their rural grocery store in Wilson, Kansas.

It started with a "For Sale" sign in the window of this little store on September 18, 2018. That wasn't just any day. It was owner Rick Weigel's birthday, and he was facing a personal decision following a chronic illness and an unknown future. The store was suffering from his illness too, with dwindling inventory, Rick's inability to manage the specialty meat counter which Wilson Foods was known for, and employee morale at an all-time low. The sign in the window was a desperate act by Rick and his family who knew that this would be a tremendous loss to the community, but who also knew family comes first, and personal well-being trumps everything. Rick was facing an upcoming appointment at Mayo Clinic, and looking for answers for his personal health challenges. Understandably, the store was taking a back seat.

The community scrambled, and Ellsworth County Economic Development (ECED) was called for resource assistance and to help secure a new buyer, bridge the financial gap, and to identify ways to improve efficiency and cash flow. All hands were on deck. Key resource partners are listed below.

*Resource  
Partners*

KANSAS HEALTHY FOODS INITIATIVE (KHFI)

KANSAS RURAL GROCERY INITIATIVE

IFF

SMALL BUSINESS DEVELOPMENT CENTER(SDBC)

NETWORK KANSAS

K-STATE ENERGY AUDIT PROGRAM & REAP ASSISTANCE

ELLSWORTH COUNTY ECONOMIC DEVELOPMENT

## Financial Impacts

If every household in Wilson spends an additional \$10/week at Wilson Foods, that's an additional \$192,400 annually

Wilson Foods accounts for approximately 15% of the total sales tax collected and distributed back to the City of Wilson

Wilson Foods is providing valuable local jobs and supports community sponsored events

Wilson Foods pays sales tax and property tax, reducing the tax burden to the tax payers

Hometown grocery stores serve as anchor businesses for local communities.

## Timeline

11/19/21

**LOAN/GRANT CLOSING**

8/21-11/21

**WORK WITH IFF TO SECURE FUNDING**

7/21

**KHFI APPLICATION #2 SUBMITTED WITH VETTED FINANCIALS**

4/21-7/21

**MENTORSHIP MEETINGS WITH COACHES**

4/21

**GROCERY BUSINESS MENTORSHIP PROGRAM BEGINS**

2/20

**AUDIT REPORT COMPLETED**

2/19-4/20

**KHFI INTAKE/ ENERGY AUDIT INTAKE**

1/19

**WILSON COMMUNITY MEETING TO SUPPORT STORE**

11/18

**GAP FUNDING FOR INVENTORY**

9/18/18

**FOR SALE**

Meanwhile, Rick's son Nathan stepped up and took a more active position in the store, righting the inventory with assistance from a gap funding loan from ECED, and improving the store's general appearance and morale. His spirit was contagious.

An application to Kansas Healthy Foods Initiative was successful, with Wilson meeting the qualifications for the program; however, ONE BIG challenge was identified for any new purchaser- there was nothing to sell other than sweat equity and blue sky. Blue sky is often difficult to define, and cannot be collateralized. Therefore, the store was held hostage by a triple net lease agreement and a new purchaser would not have anything to collateralize to secure a loan. The building, while cosmetically improving, was battling a leaky roof and structural integrity concerns. The hands on deck needed to get creative, and fast.

In swoops another resource partner to the rescue, the Grocery Business Transition Mentorship, with pairs rural businesses with dedicated coaching to create a succession plan, vet financial viability, and prepare for loan packaging. Through this program Rick was paired with coach Rick Feltenberger of the Small Business Development Center (SBDC), and local resource partner ECED. The dedicated resources through this program made the next application through the Kansas Healthy Food Initiative more appealing, and more sustainable. Through this process, a solution to creating sustainability was created, including the building acquisition to eliminate the triple net lease, and make improvements to the building which would appeal to a prospective buyer and increase sales and market radius. Efficiencies and energy improvements would also increase the profitability.

IFF proved to be the final piece to the puzzle to secure the loan/grant package. IFF is a mission-driven lender, developer, and consultant that helps communities thrive. Across the Midwest, IFF is driven to help communities thrive and prosper. The vetting process was finalized through IFF and loan closed on 11/19/21. Another chapter of progress was written.

The timeline shown to the left leaves out a lot of things. It leaves out the sleepless nights, the many conversations, the ideas jotted on paper, and above all, the courage of a family to triumph over illness, to find a way to succeed, and to contribute to the community. It also leaves out the fabric of a community that comes together to find ALL resources, and to champion the cause. We can't wait to read the next few chapters of this story.

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**These are the stories that make lasting impact. When we can weave together a community challenge, add resources and a healthy dose of stubborn tenacity, together we can solve those BIG issues that sustain our communities.**

-Stacie Schmidt

## Definitions

**BLUE SKY** "GOOD WILL" OR THE POTENTIAL OF A BUSINESS TO MAKE MONEY

**COLLATERAL** AN ASSET THAT A LENDER ACCEPTS AS SECURITY FOR A LOAN

**TRIPLE NET LEASE** A LEASE AGREEMENT ON A PROPERTY WHEREBY THE TENANT OR LESSEE PROMISES TO PAY ALL THE EXPENSES OF THE PROPERTY