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## **Sangudo Community Forms Investment Co-op to Spur Local Business**

Business incubator engages in three local projects over 18 months

Dan Ohler recalls walking down the main street in Sangudo about four years ago and counting nine out of 14 business buildings being vacant.

Since then, the chair of the Sangudo Opportunity Development Co-operative (SODC) has been personally involved in supporting local businesses and entrepreneurs. The SODC was incorporated in May 2010 and has funded three local business projects, with plans for more.

Sangudo is a hamlet located approximately 99 kilometres northwest of Edmonton on the Pembina River, with a population of 364 people.

Dan says founding the SODC was like a “perfect storm,” with different elements falling in place at the right time including a community crisis, frustration, one co-op idea let go and another formed.

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*Dan Ohler*

“It’s truly a story of people working together,” he says.

In 2005, the school division threatened to close the local high school. Community members came together to discuss how to keep the school open and the community alive, and applied and received an Alberta Recreation and Parks Association ACE

(Active Create Engaged) Community grant.

Through the funding, 200 community members volunteered to put together recreation equipment for a new playground.

Out of the recreation projects, a group of people became interested in starting an arts and culture co-op. When they realized that idea wasn't going to work, Dan says they began talking about how bringing in people and businesses was a more pressing community need.

"It was just like the sparks all started to fly and people thought this is the direction we need to go," says Dan.

Six key individuals took the idea of fostering businesses through to incorporation, all of whom are busy businesspeople who didn't have time to personally run a business.

"We decided that if we could pool our capital into a co-op and we could become a business incubator," says Dan, adding the idea was to buy economic infrastructure and connect it with young entrepreneurs.

With the town's aging population, the idea of succession planning also moved this idea forward, notes Dan. When business owners look to retire and don't have a transition plan, they may be forced to shut their doors or take a low offer.

"We didn't want that happening in our community," he says.

As the group started talking about forming the SODC they found out the local abattoir was for sale. One of the group members was an accountant with a love of hunting, and his neighbour a plumber trained as a meat cutter, who wanted to give up their jobs and own the meat shop.

The men couldn't get financing through the banks, so the group members decided as a co-op to pool their money and purchase the real estate.

The SODC acts as the landlord for the Sangudo Custom Meat Packers, offering an easy lease payment and receiving a bonus payment every quarter of an agreed-upon percentage of the company's gross sales.

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*Jenny and Carol, the entrepreneurs at Connections Coffee House.*

Another project cropped up when the local legion branch decided to sell their large building in town last spring. Dan's wife and another woman wanted to start a coffee shop and restaurant, so the SODC purchased the land and buildings.

The Connections Coffee House opened in December, serving as a community gathering place. The business pays the SODC a lease payment and percentage of quarterly gross sales.

A third project was providing debt financing to the Sangudo Custom Meat Packers. The company received grants through a federal and provincial program to rebuild part of the shop and kitchen. They needed \$108,000 of their own money, and approached the SODC, which loaned them the money.

Dan says at some point in the future they can see the SODC having a piece in supporting every business in the community. They are considering looking at buying land and building houses to attract young families or business people.

"We've got big visions for this thing," he says.

To learn more about the SODC, click [here](#) to download an article from the Canadian Centre for Community Renewal.

A new project co-ordinated by the Alberta Community and Co-operative Association (ACCA) called Unleashing Local Capital is empowering Alberta communities to learn about investing locally through a Community Investment Fund (CIF). Learn more at <http://acca.coop/unleashing>.

*Axiom News provides Stakeholder News Services to the Alberta Community and Co-operative Association (ACCA). A version of this article was [originally published](#) on the ACCA website. If you would like to learn more about our Stakeholder News Services, contact [peter@axiomnews.ca](mailto:peter@axiomnews.ca).*