



## Evergreen Cooperative Laundry aims to help struggling neighborhoods around Cleveland's University Circle

By Tom Breckenridge, The Cleveland Plain De...

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John Kuntz/The Plain Dealer

Tracie Marsh, right, and Derrick Davis feed clean sheets into a pressing machine at Evergreen Cooperative Laundry, a new employee-owned business.

Civic and city leaders are investing several million dollars in a unique, employee-owned business model to drive more wealth and jobs into the struggling neighborhoods around University Circle.

Several hundred people will gather on East 105th Street near St. Clair Avenue today to celebrate the opening of the Evergreen Cooperative Laundry, a \$5.8 million commercial

venture featuring the latest in energy-efficient laundry equipment.

If successful, it would employ up to 50 workers -- many of them low-income, some with felony convictions -- in what officials hope will be a network of worker-owned businesses.

Under the employee-owned model, each worker would earn a share of the company and the profits, driving wealth into neighborhoods wracked with poverty, unemployment and foreclosures, officials said.

"The money circulates back . . . and gives people the ability to buy a home, put kids through school and meet the basic needs of a quality life," said India Pierce Lee, program manager with the Cleveland Foundation.

The cooperatives are part of a larger effort, called the Greater University Circle Initiative, that the Cleveland Foundation launched four years ago.

The initiative enlisted the growing, heavyweight institutions around University Circle, including University Hospitals, Cleveland Clinic and Case Western Reserve University, to drive infrastructure, housing and quality of life improvements in the nearby communities.

The cooperative strategy seeks to tap the \$3 billion in goods and services that University Circle's institutions buy yearly.

The Cleveland Foundation invested \$3 million in a revolving-loan fund to launch the cooperatives.

The mid-size commercial laundry -- capable of handling up to 10 million pounds of linens yearly -- will open for business Friday.

### **More co-ops coming**

Other Evergreen cooperatives that will start soon include:

- Ohio Solar Cooperative, a solar panel and home-weatherization company.
- Green City Growers Cooperative. Plans call for a 14-acre site near off East 55th Street, near Interstate 490, to grow lettuce and basil for local institutions.
- Greater University Circle Neighborhood Voice. The bi-weekly print and online news source will focus on the University Circle-area neighborhoods.



John Kuntz/The Plain Dealer

A worker hauls a canvas bag outside Evergreen Cooperative Laundry, a new business opening on East 105th Street, north of St. Clair Avenue.

Eight people have been hired so far. They trained to run every piece of equipment, from the 28-foot long washing "tunnel" to three cavernous dryers. Heat from washing and drying is reclaimed to save energy.

Employees start at \$8 an hour and are considered temporary for six months. After that, they'll earn \$10.50 an hour, with 50 cents an hour set aside for three years.

That buys them a \$3,000 share of the company. Eventually, they would share in the company's profits, too, said laundry business manager Jim Anderson, a program coordinator with the Ohio Employee Ownership Center at Kent State University.

The wages and benefits are higher than average, Anderson said. In theory, those higher costs will be covered by higher productivity and less turnover, officials said.

The cooperative works with Towards Employment, an agency that builds the job skills of low-income residents, including those with criminal convictions.

Officials want to concentrate the hiring in an area that touches five Cleveland neighborhoods around University Circle -- Glenville, Hough, Little Italy, Fairfax and Buckeye-Shaker -- as well as East Cleveland.

Tracie Marsh, 46, a quality-control clerk at the laundry, said she had moved through a number of jobs in the past decade.

A felony assault stemming from a workplace incident didn't help, she said. She stayed employed through temporary-work agencies.

"But at the end of the day, you don't have that much," she said.

Towards Employment linked her with the laundry opportunity. Marsh said she believes employee ownership lifts enthusiasm and accountability.

"Maybe we can branch off and start other laundries," Marsh said. "I feel my time has come. I've always dreamed of owning my own business."

Officials acknowledged that building a business with employees who have no laundry experience, and some with criminal convictions, will raise concerns with prospective customers.

City officials like the cooperative model. Cleveland sent two loans totaling \$2 million to the laundry startup.

The cooperatives are a "fascinating model" that hit a number of Mayor Frank Jackson's goals, said Chris Warren, the mayor's chief of regional development.

Those goals include more local purchasing by area institutions and support of green business practices, highlighted by Jackson's recent sustainability summit, Warren said.

*To find out about employment with the cooperatives, call Towards Employment at 216-696-5750.*

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