

Local Government Support for Cooperatives

June 24, 2012

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This is an ongoing compilation of information by the Philadelphia Area Cooperative Alliance to help us and others as we work with local elected officials and agencies in developing policies to further cooperative development.

West Region

North Dakota

Project Type:

State funded agricultural co-op feasibility studies

Actions Taken:

In North Dakota the Agricultural Products Utilization Commission funds feasibility studies that have been the catalyst for numerous cooperatives: beef, durum wheat, corn, potatoes, hogs, ethanol, fertilizer from flared gas, and others.

Key Organizations and People:

Common Enterprise Development Corporation
North Dakota Agricultural Products Utilization Commission

Resources & Links:

Submitted By:

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Richmond, CA

Project Type:

Worker cooperatives actively encouraged and supported by a city employee charged with piecing together cooperative businesses.

Actions taken:

Inspired by a trip to Mondragon, Spain, Mayor Gayle McLaughlin hired Terry Baird to promote worker owned cooperatives as a path out of poverty and unemployment for this distressed Bay Area town. Beatriz Ortiz and Julio Chavez formed the first worker cooperative in Richmond in January, 2012: Liberty Café, a food truck and catering business. In the works: Richmond Solar plans to create a solar installation workers' cooperative. The city's first bike shop, Richmond Spokes, has similar aspirations. Richmond is not lacking for ideas, Baird said. Miguel Espino, who established the East Bay Agricultural Project, wants to establish aquaponics farms in Richmond that grow fish and vegetables. Baird has consulted with a budding North Richmond health food co-op, an electric bicycle builder and a group that wants to sell hydroponically grown organic foods. Most recently, Baird advised the Latina Center, a women's group of Central and South American immigrants who dream of one day running a bakery similar to Arizmendi.

Key people and organizations:

- In August, 2011, Richmond hired Terry Baird, a co-op evangelist who in 1997 co-founded the worker-owned Arizmendi Bakery in Oakland. (It's since grown into the Arizmendi Association of Cooperatives, which includes six independently run Bay Area bakeries.) Baird and one other co-op expert said Richmond is the first U.S. city they've heard of to hire a staffer dedicated to piece together cooperative ventures in Richmond's economically barren pockets.
- The California Center for Cooperative Development, a U.C. Davis nonprofit that has established two "co-op business incubators," one in Richmond and the other in Lompoc, near Santa Barbara.
- Kim Coontz, executive director of the group running Richmond's co-op incubator.
- The mayor of Richmond: [Gayle McLaughlin@officeofthemayor.net](mailto:Gayle_McLaughlin@officeofthemayor.net)

Resources and Links:

- California Center for Cooperative Development, www.cccd.coop.
- To learn about Richmond's newest co-op, visit: Liberty Ship Café, www.libertyshipcafe.coop
- Four articles on the Richmond experiment:

<http://american.coop/content/terry-baird-richmond-californias-worker-cooperative-initiative>

<http://www.american.coop/category/tags/richmond>

<http://articles.latimes.com/2011/nov/28/local/la-me-richmond-20111128>

http://www.contracostatimes.com/ci_20095988?IADID=Search-

www.contracostatimes.com

- Worker cooperative start-up guides: <http://american.coop/startup>

Submitted by:

Bernard Marszalek, editor

The Right to be Lazy: Essays by Paul Lafargue

<http://righttobelazy.com/blog/>

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San Francisco, CA

Project Type:

White paper outlining how the city can support worker cooperative businesses

Actions Taken:

In 2010, The San Francisco Community Congress developed a platform outlining dozens of ways the city of San Francisco could support the development of worker cooperatives. Their ideas are organized into two broad requests to the city:

- Adopt the worker cooperative model for economic development on an equal basis with other business models
- Prioritize worker cooperatives as a preferable model of doing business

A few of the many specific ideas outlined in the platform:

- Prioritize procurement of goods and services from local worker cooperatives.
- Finance worker cooperatives through a revolving loan fund, whose capital is provided by city money through a Municipal Bank.
- As part of it's technical assistance, the City can help with feasibility studies considering the scenario of passing the business on to it's workers when an owner is retiring.
- Encourage the *SF Board of Education* to develop democratically-run and unionized charter schools.

The complete platform is at the link below.

Key Organizations and People:

San Francisco Community Congress 2010

The Platform Committee:

Poonam Whabi: poonam [at] designaction.org

Rick Simon: 9oolbadvertising [at] gmail.com

Steve Rice: stevericejr [at] gmail.com

Resources & Links:

The San Francisco Worker Cooperative Platform: <http://ourplatform.wordpress.com>

Submitted By:

Kasper Koczab: kaspersemail@gmail.com

San Francisco (or Bay Area), CA

Project Type:

Pre-WAGES co-op received grant from neighboring county.

Actions Taken:

Key Organizations and People:

Deb Goldberg, WAGES

Resources & Links:

Submitted By:

Bob Noble who heard Deb Goldberg refer to this at the US Federation of Worker Co-ops conference in Boston, June 2012.

Midwest Region

Cincinnati, OH

Project type:

Union/Cooperative Collaboration. Details of city involvement unknown.

Action Proposed:

The Mondragon Co-ops, United Steel Workers and a host of other state and federal organizations (USDA, Ohio State University Extension, Ohio Cooperative Development Center, Ohio Employee Ownership Center, Center for Community Change, and UFCW) are proposing the development of a Greater Cincinnati Food Hub organized on a cooperative/union hybrid structure. The idea is to create good, green jobs and improve the local economy in the Greater Cincinnati area by joining Mondragon to replicate and adapt their cooperative model to form a **union-cooperative Food Hub** in Cincinnati with *Incubator Farm* and *Market/Spanish Restaurant*.

This cooperative would capitalize on the ongoing local food revolution and create jobs by fulfilling the market need for a reliable supplier of local, sustainable foods, increasing the viability of our local foods system, and sharing the diversity of Spanish products and culture currently lacking in the region.

The person who submitted this information believes the City of Cincinnati is involved in the project, but doesn't have any details.

Submitted By:

Joanna Whitney, joanna.g.whitney@gmail.com

Additional Contacts For Follow-Up:

Jim Anderson at Ohio Employee Ownership Center

Resources:

Presentation of the Food Hub Idea, by the Cincinnati Union Coop Initiative: Details the idea and the hybrid worker-union model proposed.

CUCI Food Hub presentation 12.15.11.pdf

Sustainable Jobs, Sustainable Communities: The Union Co-op Model. By Rob Witherell, United Steel Workers; Chris Cooper, Ohio Employee Ownership Center; Michael Peck, Mondragon International USA.

The-Union-Co-op-Model-March-26-2012.pdf

Minneapolis, MN

Project Type:

Neighborhood association grants and loans to food co-op start-up

Actions Taken:

Eastside co-op in Minneapolis, MN had loans and grants from neighborhood development associations:

In 2000, the Holland Neighborhood Improvement Association awarded a grant to Eastside to fund a part-time project manager. In March 2003, the Board made a leap of financial faith and approved a purchase agreement on the building. The total project price tag, including the building purchase, was just under \$2 million. They received major financial backing from the neighborhood associations of Audubon Park, Holland, Sheridan, Waite Park, and Windom Park, which committed a total of \$500,000 in low-interest, long-term Neighborhood Revitalization Program (NRP) loans.

Resources & Links:

<http://www.eastsidefood.coop/content/efc-history>

Submitted By:

Stuart Reid
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www.foodcoopinitiative.coop

Northfield, MN

Project Type:

Small development grant from the city for food cooperative

Actions Taken:

Just Food Co-op in Northfield, MN received a small development grant from the city. However, the CGIN case study doesn't mention it (<http://www.cgin.coop/node/7119>), and there are no other stories on the web about it. Will need to ask Stuart Reed for more info.

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Oxford, OH

Project Type:

City funding for food co-op

Actions Taken:

According to Stuart Reid, MOON in Oxford, Ohio got a city loan. Google Search: No mention of the loan on the Moon Coop website, or in any articles about the co-op.

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East Region

Burlington, NC

Project Type:

State and federal funding for food co-op development (with local support and assistance)

Actions Taken:

The Company Shops Market (grocery store and restaurant) got a \$1.1-million loan from Fidelity Bank towards construction of the store. The loan is guaranteed by the U.S. Department of Agriculture.

Before the cooperative grocery gets the loan, its members must raise a minimum of \$800,000. The 1,608 members have raised \$500,000 so far and need another \$300,000 before the loan kicks in.

Through the Burlington Downtown Corporation, the co-op successfully applied for a Main Street Solutions Fund Grant. The grant is available to cities designated as N.C. Main Street communities through the N.C. Main Street Center, which gives money to help revitalize struggling downtowns.

Key Organizations and People:

North Carolina Department of Commerce
Burlington Downtown Center
USDA

Chris Bartlett, General manager, Company Shops Co-Op

Resources & Links:

http://www.youtube.com/watch?v=-7WhNEgd_ro

<http://www.thetimesnews.com/news/emerging-50508-market-month.html>

<http://www.thetimesnews.com/news/loan-33035-grant-members.html>

Submitted By:

Stuart Reid, Food Co-op Initiative
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Burlington, VT

Project Type:

Food co-op in downtown

Actions Taken:

Onion River/City Market in Burlington, VT. This is the closest I came to finding out anything about city involvement, from a White & Burke, consultants the co-op hired to assist them: “When the site of the former Burlington City Police Station became available, the Onion River Co-op jumped at the chance to relocate, creating a newly named City Market and increasing its size from about 7,000 to 26,000 square feet. To be considered for the site, City Market had to enter a lengthy and competitive proposal process conducted by a review committee assembled by the City of Burlington specifically for this project.”

Key Organizations and People:

Resources & Links:

<http://www.whiteandburke.com/city-market/>

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New York, NY

Project Type:

Worker co-ops funded by city government

Actions Taken:

The NYC City Council provided a grant of \$150,000 to Center for Family Life in Sunset Park to facilitate the creation of two new worker coops for low-income individuals in Brooklyn. Chris Michael, the contact person for NYC Network of Worker Cooperatives (nycworker.coop), got a call one day from a policy person at City Council, working under Christine Quinn (the soon-to-be-mayor of New York, current city council chairperson). They wanted to know what they could do to help worker coops. Network of Worker Cooperative representatives met with them and brought a long list of ideas. And those ideas were narrowed down to giving a grant to Center for Family Life in Sunset Park. The Center was recommended because as they, according to Chris Michaels, have the best track record by far for worker coop creation in New York.

City Council's own press release of October 18, 2011, on job creation strategies, describes the initiative this way:

Partnering with the Center for Family Life, a non-profit organization based in Brooklyn, to create three new worker-owned businesses per year - employing nearly 100 people in home cleaning, day care, catering and elder care. Being part of a small business provides these workers with better pay and benefits. Additionally, the Council will partner with the Department of Small Business Services (SBS) to generate resources to support these types of businesses that will be available at SBS Business Solution Centers.

Lessons Learned

From Chris Michaels: "City Council was also willing to facilitate a small public relations campaign for worker coops at the various small business services offices in NYC. Unfortunately, despite a lot of effort on my part, the ball was dropped on this particular project, due to some ego conflicts among members of our steering committee (of which I am a member). The lesson from this experience? To create clearly defined functions for members of the steering committee and/or organization, and to allow for autonomy in the fulfilling of those functions."

Key Organizations and People:

Vanessa Bransburg, LMSW, Cooperative Coordinator, Center for Family Life (who offers the following contact info: Vanessa herself at vbransburg@cflsp.org or [718-633-4823](tel:718-633-4823) and Ted de Barbieri from Urban Justice Center at edebarbieri@urbanjustice.org.)

Chris Michaels, NYC Network of Worker Cooperatives

NYC Council Speaker Christine Quinn (soon to be mayor?)

Resources & Links:

New York City Council Speaker Christine Quinn Outlines Nine Point Job Creation Strategy, Including Support for Worker Cooperatives:

<http://council.nyc.gov/html/releases/101811abny.shtml>.

Submitted By:

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Troy, NY

Project Type:

Funding for Pioneer Market food co-op as part of downtown redevelopment initiative

Actions Taken:

Pioneer Market in Troy, NY received very large financial support for redevelopment of downtown. Unfortunate ending: The co-op closed in October of 2011 owing about \$1.8 million to banks, government agencies and the [Community Loan Fund](#). Pioneer owes another \$174,000 in loans made to the co-op by members.

Read more: <http://www.timesunion.com/local/article/Food-co-op-goes-under-2221306.php#ixzzitGPIwmic>

Reported in Times Union, October 16, 2011.

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International

Canada

Manitoba Tax Credit Fund a Big Success

From ACE eNews, 5/13/12

In just over a year and a half, 13 Manitoba co-operatives have benefited from a provincial government program which provides tax credits for donations to co-operative development.

Created in October 2010, the Cooperative Tax Credit Fund has already raised nearly \$160,000. Thirteen co-ops received small grants or technical assistance from the Fund in 2010-2011, and the money raised in 2011 will assist co-ops this year.

“In light of the recent news that the CDI program has been cancelled this fund is especially valuable for Manitoba co-ops,” said Cheryl Krostewitz, co-operative development advisor and fund administrator for the Manitoba Cooperative Association.

“It clearly demonstrates what co-ops have known all along, that in order to further develop the co-operative community, co-ops must support each other. This fund is a wonderful initiative and really recognizes the sixth principle of co-operation, ‘co-operation among co-ops’.”

Find this story and more on the Canadian Co-operative Associations News Briefs.

England

Project Type:

Political party-sponsored support for co-operatives

Actions Taken:

With hundreds of local Labour & Co-operative councillors across England, Scotland and Wales, local government plays an important role in developing and implementing co-operative policies.

The Co-operative Party has launched the Co-operative Councils Network, a group of Labour-led local authorities and Labour opposition groups that are implementing co-operative policies and ways of providing services, which give communities power and a real say over the ways they are run.

Key Organizations and People:

Co-operative Party

Cooperative Councils Network

Resources & Links:

For more on the network of cooperative councils in England, go to:

<http://www.councils.coop>

For more on the Co-operative Party, go to:

<http://www.party.coop/local-government/>

Submitted By:

Tom Pierson tom@nasco.coop

Another idea from Tom, not directly related to city governments: Support the creation/expansion of credit unions to provide financial services for the unbanked and under-banked. **Self-Help** has useful models, such as the [Micro Branch](#) approach for reaching into low-income communities.