# **Healthy Food Access Portal**

**PolicyLink** 





www.healthyfoodaccess.org

#### HIGHLIGHTS & IMPACTS

## 42 jobs

with living wages and affordable benefits will be created to maintain, pack, and distribute food grown in the greenhouse.

# \$65,000

in anticipated accruals over eight years by GCGC employees as stakeholders and shareholders in the business.

#### 1%

of all food grown is donated to Cleveland Foodbank, providing the city's neediest residents with 30,000 heads of lettuce and 3,000 pounds of herbs annually.

#### **3.25** acres

of hydroponic greenhouse space has been created on a former brownfield in Cleveland's Central neighborhood.

### 3 million

heads of lettuce, and

# 300,000 pounds

of local fresh herbs are grown every year.



Green City Growers Cooperative employees transplant lettuce in the hydroponic greenhouse.

# **Profile:** Green City Growers Cooperative Cleveland, Ohio



Green City Growers Cooperative (GCGC) is a cooperative urban greenhouse in the heart of Cleveland, Ohio. GCGC operates a 3.25-acre hydroponic greenhouse, growing and selling food to nearby grocery stores and wholesale produce businesses. Producing 3 million heads of lettuce and 300,000 pounds of fresh herbs annually, GCGC has become the largest urban food production greenhouse in the country. GCGC provides an example of an innovative and employee-owned food production enterprise that is revitalizing Cleveland's Central neighborhood while providing quality employment opportunities, building community wealth and assets, and promoting healthy food access both in the neighborhood and citywide.

Cleveland, a diverse city where nearly 65 percent of residents are people of color, provides a stark contrast to Ohio as a whole—a state that is over 80 percent white. Amidst this diversity, Cleveland's Central neighborhood represents a glaring divide, as some of the city's most impoverished areas sit adjacent to University Circle, a neighborhood home to renowned educational, medical, and cultural institutions. Despite the nearby abundance of wealth and resources, surrounding communities struggle to reap the economic benefits, with 40 percent of residents living below the poverty level and an average median income of \$18,500—a third below the citywide average. Residents in the Central neighborhood are unemployed at a rate nearly double the Cleveland average, with 16 percent unable to find work, compared to 8.7 percent citywide.

In the face of these economic struggles, GCGC is working to strengthen Cleveland's Central neighborhood through local food, local jobs, and the creation of local wealth. GCGC is one of three businesses of <a href="Evergreen">Evergreen</a> Cooperatives, an organization which provides employment opportunities



and builds assets to stabilize low-income neighborhoods around Cleveland. In order to staff the greenhouse's growing and distribution operations, GCGC is well on its way to creating over 40 jobs with living wages and affordable benefits for local, low-income community members.

Evergreen is a multi-stakeholder cooperative, allowing GCGC employees to share in the profitability of the company and become owners in the business over time. GCGC workers have the opportunity to become board members and assist with the cooperative's development. In approximately eight years, GCGC expects that workers will accrue about \$65,000 in patronage accounts in addition to their wages and benefits, allowing for long-term asset building and greater financial stability.

In addition to job creation and shared accumulation of financial assets, GCGC is having an impact on the local food landscape. As a hydroponic urban greenhouse in Ohio's wintery climate, GCGC provides year-round sustainable and fresh products that meet the highest food safety standards, becoming a reliable source of greens and herbs to businesses within a 150-mile radius of Cleveland. GCGC's impact on the local food system is not limited to sales. It has committed to donating 1 percent of annual crop yields to the Cleveland Foodbank for distribution in the Central neighborhood, ensuring that 30,000 heads of fresh lettuce and 3,000 pounds of herbs reach the local residents most in need.

In order to finance the initial project costs, GCGC accessed an array of funding sources. With much of available agriculture funding reserved for rural efforts, GCGC was ineligible for many traditional agricultural funding streams. As a result, GCGC turned to an innovative plan to finance the real estate development portion of the project, which leveraged \$8 million of HUD Section 108 loans and \$2 million of Brownfields Economic Development Initiative (BEDI) grants allocated to the project by the City of Cleveland into New Markets Tax Credits (NMTC) financing provided by the Department of the Treasury through PNC Bank and the National Development Council. The HUD Section 108 loans and BEDI grants are designed to assist cities with the redevelopment of abandoned, idled, and underused industrial and commercial properties. To supplement these funds, GCGC was able to gain additional support through \$450,000 in Economic Development Administration loans through the City of Cleveland, and generous support from the Economic Community Development Institute, Farm Credit, The Commonwealth Revolving Loan Fund, and investors and foundations.

GCGC serves as a model for other cities to pursue employee-owned food retail ventures, strengthening disenfranchised communities through job creation, local wealth accumulation, and increased access to healthy foods.



For more information about the Healthy Food Access Portal, contact us at info@healthyfoodaccess.org.