Co-op laundry first up in Univ. Circle initiative

Cleveland Foundation eyes jobs, development in neighborhoods surrounding bustling district

By JAY MILLER
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A mixed bag of supporters is putting together a plan for a group of new, employee-owned businesses in the University Circle area designed to put Clevelanders to work and give the employees a stake in the success of the businesses.

The first business, a commercial laundry, is scheduled to open next spring. Evergreen Co-operative Laundry will occupy 10,000 square feet at ShoreBank Enterprise Center on Cleveland’s East Side, said Jim Anderson, program coordinator of the Ohio Employee Ownership Center at Kent State University.

Evergreen is lining up contracts to handle the laundry needs of several University Circle operations, including two nursing home operators, Judson Services Inc. and the A.M. McGregor Home.

The project is spearheaded by the Cleveland Foundation as part of its Greater University Circle Initiative. That program is designed to bring jobs and economic development to the neighborhoods surrounding the one-square-mile University Circle district, said Lillian Kuri, the foundation’s director of special projects.

“Ms. Kuri is leading an effort to put together $6 million in financing for the project. Initial support includes a $750,000 Cleveland Foundation grant, a $1.5 million economic development loan from the city of Cleveland and a loan from ShoreBank.

ShoreBank initially is providing more than $200,000 in pre-seed money, said Mary Ann Stropkay, the nonprofit’s president and CEO. It’s also made space in its building on East 105th Street for the new business.

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The project also has secured New Market Tax Credits through National City Bank. Additional money will be collateralized by the laundry’s equipment.

While no new company is guaranteed success, the institutions behind this co-op business effort believe the businesses can be competitive and environmentally advantageous, while at the same time helping the people in the area’s struggling neighborhoods.

The laundry already has sparked interest among several likely customers.

“It makes sense for us financially,” said R. Robertson Hilton, president and CEO of the McGregor Home. “This will be an outsourcing opportunity for McGregor, and no one will be losing a job.”

Cynthia H. Dunn, president and CEO of Judson, said her organization is ready to outsource bed linen and towel laundering to the new firm.

“This is good for the community, but we have to be sure they can match or beat Judson’s cost of doing laundry in-house,” she said.