

NextGeneration

News about Northeast Ohio's Sustainable Economy from The Generation Foundation

NorTech's Energy Enterprise Targets Regional Growth

Even though Northeast Ohio has over 400 organizations and companies working in advanced energy, until now there has not been a collaborative, proactive regional effort to drive growth across all sectors of the industry.

That changed in September when NorTech, in partnership with The Cleveland Foundation and with support from the Fund for Our Economic Future, launched NorTech Energy Enterprise.

"We believe the work of NorTech Energy Enterprise will help accelerate growth in the region's advanced energy industry, create jobs and attract private sector companies and investments which will help us further diversify our economy in Northeast Ohio," said Rebecca O. Bagley, President and CEO of NorTech.

NorTech Energy Enterprise aims to develop a thriving advanced energy cluster by accelerating commercial activity, marshaling resources and forging collaborations that will create jobs, attract capital and have a long-term, positive economic impact.

This summer, NorTech Energy Enterprise will be engaging the region in an advanced energy road-mapping process that will identify the unique strengths of the region in specific sectors, characterize the global market drivers and opportunities, and assess the competitive landscape and outline opportunities.

The organization has received feedback from the community to focus on four areas for the roadmap process which

"Offshore wind can be a viable economic engine in Northeast Ohio"

need a champion to drive momentum: Energy Storage, Smart Grid, Transportation Electrification and Biomass/Waste-to-Energy. The target for completing the process is early 2011.

"The roadmaps will help us develop a clear vision and path to develop a thriving advanced energy cluster in our region," said Dave Karpinski, vice president of NorTech and director of NorTech Energy Enterprise. "The process will help us further identify Northeast Ohio's advanced energy assets and how the region can leverage those assets to create a distinct advantage to become globally competitive now and in the future."

In partnership with the Great Lakes Energy Development Task Force and The Cleveland Foundation, NorTech Energy Enterprise is also launching the Lake Erie Energy Development Corporation, also known as LEEDCo, an organization that will accelerate offshore wind deployment in Lake Erie. Richard Stuebi, Fellow for Energy and Environmental Advancement at The Cleveland Foundation and on loan to NorTech, is currently serving as a Principal of NorTech Energy Enterprise.

LEEDCo recently issued a Request for Proposals (RFP) seeking a wind developer to participate in an initial 20 megawatt project. The developer will be selected by the end of May with the goal of making the project operational by the end of 2012.

The LEEDCo RFP was announced in late March to coincide



NASA's Glenn Research Center is designing a wind/sun-powered fueling system with zero carbon emissions for specially equipped city buses. An electrolyzer splits water molecules into oxygen and hydrogen, to be used for fuel cell-powered vehicles. Photo NASA/RTA.

with a press conference hosted by Senator Sherrod Brown and Governor Ted Strickland at the Great Lakes Science Center. At the briefing, Senator Brown introduced the Program for Offshore Wind Energy Research and Development (POWERED) Act, a new piece of legislation to advance the installation of offshore wind turbines in freshwater bodies like Lake Erie. The 2010 POWERED Act would spur research on potential offshore wind projects, expand incentives for offshore wind development, and require the Department of Energy (DOE) to develop a comprehensive roadmap for the deployment of offshore wind.

"To ultimately create a new industry (offshore wind energy) that will bring a significant number of jobs to the region requires leadership with both the vision and courage to make this effort succeed over time," said Stuebi. "I believe we have a real opportunity to make offshore wind a viable economic engine in Northeast Ohio, and the development of LEEDCo and its initial project takes us one step closer to that goal."

NorTech Energy Enterprise is also involved in developing the Tech Belt Energy Innovation Center, a clean technology business incubator in Warren, Ohio, which will nurture smart grid, energy storage and advanced material companies. Congressman Tim Ryan secured a \$2 million appropriation to rehabilitate a facility in Warren to house the incubator. □

Evergreen Cooperatives Link Sustainability, Job Creation

The six neighborhoods of Cleveland's Greater University Circle are among its poorest—median household income is \$18,500. Almost one-third of residents live at or below the poverty line, and unemployment is above 20 percent.

Yet the Circle, as it is known, is anchored by the city's biggest institutional heavyweights – Case Western Reserve University, the Cleveland Clinic and University Hospitals. Together, these institutions spend \$3 billion annually on goods and services.

That juxtaposition presents opportunity, according to the people behind Evergreen Cooperatives.

Launched in 2005 by the Cleveland Foundation and a partnership of local, state and national institutions, the Evergreen Cooperatives initiative looks to build a local economy from the ground up by launching businesses, owned by their employees, which provide goods and services to local institutions using the greenest methods available in their sectors.

Over the next three to five years, the Evergreen initiative aims to create up to 10 new for-profit, worker-owned cooperatives based in Greater University Circle, which includes the neighborhoods of Hough, Glenville, Fairfax, Buckeye-Shaker and Little Italy and a portion of East Cleveland.

Together, 10 Evergreen businesses would employ approximately 500 residents. Financial projections indicate that after eight years, a typical Evergreen worker-owner would possess an equity stake in his or her company of about \$65,000.

“Our task was, how do we actually create jobs that are meaningful – that are good, living-wage jobs that have benefits – and how do we anchor them in some of the poorest and highest unemployment areas in the city?” said Ted Howard, the Cleveland Foundation's senior fellow for social justice and executive director of the Democracy Collaborative, a research and policy center at the University of Maryland, College Park. “Our answer was to start companies that are attached to the procurement opportunities that come through the big anchor institutions – nonprofit institutions like universities, hospitals, cultural institutions and the like. These kinds of facilities are called anchors because, unlike major corporations, they don't get up and leave.

“This project is designed to capture those institutions' spending, drive it into the community and then link it to the build-up of new small businesses that are cooperatively owned and green.”



Evergreen Laundry Technician Keith Parkham operates state-of-the-art equipment using 8/10ths gallons of water per pound of laundry compared to three gallons at typical laundries. After eight years, a typical Evergreen worker-owner would possess equity in their company of about \$65,000 in addition to earning livable wages and benefits. *Photo Janet Century*

Evergreen Cooperatives are developing and launching the first four cooperatively owned businesses.

- **Evergreen Cooperative Laundry** opened its doors in October and is the greenest commercial-scale, industrial laundry in Northeast Ohio. This \$5.7 million startup offers quality, cost-efficient, commercial laundry service to health care institutions, nursing homes and hotels. The laundry will ultimately create 50 new jobs.

- **Ohio Solar Cooperative**, a community-based energy company, will perform large-scale installations of solar panels on roofs of the city's biggest nonprofit institutions. The first installation will be made in October on top of a Cleveland Clinic building. It will eventually employ about 75 workers.

- **Green City Growers Cooperative** is a large-scale, food production hydroponics greenhouse that will be located on 14 acres in the heart of Cleveland, with five acres under glass. It will produce several million heads of lettuce per year, along with other crops, and will employ 50 residents and will launch later this year.

- **Greater University Circle Neighborhood Voice** will be an innovative, “hyper-local” community information source that integrates print and online media, serving Greater University Circle.

Additional businesses are in the research and development pipeline, with a goal of undertaking business planning and development for at least three new Evergreen companies per year.

By building businesses to meet the needs of Cleveland's major institutions, Evergreen seeks to capture more local financial flows so that they circulate in Cleveland and its neighborhoods. Studies show that this could lead to a multiplier on the order of two or three, which would expand business and jobs beyond the Evergreen network to help other local companies and entrepreneurs.

In order to achieve significant scale and impact, the initiative established the Evergreen Cooperative Development Fund, a nonprofit revolving loan fund. The Fund was capitalized with a \$3 million grant from The Cleveland Foundation, and an additional \$2 million has been raised from local and national foundations and from Greater University Circle's anchor institutions. The initiative expects to raise another \$10-\$12 million which will leverage up to \$30-\$40 million in investment funds.

Each cooperative that receives initial financing from the Fund will repay the loan over time so that financing is available to other start-ups. Importantly, each of the Evergreen Cooperatives is obligated to pay 10 percent of its pre-tax profits back into the Fund to help seed the development of new jobs through additional cooperatives. Thus, each business has a commitment to its workers.

Evergreen Cooperative is already drawing significant support, including multi-million dollar investments from the federal government, major institutions in Cleveland like universities, hospitals, foundations, City Hall and the corporate community.

The Evergreen Initiative made a decision at the outset to pursue a model of economic development that would not require ongoing subsidy. Philanthropic dollars are used to provide initial seed funding for each cooperative business, but the businesses are then expected to be able to turn a profit and stand on their own. As for-profit businesses, Evergreen Cooperatives will also contribute much-needed tax revenues to fund city services. □

OneCommunity Coalition Captures \$18.7 Million in Federal Stimulus Funds

A national coalition led by nonprofit OneCommunity will receive \$18.7 million in Federal stimulus funds to promote the benefits of high-speed Internet access and provide training, equipment and support for 26,000 low-income individuals and their households.

A two-year grant from the U.S. Department of Commerce's Broadband Technology Opportunities Program will allow OneCommunity and its coalition of experts and partners to collectively develop and share effective broadband adoption and use strategies to serve as a national model. The communities to participate in the "Connect Your Community" project include Cleveland, Akron, Zanesville and other communities.

"We have a very innovative approach, great expertise and skilled partners. Together we look forward to contributing to the national knowledge base on how to bridge the digital divide," said Scot Rourke, president of OneCommunity.

The project will directly create more than 100 jobs and will equip computer training facilities for expanded instruction. Residents from participating communities will be hired by local training centers to conduct intensive outreach campaigns, teach basic computer and Internet skills, and develop plans for trainees to acquire access to computers and affordable Internet.

"This grant will help more Ohioans access the internet – leveling the playing field for Ohio's workforce," said Senator Sherrod Brown.

Area funders for the project include The Cleveland Foundation, Arminius Foundation, Case Western Reserve University, The Generation Foundation, PNC Bank, John S. and James L. Knight Foundation, The Fred A. Lennon Charitable Trust, The Raymond John Wean Foundation, The Cleveland Clinic, Cleveland Housing Network and Akron Urban League. □

Thomas Morley Joins Generation Foundation Board of Trustees

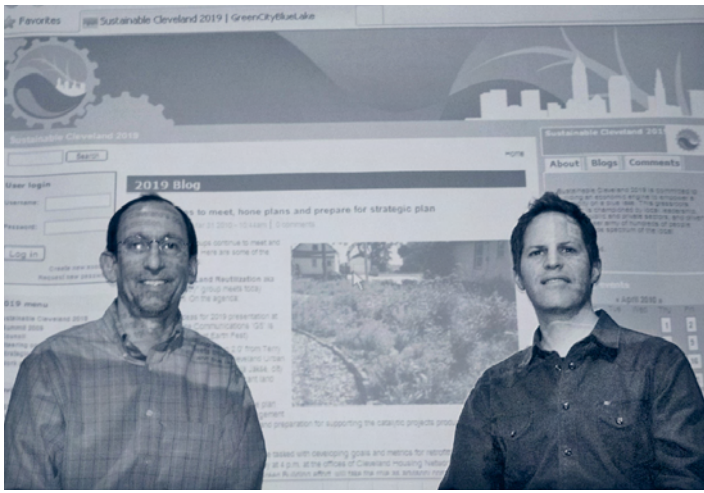


Morley

Thomas M. Morley, president of Lube Stop, has been elected to the Board of The Generation Foundation. He replaces Katherine T. O'Neill, a Founding Member of the Foundation who served as a trustee since 1997.

"Tom has intergrated his wide knowledge of sustainability and energy issues into the operations of his company," said Board President Glenn R. Brown. "He is also a trustee of GreenCityBlueLake

Institute and The Cleveland Museum of Natural History." Lube Stop is one of the first quick lubes in the country to develop a sustainability program, focused on reducing the company's ecological impact and improving the communities in which it operates. □



GreenCityBlueLake Institute's David Beach (left) and Marc Lefkowitz are building a web clearinghouse of sustainability information (in background) for the *Sustainable Cleveland 2019 Summit* process.

GreenCityBlueLake Forms "Virtual" Sustainable Cleveland 2019 Network

What happened to the thousands of ideas generated at last year's *Sustainable Cleveland 2019 Summit*?

Thanks to the new GreenCityBlueLake (GCBL) online website network, the entire sustainability community has the ability to access Summit information and track progress on current projects.

With a grant from The Generation Foundation, GCBL created an online network and information clearinghouse for the ongoing 2019 process. The interactive communications hub will be a special section of the existing GCBL website – the region's most popular site for tracking sustainability activities (see it at www.gcbl.org/2019).

Key elements of the project are:

- Tracking all the activities emerging from the 2019 Summit, including volunteer-led work groups, Mayor Frank Jackson's appointed Council (consisting of business and non-profit leaders), and a 60-member Steering Committee which is charged with organizing a follow-up summit in September 2010.
- Providing 2019 participants with easy means to communicate with each other and coordinate activities.
- Creating a concise, well edited presentation to explain the myriad sustainability groups and activities in the region to those who are not yet plugged into the network.
- Telling the rest of the world about Northeast Ohio's impressive progress toward greater sustainability.

"By bringing all the disparate strands of information together in one site, we can help bring clarity to the sustainability movement in Northeast Ohio," says David Beach, director of the GreenCityBlueLake Institute at The Cleveland Museum of Natural History.

The site's 2019 blog will provide frequent updates on sustainability successes and milestones. For example, the city of Cleveland announced plans to develop a \$180 million waste-to-energy plant where municipal trash will be sorted for recyclables and "fuel" that will be converted to energy. Other projects include a public awareness campaign and a video about the 2019 effort which was filmed at this year's EarthFest on April 18 (see <http://www.gcbl.org/2019/work-groups/engage-1.6-million>).

To find out how you can participate in building the "virtual organization" of sustainability in Northeast Ohio, contact the GCBL web editor, Marc Lefkowitz at mlefkowi@cmnh.org or 216-231-4600 x3513. □

NextGeneration

is published with the generous support of CCF Innovations at

THE CLEVELAND CLINIC
FOUNDATION



CCF Innovations: Bringing
World Class Innovations to Market

Galleria Blossoms Once More as Downtown Greenhouse

The Galleria Erieview in Cleveland is only a shell of the once vibrant downtown shopping destination. The mall, which used to host 48 retail shops, is now mostly empty with a handful of food court restaurants.

While the Galleria has lost nearly all the retail shops, two fruitful things remain: the barrel-shaped glass ceiling and resourceful, dedicated employees.



The Galleria's Vicky Poole

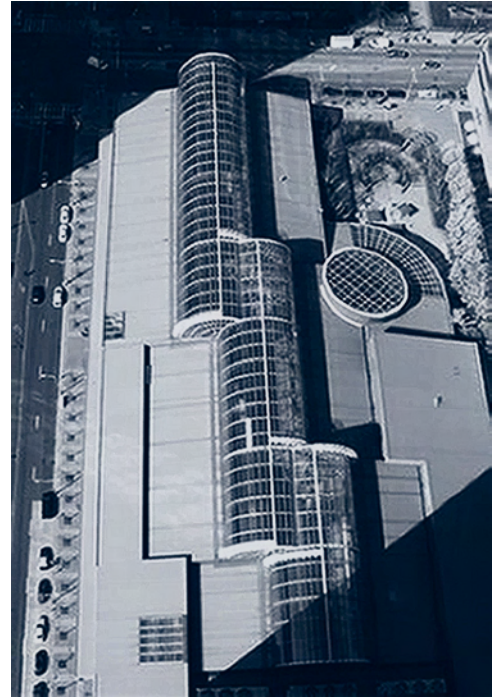
Vicky Poole, the Galleria's marketing and events director, was flipping through Urban Land magazine when she got the idea for Gardens Under Glass, an organic indoor greenhouse: "I thought it would be perfect to do something with hydroponic gardens here in our building, given that it is an atrium."

In addition to providing fresh produce to locals and visitors, the greenhouse is expected to create a few new jobs. They're also accepting volunteer gardeners to work on beds of herbs and greens and vine systems raised hydroponically and in organic soils.

The idea was funded by the Civic Innovation Lab, a local grant-maker known for backing innovative and "slightly wacky" ideas. Since 2003, they have funded 55 ideas with \$1.6 million in grants. According to a 2008 study by Cleveland State University, their investments have created 128 jobs, and an economic impact of \$9.4 million.

According to Jennifer Thomas, Founding Director of the Civic Innovation Lab, the concept is to fund many risky ideas with small \$30,000 grants and "create a diverse culture of entrepreneurship in the process." □

Halle Tecco, *Huffington Post*



Downtown Cleveland's Galleria Greenhouse

The Generation Foundation is a grantmaking public charity working cooperatively to strengthen the regional economy. 3375 Hollister Rd., Cleveland, OH 44118; (216) 371-0289; Fax (216) 321-1431; www.generationfoundation.org. Glenn R. Brown, President; Nancy McCann, Thomas M. Morley and Gary A. Oatey, Vice Presidents; Peter K. Ranney, Vice president and Acting Secretary; and James D. Ireland III, Treasurer. Robert Miller, Executive Director.



CHANGE SERVICE REQUESTED

NONPROFIT ORG
U S POSTAGE
PAID
CLEVELAND OH
PERMIT NO. 351

Generation Foundation
1111 Superior Avenue Suite 1000
Cleveland, OH 44114-2507