



Wellspring Cooperative Corporation Community Investment Plan (CIP)

November 2022

***Building a just and sustainable economy
one co-op at a time***

Wellspring Cooperative CDC

Wellspring's mission is to create an economy that is cooperative, equitable, democratic, and sustainable. We work with historically under-served communities in the Greater Springfield region by developing a network of worker cooperatives and by supporting community-led initiatives to cultivate cooperatives and collective well-being.

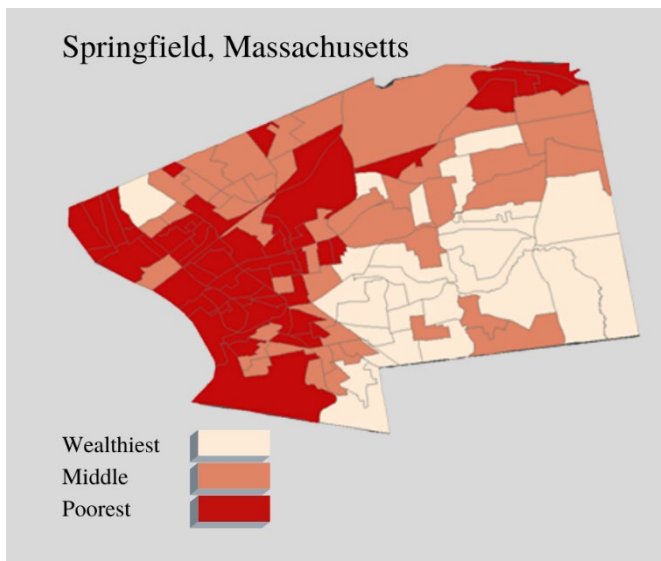
The Wellspring Cooperative Corporation (WCC) was incorporated as a nonprofit community development organization in 2014 after four years of building our capacity for business planning and financing. We were approved as a community development corporation by the Department of Housing and Community Development in October 2018.

Section 1

Community or Constituencies to be served by the organization

Wellspring was formed to create entry level jobs with on-the-job training and wealth creation opportunities for residents of Springfield's underserved communities, which are concentrated in inner city neighborhoods and the outlying neighborhood of Indian Orchard. Wellspring locates its businesses in these neighborhoods to ensure that our jobs are accessible to people who need employment. These neighborhoods have low median incomes and high rates of poverty. The South End where two of our businesses started, has a median family income of \$13,962 and a poverty rate of 58%, while Indian Orchard, where our hydroponic greenhouse is located, has a median income of \$35,464 and a poverty rate of 28%.

Springfield's adult employment rate of 54.4% is the lowest of any comparable city in New England, according to the Federal Reserve of Boston. The official unemployment rate of 6.2% is far above the 3.4% average for Massachusetts, and many Springfield neighborhoods have levels of unemployment as high as 30%. Springfield's median household income of \$41,571 is less than half that of the state average. Its poverty rate of 25.5% is 2.6 times higher than the state rate of 9.8%.



Professional jobs in Springfield are largely held by commuters even when their employers are located in low income neighborhoods. For example while the city's hospitals are located in the inner city, only 1,500 of the 10,300 health care jobs in these neighborhoods are held by local residents. Thus there is both a deficit of jobs, and a mismatch between available jobs and the skills and opportunities for low income city residents.

Multi-generational poverty is due to the lack of wealth in addition to the lack of stable employment. Local residents often find that low wage work doesn't enable them to save enough to

invest in education, housing or transportation that would make it possible for them to advance economically. Wellspring cooperatives provide wealth as well as income for employees who become owners and then share in company profits and decision-making. As their companies grow, worker-owners share in this wealth that they can use to invest in homes, education or other assets.

Springfield's low income residents are largely people of color, and the city is also among the most segregated cities in the country. Latinos and African Americans make up 67% of the population, but almost a third of these people live in poverty. The city as a whole is poor with a median household

income less than half of the state's, and 36% of the city's children living in poverty. Income inequality is also race-based, and the median household income for African Americans is 72% of whites, while Latino income is 46% that of whites. White median household income is \$58,991, while for African Americans it is \$42,670 and for Latinos it is only \$27,279. As a result of the current structure of employment and residential segregation, the Springfield metropolitan area has among the highest rates of racial disparities in employment, housing, and wealth in the country.

Wellspring also strives to make its jobs flexible for working mothers, since 69% of children are in single parent households in the city. Single mothers are over five times as likely to be poor as two parent households. These single mothers represent a large share of Springfield's poor families that are the focus of Wellspring's work.

Section 2

Involvement of community residents and stakeholders

This Community Investment Plan is based on an updated version of Wellspring's three-year Strategic Plan and revised mission statement, that were adopted by the organization in the beginning of 2022 and extended by the board in November 2022. The plan was developed through four organization-wide retreats that involved 21 leaders from our board and working committees.

Community involvement in this plan reflects community involvement in Wellspring, which is a membership organization comprised of organizations and individuals. Wellspring has built a broad collaboration with community and labor organizations, large anchor institutions such as hospitals and colleges/universities, economic development agencies, and funders. See our list of member and partner organizations in Appendix A.

A majority of Wellspring's board is drawn from Springfield and our target communities by design, including representatives of cooperatives, community and labor organizations, community development organizations, anchor institutions and individuals. Community members are also involved in various committees including our Cooperative Networking Committee that plans programs to support new and emerging cooperative businesses, Finance Committee, Development/Fundraising Committee, Labor Co-op Committee, and a Governance Committee.

The Strategic Plan emphasizes a renewed focus on community engagement and leadership development as well as education and outreach to ensure that Wellspring's work is community-driven and meeting community-defined needs. In 2021 Wellspring initiated a new neighborhood-based organizing process starting in the Indian Orchard neighborhood where the Wellspring Harvest greenhouse is located. *Grow IO* was organized by Wellspring and the Indian Orchard Citizens Council in partnership with area churches, Indian Orchard Library, and Survival Center. The partnership organizes wellness and gardening projects in the neighborhood that includes such as community gardens and a youth soccer league, in addition to support for local cooperative business development. Through this organizing Wellspring and the Indian Orchard Citizens Council are partnering with the City of Springfield to redevelop a former fire station that will provide a community center and incubation space for cooperative development.

The annual General Assembly is our membership meeting where members have a voice in the broad direction of the organization and elect the Board of Directors. This event is also one of a number of educational forums that Wellspring holds throughout the year to inform the wider community about cooperatives and the work of our organization. Other events have included cooperative festivals, including a first Earth Day celebration on April 23, 2022, potluck picnics at Forest Park, milestone events at co-ops in our network, panels on labor and cooperative business, and most recently a

leadership caucus where leaders from area organizations gathered to discuss collaborative efforts that can help us reach our common vision for the local economy and communities. Participation in these events ranges from 30 to over 100 stakeholders.

The businesses that Wellspring creates prioritize employment for low-income Springfield residents. The exception is that our initial managers for these companies are hired for their skills and experience and are often not low income. They train other low-income employees who are learning skills while they work on the job. New employees work for one year before they become worker-owners, and during that time they still have substantial decision-making power and are able to build their leadership skills through co-op management training and hands-on experience. All workers share in decision-making regarding the day-to-day operations of the business, and as worker-owners they decide about how profits are distributed. They also have opportunities to connect with the broader cooperative movement. Most of them have had the chance to engage in public speaking at events or conferences, as well as interviews with the media and researchers. Worker owners sit on the Board of their own business and have the opportunity to serve on the Board of the Wellspring Cooperative Corporation as well.

Section 3

PLAN GOALS

Wellspring Strategic Plan and 3 Year Organizational Goals

Wellspring Cooperative Corporation carried out a strategic planning process starting in May 2021 and completed in January 2022 to establish goals and action plans for the following three years. These plans were reviewed by the board in November 2022 and extended to 2025 for this Community Investment Plan. This process engaged leaders from the Wellspring board and working committees to draw lessons from the organization's first 9 years of development.

Organizational goals and objectives identified through the planning process include action steps to realize these objectives. These actions were assigned to Wellspring Committees who are responsible for implementing these plans and reporting to the board about their progress. Working committees include the Wellspring Board of Directors, Governance Committee, Cooperative Networking Committee, Finance Committee, Development Committee, Education and Training Committee, and Labor and Co-op Committee. Responsibilities are also shared by the organization's Co-Directors Emily Kawano and Fred Rose, Development Director Kristan Bakker, and Communications Coordinator Nellie Marshall-Torres.

Following is an outline of Wellspring's goals and objectives as agreed to in our strategic plan, with a summary after each goal about how this plan will benefit low-income resident as well as the broader Springfield community.

GOAL 1: Create living wage jobs for people in underserved communities in the greater Springfield region and those with limited employment opportunities by developing sustainable cooperatives.

Objective 1: Support creation of 2-3 new cooperatives a year:

- Run the cooperative boot camp twice a year with 10-15 participants each time
- Improve outreach to people and groups interested in developing co-ops
- Provide one to one technical assistance for co-op formation

Objective 2: Support stabilization and growth of Wellspring network co-ops

- Support training, education and mentorship through internal process and the co-op boot camp
- Develop and run co-op organizational and leadership development training for our network

Objective 3: Support business transitions to co-ops

- Support transitions to cooperatives of businesses for new clients and our companies in our current pipeline
- Carry out outreach and publicity to identify new business conversion opportunities
- Work with the Massachusetts Co-op Developers Table
- Develop our capacity to provide business valuation

Objective 4: Support co-ops with financing

- Provide Wellspring Harvest refinancing and support to become profitable by July 2023 and strengthen co-op governance
- Establish a loan fund and access capital as a member of SEED Commons
- Provide technical assistance to existing and new cooperatives on raising capital
- Help new and existing cooperatives to access grants

Objective 5: Establish a cooperative development space and office in Springfield

- Explore rental or purchase of a cooperative development space

Objective 6: Expand solidarity economy and cooperative development collaborations

- Build a national co-op collaboration with organizations with shared development missions
- Participate in the state CoWOP organization including the emerging Mass Developers Table
- Participate in the Mass Solidarity Economy network

Objective 7: Support value chain relationships among our own co-ops and sectoral supply chain synergies

- Explore eco-industrial park and funding on Pinevale Street on land that is owned by the city.

Community Benefit: A top priority established in Wellspring's strategic plan is to strengthen our cooperative business development capacity to provide living wage jobs and wealth creation opportunities for families in disinvested neighborhoods. Our cooperative network now consists of ten businesses that provide 65 jobs, however these companies are mostly still small and in the startup phase of development. To expand our business development and community impact, we are investing in infrastructure and partnerships to better support cooperative development. Over the next three years Wellspring will increase our capacity through expanded education and training, financing mechanisms, site acquisition and by establishing a dedicated business incubation space. We will also build on local, statewide, and national partnerships to better resource both our local and our partners' cooperative development work. These steps will enable us to establish 2-3 new cooperatives a year.

Cooperative development, as we have learned over the past decade, is first and foremost about identifying and supporting groups of people to realize their goals and visions. Wellspring has therefore focused increasingly on outreach to identify entrepreneurial individuals and to help them find partners who share their business interests. For instance, Wellspring is currently working with community members interested in forming co-ops in landscaping, childcare, construction, among other sectors.

Wellspring has developed a “Cooperative Boot Camp” in collaboration with Springfield Technical Community College to support groups of people to create their own cooperative businesses. The Boot Camp is a 14-week program that teaches people the nuts and bolts of taking an idea, testing its viability, and planning to form it into a business. For participants in the Boot Camp who want to become part of Wellspring, we can provide support with planning and financing to launch these companies. For others we will help them to find the resources they need to move their businesses forward. In both situations the Boot Camp provides a pathway for low-income residents to become economically self-sufficient by starting a small business. Wellspring's business education is unique in Springfield because of our emphasis on cooperative development, where participants also learn the principles and benefits of working cooperatively. This has the benefit of sharing both the costs and the achievements of the companies that emerge.

A co-op incubation space will greatly enhance our capacity to support new cooperative businesses, after operating as a virtual organization since our founding. A physical location will increase our visibility in the community and provide a site for meetings, business support work and collaboration. Incubator space will also offer workspace with office services for new and emerging cooperatives and will provide a gather place to share ideas and provide mutual support.

Strengthening our financing capacity will also greatly expand Wellspring’s ability to support new cooperative development and job creation. Startup capital for new businesses is particularly difficult to obtain from outside lenders and has delayed a number of Wellspring-supported co-ops. Wellspring’s goal is to become a member of the SEED Commons network, which is a national cooperative loan fund that operates through local affiliates. This network provides both access to capital and loan expertise and would enable Wellspring to assist new co-ops to succeed.

Finally Wellspring participates in local, statewide and national collaborations to share knowledge and explore mutually supportive cooperative development strategies. We have a long-term partnership with urban co-op developers in Cincinnati; Santa Rosa, California; and Jackson, Mississippi to share resources to develop a national childcare or other cooperative. Wellspring is a founding member of the statewide Coalition for Worker Ownership and Power that provides a learning network for cooperatives and cooperative developers across the state. In Springfield Wellspring works formally and informally with organizations across the city, with a specific focus on the Indian Orchard neighborhood, to increase community participation and multiply the effectiveness of our work.

GOAL 2: Increase community engagement and ensure that Wellspring’s development work meets community needs.

Objective 1: Increase community engagement in Wellspring’s mission and work through events, communications, and materials

- Hold one public event a season (four events a year) to inform and identify new interested people and build trust in inner city and diverse neighborhoods
- Sponsor two or more educational and skill-building workshops a year on topics on broad interest as a way to get more people interested in Wellspring

- Hold outreach events at community institutions such as congregations, hospitals, higher education, citizens councils, etc. to interest people to participate in Wellspring programs
- Develop outreach materials/ brochure about co-ops and Wellspring to make available to other business serving organizations.

Objective 2: Provide a range of ways for interested people to become involved with Wellspring including co-op engagement and developing livelihoods

- Produce a flyer about ways to get involved in Wellspring that include a range of different kinds of activities and opportunities, including membership
- Expand Grow IO committee and activities as a model for neighborhood engagement to increase impact and participation in Wellspring

Community Benefit: Public understanding of cooperatives is limited in Springfield, which has not had a tradition of businesses organized cooperatively as exists in the Amherst/Northampton/ Greenfield area in the northern Pioneer Valley. However cities across the country are investing in cooperatives as a strategy to bring investments into inner city neighborhoods, expand new business development and build wealth for low income residents. In addition there is a long tradition of cooperatives as a strategy for self-sufficiency in African American and Latino communities that is not familiar locally. Greater understanding of these community benefits could expand participation in Wellspring and increase the rate of new cooperative development and job creation. Wellspring's communications and educational outreach will build these community understandings and lead to more participation in our organization's work.

Community engagement is a primary focus of Wellspring's strategic plan, with a renewed commitment to ensuring that our organization is community led and reflects the needs and priorities of the neighborhoods where we work. We have established a calendar of community outreach and educational events to continually reach and involve new people, expand our visibility, and increase public understanding about cooperatives and Wellspring initiatives. This includes quarterly outreach events and focused educational forums to be held in different neighborhoods to appeal to diverse communities across Springfield. We will also hold forums with organizational partners including congregations, anchor institutions, community organizations and other business-serving organizations to engage their members. These events will help identify groups of people who want to form cooperative businesses with the support of Wellspring. They will also identify needs and priorities that could benefit from business-focused and cooperative solutions.

Wellspring also recently broadened our mission to include activities to promote community well-being to diversify the range of ways that we engage with communities beyond the multi-year process of creating new businesses. Our neighborhood organizing project, Grow Indian Orchard, is collaborating with congregations and organizations in the Indian Orchard neighborhood where the Wellspring Harvest greenhouse is located, to promote wellness and gardening programs. This partnership is sponsoring a youth soccer team taught by a worker owner at Wellspring Harvest, and other programs such as walking tours in the neighborhood and chess in the park. The collaboration is also working with the City of Springfield to redevelop the former Indian Orchard fire station as a multi-use community center. Wellspring's Indian Orchard organizing is a model for the kind of neighborhood-based outreach that our organization plans to replicate in other parts of Springfield.

Wellspring's adoption of the *Go Fresh Mobile Market* also promotes community well-being while supporting operation of the Wellspring Harvest greenhouse. The mobile market aggregates produce from area farms and delivers to senior and low-income housing complexes where food

insecure households can use their SNAP and Healthy Incentive Program benefits to purchase fresh fruits and vegetables. *Go Fresh* is a twelve-year-old program that in the past delivered to 12 sites during the summer months, but Wellspring has expanded it over the past year to operate year-round, serving 20 summer sites and 18 winter sites with further expansion planned.

GOAL 3: Strengthen the cooperative ecosystem

Objective 1: Strengthen relationships and engagement with the community and labor

- Continue to explore building collaborations with labor through the labor-co-op committee

Objective 2: Strengthen relationships and support from the public sector.

- Agree on priorities to work with City Council to approve
- Map, prioritize and follow through with “asks” from public departments, agencies and elected officials

Objective 3: Strengthen relationships and support from anchor institutions

- Reach out to additional anchor institutions to join as members
- Renew and expand relationships with current anchor partners as markets for new cooperative businesses, collaborators through research and internships, and as community members who share many of the same needs and concerns as the broader Springfield community including food access, housing, and environmental protection.

Objective 4: Strengthen relationships and support from social service providers

- Work with the mental health co-op to develop a plan to provide support services to our members
- Work with *Grow IO* partners and through *Grow IO* programs to develop relationships with social service organizations

Objective 5: Strengthen relationships and support from small business technical assistance and funding providers

- Increase collaboration and support with other business serving organizations like the Small Business Administration, Valley Venture Mentors, Mass Small Business Center, and the Western Mass School of Business.

Community Benefits: Wellspring recognizes that our effectiveness in building a cooperative economy depends on establishing a supportive ecosystem of institutions and policies across society. This includes relationships with social service agencies, other business service organizations, public sector, anchor institutions and community and labor organizations.

Partnerships with area social service agencies are important especially because low-income employees of Wellspring cooperatives often have other social needs such as for transportation, childcare, housing, and healthcare. We are building relationships with area social service agencies to support co-op employees, which also improves their effectiveness on the job.

Wellspring works with area anchor institutions such as colleges, universities, and hospitals to establish markets for goods and services produced by our cooperatives. These institutions are the largest employers and the largest purchasers of goods and services in the regional economy. Their core

missions also provide expertise that can contribute to Wellspring's mission. Our first cooperatives including Wellspring Upholstery and the Wellspring Harvest greenhouse were developed to meet purchasing needs at these local institutions. We have worked especially through the Western New England University Business School to assist with feasibility research for potential new cooperatives. Partner anchor institutions are represented on Wellspring's board because of their central role in our development strategy.

Local labor and community organizations are also represented on the Wellspring board by design to ensure strong community participation in our work. Wellspring's Labor-co-op committee engages with labor unions to both inform them about cooperatives as a means to support worker rights and worker control, and also to explore opportunities to create unionized cooperatives. Other community-based organizations provide avenues to work with different constituencies, such as neighborhood councils of religious congregations, and also provide access to complementary capabilities, such as community or political organizing.

Wellspring builds relationships with other business support organizations to both bring cooperative business alternatives to the people they service, and to access their services to support the businesses we work with. Organizations like the Small Business Administration and the Mass Small Business Development Center, provide complementary support services in the areas of business planning, financing, and marketing that are valuable resources for cooperative businesses as well. The SBA, for instance, has a recent mandate to support cooperatives with their financing programs. Wellspring is developing outreach materials that will be made available at these other business serving agencies to reach businesses interested in organizing in this way.

Finally our strategic plan emphasizes expanded outreach to local and state political leaders to develop policies that will support cooperative development. We have joined a statewide collaboration, the Coalition for Worker Ownership and Power (CoWOP) that has introduced a slate of bills that would bring resources and program supports to the sector. At the local level Wellspring has begun discussions with city councilors and Springfield's Planning and Economic Development Department to identify areas of support including both resources and incorporation into city programs and priorities.

GOAL 4: Expand organizational capacity

Objective 1: Hire and retain quality new staff. In 2023 Wellspring hired a 4/5 time Communications Director and expanded development through hiring a 20 hour a week Development Director. Goals for the coming three years include:

- Hire an additional full time program associate with a commitment of staying at least 2 years
- Prioritize Springfield hiring by utilizing all local networks to advertise positions
- Create a staff/employee handbook that includes standard information and policies including performance expectations and reviews, vacation and sick time, conflict transformation processes, etc.

Objective 2: Financial management

- Write a fundraising plan with annual goals for donations and grants needed to achieve strategic plan goals.
- Hold annual fundraising training for the board

Objective 3: Governance – Increase board's knowledge and engagement with governance

- Review and update the board orientation packet
- Increase and strengthen board participation in fundraising, governance, and financial responsibility
- Strengthen board participation, especially 30% co-op active representation
- Revise by-laws for selection of board members and participation

Objective 4: Organizational management

- Develop annual strategic goals and action plans based on the GANTT
- Develop a communications plan for internal and external communications
- Develop knowledge management system for efficient and up to date information on WCC activities for staff, board, and committees.
- Create a clear organizational structure including co-ops, Wellspring Community Harvest and programs

Community Benefit: Building Wellspring Cooperative Corporation as a financially stable organization is critical to carrying out our mission to increase employment, jobs and wealth in inner city Springfield neighborhoods. As a young organization, we have been mostly dependent on grant funding, however we are gradually building our grassroots fundraising and donor capacity to become more sustainable. Details of this plan are in Section 8 below.

Growth in our fundraising, supported by the CITC program, has enabled Wellspring to expand our staff for the first time since our founding. This year we have brought our development consultant on staff to further strengthen her role in the organization. We have also hired a part-time communications coordinator who is greatly increasing our outreach through social media, organization-wide updates as well as internal communication. Over time Wellspring plans to hire additional cooperative development staff as resources allow.

Other areas identified in our strategic plan to strengthen organizational capacity include governance and ongoing evaluation and areas for growth regarding internal management. Governance priorities include streamlining our process for electing board members, which is overly complex at present. As our organization has grown, we are developing new mechanisms to keep people informed about work across the organization and revisited our organizational structure to clarify internal relationships among different entities within Wellspring. These developments will improve the effectiveness of Wellspring to carry out our mission.

Section 4

ACTIVITIES TO BE UNDERTAKEN

Community Development Activities

Wellspring-Driven Business Development

Wellspring uses three strategies to develop worker cooperatives including top-down planning, worker-led coop development and coop conversions from successful sole proprietors. Wellspring Harvest exemplifies top-down business planning, led by demand from anchor institution partners who

want to purchase more local food year-round. Wellspring carried out market research, developed a business and financial plan, raised financing, and then incorporated Wellspring Harvest as a for-profit company with a cooperative structure. Wellspring then hired a skilled manager to run the greenhouse business who hired employees. Employees work for a probationary year before becoming cooperative members and learn about cooperative management and skills during that time. A community/Wellspring board governs the company during that first year until cooperative members join and take over governance of their business.

Wellspring has modified our approach to these top-down businesses to emphasize the recruitment of a core of interested cooperative members who are part of planning from the start, which helps build a cooperative culture in the business. This hybrid approach enables Wellspring to develop more complicated businesses in new sectors that require additional feasibility research and startup capital to form.

Wellspring is engaged in feasibility research and in multiple business development and incubation projects. This includes development of a franchise model for childcare centers, long-term plans to develop a closed loop eco-industrial park, hemp processing, and planning for a transportation cooperative. To support the formation of new cooperatives, Wellspring is also working to access multi-use sites. These initiatives are described below:

Hemp Processing and Transportation Cooperatives Feasibility Research:

Both hemp processing and transportation are sectors where Wellspring has carried out long-term feasibility research that has indicated that these are both viable new businesses if startup conditions can be met. Hemp production only became legal with the 2018 federal Farm Bill, which opens new opportunities to produce hemp fiber for multiple uses including clothing, rope and building insulation. Hemp fiber farming has been slow to emerge because of the lack of a processing facility in the region. Wellspring's Labor-Co-op committee has led research into hemp production, given the potential for unionized work in this emerging sector. Wellspring has also worked with business school classes at Western New England University to expand on this feasibility research. The next step to development is to secure an appropriate site for a processing plant, as described below.

Transportation needs in Springfield span multiple sectors, including flexible travel to medical appointments, employers, after school programs and childcare. A viable business requires subsidies to make transportation fares affordable for low-income residents, according to Wellspring's feasibility research. Childcare vouchers provide a good entry point, including a number of companies that own vans that require drivers. Wellspring's goal is to assemble a core group to launch this transportation cooperative.

Sites for Cooperative Development

Wellspring is building capacity to support larger-scale new cooperative projects through accessing land from the City of Springfield and private owners, with the goal of putting this land into trust for long-term community development. We have carried out a community-based planning process for reuse of a city-owned 16-acre brownfield site adjacent to the Wellspring Harvest greenhouse. A preliminary plan has been drawn up to develop the site as an eco-agricultural and industrial park, including open space for community education and recreation. Wellspring is working with the City of Springfield to carry out a brownfield assessment as the basis for applying for development rights to the site. A private landowner in Holyoke has also indicated interest in making his site available for cooperative development as an additional site.

Training and Incubation of Worker-Driven Cooperatives:

Wellspring's Cooperative Boot Camp provides training to groups of people who want to start

their own cooperative businesses. The Co-op Boot Camp is a 15-week certificate program that is open to community members, including virtual participation by people outside of the local area. The first four-week session helps participants understand what a cooperative is, their potential to build a more equitable, just and sustainable local economy, and what it takes to be a worker owner. The session ends with a tour of several local cooperatives in the region. The second 11-week session about “Building a Co-op Business” covers marketing, legal issues, financials, raising capital and sustainability.

The Co-op Boot Camp was piloted in 2017 and ran its first full session in 2018. The Boot Camp series is now offered annually during winter and spring, with plans to expand to two cycles a year in the future. Wellspring then works with emerging businesses to determine their plans and next steps. Previous Boot Camps resulted in several cooperative development outcomes including formation of the Jumping Jack Hoops cooperative, which provides recreational and health workshops as a part-time job for its two owners. A landscaping cooperative, construction cooperative and other new businesses have benefitted from this training and planning.

Landscaping Cooperative

Natural Living Landscapes is an environmentally sustainable lawn care and landscape design company that Wellspring supported to carry out a crowd funding campaign to purchase equipment with a preliminary launch during summer 2022. Wellspring continues to support this company with business planning, marketing, financing, and personnel advice. Work at Wellspring Harvest greenhouse and other Wellspring member organizations and individuals will help launch this cooperative business.

Childcare Cooperative

Wellspring is collaborating with Champion Childcare, a long-established childcare center, to develop a franchise design for a childcare cooperative. Initial planning research was funded by the Catholic Campaign for Human Development. Wellspring is supporting development of an initial childcare co-op with business planning and identification of a cooperative business team. Champion Childcare will provide training and shared financial management. Outreach to Wellspring partner organizations will identify additional sites for childcare cooperatives as part of the franchise.

Cooperative Business Incubation Center

Wellspring plans to open a co-operative business incubator center to provide ongoing technical assistance for new business, to increase our visibility in the community, and to provide a workspace with back-office services for startup cooperatives. This Center will expand Wellspring’s capacity to support the creation of new cooperatives. Opening this center has been delayed due to the COVID pandemic. The now-closed Indian Orchard fire station will provide a future home for a co-op incubator space once it is redeveloped by the City of Springfield. Wellspring is partnering with the Indian Orchard Citizens Council to plan this redevelopment process. In the near term, office space is available at a building managed by PATCH (People Aligning to Create Harmony), which is a partner organization represented on Wellspring’s board. This site will be opened once the Wellspring board agrees that the COVID situation is appropriate.

Cooperative Business Resources and Support:

Wellspring is working to build a supportive **co-op eco-system** that will enable our co-ops to thrive. We are in the process of developing more formalized relationships with organizations and agencies in various sectors. This relationship building entails consultation and building a mutual understanding of how we can help each other. Outreach includes:

- a) Business/co-op technical assistance and education/training. We have established a Co-op Boot

Camp program in partnership with a number of community organizations and Springfield Technical Community College. All of the partners had input into the design of the program.

- b) Social service supports - Given our focus on underserved populations, where people's economic and social stability can be quite precarious, access to social service support such as childcare, transportation, mental health, housing, domestic violence, and substance abuse is quite important. Wellspring is working on formalizing our relationship with a broad range of these social service providers so that we can meet the needs of our workers.
- c) Public sector – raising awareness and support from public officials, policy makers, City Council and economic development agencies.
- d) Community groups – we already work with community groups such as Arise for Social Justice, Neighbor to Neighbor, Springfield No One Leaves, the Springfield Community Land Trust, the Indian Orchard Citizens Council, and Gasoline Alley Foundation.

Wellspring also provides ongoing business support services to members of its cooperative network to ensure the success of these companies. Services including cooperative training, human resource management, financial advice and support, and board development.

In addition Wellspring works with companies to raise mission-driven equity and loans to finance new co-op businesses, with the support of our technical assistance partner the Local Enterprise Assistance Fund (LEAF). Financing start-up businesses poses many challenges given that companies often have limited collateral and minimal capacity for worker investments. Wellspring has developed relationships with a number of community development finance institutions (CDFI), socially responsible investment advisers, and mission-driven institutional and individual investors to raise needed capital.

In 2016 the Wellspring Investment Fund (WIF) was established to create our own pool of investment dollars. This fund was conceived in Wellspring's founding documents, with the goal that each cooperative business will contribute some of its profits to the fund to support new coop development. It was formed in 2016 to raise equity for the Wellspring Harvest greenhouse through a direct public offering. Over six months WIF raised \$300,000 from 57 individuals and organizations investing between \$1,000 and \$40,000 for 5 years at 3% interest.

Business Conversions

Conversion of traditional businesses owned by sole proprietors to worker cooperatives is a third strategy for Wellspring. The retirement of the Baby Boomer generation means that over 2.9 million businesses across the country will be transitioning ownership over the next 10 years. Selling a business to their workers provides an alternative especially for business owners who cannot find an outside buyer. Wellspring is partnering with the ICA Group and the Mass Employee Ownership Center to raise awareness about this conversion alternative. The Mass Employee Ownership Center has state funding to assist business owners to determine the value of their company and develop a financial plan to sell to their workers. Wellspring will then work with the employees at these companies to build a cooperative business culture and to assist them to approve founding documents including their articles of incorporation, bylaws, and workplace handbook.

Community Well-Being

In addition to our long-term mission of cooperative business development, Wellspring is expanding programs that directly increase community well-being to deepen community relationships, improve the quality of life in our target neighborhoods, and identify opportunities for further

development. The Grow IO community engagement work and Wellspring's food security initiatives will continue to expand over the next three years.

Grow IO Programs

Wellspring organized the Grow IO partnership to implement community improvement projects in the Indian Orchard neighborhood, including community gardens, chess in the park, youth soccer, and a shared calendar of events. Grow IO is now partnering with the City of Springfield as a development partner to revitalize the old Indian Orchard Fire Station as a community and cooperative incubation space. While it began as an informal network, Grow IO is now incorporating to become the operator of the fire station once it is renovated.

Food Access Programs

Hunger and job insecurity resulting from the Covid pandemic led Wellspring to introduce food access programs that continue to expand year by year. The Wellspring Harvest greenhouse hosted the Go Fresh Mobile Market during summer 2020 to deliver produce boxes to socially isolated public and senior housing residents. The next year Wellspring was selected as the new operator of the mobile market, which now operates through the greenhouse as an independent program. A 3-year grant from Health New England enabled the mobile market to expand to year-round operation and to double deliveries during the 2022-24 period. Wellspring Collaborative also raised donations during 2020 and 2021 to purchase produce from Wellspring Harvest to donate to the Western Mass Food Bank, thus supporting jobs while meeting an urgent food need. That program led to a grant from the Community Foundation of Western Mass to purchase produce to deliver to the Martin Luther King Food Pantry during 2022-23.

The Springfield Prescription Produce Collaborative is an outgrowth of Wellspring's previous food access programs. Wellspring is the lead organization for this 3-year USDA grant, working in partnership with three Baystate Health community health centers and researchers from the University of Massachusetts. The program will identify 150 community residents who will benefit from improved nutrition and provide them with fresh produce deliveries through the Go Fresh Mobile Market. Health providers will monitor the health benefits including improved food security, with a rigorous research and documentation program to analyze the outcomes of healthier eating.

Section 5

How success will be measured and/or evaluated

Numbers of businesses started, numbers of jobs created, and profitability of companies are key metrics for Wellspring. Our goal is to build our capacity over time to be able to create 2-3 businesses a year and 100 jobs over the next five years. We work closely with each company to plan production and achieve financial sustainability. These criteria were debated and discussed during Wellspring's strategic planning process and are reviewed and overseen by our Cooperative Networking Committee. In addition, Wellspring companies are accountable to our investors and lenders, who monitor financial performance quarterly.

Leadership development is central to Wellspring's mission. On the qualitative side, Wellspring works to teach leadership skills to cooperative members so that they gradually take on governance and management roles in their own co-ops and then in the Wellspring Cooperative Corporation nonprofit overall. We coordinate regular co-op meetings where workers analyze business performance, discuss workplace issues, and learn about coop management. Co-op members also develop their abilities to tell their own stories and connect these to the larger Wellspring mission by participating in press events, coop tours and Wellspring programs. Initially co-op managers, boards and Wellspring staff evaluate worker skills and their readiness to

take on additional roles. Eventually co-op members will play this role with new members. Quantitatively we measure the success of our leadership development efforts by the number of employees who become worker owners, co-op board members and then members of the nonprofit board.

Wellspring also measures our success by the level of donations, which is an indication of community support for our mission and work and of the stability of our budget. Over the past three years donor support has grown dramatically to 77% of total fundraising in 2021, up from 51% in 2019 and 16% in 2017, which indicates the growing level of public support for our work. This growth has brought both stability to our organization and the ability to increase staff and organizational capacity. Wellspring's Finance and Development Committees track these outcomes as part of financial planning for the organization.

Community education and increased community participation in Wellspring programs and events are also key organizational goals. Measures of success include the number of people participating in these events and growth in the number of Wellspring members. These outreach events are also intended to identify new people interested in starting cooperative businesses and in becoming active participants in Wellspring committees. Wellspring staff and board will track these results as part of our regular evaluation of the strategic plan.

Finally expansion of Wellspring's social media presence and growth in our number of followers and participants are important additional indicators of interest and support. Staff monitor the number of members opening our online newsletters, announcements, fundraising appeals and other communications. Hiring of a communications director has enabled Wellspring to have a regular social media presence and to track followers, which is now being tracked on multiple "channels" as indicators of interest in our work.

Section 6

Collaborative efforts to support implementation

Wellspring itself is a collaboration with board representation from anchor institutions (Baystate Health, University of Massachusetts (UMass), Springfield Technical Community College (STCC), Western New England University (WNEU)), economic development organizations (Berkshire Bank, and City of Springfield), and community and labor organizations (Neighbor to Neighbor, PATCH, Indian Orchard Citizens Council, and United Food and Commercial Workers). Community and labor participants facilitate Wellspring's outreach to the people we serve in African American, Latino and low income communities, while anchor institution and economic development partners are key to our capacity to develop successful cooperative businesses.

Wellspring's strategic plan calls for developing additional partnerships to expand our capacity to create new cooperative businesses and jobs. In order to increase business planning, we are developing ongoing relationships with area business schools. We have begun to work especially with the business school at Western New England University through Wellspring Cooperative Networking Committee Chair Joseph Gerard, who is a professor of management in the College of Business. Collaborations with the Landscape Architecture and Regional Planning Department at the University of Massachusetts has also assisted with neighborhood and project planning on Wellspring initiatives.

Grow IO (Indian Orchard) is a neighborhood-wide collaboration convened by Wellspring with the Indian Orchard Citizens Council. Other participating organizations include the Indian Orchard Library, Greater New Life Christian Center, New Covenant Church, and Indian Orchard Mills. These organizations work with Wellspring to plan neighborhood events as a key way to increase community participation and leadership in Wellspring.

The Wellspring Harvest greenhouse has also led to additional relationships in the Indian Orchard neighborhood of Springfield and citywide. An outgrowth of the greenhouse is Wellspring's management of the Go Fresh Mobile Market that provides fresh produce to low income and senior residents of Springfield. The Advisory Committee for this program includes the Public Health Institute of Western Mass, Northeast Organic Farm Association, Community Involved in Sustaining Agriculture, Springfield Health Department, Springfield Public Housing and Elder Affairs.

Wellspring has also played a leadership role in forming state and national partnerships to expand our cooperative development capacity and to support the wider cooperative movement. The Coalition for Worker Ownership and Power is a statewide network of cooperative developers and businesses across the state. Wellspring helped establish a national collaboration among urban-based cooperative development organizations including Co-op Cincy, Cooperation Jackson and Cooperacion Santa Ana. At the local level we work with multiple partners to support cooperative development, including Co-op Power who we are working with to support the launch of Northeast Biodeisel Cooperative in Greenfield.

Section 7

Integration of activities/consistency with community strategy and vision

Wellspring shares the goals of job creation and community revitalization with the broader economic and community development community in Springfield, while incorporating a commitment to economic justice, community control and social equity that we share with our community and labor partners. We are unique in Springfield as the only community development corporation dedicated to business and job creation, which fills a significant gap in the city's development infrastructure. Other CDCs and development organizations are supporting but not creating new enterprises. We have brought together a broad network of community and institutional stakeholders to collaborate including hospitals, colleges and universities, community and labor organizations, economic development organizations and financial partners. Finally we are bringing cooperative forms of organization to Springfield, which has been an effective strategy in other urban areas to bring new investments and employment opportunities to blighted areas.

The City of Springfield states its economic and community development goals in its annual Action Plan for 2018-19. These include job training, job development, promoting entrepreneurship and small business growth, and expanding economic opportunities. These are well aligned with Wellspring's community development work, and the mayor's office has participated in ribbon cuttings and press events at our companies. The City is working with Wellspring to redevelop the former Indian Orchard fire station and to explore redevelopment of the 16 acre Pinevale site. Wellspring Harvest greenhouse is the first development on the "Indian Orchard Industrial Park" created by the city and Springfield Redevelopment Authority to revitalize a remediated brownfield site. Neighborhood and city support were critical for obtaining this site and reflect that the job creation and reinvestment mission of the greenhouse advanced the city's development goals.

Wellspring also serves as the leading organization in the region promoting anchor-driven development, while interest in this approach is increasing among hospitals, foundations, and other partners. We work with a network of college and hospital anchor partners to meet purchasing needs for goods and services with new local enterprises. Baystate Health has been a Wellspring partner from our inception in 2011 and has incorporated anchor institution approaches to community benefits as part of its analysis of the social determinants of health. The Wellspring Harvest greenhouse is also a partner with Trinity Health through Springfield's Mercy Hospital and received a direct investment as part of Trinity's Transforming Community Initiative grant to Springfield. Mass Mutual, Springfield's only fortune 500 company, has also recently reoriented its grant giving around anchor institution development. Our work with these institutions

provides a bridge to the community development world.

Section 8

Financing strategy

Wellspring's budget for 2022 is \$346,809, which primarily supports the organization's two Co-Directors, a half time Development Director, and a recently hired Communications Coordinator. Plans are underway to hire an additional Program Associate to expand cooperative development capacity. This budget also includes funds to open an office and cooperative incubation space for the first time. Spending in 2022 represents significant growth from Wellspring's 2021 budget of \$217,780.

Funding to support the Wellspring budget is raised each year through a combination of donations and grants, with limited contributions from fee for service work and events. Donor outreach is coordinated by Wellspring's Development Committee under the leadership of our Development Director. That committee has established a fundraising calendar that includes an appeal to our membership during the spring, a major donor campaign from July-September, peer to peer outreach through Wellspring leaders during Giving Tuesday and a year-end appeal. New potential donors are identified through house parties, where Wellspring leaders invite members from their social networks to learn more about the organization's work. Wellspring tracks and coordinates its donor campaigns through the use of donation management software Little Green Light. Donors are kept informed about Wellspring's work through quarterly newsletters and invited to participate in community events throughout the year.

Wellspring's Development Committee has successfully increased revenues year by year primarily through major donor support made possible by Community Investment Tax Credit funding. Wellspring's donor income has expanded from \$102,870 in 2019 to \$134,954 in 2020 to \$240,211 in 2021. Last year we utilized 93% of our \$150,000 CITC allocation to match donations, and we have received a similar grant to support major donor outreach in 2022. These donations have become the major source of revenues for Wellspring, increasing from 16% of our budget in 2017 to 51% of spending in 2019 to a full 77% of our total funding in 2021.

Foundation grants remain an important source of revenue for Wellspring, with grant writing the responsibility of the organization's co-directors. The Mass Mutual Foundation and Mass Growth Capital have become regular funders that provide \$75,000 of funding a year. Other local and state funders such as the Community Foundation of Western Mass, Beveridge Foundation, Davis Foundation and Mass Development have funded specific Wellspring projects in past years.

Section 9

History, Track Record and Sustainable Development

Wellspring brought together a network of anchor institutions and community organizations in 2010 to address the shared problems of low employment, high poverty and limited resources for investment and new business formation in Springfield. These issues impact the region's colleges and hospitals who have difficulty attracting students and health professionals because of the blight, crime and decline in the city. They are also impacted by school drop out rates that limit their ability to hire city residents. Recognizing these shared problems, our community and anchor partners agreed to work together to use the purchasing power of anchor institutions to create jobs and wealth in Springfield's low income communities.

The Wellspring Collaborative was formed in 2011 as an informal network that was incorporated in April 2014 as the Wellspring Cooperative Corporation (WCC). The WCC operates as a nonprofit

community development organization, while all the businesses it develops and supports are for-profit cooperative companies that operate under their own boards and articles of incorporation. The Wellspring Cooperative Corporation is a membership organization with a board comprised of representatives of member cooperatives, anchor institutions, community and labor organizations, development organizations and individual community members.

Wellspring began by bringing together regional anchor institutions to explore how they could use their purchasing power to create jobs and development in Springfield's low income neighborhoods. Partners include Baystate Health, University of Massachusetts, Springfield Technical Community College, and Western New England University. The project drew inspiration from the Evergreen Cooperatives in Cleveland, and a team of 16 community leaders visited Cleveland in 2012 to learn from their experiences.

In 2011 Wellspring was among 12 organizations nationally to win an initial round of the Robert Wood Johnson Foundation's Roadmaps to Health grants. This was the first time that the Robert Wood Johnson Foundation funded projects addressing the social and economic determinants of health disparities.

The Wellspring network now includes ten cooperatives. Wellspring Upholstery opened its doors in December 2013 and repairs institutional and commercial upholstery for colleges, hospitals, public schools, restaurants and hotels. Wellspring Harvest Greenhouse began sales of lettuce in December 2018 with customers that include Big Y Supermarkets, Whole Foods, Mercy Hospital, Mt. Holyoke College and other venues. In 2018 Jumping Jack Hoops became the first cooperative to emerge from Wellspring's Co-op Boot Camp. Six additional cooperatives joined the Wellspring network including Farm Bug craft cannabis co-op, Chronic Trips outdoor education co-op, Green Love Eco-Cleaning joined, Catalyst Cooperative Healing mental health co-op, Northeast Biodiesel, and Energia weatherization cooperative. Wellspring has supported Natural Living Landscapes to join as the network's tenth cooperative business member.

In order to support people who are interested in working in or starting up their own cooperatives, Wellspring developed the Co-op Boot Camp in partnership with Springfield Technical Community College's Workforce Training Program. The first 14-week Worker Co-op Boot Camp was held in Spring 2018. The curriculum enables teams of people to evaluate and plan the creation of their own cooperative businesses. Wellspring works with program graduates who want to be part of our network to complete their business and financial plans, raise needed capital and launch their businesses.

Wellspring has raised significant capital to launch its cooperative businesses. Wellspring Upholstery was financed with \$150,000 which was half equity investments and half loans. Wellspring Harvest greenhouse raised \$1.5 million in financing including \$300,000 from a direct public offering of small investments and another \$215,000 in preferred shares. This equity was able to leverage \$755,000 in loans from six different lenders. Grants and cost sharing represented the bulk of financing.

APPENDIX A

MEMBER AND PARTNER ORGANIZATIONS

Community and Labor Organizations

Greater New Life Christian Center
Indian Orchard Citizens Council
Indian Orchard Library
Neighbor to Neighbor
Northeast Organic Farm Association
Orchard Covenant Church
Public Health Institute of Western Mass.
United Food and Commercial Workers 1459
Western Mass Jobs with Justice

Anchor Institutions

Baystate Health
Springfield Technical Community College
Trinity Health
University of Massachusetts
Western New England University

Funding and Investment Partners

Baystate Health
Berkshire Bank
Coastal Enterprise Inc.
Cooperative Fund of the Northeast
Davis Foundation
Health New England
Local Enterprise Assistance Fund
Mass Clean Energy Center
Mass Department of Agricultural Resources
Mass Growth Capital
Mass Mutual Foundation
Pioneer Valley Grows Loan Fund

Development Organizations

Berkshire Bank
Community Involved in Sustaining Agriculture
Coop Power
City of Springfield Council Members
Springfield Health Department
Springfield Public Housing