

3/24/20

Item # 1 G

Good afternoon Mayor and Council,

I'd like to thank the Mayor and Council for their enthusiastic support for creating and funding the Worker Cooperative Initiative. Nowhere in the South Bay has any City taken this effort as seriously and spoken as loudly as Santa Clara has when you funded this effort last year.

Now, more than ever, we need outside help to support City staff in figuring out how to make this work. Santa Clara can lead this effort in the South Bay and show the Bay Area and nation how cooperatives can help quickly build equitable, sustainable, and democratically governed businesses. We will need this tool as we rebuild and fortify our society in the upcoming months and years.

Over the past few months, the local and national experts have been meeting to propose how best to serve the City of Santa Clara in ~~the~~ ^{this} mission. They agreed on a two-pronged approach:

1. Project Equity (PE) will do the City inventory and direct, high-touch business outreach.
2. Democracy at Work Institute (DAWI) would project/program manage the entire plan, coordinating with PE and subcontracting

needed work to the Sustainable Economies Law Center (SELC) and the US Federation of Worker Cooperatives (USFWC). They have already provided scopes of work, timelines, value to the City, etc.

These are the experts that worked on Berkeley's program, with the City staff, and the community. This is the first time they have all come together at the beginning of a process, and they want to create this program with the City. They are ready to go and the City needs your direction and support to allow these experts the flexibility to design and implement these programs with staff. This approach has not been done before and will really test the City's ability to embrace the mantra of "The Center of What's Possible." *See Summary.*

Please trust these people. Create/approve whatever processes is needed to get them into the City. They will take care of you and do you proud. And please support this resolution today.

Thank you and the City staff for all your support.

Santa Clara Worker Cooperative Conversions Collaborative

Small businesses are vital to the health and vibrancy of a city. Many owners are at or approaching retirement and do not have succession plans or the targeted tools and support they need to explore the option of selling the business to their employees.

Four leading organizations in the worker cooperative field are partnering with the City of Santa Clara to build a robust business retention strategy that identifies and supports business owners to transition their businesses to worker ownership. In order to meet the needs of business owners now and avoid preventable closures, a multi-pronged and coordinated effort is needed to:

- Understand the scale and type of businesses that are at risk of closure due to owner retirement, and identify targeted approaches for reaching these owners;
- Develop recommendations for municipal policies and programs that meet owners' financial and technical assistance needs for converting to worker ownership;
- Create and deploy specific trainings for city staff, capital providers, business service providers, and merchant associations on identifying and supporting owners to explore the option of selling to their employees; and
- Develop a series of owner-facing events that provides resources and tools for exploring their succession plan options, including employee buy-outs

The value of this collaborative approach is that while each organization is responsible for delivering a discrete service, the groups mutually reinforce and sequence their work to ensure the timely deployment of coordinated services.