



Erik Gates at work with AFS  
(Photo: Casey McKeel)

## AN ECOSYSTEM FOR ECONOMIC DEMOCRACY

### Repairing neighborhoods and creating cooperatives in Baltimore, Maryland

**Normally, houses have roofs. Floors tend to not end abruptly in mid-air. And usually complete walls are in place to keep the elements at bay.**

Not in West Baltimore, though. Here, decades of disinvestment have led to a crisis of abandonment—the historically Black community stripped of the resources it deserves and the built environment—block upon block of two and three story brick and stone rowhomes—left to crumble and decay.

At 1808 Appleton Street, that means that a light mist is drifting down from a hole in the ceiling through a missing half of a second floor, and onto Erik Gates, a worker-owner at Appalachian Field Services (AFS), who is passing new 2x4s up to his colleague Clyde Phillips standing on the story above.

Five years ago, Erik was looking for work—and not having much luck, because of the impacts of incarceration that linger long after a return to “freedom.” But then he met Clyde, a master



builder working with AFS, and found he had a chance to turn his life around. Today, he's not only working to rebuild the devastated neighborhoods of West Baltimore, house by house, but he's doing so as the co-owner of a democratic workplace, designed from the ground up around second chances.

## GETTING OFF THE GROUND

AFS was formed in 2010 as a "social enterprise" of sorts. David Lidz didn't know that term, but he knew that he needed to run the business he had found himself in charge of differently. This was a second chance he was lucky to have, after his previous life had fallen apart at 36 years old when an alcoholic addiction caused him to hit rock bottom, or maybe even a little lower. His former career

in government relations destroyed, he had gotten sober and clawed his way back on his feet working the only job he could find—doing odds and ends construction and maintenance work for property managers, sometimes minor repairs or mowing lawns, but mostly cleaning up after evictions, and boarding up vacants—the bottom of the real estate food chain. He was good at the work, though, so he wound up scraping together enough for a van and a handful of tools of his own, going from day laborer to independent contractor.

But it wasn't just work he was after, and that's where the origin story for AFS starts. For David, recovery meant committing himself to a life lived in commitment to values: service, accountability, honesty, and integrity. As the work started to grow and he began to hire

A decaying vacant, left, next to a renovated AFS house on the right.  
(Photo: Casey McKeel)





## A CITY IN NEED OF REPAIR

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people who, like him, had struggled with addiction and needed a second chance, it turned out these values were also pretty good ones to base a business on. Appalachian Field Services became a life-line for the people David brought in to work with him, and he started thinking bigger. Most of the jobs the company was getting tended to be about managing, or even abetting, the decay of the neighborhoods they were working in, helping absentee property owners warehouse the properties they were speculating on.

What if AFS could work against this trend, and start buying these vacant properties themselves, renovating them and turning them into a place for people in the community to live?

Doing this was going to take more capital than a crew of laborers could scrape up. But banks and mainstream community development organizations weren't interested—for the former, the risk was too great, and for the latter, the piecemeal, house-by-house scale of the revitalization AFS wanted to do didn't fit the usual model for redevelopment financing.

That's where Seed Commons came in, via its Baltimore peer BRED, with a \$495,000 loan in 2020. This funding facilitated the conversion of AFS to worker-ownership, and gave it the working capital it needed to test its new model out, renovating three properties acquired in the Park Circle neighborhood of West Baltimore. Once renovated, these properties would be held and rented out by a new property management company Rising—which together with AFS itself would now be owned by **WaterBottle**, a cooperative holding company established to put workers from both sides of the business in charge through democratic ownership.

Today, looking off of a tiny third story balcony over West Baltimore's Sandtown-Winchester neighborhood, David's enthusiasm for this work is contagious. This is the neighborhood where Freddie Gray lived and died, killed by the Baltimore Police Department in 2015. After the Uprising, a lot of noise was made about helping this neighborhood recover from decades of disinvestment, but by and large not much has changed—this block of stately three story brick townhomes along North Avenue, the major East-West boulevard through the neighborhood, is almost entirely vacant. The building next door has been abandoned for so long that a two foot thick tree trunk has grown up in the exact shape of a door frame.



David Lidz, founder of AFS, looks out over West Baltimore. (Photo: Casey McKeel)

And the vultures are circling. David says that a lot of the properties in the neighborhood are being snatched up at auction by big private equity portfolios, waiting for the payoff of speculative profit. AFS and Rising are doing something different—they are renovating the properties they acquire for immediate use, renting them out to tenants, and keeping the money circulating in the community

*All of this—the growing company and the second chances its giving its worker-owners, the reconstruction of vacants into housing, the grassroots ecological action—would have been absolutely impossible without a local cooperative ecosystem capable of bringing real financial capacity to the table.*

through their worker-owned structure. They are hoping to figure out a way to share some of this neighborhood equity with the people living in the properties they renovate—although figuring out what makes sense for scattered site, single-family home rentals has proved more challenging than they initially thought it would be.

The building we're in now is the largest acquisition to date—much bigger than most of the modest two story homes lining the smaller streets in West Baltimore. So AFS and Rising are doing something a little different with this one. The top floor is going to be dormitory-style housing for some of the homeless youth they've gotten to know through a local job training program—David tells me how the kids come to learn construction skills on the job with AFS, but don't have anywhere safe to go when they leave.

So the cooperative is going to try and fix that, a half a dozen kids at a time. Part of the building will be offices for AFS and a community meeting room. The entire ground floor, including an adjacent storefront garage, is slated to become half woodworking workshop and half showroom—the idea is to take all the incredible old wood that they are constantly pulling out of collapsing buildings, divert it from the landfill, and upcycle it into furniture.

David's particularly excited about the way they are beginning to layer ecological action into the fundamentals of their cooperative business—something he says would not have been possible without the support of Seed Commons. The wood reclamation is just a piece of this. Already, every house they redo is converted to run entirely on electricity, although David is quick to admit that while this is great from the standpoint of a green transition, it also means the crew gets to avoid dealing with ancient gas lines and additional overhead from the sclerotic local utility company. As the climate in Baltimore gets warmer and wetter, the stormwater runoff that already overloads the city's aging infrastructure is becoming more and more of an issue—and so AFS is now integrating green stormwater management into their renovations, working to divert and absorb rainwater before it hits the storm drains.

All of this—the growing company and the second chances its giving its worker-owners, the reconstruction of vacants into housing, the grassroots ecological action—would have, David emphasizes, been absolutely impossible without a local cooperative ecosystem capable of bringing real financial capacity to the table. If we want to understand the success of AFS and Rising, we need to understand where that ecosystem came from, and the role Seed Commons played in helping it grow.

## ICE CREAM AND DEMOCRACY

The anchor of this local ecosystem is the **Baltimore Roundtable for Economic Democracy (BRED)**, which started as a conversation between a few local worker cooperatives back in 2015, with the hope of bringing a little more structure and capacity to the informal network of mutual support that had emerged organically between them. As these cooperative projects grew and as more and more people were becoming interested in worker cooperatives, the lack of any central alliance or organization to hold the work of ecosystem building had become more and more noticeable. Kate Khatib—who helped co-found Baltimore's **Red Emma's Bookstore Coffeehouse** worker co-op in 2004, and who currently serves as the co-Executive Director of Seed Commons—was one of local worker-owners who convened BRED in response. As she notes, "We saw that there was a lot of discussion and energy brewing in Baltimore around the solidarity economy generally, but realized that without a dedicated organization, led by and focused on delivering practical results for real worker cooperatives, we weren't going to be able to truly move the ball forward."

Growth in Baltimore's cooperative ecosystem began to truly take off after BRED was able to connect with Seed Commons to become one of the first peer members in the national network, bringing a much-needed source

of non-extractive, worker coop-friendly capital to the table for local projects. This connection developed initially in response to the possibility of an exciting cooperative conversion: a local social enterprise ice cream manufacturer, **Taharka Brothers**, with a focus on employment for Black youth, had decided to take that mission to the next level by converting to worker-ownership and putting those young people in charge of the company's future. The plan for this conversion had emerged in discussion with worker-owners at Red Emma's, which, in part thanks to

a big expansion in 2013 that had been partially financed by The Working World, was one of the city's most visible worker cooperatives, and concrete proof that democratic workplaces could scale.

Now Taharka Brothers was hoping to take the jump into worker-

ownership—but first it needed to get the business back on track, starting with raising the funds needed to fix the company's ice cream truck in time to get it out on the streets for the summer of 2016. They approached The Working World, but the team there was both enthusiastic and apprehensive. Even with a small loan, how would it be possible to do the kind of hands-on, relationship-based support and diligence necessary for non-extractive lending to really work, while based 200 miles away in NYC? The Working World had already been thinking through these questions as part of the conversation that would ultimately give rise to Seed Commons as a national network,

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Taharka Bros. worker-owners pose with their ice cream truck in front of their factory.

and the existing relationship through Red Emma's with the nascent local worker-coop organization BRED provided an opportunity to test a possible answer.

That's how in 2016, Taharka Brothers got the \$15,000 they needed to get their truck running again, working with a project steward based at BRED to secure a loan financed by The Working World. This combination of non-extractive capital and local technical assistance proved to be exactly what Taharka Brothers needed as it transitioned to worker ownership, catalyzing a major phase of expansion. In 2019, two additional loans totaling \$39,000 allowed Taharka Brothers to open two scoop shops inside one of Baltimore's public markets and another popular food hall. In 2020, as COVID hit, demand for delivery of ice cream by the pint exploded, and BRED and Seed Commons were able to step in with a \$66,000 loan to finance a bigger freezer and more advanced, higher capacity equipment. And in 2023, a series of loans totalling \$685,000 enabled Taharka's biggest scale up yet,

financing the purchase of an additional freezer truck for deliveries, and a major expansion of their factory into an adjacent property, making it possible for them to move a key piece of the ice cream production process in house to unlock a significant bump in their margins. Taharka, owned by the young people who have driven it forward, now sells wholesale to groceries and restaurants across the Baltimore region and sells direct to customers locally via their bright pink ice cream truck and a total of four scoop shops across the city, as well as shipping 6-pint

packages to customers across the country. Vince Green, a Taharka Brothers worker-owner, **notes** that BRED has been essential to this growth: "[they] are our best friends, they are lifesavers and with a lot of things, financial assistance but also just advice."

## MAKING MOVES

Putting non-extractive capital from a national scale fund together with local community capacity to deploy it has proven catalytic in Baltimore, especially as BRED has doubled down on the food and service sector, drawing on the experience of worker-owners at projects like Red Emma's and immigrant-women driven Mera Kitchen. Taharka Brothers, for instance, isn't Baltimore's only worker-owned ice cream factory—BRED has also supported **Cajou Creamery**, an entirely plant-based producer that has transitioned from a family business to a cooperative model. And the ability to pair local relationships and connections with a streamlined process for accessing and deploying capital has made

it possible for BRED to move quickly when new opportunities for worker ownership in the sector arise. In July of 2023, for instance, the workers at a longtime neighborhood coffee spot, Common Ground Bakery Cafe—some of whom had been busy organizing a staff union—found themselves abruptly out of a job when the owner of the business decided to shutter the thriving location with no notice. By the end of August, BRED’s team had helped the workers put together a successful conversion bid, and **the cafe reopened its doors as a worker cooperative** to a torrent of community support by the middle of September.

Beyond a growing portfolio of over a dozen worker-owned businesses in Baltimore, BRED has supported and financed projects in the larger region, including helping **Earth-Bound Building**, a worker-cooperative construction company grounded in Black liberation and

ecologically sustainable building traditions and techniques acquire land in rural Maryland, and helping **Anytime Taxi**, an immigrant-led, union-organized accessible transit cooperative in Montgomery County scale up and sustain their vehicle fleet.

BRED’s done all this while also scaling up their education and advocacy work. This past year, BRED bottomlined the drafting, introduction, and organizing around a new worker cooperative statute for Maryland, which was on track to pass until the Key Bridge disaster tragically upended the last days of legislative session. Its annual “Worker Cooperative Jumpstart” has provided an extremely popular daylong intensive intro to workplace democracy since 2016, while a new cooperative developer apprenticeship program has given worker-owners from area cooperatives a paid opportunity to flex muscles and build skills they might not get a chance to do in the day-to-day work of running a business. Crucially, this builds local cooperative leadership grounded in the experiences of actual worker-owners on the shop floor—as Christa Daring, BRED’s Executive Director, themselves a former worker-owner at Red Emma’s, puts it:

*At BRED we are committed to putting those most impacted at the forefront of our work, our staff is primarily made up of current and former worker owners, and all of our team is deeply seated in community work. Building a cooperative is a unique venture and those that have been through both the extreme ups and the wallowing lows are best equipped to help steward new cooperatives into our vibrant co-op ecosystem. We are always striving to find new ways of putting low barrier capital in the hands established and aspiring worker owners.*



A sign announcing the reopening of Baltimore's Common Ground Cafe as a worker cooperative. (Photo: Reddit)



The non-extractive capital that BRED is able to provide as a member of Seed Commons has been essential in scaling this vibrant ecosystem of worker cooperatives in and around Baltimore, especially given the rough road small businesses have traveled over the pandemic years. Worker-owned **Baltimore Bicycle Works (BBW)**, for example, had opened a second location in 2018, with major financing from Seed Commons via BRED. They had projected that this second bike shop was going to take about three years to start turning a profit—except COVID had other plans.

While demand for bikes and repairs remained high during the pandemic, COVID wreaked havoc on the global supply chains of the 21st century bicycle industry, and BBW found itself hard-pressed to keep bikes for sale on the shelves. And the same supply crunch meant stocking basic parts like brake cables was just as hard, slashing their income from bike repairs at the same time.

Seed Commons's non-extractive lending model, however, was a natural fit for cooperative

resilience during the pandemic-era challenges. As worker-owner Bernardo Vigil puts it, "if we had received financing from any other institution, [COVID] would have not only been the end of the second location, but it would have been the end of both bike shops."

## SPACES TO THRIVE

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The kind of growing, successful, and resilient cooperative ecosystem that BRED is helping sustain is only possible when the cooperatives

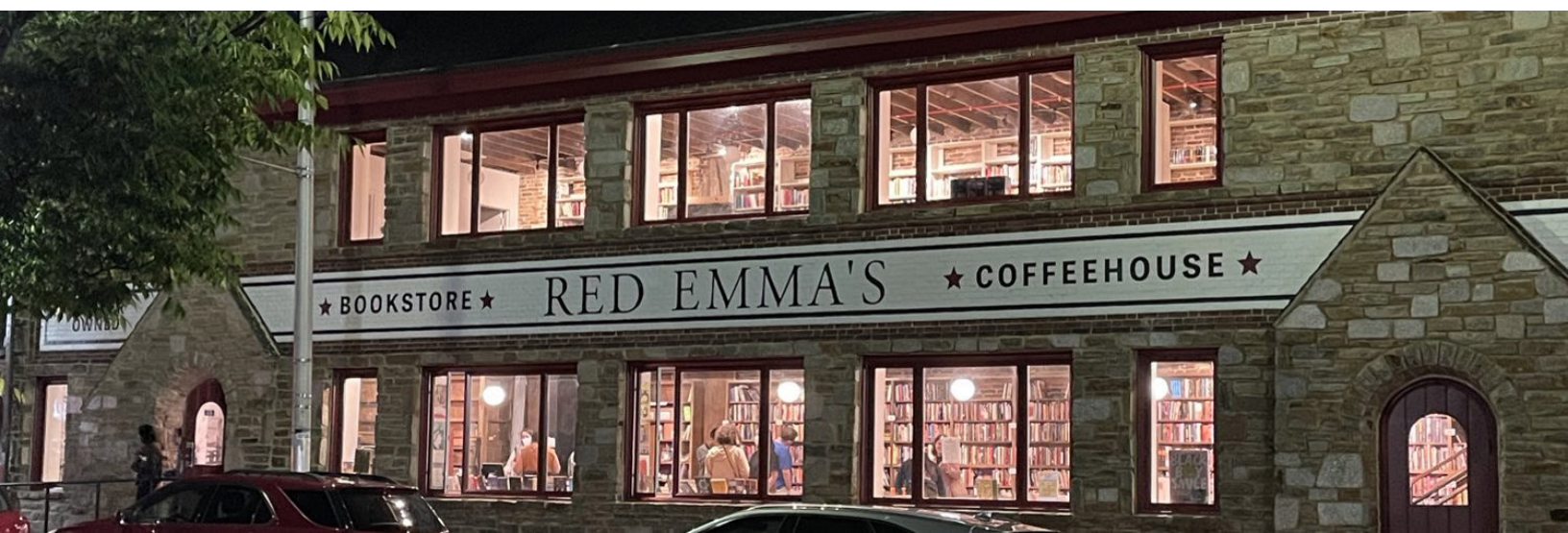
themselves are given the tools and resources needed to take advantage of new opportunities, or, like BBW, deal with new and emergent challenges. A key challenge for

the workers and communities BRED works alongside is real estate: it's hard to exercise any kind of cooperative right to the city when landlords and speculative developers demand extractive rents and displace community institutions.

To meet this challenge head on, BRED has been working to deploy more resources into community control of land—in 2022, it

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One side of the new permanent home for Red Emma's, financed by Seed Commons.





helped finance the purchase and renovation of a permanent home for the Red Emma's cooperative, consolidating two buildings into a 12,000 sq ft. expanded bookstore, cafe, and community organizing space.

Meanwhile, down in East Baltimore, BRED is working with the **Village of Love and Resistance (VOLAR)**, which is combining community organizing, cooperative housing, and neighborhood investment to build a bulwark against displacement as the low-income, predominantly Black community continues to be squeezed out by redevelopment and the expansion of the nearby Johns Hopkins hospital.

## ***JUSTICE AND DIGNITY***

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Back at AFS, meanwhile, David Lidz and the other worker-owners continue to work together to build the kind of company that helps the formerly incarcerated and addicted thrive. As David puts it, it doesn't make things easy when "your hiring pipeline is the prison and the rehab." A big part of this is putting compassion first, something our economic system doesn't make easy or lucrative. When a worker-owner finds themselves unable to make it to work because they are in crisis, fearing a relapse, a traditional construction company would likely just let them go. For AFS, on the contrary, the response is to show

AFS worker-owner Alfonso finishing up the renovation of a house in West Baltimore.  
(Photo: Casey McKeel)





up for their fellow worker-owner in support, even if it might mean shutting a work crew down for the day, because that human life is more important than getting the drywall up.

As if this wasn't hard enough, AFS has also begun taking on more and more workers from Baltimore's quickly growing Central American immigrant

community, who face their own unique challenges. Finding work for many of these recent arrivals used to mean waiting in parking lots to hop in the back of truck and work the most-precarious, most-backbreaking jobs, constantly exposed to the risk of abuse and wage theft. Worker-owner Nehemias Brito, who moved to Baltimore from Quiché, Guatemala, takes a break a few minutes after he and Erik Gates pulled down the entire second floor of a deeply distressed row home with crowbars to explain how he met David and others in the parking lot of a Home Depot, and how the cooperative gave him a pathway out of the kind of precarious day labor he had been forced to rely on, even as a skilled tradesperson.

For AFS Director of HR Xiomara Brown, herself an immigrant from El Salvador, this has created a whole new set of challenges, requiring new solutions and deeper commitments to workplace democracy. AFS now runs all its internal meetings in two languages, and Xiomara is hard at work to figure out how create and sustain faith in democratic ownership and participatory management among new

hires who have simply known very little of the American economy other than dehumanizing exploitation. But it's clearly worth it to meet these challenges head on, rather than shirk away from them—and the resources Seed

Commons has made available to AFS via BRED are what has made this possible.

To end with the words of a worker-owner,

Bernando from BBW eloquently sums up why, ultimately, you need to bring together ideas and education with real non-extractive material resources in order to truly sustain a cooperative ecosystem. Drawing on his own research into Spain's cooperative economy, he notes that despite a wide variation of implicitly and explicitly political visions in that sector, what inspired him was seeing that "there was an understanding that there needed to be mutual support, that there needed to be connection." What BRED offers is the material basis for that mutual connection:

*I think that having that perspective doesn't come out of nothing, that it actually comes out of having institutions that can act as a fiber between organizations. And so aside from the financing, aside from the technical support, I think it's really, really positive that Seed Commons is building a connective tissue among cooperatives that is rooted in the material needs of those cooperatives. [...] It's building the intellectual and ideological foundation that we need. 🍷*

Seed Commons creates non-extractive financial infrastructure that shifts economic power to workers and communities.

Learn more at [seedcommons.org](https://seedcommons.org)